Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2026
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from____ to ____

Commission File Number: 001-32295

FENNEC PHARMACEUTICALS INC.

(Exact Name of Registrant as Specified in Its Charter)

British Columbia, Canada **(State or Other Jurisdiction of** **Incorporation or Organization)**	**20-0442384** **(I.R.S. Employer** **Identification No.)**
PO Box 13628, 68 TW Alexander Drive **Research Triangle Park, North Carolina** **(Address of Principal Executive Offices)**	**27709** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: (919) 636-4530

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, no par value	FENC	Nasdaq Capital Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-Accelerated Filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

As of May 12, 2026, there were 34,737,030 common shares outstanding.

TABLE OF CONTENTS

PART 1: FINANCIAL INFORMATION
Item 1. Financial Statements.
Fennec Pharmaceuticals Inc.
Condensed Consolidated Balance Sheets
(U.S. Dollars and shares in thousands)
(Unaudited)

	March 31, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 40,179	$ 36,788
Accounts receivable, net	18,762	23,221
Prepaid expenses	3,461	3,738
Inventory	1,856	1,565
Other current assets	2,622	1,731
Total current assets	66,880	67,043
Non-current assets		
Non-current accounts receivable, net	4,251	2,791
Other non-current assets, net of amortization	691	717
Total non-current assets	4,942	3,508
Total assets	$ 71,822	$ 70,551
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,281	$ 4,635
Accrued liabilities	3,057	5,635
Contract liability-current	248	248
Total current liabilities	9,586	10,518
Long-term liabilities		
Contract liability - long-term	24,561	24,561
Total long-term liabilities	24,561	24,561
Total liabilities	34,147	35,079
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock, no par value; unlimited shares authorized; 34,541 shares issued and outstanding (2025 - 34,163)	191,229	189,906
Additional paid-in capital	74,424	73,745
Accumulated deficit	(229,221)	(229,422)
Accumulated other comprehensive income	1,243	1,243
Total stockholders' equity	37,675	35,472
Total liabilities and stockholders' equity	$ 71,822	$ 70,551

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Fennec Pharmaceuticals Inc.
Condensed Consolidated Statements of Operations
(U.S. Dollars and shares in thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue		
PEDMARK product sales, net	$ 15,108	$ 8,751
Operating expenses:		
Cost of product sales	570	373
Research and development	49	94
Selling and marketing	11,422	3,227
General and administrative	3,186	5,865
Total operating expenses	15,227	9,559
Loss from operations	(119)	(808)
Other (expense)/income		
Unrealized foreign exchange (loss)/gain	(12)	13
Amortization expense	—	(13)
Unrealized loss on securities	—	(1)
Interest income	339	236
Interest expense	(7)	(592)
Total other income/(expense)	320	(357)
Net income/(loss)	$ 201	$ (1,165)
Basic net income/(loss) per common share	$ 0.01	$ (0.04)
Diluted net income/(loss) per common share	$ 0.01	$ (0.04)
Weighted-average number of common shares outstanding basic	34,336	27,578
Weighted-average number of common shares outstanding diluted	35,548	27,578

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Fennec Pharmaceuticals Inc.
Condensed Consolidated Statements of Stockholders' Equity / (Deficit)
Three Months Ended March 31, 2026 and 2025
(U.S. dollars and shares in thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2025	34,163	$ 189,906	$ 73,745	$ (229,422)	$ 1,243	$ 35,472
Equity-based compensation - employees	—	—	990	—	—	990
Stock option exercise	264	1,323	—	—	—	1,323
Restricted and performance stock release	114	—	(311)	—	—	(311)
Net income	—	—	—	201	—	201
Balance at March 31, 2026	**34,541**	**$ 191,229**	**$ 74,424**	**$ (229,221)**	**$ 1,243**	**$ 37,675**

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' (Deficit)
	Shares	Amount				
Balance at December 31, 2024	27,527	**$** 145,608	$ 66,958	$ (219,681)	$ 1,243	$ (5,872)
Equity-based compensation - employees	—	—	798	—	—	798
Stock option exercise	55	371	—	—	—	371
Restricted stock release	12	—	(12)	—	—	(12)
Net loss	—	—	—	(1,165)	—	(1,165)
Balance at March 31, 2025	**27,594**	**$ 145,979**	**$ 67,744**	**$ (220,846)**	**$ 1,243**	**$ (5,880)**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Fennec Pharmaceuticals Inc.
Condensed Consolidated Statements of Cash Flows
(U.S. Dollars in thousands)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash flows provided by/(used in):		
Operating activities:		
Net income/(loss)	$ 201	$ (1,165)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Allowance for credit losses	(53)	79
Amortization of Norgine asset	26	26
Amortization of debt discount	—	13
Unrealized loss on securities	—	1
Stock-based compensation - employees	990	798
Changes in operating assets and liabilities:		
Accounts receivable	4,512	(5,277)
Prepaid expenses	277	636
Inventory	(291)	(344)
Other current assets	(891)	(537)
Other non-current assets	(1,460)	—
Accounts payable	1,646	2,039
Accrued liabilities	(2,578)	(585)
Contract liability - current	—	(2)
Net cash provided by/(used in) operating activities	2,379	(4,318)
Financing activities:		
Issuance of shares, options exercise	1,323	371
Cash paid for taxes on restricted/performance share release	(311)	(12)
Net cash provided by financing activities	1,012	359
Increase/(decrease) in cash and cash equivalents	3,391	(3,959)
Cash and cash equivalents - Beginning of period	36,788	26,634
Cash and cash equivalents - End of period	$ 40,179	$ 22,675

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Fennec Pharmaceuticals Inc.
Notes to the Consolidated Financial Statements
(U.S. dollars and shares in thousands, except per share information)

1. Nature of Business and Liquidity

Fennec Pharmaceuticals Inc., a corporation existing under the laws of British Columbia ("Fennec," "the Company," "we," "us," or "our") was originally formed as a British Columbia corporation under the name Adherex Technologies Inc. and subsequently changed its name on September 3, 2014. Fennec, together with its wholly owned subsidiaries Oxiquant, Inc. and Fennec Pharmaceuticals, Inc., both Delaware corporations, Cadherin Biomedical Inc., a Canadian corporation, and Fennec Pharmaceuticals (EU) Limited, an Ireland company ("Fennec Limited"), collectively referred to herein as the "Company," is a biopharmaceutical company focused on the commercialization of PEDMARK®, which is approved by the U.S. Food and Drug Administration to reduce the risk of ototoxicity associated with cisplatin in pediatric patients one month of age and older with localized, non-metastatic solid tumors. With the exception of Fennec Pharmaceuticals, Inc., all subsidiaries are inactive.

