MANAGEMENT REPORT

In the accordance with the terms of legal and bylaws dispositions, the management of Biotoscana Investments S.A. ("Company", "GBT" or "Grupo Biotoscana") submits to its shareholders the Management Report an our consolidated statement of financial position as at 31 December 2019, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as well as the independent auditors report, regarding the fiscal year ended 31 December 2019. All the below information is provided to the best of our knowledge at the time of signing this letter as well as based on information received from our subsidiaries, auditors and advisors as well as external sources.

MESSAGE FROM MANAGEMENT

Started in third quarter 2018, reported numbers are presented applying IAS 29 – "Financial Reporting in Hyperinflationary Economies" for our Argentinean operations. This standard requires that the entity or components financial information whose functional currency is that of an economy considered hyperinflationary be restated using a general price index that reflects changes in general purchasing power (Note 2.1.1 of the Consolidated financial statements).

We achieved for the year, Net revenues amounting to BRL 743 million compared to BRL 821 million in 2018. There was a decrease in the year substantially due to the discontinuation of the distribution agreement with Actelion.

Gross profit reached BRL 345,4 million, Gross margin reached 46,5%, and Adjusted[1] EBIDTA margin 16,7% for the year.

Our OPEX (without impairment of goodwill but including the expenses related to the change of control), represent approximately 35,9% of our net revenues for the year.

We are working on the proper launch and promotion across the region of our pipeline. We have evolved with the main products in our pipeline in several countries, like CRESEMBA®, that it is already approved in Peru, Mexico, Colombia, Argentina, Brazil and Chile.

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[1] In this document, we present certain Non-GAAP measures, including EBITDA, EBITDA Adjusted, Operating Profit, Net Financial Position/Indebtedness and Financial Indebtedness.

We define "EBITDA" as operating profit before financial expenses and income taxes ("EBIT") plus amortization and depreciation. "EBITDA Adjusted" refers to EBITDA as adjusted to remove accounting effects and costs associated with some non-recurring income and expenses considered by our management to be non-recurring and exceptional in nature.

It uses similar indicators for its net financial indebtedness, the components of which are described in the relative section of the notes.

We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist shareholders, investors, security analysts and other interested parties in evaluating us. We believe that EBTIDA Adjusted is a relevant measure for assessing our performance because it is adjusted for changes which we believe, are not indicative of our underlying operating performance and thus aid in an understanding of EBITDA.

EBITDA and EBITDA Adjusted and similar measures are used by distinct companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Reader should exercise caution in comparing EBITDA and EBITDA Adjusted as reported by us to EBITDA and EBITDA Adjusted of other companies. The information presented by each of EBITDA and EBITDA Adjusted is unaudited and has not been prepared in accordance with IFRS or any other accounting standards. None of EBITDA or EBITDA Adjusted is a measurement of performance under IFRS and you should not consider EBITDA and EBITDA Adjusted as an alternative to net income or operating profit determined in accordance with IFRS as the case may be, or to cash flows from operations, investing activities EBITDA and EBITDA Adjusted have limitations as analytical tools and you should not consider them in isolation. Some of these limitations are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in or cash requirements for our working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA and EBITDA Adjusted do not reflect any cash requirements that would be required for such replacements, and the fact that other companies in our industry may calculate EBITDA and EBITDA Adjusted differently than we do, which limits their usefulness as comparative measures.

Grupo Biotoscana continues to build and deliver pipeline with important progress, bringing innovative products into the region.

During the year, GBT participated at several congresses to discuss the latest outbreaks in several therapy lines, like SBOC, ESMO, ECCMID, among others. GBT also organized several events throughout the region, allowing physicians and healthcare specialists to get the most update information.