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete annual financial statements, and these unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

The Company's accounting policies are consistent with those presented in the audited consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2025.

As of March 31, 2026, the Company had cash and cash equivalents of $40,179, an accumulated deficit of $229,221 and total stockholders' equity of $37,675. For the three months ended March 31, 2026, the Company reported loss from operations of $119, net income of $201 and net cash provided by operating activities of $2,379. The Company believes that its existing cash and cash equivalents, together with expected revenues from operations, will be sufficient to fund its operating plan for at least the next twelve months from the issuance date of these unaudited interim condensed consolidated financial statements.

2. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are the responsibility of the Company's management. These unaudited interim condensed consolidated financial statements do not include all of the information and notes required by U.S. GAAP for annual financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that impact the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements and the reported amounts of revenue and expense during the reporting period. Significant estimates include revenue recognition and related reserves for variable consideration, allowance for credit losses on trade receivables, measurement of stock-based compensation and estimates of the

Company's capital requirements over at least the next twelve months from the date of issuance of the condensed consolidated financial statements. Actual results could differ materially from those estimates.

Credit Losses

The Company estimates and records a provision for expected credit losses related to its trade receivables. The Company considers historical collection rates, the current financial status of its customers, macroeconomic factors and other industry-specific factors, as well as forward-looking information, when evaluating expected credit losses. To determine the provision for credit losses for accounts receivable, the Company disaggregates its receivables by class of customer because the risk profile of its customers may vary based on characteristics such as credit history, past payment history and geography. Each class of customer is analyzed individually for estimated credit losses, and specific allowance amounts are established, when appropriate, based on a review of outstanding invoices for customers with a higher probability of default.

Segment and Geographic Information

Operating segments are defined as components of an enterprise engaging in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and assess performance. The Company views its operations and manages its business in one operating segment, which is the commercialization of PEDMARK, and its employees support only one operating segment.

Stock-Based Compensation

Under the Company's stock-based compensation programs, the Company periodically grants stock options and restricted stock to employees, directors and consultants. The Company also issues shares under an employee stock purchase plan. The fair value of each award is recognized in the Company's statements of operations over the requisite service period for such award.

The Company uses the Black-Scholes option pricing model to value stock option awards without market conditions, which requires the Company to make certain assumptions regarding the expected volatility of its common stock price, the expected term of the option grants, the risk-free interest rate and the dividend yield with respect to its common stock. The Company calculates volatility using its historical stock price data. Due to the lack of the Company's own historical data, the Company elected to use the "simplified" method for "plain vanilla" options to estimate the expected term of the Company's stock option grants. Under this approach, the weighted-average expected life is presumed to be the average of the vesting term and the contractual term of the option. The risk-free interest rate used for each grant is based on the United States Treasury yield curve in effect at the time of grant for instruments with a similar expected life. The Company utilizes a dividend yield of zero based on the fact that the Company has never paid cash dividends and, at present, has no intention to pay cash dividends.

Inventory

Inventories are valued under a standard costing methodology on a first-in, first-out basis and are stated at the lower of cost or net realizable value. The Company capitalizes inventory costs related to products to be sold in the ordinary course of business. The Company makes a determination of capitalizing inventory costs for a product based on, among other factors, status of regulatory approval, information regarding safety, efficacy and expectations relating to commercial sales and recoverability of costs. Capitalized costs of inventories mainly include third party manufacturing, logistics and distribution costs. The Company assesses recoverability of inventory each reporting period to determine any write down to net realizable value resulting from excess or obsolete inventories.

Revenue Recognition

Under Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, the Company recognizes revenue when its customers obtain control of promised goods or services, in an amount that reflects the

consideration which the Company determines it expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligation(s) in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligation(s) in the contract; and (v) recognize revenue when (or as) the Company satisfies its performance obligation(s). As part of the accounting for these arrangements, the Company must make significant judgments, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each performance obligation.

License Agreements

The Company generates revenue from license or similar agreements with pharmaceutical companies for the commercialization of our product. Such agreements may include the transfer of intellectual property rights in the form of licenses. Payments made by the customers may include non-refundable upfront fees, payments based upon the achievement of defined milestones, and royalties on sales of product.

If a license to the Company's intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, the Company recognizes the transaction price allocated to the license as revenue upon transfer of control of the license. All other promised goods or services in the agreement are evaluated to determine if they are distinct. If they are not distinct, they are combined with other promised goods or services to create a bundle of promised goods or services that is distinct. Optional future services where any additional consideration paid to us reflects their standalone selling prices do not provide the customer with a material right and, therefore, are not considered performance obligations. If optional future services are priced in a manner which provides the customer with a significant or incremental discount, they are material rights, and are accounted for as separate performance obligations.

Contingent milestones at contract inception are estimated at the amount which is not probable of a material reversal and included in the transaction price using the most likely amount method. Milestone payments that are not within the Company's control, such as regulatory approvals, are not considered probable of being achieved until those approvals are received and therefore the variable consideration is constrained. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which the Company recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each reporting period, the Company re-evaluates the probability of achieving development or sales-based milestone payments that may not be subject to a material reversal and, if necessary, adjust the estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect license and other revenue, as well as earnings, in the period of adjustment.

For arrangements that include sales-based royalties, including sales-based milestone payments, and a license of intellectual property that is deemed to be the predominant item to which the royalties relate, revenue is recognized at the later of when the related sales occur or when the performance obligation to which some or all of the royalties have been allocated has been satisfied (or partially satisfied).