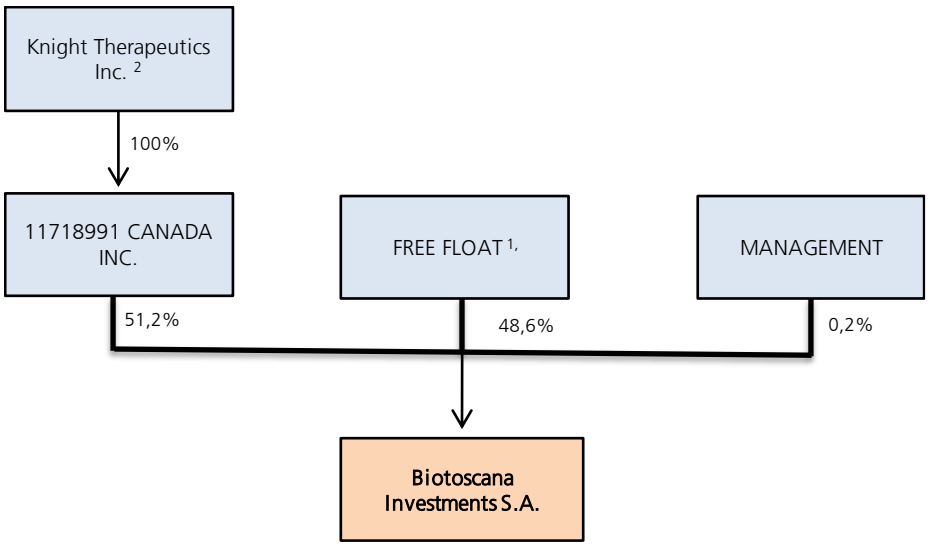
For R&D, GBT continues to work on the development of branded generic products, where there is a high unmet medical need. Biotoscana has invested into the remodeling of the R&D lab in Argentina, with new equipment and personnel.

CHANGE OF CONTROL

On November 29, 2019, Knight Therapeutics Inc. ("Knight" or "the Buyer") announced that it has completed the acquisition of a 51,21% interest (Sale of Control) in the Company from a controlling shareholder group. The purchase price of the Sale of Control was BRL 596 million (Purchase Price), being BRL 10,96 per share or BDR.

Considering the completion of this first step, Knight became the controlling shareholder and appointed its representatives to the board of directors of the Company. In addition, as a consequence of the closing of the Sale of Control, the Buyer is conducting a tender offer of the remaining shares and BDRs, according to section 12 of the Bylaws of Biotoscana Investments S.A. According to the Buyer's information, the tender offer will be launched with similar terms and conditions of the Sale of Control.

As of 31 December 2019, the ownership structure is the following:



References:

[1] Free float (excluding shares/BDRs held in treasury) refers to the outstanding shares that are traded in the Brazil Stock Exchange (BOVESPA). Please note that within the Free Float there is no investor that helds a ownership in excess of 10%.

[2] Controlling shareholder of the Company. Knight is listed in the Toronto Stock Exchange under the ticker symbol "GUD".

The current Board of Directors of the Company was designated in the General Shareholder´s Meeting held on November 22nd, 2019 with effects as of November 29th, 2019 and is integrated as follows:

- Samira Sakhia
- Robert Lande
- Nicolas Sujoy
- Gaelle Lamotte

GOODWILL IMPAIRMENT TEST

The Group performed its annual impairment test of goodwill in December 2019. For this assessment, the Group has identified three cash-generating units (CGUs): United Medical Ltda., Latin American Pharma Company ETVE S.L.U. and Laboratorio DOSA S.A.

United Medical Ltda. (UM)

The recoverable amount of UM's cash generating unit as at December 31, 2019, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the changes in demand and margins for pharmaceutical products on UM's portfolio, also considering the expected impact of the non-renewal of certain license agreed with a third party. The discount rate applied to cash flow projections is 10,70% (2018: 8,70%) nominal in USD and cash flows beyond the five-year period are extrapolated using a 1,9% growth rate (2018: 1,9%) that relates to the long-term inflation rate in United States. As a result of this impairment test, management did not identify a need for goodwill impairment.