Net Product Revenue

On September 20, 2022, the FDA approved PEDMARK® in the United States to reduce the risk of ototoxicity associated with cisplatin in pediatric patients one month of age and older with localized, non-metastatic solid tumors. PEDMARK® became commercially available on October 17, 2022. PEDMARK® is the Company’s first commercial product. These specialty distributors subsequently resell the Company’s products to health care providers and patients. In addition to distribution agreements with customers, the Company enters into arrangements with health care providers and payors that provide for government-mandated and/or privately- negotiated rebates, chargebacks and discounts with respect to the purchase of the Company’s products. Revenues from product sales are recognized when the customer obtains control of the Company’s product, which occurs at a point in time, typically upon delivery to the customer.

Product Sales Discounts and Allowances

The Company records U.S. based revenues from product sales at the net sales price (transaction price), which includes estimates of variable consideration for which reserves are established primarily from discounts, chargebacks, rebates, co-

pay assistance, returns and other allowances that are offered within contracts between the Company and its Customers, health care providers, payors and other indirect customers relating to the sales of its products. These reserves are based on the amounts to be claimed on the related sales and are classified as a contra-asset or a current liability. Where appropriate, these estimates take into consideration a range of possible outcomes that are probability-weighted for relevant factors such as current contractual and statutory requirements, specific known market events and trends, industry data, forecasted Customer buying and payment patterns, and the Company's historical experience that will develop over time as PEDMARK® is the Company's first commercial product. Overall, these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of its contracts. The amount of variable consideration that is included in the transaction price may be constrained, and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in a future period. Actual amounts of consideration ultimately received may differ from the Company's estimates. If actual results in the future vary from the Company's estimates, the Company will adjust these estimates, which would affect net product revenues and earnings in the period such variances become known.

The Company also utilizes select distributors to introduce its product into global markets. These distributors take on the function of shipping, storage, marketing and other services related to the sale of our product. We record distribution and other fees paid to these distributors as a reduction of revenue, unless the payment is for a distinct good or service from the customer and we can reasonably estimate the fair value of the goods or services received. If both conditions are met, we record the consideration paid to the distributor as an operating expense. These costs are typically known at the time of sale, resulting in minimal adjustments subsequent to the period of sale.

Chargebacks: Chargebacks are discounts that occur when contracted customers purchase directly from a specialty distributor. Contracted customers, which currently consist of Public Health Service institutions and Federal government entities purchasing via the Federal Supply Schedule, generally purchase the product at a discounted price. The specialty distributor, in turn, charges back to the Company the difference between the price initially paid by the specialty distributor and the discounted price paid to the specialty distributor by its contracted customer. The allowance for chargebacks is based on actual chargebacks received and an estimate of sales by the specialty distributor to its contracted customers.

Discounts for Prompt Payment: The Customers receive a discount of for prompt payment which may range from 0.5% to 2.0%. The Company expects its customers will earn 100% of their prompt payment discounts and, therefore, the Company deducts the full amount of these discounts from total product sales when revenues are recognized.

Rebates: Allowances for rebates include mandated discounts under the Medicaid Drug Rebate Program and other government programs. Rebate amounts owed after the final dispensing of the product to a benefit plan participant are based upon contractual agreements or legal requirements with public sector benefit providers, such as Medicaid. The allowance for rebates is based on statutory or contractual discount rates and expected utilization. The Company's estimates for the expected utilization of rebates are based on Customer and payer data received from the specialty distributors and historical utilization rates that will develop over time as PEDMARK® is the Company's first commercial product. Rebates are generally invoiced by the payor and paid in arrears, such that the accrual balance consists of an estimate of the amount expected to be incurred for the current quarter's shipments to the Customers, plus an accrual balance for known prior quarters' unpaid rebates. If actual future rebates vary from estimates, the Company may need to adjust its accruals, which would affect net product revenues in the period of adjustment.

Co-payment Assistance: Patients who have commercial insurance and meet certain eligibility requirements may receive co-payment assistance. The Company accrues a liability for co-payment assistance based on actual program participation and estimates of program redemption using customer data provided by the third party that administers the copay program.

Other Customer Credits: The Company pays fees to its customers for account management, data management and other administrative services. To the extent the services received are distinct from the sale of products to its customers, the Company classifies these payments in selling and marketing expenses in its Consolidated Statements of Operations.

Distribution and Other Fees: We pay distribution and other fees to certain customers in connection with the sales of our products. We record distribution and other fees paid to our customers as a reduction of revenue, unless the payment is for a distinct good or service from the customer and we can reasonably estimate the fair value of the goods or services received.

If both conditions are met, we record the consideration paid to the customer as an operating expense. These costs are typically known at the time of sale, resulting in minimal adjustments subsequent to the period of sale.

The following table summarizes net product revenues for PEDMARK® in the United States earned in the three months ended March 31, 2026 and 2025, respectively:

	Three Months Ended	
In thousands	March 31, 2026	March 31, 2025
Product revenues:		
Gross product revenues	$ 15,867	$ 10,812
Discounts and allowances	(759)	(2,061)
Net product revenues	$ 15,108	$ 8,751

For the three months ended March 31, 2026 and 2025, the Company had four distributors that each represented more than 10% of net sales.

The activities and ending allowance balances for each significant category of discounts and allowances for PEDMARK® (which constitute variable consideration) for the three months ended March 31, 2026, was as follows:

In thousands	Chargebacks, Discounts for Prompt pay and Other allowances	Rebates, Customer Fees/Credits and Co-Pay Assistance	Totals
Balance at December 31, 2025	$ 477	$ 1,423	$ 1,900
Provision related to sales made in:			
Current period	577	712	1,289
Prior periods	—	—	—
Payments and customer credits issued	(824)	(1,196)	(2,020)
Balance at March 31, 2026	$ 230	$ 939	$ 1,169

The allowances for chargebacks, fees due to customers, rebates and discounts for prompt payment are recorded as a contra-asset to accounts receivable, while Medicaid rebates and return allowances are in accrued liabilities in the accompanying consolidated balance sheets.