Latin America Pharma Company ETVE S.L.U. (LAPC) and Laboratorio DOSA S.A. (DOSA)

The recoverable amount of LAPC and DOSA's cash generating units as at December 31, 2019, has been determined based on a value in use calculation using cash flow projections from financial updated by Group and covering an eight-year period. The projected cash flows have been updated to reflect the changes in demand for pharmaceutical products on LAPC and DOSA's portfolio due to the economic conditions expected in Argentina as described above. The discount rate applied to cash flow projections is 16.29% (2018: 15%) nominal in USD and cash flows beyond the eight-year period are extrapolated using a 1,9% growth rate (2018: 1,9%) that relates to the long-term inflation rate in United States. As a result of this impairment test, management did not identify a need for goodwill impairment for DOSA, but it was determined that the future discounted cash flows for LAPC's CGU are below the carrying amount of goodwill, after sustain the recoverability of PP&E, so, it was determined the need for an impairment adjustment of that portion of the goodwill in the amount of BRL 7,7 million and recorded in the current period in the income statement.

The calculation of value in use for the three units is most sensitive to the following assumptions that were considered by management in the impairment test execution:
Volumes
Pricing
Gross margins
Discount rate
Growth rate used to extrapolate cash flows beyond the forecast period

Volumes and prices: Volumes and prices for UM were estimated with a CAGR of 0,6% that results less than expected local inflation and GDP growth. Each product net revenues evolution is in line with historical trends and with its life cycle, and also considering due dates of licenses. For LAPC and DOSA, it was considered that new launches will be in the range of 2 to 4 products per year, in line with historical evidence throughout the years. Price increases have been sensitized for certain specific products to include lower inflation pass through.

A decrease in volumes and prices would lead to a decline in gross margin values and in the projected cash-flows. A decrease in net sales with respect to budget by 3,7%, 1,3% and 38,7% would result in impairment in UM, LAPC and DOSA, respectively.

Gross margin: For UM, total gross margin evolution has been projected considering possible negative impacts of license renegotiations in certain products and devaluation effects affecting costs in USD. For LKM and UM, it has been projected by GBT in line with historical trends.

An increase in COGS would lead to a decline in gross margin values and in the projected cash-flows. An increase in COGS with respect to budget by 5,2%, 1,9% and 44,4% would result in impairment in UM, LAPC and DOSA, respectively.

Discount rates: They represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its CGUs and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGUs-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

A rise in the post-tax discount rate to 11,3%, 16,8% and 23% (i.e., +2,6%; +0,4% and +6,6%) would result in an impairment in UM, LAPC and DOSA, respectively.

Growth rate: Long-term growth rates used has been conservative considering a 1,9% that reflects the current USD inflation and 0% in real terms, implying a conservative position that assumes a non-growing scenario in quantities sold and only with price increases due to inflation.

IFRS 16 LEASES

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Leases previously classified as finance leases:
The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from January 1, 2019.

Leases previously accounted for as operating leases:
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities

were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

With that, when compared to IAS 17, the IFRS 16 creates a positive effect on the EBITDA, in the amount of BRL 10,6 million for the year.

For more information, please see Note 2.4 of the Consolidated financial statements.

COMPANY OVERVIEW

GBT is a specialty pharmaceutical company headquartered in Montevideo, Uruguay, operating in 10 countries in Latin America. GBT markets and sells licensed innovative products and engages in development, manufacturing and marketing of innovative specialty pharmaceuticals and branded generic products. GBT's business model focuses on therapeutic areas covering infectious diseases, oncology and onco-hematology, and certain other specialty therapeutics.

On July 21, 2017 the Company was authorized to list and trade its Brazilian Depositary Receipts (BDRs) on the Sao Paulo Stock Exchange. The Company has also been admitted to list and trade its common shares on the Euro MTF market, the unregulated exchange market operated by the Luxembourg Stock Exchange.

PORTFOLIO & INNOVATION

Our product development pipeline is divided into two business models: (1) partnership product development, which is focused on building relationships to license and commercialize innovative products that are new to Latin America, and (2) internal product development, which is focused on studying, designing, formulating and manufacturing branded generic (BGx) products, which are the bioequivalent of innovative products without patent protection.