Trade Receivables

The Company records gross trade receivables at the time of product sale to its customers, both specialty and other select global distributors. Trade accounts receivable are recorded at the invoiced amount and are typically non-interest bearing. Amounts estimated for the associated chargebacks, cash discounts for prompt payment and any allowances for credit losses are booked as a reserve against accounts receivable and reduction of revenue. The Company determines its allowance methodology by pooling receivable balances at the customer level. The Company considers various factors, including loss history, individual credit risk associated with each customer, and the current condition of the general economy. These credit risk factors are monitored on a quarterly basis and updated as necessary. To the extent that any individual debtor is identified whose credit quality has deteriorated, the Company establishes allowances based on the individual risk characteristics of such a customer. For customers that are large specialty distributors, the Company considered the risk of potential credit losses to be low. Sales to other select global distributors have increased potential for losses. The Company evaluates the risk of credit losses on sales on an individual basis using the above-mentioned criteria. Accounts receivable that are expected to be received past 12 months are recorded as non-current accounts receivable. The Company has determined any financing component of non-current receivables to be immaterial. The Company had a balance in allowance for credit losses of $5,986 as of March 31, 2026.

Cost of Products Sold

Cost of products sold is related to the Company's product revenues for PEDMARK® and consists primarily of product production costs associated with finished goods inventory. Cost of products sold also consists of shipping and other third-party logistics and distribution costs for the Company's product. As of March 31, 2026, the Company capitalized $1,856 of costs as inventory on the condensed consolidated balance sheet. Of the items capitalized, $1,769 was capitalized as work in process and raw materials, and $87 was capitalized as finished goods.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities at the date of purchase of three months or less.

The Company places its cash and cash equivalents in investments held by highly rated financial institutions in accordance with its investment policy designed to protect the principal investment. As of March 31, 2026, the Company had $40,179 in cash, savings and money market accounts ($36,788 at December 31, 2025). Money market investments typically have minimal risks. While the Company has not experienced any loss or write-down of its money market investments, the amounts it holds in money market accounts are substantially above the $250 amount insured by the FDIC and may lose value.

Financial Instruments

Financial instruments recognized on the balance sheets at March 31, 2026 and December 31, 2025 consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, the carrying values of which approximate fair value due to their relatively short time to maturity or interest rates that approximate market interest rates. The Company does not hold or issue financial instruments for trading.

The Company's investment policy is to manage investments to achieve, in the order of importance, the financial objectives of preservation of principal, liquidity and return on investment. Investments, when made, are made in U.S. or Canadian bank securities, commercial paper of U.S. or Canadian industrial companies, utilities, financial institutions and consumer loan companies, and securities of foreign banks provided the obligations are guaranteed or carry ratings appropriate to the policy. Securities must have a minimum Dun & Bradstreet rating of A for bonds or R1 low for commercial paper.

The policy risks are primarily the opportunity cost of the conservative nature of the allowable investments. The Company has chosen to avoid investments of a trading or speculative nature to preserve cash.

Research and Development Costs and Investment Tax Credits

Research costs, including employee compensation, laboratory fees, lab supplies, and research and testing performed under contract by third parties, are expensed as incurred. Development costs, including drug substance costs, clinical study expenses and regulatory expenses are expensed as incurred.

The Company conducts certain research and development activities under clinical trial and other research agreements with third parties and records expenses for these activities based on estimates of the work performed during the reporting period. In developing these estimates, the Company considers factors such as the terms of the underlying contracts, progress of patient visits and related clinical procedures, the achievement of contractual milestones, and data received from CROs and other service providers, and adjusts accruals as actual information becomes available.

Investment tax credits, which are earned as a result of qualifying research and development expenditures, are recognized when the expenditures are made and their realization is reasonably assured. They are applied to reduce related capital costs and research and development expenses in the year recognized.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to credit risk primarily consist of cash and cash equivalents, and accounts receivable. The Company maintains deposits in highly-rated, federally-insured financial institutions in excess of federally insured limits. The Company's investment strategy is focused on capital preservation. The Company invests in instruments that meet the high credit quality standards outlined in the Company's investment policy. This policy also limits the amount of credit exposure to any one issue or type of instrument.

The Company's trade receivables includes amounts billed to Customers for product sales of PEDMARK®. In the U.S., the customers are a limited group of specialty distributors and direct customers, and accordingly, the Company considers the risk of potential credit losses to be low. The Company also sells to a select group of global distributors. These global distributors are established companies and although the Company regards credit losses with these distributors to be low, it does recognize the potential for credit losses with this group.

Income Taxes

The Company accounts for income taxes using the asset and liability method to compute the differences between the tax basis of assets and liabilities and the related financial amounts, using currently enacted tax rates. The Company has deferred tax assets, which are subject to periodic recoverability assessments. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount that more likely than not will be realized. As of March 31, 2026, we maintained a full valuation allowance against our deferred tax assets.

The provisions of the Financial Accounting Standards Board ("FASB") ASC 740-10, Uncertainty in Income Taxes, address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under ASC 740-10, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position.

Foreign Currency Transactions

The U.S. dollar is the functional currency for the Company's consolidated operations. All gains and losses from currency transactions are included in results of operations.

Income/(Loss) per Share

Basic net income/(loss) per share is computed by dividing net loss by the weighted average number of common shares outstanding during the year. Diluted net income/(loss) per share is computed using the same method, except the weighted average number of common shares outstanding includes stock options and warrants, if dilutive, as determined using the if-converted method and treasury methods.

Reclassifications

Certain prior period amounts in the accompanying condensed consolidated financial statements have been reclassified to conform to the current period presentation. Specifically, certain equity-based compensation costs previously classified within general and administrative expenses have been reclassified to selling and marketing expenses. These reclassifications had no effect on previously reported net loss or stockholders' equity.

Recent Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. This ASU introduces optional practical expedients intended to simplify the estimation of expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, Revenue from Contracts with Customers. The amendments in ASU 2025-05 are intended to reduce complexity in applying

the current expected credit loss model to short-term receivables and contract assets while maintaining decision-useful information for financial statement users. The Company adopted this amended standard in the first quarter of 2026 and such adoption did not have a material impact on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Improvements to Interim Reporting. This ASU clarifies the applicability of interim reporting guidance, improves the navigability of Topic 270, identifies interim disclosure requirements included in other Topics of the Accounting Standards Codification, and establishes a principle requiring disclosure of events since the end of the last annual reporting period that have a material impact on an entity. The amendments in ASU 2025-11 are not intended to fundamentally expand or reduce existing interim disclosure requirements, but rather to improve clarity and consistency in the application of interim reporting guidance. The Company is currently assessing the effect of this guidance on its interim disclosures and presentation. The Company does not currently expect the adoption of this standard to have a material impact on its condensed consolidated financial statements other than potential additional or clarified interim disclosure requirements.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements. ASU 2025-12 includes technical corrections, clarifications, and other minor improvements to various Topics within the Accounting Standards Codification. The Company is currently evaluating the effect of this guidance on its consolidated financial statements and related disclosures. The Company does not expect the adoption of this standard to have a material impact on its condensed consolidated financial statements.

Other than the pronouncements discussed above, the Company reviewed other recently issued accounting standards and concluded that they are either not applicable to its business or are not expected to have a material impact on its condensed consolidated financial statements or related disclosures.

3. Income/(Loss) per Share

Income/(loss) per common share is presented under two formats: basic income/(loss) per common share and diluted income/(loss) per common share. Basic income/(loss) per common share is computed by dividing net income/(loss) attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted income/(loss) per common share is computed by dividing net income/(loss) by the weighted-average number of common shares outstanding during the period, plus the potentially dilutive impact of common share equivalents (e.g., stock options, restricted share units and warrants). Dilutive common share equivalents consist of the incremental common shares issuable upon exercise or settlement of stock options, restricted share units and warrants. The following table sets forth the computation of basic and diluted net income/(loss) per share (in thousands except per share data):

	Three Months Ended March 31,	
	2026	2025
Numerator:		
Net income/(loss)	$ 201	$ (1,165)
Denominator:		
Weighted-average common shares, basic	34,336	27,578
Dilutive effect of stock options	1,056	—
Dilutive effect of restricted share units	156	—
Incremental dilutive shares	1,212	—
Weighted-average common shares, diluted	35,548	27,578
Net income/(loss) per share basic	**$** 0.01	**$** (0.04)
Net income/(loss) per share diluted	**$** 0.01	**$** (0.04)

For the three months ended March 31, 2026, the Company reported net income and therefore included the effect of dilutive common share equivalents to the extent they were dilutive. For the three months ended March 31, 2025, the Company

reported a net loss and, accordingly, all potentially dilutive securities were excluded from diluted net loss per share because their inclusion would have been anti-dilutive.

The following outstanding options and warrants were excluded from the computation of basic and diluted net income/(loss) per share for the periods presented because including them would have had an anti-dilutive effect:

	March 31,	
	2026	2025
Options to purchase common shares	6,173	5,857
Convertible debt to purchase common shares	—	3,761
Restricted share units to purchase common shares	252	589
Warrants to purchase common shares	111	150

4. Stockholders' Equity

Authorized Capital Stock

The Company's authorized capital stock consists of an unlimited number of common shares, no par value per share.

Warrants to Purchase Common Stock

During the three months ended March 31, 2026, there were no warrants issued or exercised. Outstanding warrants had a weighted average life of 1.43 years on March 31, 2026. The following tables detail the Company's warrant activity for the three months ended March 31, 2026:

Investor Warrants	Common Shares Issuable Upon Exercise of Outstanding Warrants		Weighted-Average Exercise Price
Outstanding December 31, 2025	111	$	8.11
Issued	—		—
Outstanding March 31, 2026	**111**	$	**8.11**

Equity Incentive Plan

The Company maintains an equity incentive plan (the "Plan"), which is administered by the Compensation Committee of the Board of Directors. The Plan provides for the issuance of stock options, restricted share units ("RSUs"), and other equity-based awards to employees, directors, officers, and consultants of the Company. The Compensation Committee is responsible for determining eligible participants and approving individual award grants under the Plan.

On April 24, 2025, the Company's Board of Directors approved an amendment to the Plan to: (i) increase the number of common shares available for issuance under the Plan (excluding common shares issued prior to the date of the meeting pursuant to the exercise of options and vesting of RSUs) to 8,500 common shares, representing approximately 30.8% of the total issued and outstanding common shares as of the date of the circular; and (ii) include provisions for an employee stock purchase program. The amendment was subsequently approved by the Company's shareholders on June 3, 2025.

Prior to this amendment, the maximum number of equity instruments issuable under the Plan, together with the Company's prior stock option plan, was limited to 25% of the Company's issued and outstanding common shares. Based on the then-current outstanding share count, this equated to a maximum of 6,825 common shares available for issuance.

All stock options granted under the Plan have an exercise price equal to the fair value of the Company's common shares on the date of grant. Options generally vest over a period of up to three years and are exercisable for a period of up to ten years from the grant date. Awards under the Plan may be denominated in either U.S. or Canadian dollars.

The Company recognizes stock-based compensation expense for all share-based awards granted to employees and non-employees based on the fair value of the awards on the grant date. The following table summarizes stock-based compensation expense related to equity awards:

	Three Months Ended March 31,	
	2026	2025
Employee equity expense recognized	$ 990	$ 798
Total equity expense recognized	**$ 990**	**$ 798**

Stock Option Activity

The following is a summary of option activity for the three months ended March 31, 2026, and 2025.

	Number of Options (thousands)	Weighted-Average Exercise Price
Outstanding at December 31, 2025	5,853	$ 6.38
Granted	1,640	5.77
Exercised	(264)	5.01
Outstanding at March 31, 2026	**7,229**	$ **6.29**

Of the 7,229 options granted and outstanding at March 31, 2026, 4,617 are fully vested and exercisable.

The value of options issued was estimated using the Black-Scholes option pricing model using the assumptions in the table below. The expected volatility was determined using historical volatility of our stock based on the expected term of the award.

Black-Scholes Model Assumptions	Valuation Assumptions March 31, 2026
Expected dividend	- %
Risk free rate	4.07 %
Expected volatility	64 %
Expected life	6 years

Performance-Based Units

In May and August 2025, the Board of Directors approved grants of performance-based restricted share units (“PSUs”) that vest based on the achievement of specified revenue performance milestones for 2025, and the related compensation cost was fully recognized in 2025. During the three months ended March 31, 2026, no additional PSUs were granted, and certain PSUs vested and were released in accordance with the original terms of the awards.