GBT´s commercial stage portfolio includes:

(i) Launches (1 to 5-year-old products) are products launched recently and can be divided into key launches from innovative licensed products and launches from BGx line;
(ii) Peak year products, which are approximately 5 years after launch, that already reached peak sales. It´s a mix of licensed and BGx products;
(iii) Mature products from 10 years or over after launch, and usually already lost exclusivity and may start do decline over the years. It´s also a mix of licensed and BGx.

Proprietary BGx are developed and manufactured in Argentina through four proprietary plants.

Six main products from the base portfolio (all stages, excluding only key/innovative launches) represented approximately 55% of total net revenues in 2019. They are comprised of AMBISOME®, ABRAXANE®, SALOFALK®, LADEVINA®, HALAVEN® and VIDAZA®.

Key launches are the main licensed products launched in the past five years. Usually, these products are still in the ramp up phase to reach peak market share.

Launch products include LENVIMA®, ABRAXANE®, HALAVEN® in Brazil and ABRAXANE®/ABRAXUS® in Brazil and Mexico. ABRAXANE®, HALAVEN® and LENVIMA® are already part of our top 10 products.

GBT is working on the promotion and ramp up of these products and additional indications and/or registration in new countries for several of them.

Recently launched products totaled BRL 112 million in 2019. Recently launched products increased QoQ during 2020, showing solid performance of new products and effective launch execution. The

growth is related to the addition of new products since last year, such as EPCLUSA®. In addition, CRESEMBA® was launched during the third quarter 2019 and sales have just started.

RISK FACTORS

Our business could be adversely affected if any of the main risks described below occurs:

Risks related to our business and our industry:

- If we are unsuccessful in obtaining and maintaining our licensing agreements, strategic alliances and other collaborations related to our products portfolio,
- The manufacture of our generic products is highly complex, and an interruption at our plants or in our supply chain, or an adverse opinion in a regulatory audit, could adversely affect our business financial condition or results operations.
- We operate in a competitive market, characterized by the frequent introduction of new products. Many of our competitors, particularly large pharmaceutical companies, have substantially greater financial, technical and human resources than we do.
- Our research and development product expenditures may not result in commercially successful products.
- If the reputation of one or more of our leading brands erodes significantly, it could have a material impact on our business, financial condition and results of operations.
- Product liabilities claims could hurt our business.
- Our acquisition strategy is subject to significant risk and may not be successful due, for example, failing to accurately identify suitable companies, products or brands; failing to obtain the necessary regulatory approvals; experiencing difficulties in the integration process.
- Our business is regulated by numerous governmental authorities, which subjects us to elevated compliance risks and costs, and future government regulations may place additional burdens on our business.
- We may be involved in environmental actions that could adversely affect our reputation, business, financial condition or results operations
- Refer to subsequent event section for risk related to covid-19.

Risk related to the countries in which we operate:

- Increase in taxes we pay in the countries where we do business.
- Economic conditions in those countries in which we operate and expect to operate
- Governments have a high degree of influence in the economies in which we operate. Changes in governmental policy or regulations impact factors such as: healthcare laws and policies; labor laws; currency fluctuations; inflation; exchange and capital control policies; interest rates, developments in trade negotiations through the World Trade Organization or other international organizations; environmental regulations; tax laws; import/export restrictions; price controls or price fixing regulations; and other political, social and economic developments.
- Currency exchange rate fluctuations relative to the USD dollar, Euro, Brazilian Real and the currencies in the countries in which we operate.
- Refer to subsequent event section for risk related to covid-19.

Please see Note 12.1 of the Consolidated financial statements for financial risks for more information (including liquidity risk).