Restricted Share Units Activity

The Plan allows for the issuance of restricted share units (“RSUs”). The following is a summary of RSU activity for the three months ended March 31, 2026, and 2025. The Company recognized $384 in RSU expense for the three months ended March 31, 2026, and $255 for the same period in 2025. Standard vesting of RSUs is over three years with 1/3 vesting on

the first anniversary date of the grant and then 1/24 on the last day of each subsequent month. The Compensation Committee may also award RSUs with alternative vesting.

Awards Current Year	Number of Restricted Share Units (thousands)
Outstanding at December 31, 2025	630
Awarded	—
Released	(118)
Forfeited	—
Outstanding at March 31, 2026	**512**

The value of RSUs issued was estimated using the share price on the date of the award multiplied by the number of shares granted.

5. Fair Value Measurements

The Company has adopted ASC 820 the Fair Value Measurements and Disclosure Topic of the FASB. This Topic applies to certain assets and liabilities that are being measured and reported on a fair value basis. The Fair Value Measurements Topic defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosure about fair value measurements. This Topic enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The Topic requires that financial assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable inputs other than quoted prices included in Level 1, including quoted prices for similar assets or liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
Level 3: Unobservable inputs supported by little or no market activity that are significant to the fair value of the assets or liabilities.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company measures the fair value of its Processa Pharmaceuticals, Inc. (“Processa”) common shares using quoted market prices in active markets.

As of March 31, 2026, the Company had financial assets valued based on Level 1 inputs consisting of cash and cash equivalents and had financial assets based on Level 2 inputs consisting of Processa common shares. During the three months ended March 31, 2026, the Company did not have any transfers of financial assets between Levels 1 and 2.

	Fair Value Measurement at March 31, 2026 and December 31, 2025 (in thousands)							
	Quoted Price in Active Market for Identical Instruments Level 1		Significant Other Observable Inputs Level 2		Significant Unobservable Inputs Level 3		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
Assets								
Cash and cash equivalents	$ 3,553 (1)	$ 3,072 (1)	$ 36,626	$ 33,716	$ -	$-	$40,179	$36,788
Processa common shares	$ 2 (2)	$2 (2)	$ -	$ -	$ -	$-	$2	$2

(1) The Company held approximately $3,553 in cash as of March 31, 2026, of which approximately $438 was held in foreign currencies (translated into U.S. dollars). As of December 31, 2025, the Company held approximately $3,072 in cash of which approximately $481 was in foreign currencies (translated into U.S. dollars).
(2) The Company holds 51 unrestricted common shares of Processa (NASDAQ:PCSA).

6. Commitments and Contingencies

Litigation

CIPLA Litigation

On December 1, 2022, we received a letter dated November 30, 2022, notifying us that CIPLA Ltd. and CIPLA USA ("CIPLA") submitted to the FDA an ANDA (ANDA No. 218028) for a generic version of PEDMARK® (sodium thiosulfate solution) that contained Paragraph IV Certifications on two of our patents covering PEDMARK®: the OHSU licensed '190 Patent, expiration date January 2038; and our US 11,291,728 Patent (the "'728 Patent"), expiration date July 2039. On January 6, 2023, we received a letter dated January 5, 2023, notifying us that CIPLA submitted to the FDA a Paragraph IV Certification on our newly issued US 11,510,984 Patent (the "'984 Patent"). These patents are listed in FDA's list of Approved Drug Products with Therapeutic Equivalence Evaluations, commonly referred to as the Orange Book, for PEDMARK®. The certifications allege these patents are invalid or will not be infringed by the manufacture, use, or sale of CIPLA's sodium thiosulfate solution.

Under the Food, Drug, and Cosmetic Act, as amended by the Drug Price Competition and Patent Term Restoration Act of 1984, as amended, after receipt of a valid Paragraph IV notice, the Company may bring a patent infringement suit in a federal district court against CIPLA within 45 days from the receipt of the Notice Letter and if such a suit is commenced within the 45-day period, the Company is entitled to a 30 month stay on the FDA's ability to give final approval to any proposed products that reference PEDMARK. In addition to the 30-month stay, because we have received Orphan Drug Exclusivity, the FDA may not approve CIPLA's ANDA for at least 7 years from PEDMARK's FDA approval date of September 20, 2022, which is September 20, 2029. In addition, PEDMARK® has received orphan drug exclusivity in the United States.

On January 10, 2023, we filed suit against the CIPLA entities in the United States District Court for the District of New Jersey (Case No. 2:23-cv-00123), for infringement of the US '190 Patent, the US '728 Patent, and the US '984 Patent. On April 20, 2023, we filed an Amended Complaint to assert infringement of the US '728 Patent and the US '984 Patent. On April 4, 2023, we were granted US 11,617,793 Patent (the "US '793 Patent") covering the formulation of the PEDMARK product, which was listed in the Orange Book on or around April 17, 2023, and has an expiration date of July 2039. On May 11, 2023, we received written notice of CIPLA's Paragraph IV Certification as to the US '793 Patent, which was dated May 10, 2023, along with an enclosed statement of alleged factual and legal bases for stating that the US '793 Patent is invalid, unenforceable, and/or will not be infringed by CIPLA's ANDA Product. On July 27, 2023, we filed a Second Amended Complaint to assert the US '793 Patent. CIPLA filed an Answer to the Second Amended Complaint on August 31, 2023.

On April 23, 2024, we were granted US 11,964,018 Patent (the "US '018 Patent) covering a method of using our PEDMARK product to reduce ototoxicity in a patient receiving a platinum based chemotherapeutic for the treatment of a cancer, which was listed in the Orange Book on or around May 8, 2024, and has an expiration date of July 2039. On May 28, 2024, we were granted US 11,992,530 Patent (the "US '530 Patent") covering a method of using our PEDMARK product to reduce ototoxicity in a patient receiving a platinum based chemotherapeutic for the treatment of a cancer, which was listed in the Orange Book on or around June 20, 2024, and has an expiration date of July 2039. On June 4, 2024, we were granted US 11,998,604 Patent (the "US '604 Patent") covering a method of using our PEDMARK product to reduce ototoxicity in a patient receiving a platinum based chemotherapeutic for the treatment of a cancer, which was listed in the Orange Book on or around June 24, 2024, and has an expiration date of July 2039.