FINANCIAL AND OPERATING PERFORMANCE

The following table summarize and shows the Group´s financial performance (in millions of BRL). As explained before, figures as at 31 December 2019 and as at 31 December 2018 are presented applying IAS 29 for our Argentinian operations, and are then translated into BRL using the exchange rate at closing date:

	2019	2018
Net revenues	743,1	821,0
Cost of sales	(397,7)	(398,8)
Gross profit	**345,4**	**422,2**
Selling and marketing expenses	(143,1)	(131,2)
General and administrative expenses	(84,0)	(98,5)
R&D, medical, regulatory and business development expenses	(33,6)	(41,4)
Reorganization, integration and acquisition expenses	(14,3)	(11,4)
Impairment of goodwill	(7,7)	-
Other operating income, net	7,8	1,3
Operating income	**70,5**	**141,0**
(+) D&A	38,9	27,9
(+) Stock Grants	0,7	9,5
(+) One-time adjustment	13,9	6,2
Adjusted EBITDA	124,1	184,6
Adjusted EBITDA margin	16,7%	22,5%
EBITDA	109,5	168,9
EBITDA margin	14,7%	20,6%

For the full year of 2019, net revenues came to BRL 743,1 million from BRL 821 million in 2018, mainly due to the discontinuation of Actelion.

Selling and marketing expenses reaching BRL 143,1 million in 2019 from BRL 131,2 million in 2018. This is mainly due to the efforts GBT had to put into the new launches, such a congresses and sales force education.

General and administrative expenses totaled BRL 84 million in 2019 from BRL 98,5 million in 2018, impacted by the stock grants distributed to management at the time of the IPO (BRL 9,5 million in 2018 vs BRL 0,7 million in 2019), devaluation of the currencies and application of IFRS 16.

R&D, medical, regulatory and business development expenses came to BRL 33,6 million in 2019 from BRL 41.4 million in 2018.

Reorganization, integration and acquisition expenses amounted to BRL 14,3 million in 2019, mainly related with corporate restructuring costs, and change of control costs.

Moreover, there is the impairment of goodwill, that was previously explained, that amounted for BRL 7,7 million in 2019.

There is also a non-recurring other operating income in the amount of BRL 7,8 million in 2019, related with a non-compete in Argentina. Approximately 5 years ago, Argentina sold a portfolio to another pharma company and there was a non-compete for 5 years and a part of the payment for the sale was linked with this non-compete. In 2019 we reached the 5 years and the amount received was recognized in Opex, under "other operating income". The amount in non-recurring and therefore is not part of the total recurring operating expenses.

INDEBTEDNESS

As of December 31, 2019, our outstanding consolidated indebtedness with financial institutions in the aggregate amounted to BRL 172 million.

During November 2017 Laboratorio LKM S.A. contracted Argentinian pesos denominated debt for a total of ARS 531 million, in two separate contracts with Citibank.

The first one, disbursed on November 2, 2017, for ARS 266 million, was an off-shore ARS-linked loan with Citibank N.A. (New York) at a fixed rate of 18,40% p.a. (21,66% all-in after including withholding tax). Total tenor of 3 years; quarterly payments with amortization starting on month 15; and certain penalties in case of an early prepayment. The residual amounts of this loan as at December 31, 2019 is BRL 9.266 thousand.

The second one, disbursed on November 3, 2017, was fully pre-paid on November 2018.

On December 2017, United Medical Ltda. contracted Reais denominated debt for BRL 150 million with Itaú Unibanco Brasil. This loan was disbursed on December 8, 2017 and its key conditions are as follow:

The loan was a CCB (Brazilian Bank Credit Note). Total tenor of 5 years, with semi-annual payments and a one-year grace period for amortization. The applicable interest rate was the Interbank Market references interest rate (known in Brazil as CDI) +1.65% (with a step-up clause whereby the interest rate increases 25bps for every 0.25x increase in the "Net Debt" / "EBITDA" ratio after 2,0x).

On October 2, 2018, an amendment to this loan was signed between United Medical and Itaú. The purpose of the amendment was to add one extra year of grace period and extend the final maturity of the loan by one year. Interest charges remain the same.