On June 13, 2024, the Company filed a motion for leave to file a third amended complaint to focus the ANDA litigation against CIPLA on the '018 Patent and the '793 Patent only. On July 30, 2024, the court granted leave to file the third amended complaint, which the Company filed on September 16, 2024. In connection with the third amended complaint, the Company entered into a covenant not to sue CIPLA on the U.S. '363, '728, '984, '530 and '604 patents, subject to the limitation that the covenant does not apply to the extent CIPLA alters the product or formulation described in its ANDA.

On March 16, 2026, the Company announced that it had entered into a settlement and license agreement with Cipla Limited and Cipla USA, Inc. resolving the litigation. Under the terms of the agreement, the lawsuit will be dismissed with each party bearing its own costs, and CIPLA will not enter the U.S. market with its generic sodium thiosulfate product until September 1, 2033, or earlier under certain specified circumstances.

Executive Severance

In the event of termination of Mr. Hackman's (Chief Executive Officer) employment with the Company other than for cause, the Company will be obligated to pay him a one-time severance payment equal to twelve months of salary (currently $615). In the event of termination of Mr. Andrade's (Chief Financial Officer) employment with the Company other than for cause, the Company will be obligated to pay him a one-time severance payment equal to nine months of salary which is equivalent to $361. Further, certain other Executive Employment Agreements generally provide that if employment is terminated without "Cause" (as defined in the applicable Executive Employment Agreement) and other conditions are satisfied, then such executive officer shall receive as severance an amount equal to their then current base salary for a period of nine (9) months, less standard withholdings for tax and social security purposes.

Leases

The Company has an operating lease in Research Triangle Park, North Carolina utilizing a small space within a commercial building. The operating lease has payments of $0.4 per month with no scheduled increases. This operating lease is terminable with 30 days' notice and has no penalties or contingent payments due.

On January 23, 2020, the Company entered into an Office Service Agreement (the "Office Service Agreement") with Regus to lease office space in Hoboken, New Jersey. Per the terms of the Office Service Agreement, the monthly rent payments are $1. The Company was required to pay a security deposit of $2, which is the equivalent to two months of rent. The Office Service Agreement commenced on January 27, 2020, and terminated on July 31, 2020, thereafter the lease has been continuing on a month-to-month basis with either party being able to terminate the agreement by providing one month's advance written notice of termination.

On August 1, 2023, the Company entered into a second Office Service Agreement (the "Second Office Service Agreement") with Regus to lease office space in Dublin, Ireland. Per the terms of the Second Office Service Agreement, the monthly rent payments are $2. The Company was required to pay a security deposit of $5, which is the equivalent of two months' rent. The Second Office Service Agreement commenced on August 1, 2023 and terminated on January 31, 2025, thereafter the lease may continue on a month-to-month basis with either party being able to terminate the agreement by providing one month's advance written notice of termination. This lease was terminated.

Because the Company's lease arrangements are short-term or month-to-month in nature, no operating lease liability was recorded on the condensed consolidated balance sheets as of March 31, 2026 or December 31, 2025.

Employee Benefit Plan

In May 2021, the Company established the Fennec Pharmaceuticals, Inc. 401(k) Plan (the "401(k) Plan") for its employees, which is designed to be qualified under Section 401(k) of the Internal Revenue Code of 1986. Eligible employees are permitted to contribute to the 401(k) Plan within statutory and 401(k) Plan limits. As of March 31, 2026, the Company does not offer matching contributions.

7. License Agreement

License Agreement with Norgine Pharma UK Limited

On March 17, 2024, the Company announced that, through its wholly-owned subsidiary, Fennec Pharmaceuticals, Inc. entered into a License and Supply Agreement (the "Agreement") with Norgine, pursuant to which Norgine is granted an exclusive license to commercialize the Company's product PEDMARQSI® (known as PEDMARK® in the United States) for all human indications in the European Economic Area, Switzerland, the United Kingdom, Australia and New Zealand

(collectively, the "Territory"). On July 26, 2024, Norgine and Fennec amended the Agreement. The amended Agreement maintains all principal payment terms with the primary addition of Norgine assuming responsibility for packaging and labeling of PEDMARQSI®.

Pursuant to the terms of the Agreement, Fennec shall receive the following payments from Norgine: (i) an upfront payment in the amount of €40 million or approximately $43.2 million, which was paid to Fennec on March 15, 2024, (ii) up to €210 million (or approximately $230 million) upon the achievement of certain regulatory and commercial milestones, and (iii) tiered royalty payments based on net sales of PEDMARQSI® in the Territory, which royalty payment range from mid-teen percent to mid-twenty percent based on the aggregate net sales of PEDMARQSI® in the Territory. The tiered royalty payments are subject to material reduction if an alternative or generic version of PEDMARQSI® becomes available in any respective country or jurisdiction within the Territory.

Subject to customary rights of each party to earlier terminate the Agreement, the term of the Agreement continues for the longer of: (i) March 15, 2034, or (ii) with respect to any particular country in the Territory, (a) the expiration of regulatory market exclusivity for PEDMARQSI® in such country, or (b) the last-to-expire of all patents for PEDMARQSI® in such country. The term of the Agreement shall be automatically renewed for additional three-year periods unless either party provides the other party written notice of its intent not to renew the Agreement at least one year prior to the applicable termination date of the Agreement.

The Company evaluated the Agreement under ASC 606 and concluded that Norgine is a customer in the arrangement. The Company identified two performance obligations under the Agreement: a license of functional intellectual property and a material right for future supply. A portion of the non-refundable upfront payment was allocated to the license and recognized as license revenue in 2024, and the portion associated with the material right was deferred and is reflected as contract liabilities in the condensed consolidated balance sheets.

As of March 31, 2026 and December 31, 2025, contract liabilities related to the Agreement were $24,809 and $24,809, respectively, consisting of $248 classified as current and $24,561 classified as long-term. For the three months ended March 31, 2026, the Company did not recognize any milestone or royalty revenue under the Agreement.