Due to the acquisition of the Group by Knight mentioned in Note 1 and considering the "Change of Control" clause, the Company is in non-compliance of the "change of control" clause and it should obtain the approval of the transaction from Itaú Unibanco Brasil. Taking into account as of December 31, 2019, the above-mentioned approval has not been obtained, total amount of the financial debt was classified as current considering the Company does not have the unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

As of the date of issuance of the financial statements, the waiver of Itaú Unibanco Brasil has not been obtained. In case that the waiver is not finally obtained, the Group has the financial support commitment of Knight to repay the Itau Unibanco Brasil loan on demand or seek other sources of financing.

On December 2018, United Medical Ltda. contracted Reais denominated debt for BRL 38,9 million with Banco Santander. This loan was disbursed on December 28, 2018 and was a CCB (Brazilian Bank Credit Note) based on Law 4.131. Total tenor of 3 years, with semi-annual payments and a one-year grace period for amortization. The applicable interest rate was CDI +2.00% all in (1.87% interest and 0,13% Stand by).

BUYBACK OF SHARES

On April 25, the General Meeting Shareholders approved the buyback program to acquire up to 5% of the free float, up to 2.773.631 BDRs, out of 50.429.659 outstanding BDRs/shares. The program´s objective is to create value for shareholders by properly managing the Company´s capital structure.
The Company recognized its own equities instruments (Treasury shares) deducted from equity and no gain or loss are recognized in profit or loss related to those instruments.

- Number of BDRs held in treasury as of December 31, 2019: 490.236.

- Number of BDRs acquired: 1.346.300. BDRs have been acquired at an average price of BRL 10,49 with prices ranging from BRL 14,30 to BRL 9,16.
- Number of BDRs delivered to employees to fulfill the second and third vesting of the first plan and first vesting of the new plan of the Stock Grant: 856.064
- The total amount of BRL 4.675.972 is presented as Treasury shares, deducted from equity.

Treasury shares have been acquired by two subsidiaries of the Group (United Medical Ltda and Wisteny Trading S.A.)

HUMAN RESOURCES

As December 31, 2019, we had approximately 677 employees, 341 employees in Argentina, 90 employees are located in Colombia, 110 employees are located in Brazil and the remaining, 136 employees are located in the rest of Latin America.

SUBSEQUENT EVENTS

With the recent and rapid development of the coronavirus outbreak, certain countries where the Group has significant operations, have required entities to limit or suspend business operations and implemented travel restrictions and quarantine measures. Over the time, these measures may have a negative impact on the activities of the Group including namely on its revenue, supply and profitability but also on the recoverability of its receivables and long-lived assets.

Until to the date of these financial statements, the outbreak has not had a material impact on the results of the Group. As the outbreak continues to progress and evolve, it is uncertain at this point of time to predict the extent of the potential impact on the Group's financial and operating results that cannot be reasonable estimated, but the impact could be material.

ENVIRONMENTAL MANAGEMENT

Our operations are subject to regulation under various federal, state, local and foreign laws concerning the environment, including laws addressing the discharge of pollutants into the air, soil and water, the management and disposal of hazardous substances and waste and the cleanup of contaminated sites. We continuously verify that our operations comply with environmental regulations. Our facilities utilize products and materials that are considered hazardous waste, which transportation, storage, treatment and final disposal is regulated by several governmental authorities.

We believe we are in compliance with all applicable environmental regulations in the countries in which we operate.

RELATIONSHIP WITH AUDITORS

Ernst & Young Société Anonyme, a member firm of Ernst & Young Global Limited, independent auditors, conducted an audit of our consolidated statement of financial position as at 31 December 2019, and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies prepared in accordance with IFRS as adopted by the European Union.

The Company's policy in regard to contracting external audit services assures that there is no conflict of interest, loss of independence or objectiveness of the services eventually provided by independent auditors and not related to external audit services.

Our external auditors declared to the Board of Directors of the Company that the non audit services provided do not influence the independence and objectiveness which are necessary for the provision of external audit services, as they correspond to verifying the adherence to the fiscal regulation and to commenting and suggesting improvements to the existing controls for the financial risk management process. Our external auditors confirmed to us that the professional independence rules of the IFAC code of ethics have been respected.

Luxembourg, March 27, 2020