In conjunction with entering into the Agreement, the Company paid approximately $1,700 in incremental costs, which were capitalized and recorded within other non-current assets. The Company amortizes the asset over the period of expected benefit using a systematic basis that reflects the pattern of transfer to Norgine. A portion that represents the license was recognized immediately and is recorded within selling and marketing expense in the consolidated statements of operations. As of March 31, 2026, $691 in incremental cost was capitalized.

8. Segment Reporting

Operating segments are defined as components of an enterprise engaging in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. The Company operates as a single operating and reportable segment focused on the commercialization of PEDMARK®/PEDMARQSI®.

The Company's CODM is its Chief Executive Officer. The CODM reviews consolidated net income (loss) to assess performance, make operating decisions and allocate resources. This measure is reported on the condensed consolidated statements of operations.

The accounting policies of the operating segment are the same as those described in Note 2, Significant Accounting Policies. Segment assets are reported on the condensed consolidated balance sheets as total assets. The CODM also reviews significant expense categories, which are presented on the condensed consolidated statements of operations, including cost of product sales, research and development, selling and marketing, and general and administrative expenses.

9. Subsequent Events

Management has evaluated subsequent events through the date of this filing and concluded there are no events of significance which require disclosure.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Caution Concerning Forward-Looking Statements

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on March 27, 2026 (the "Annual Report") and our unaudited interim condensed consolidated financial statements and related notes appearing in this Quarterly Report on Form 10-Q (the "Quarterly Report"). Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to the Company's plans and strategy for its business, includes forward looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements can be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. As a result of many factors, including those factors set forth in Part I, Item 1A of the Annual Report under the heading "Risk Factors", our actual results could differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis.

The following discussion should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2025, and the condensed consolidated financial statements and accompanying notes included elsewhere in this report.

Overview

Fennec Pharmaceuticals Inc., a corporation existing under the laws of British Columbia, was originally formed under the name Adherex Technologies Inc. and subsequently changed its name on September 3, 2014. Fennec is a commercial stage specialty pharmaceutical company dedicated to preventing cisplatin-induced ototoxicity ("CIO"), a serious and often irreversible side effect of cancer treatment, with one FDA approved and European Commission approved product, PEDMARK® in the U.S. and PEDMARQSI®, which is the branded name for PEDMARK® outside of the U.S. (collectively, "PEDMARK"), developed to reduce the risk of ototoxicity associated with cisplatin in pediatric patients one month of age and older with localized, non-metastatic solid tumors. The Company has four wholly owned subsidiaries: Oxiquant, Inc. and Fennec Pharmaceuticals, Inc., both Delaware corporations, Cadherin Biomedical Inc., a Canadian corporation, and Fennec Pharmaceuticals (EU) Limited, an Ireland company ("Fennec Limited"). With the exception of Fennec Pharmaceuticals, Inc., all subsidiaries are inactive. On September 20, 2022, we received approval from the FDA for PEDMARK® (sodium thiosulfate injection). This approval makes PEDMARK® the first and only treatment approved by the FDA in this area of significant unmet medical need. On October 17, 2022, we announced commercial availability of PEDMARK® in the United States. Further, PEDMARQSI® received European Commission Marketing Authorization in June 2023 and received U.K. approval in October 2023.

PEDMARK® is currently the only FDA-approved therapy indicated to reduce the risk of ototoxicity associated with cisplatin in pediatric patients one month of age and older with localized, non-metastatic solid tumors. In clinical studies in this population, treatment with PEDMARK® resulted in an approximate 50% relative reduction in the incidence of cisplatin-induced hearing loss compared to cisplatin alone, without evidence of materially compromised antitumor efficacy. PEDMARK® is administered as a short intravenous infusion and has generally been associated with a mild-to-moderate and manageable safety profile consistent with its known pharmacology.

In March 2024, we announced that we entered into an agreement with Norgine, a leading European specialist pharmaceutical company. This is an exclusive licensing agreement under which Norgine will commercialize

PEDMARQSI® in Europe, Australia and New Zealand. PEDMARQSI® is the first and only approved therapy in the EU and U.K. for the prevention of ototoxicity (hearing loss) induced by cisplatin chemotherapy in patients one month to eighteen years of age with localized, non-metastatic solid tumors. During 2025, Norgine made PEDMARQSI® commercially available and expects additional launches to occur in 2026 and beyond.

Under the terms of the Norgine licensing agreement, Fennec received approximately $43 million in upfront consideration and may receive up to approximately $230 million in additional commercial and regulatory milestone payments and double-digit tiered royalties (up to the mid-twenties) on net sales of PEDMARQSI® in the licensed territories. To date, Fennec has not received any milestone payments. Norgine will be responsible for all commercialization activities in the licensed territories and will hold all marketing authorizations in the licensed territories.

In the United States, we sell our product through an experienced field force including Territory Managers and we utilize medical science liaisons within our medical team who help educate the medical communities and patients about CIO and our programs supporting patient access to PEDMARK®.

Further, we have established Fennec HEARS®, a comprehensive single source program designed to connect PEDMARK® patients to both patient financial and product access support. The program offers assistance and resources, regardless of insurance type, that can address co-pays or lack of coverage when certain eligibility requirements are met. Fennec HEARS® also provides access to care coordinators that can answer insurance questions about coverage for PEDMARK® and provide tips and resources for managing treatment.

We received Orphan Drug Exclusivity for PEDMARK® in January 2023, which provides seven years of market exclusivity from its FDA approval on September 20, 2022, until September 20, 2029. We currently have six patents listed for PEDMARK® in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations ("FDA Orange Book"). In September 2022, the United States Patent and Trademark Office ("USPTO") issued Patent No. 11,291,728 (the "US '728 Patent"), in December 2022, the USPTO issued Patent No. 11,510,984 ("US '984 Patent") and in April 2023, the USPTO issued Patent No. 11,671,793 ("US '793 Patent") that covers PEDMARK® pharmaceutical formulation. Further, additional issued patents included US 11,964,018 Patent (the "US '018 Patent) and US 11,992,530 Patent (the "US '530 Patent") and US 11,998,604 Patent (the "US '604 Patent") covering methods of using our PEDMARK® product to reduce ototoxicity in a patient receiving a platinum based chemotherapeutic for the treatment of a cancer. The US '728, US '984, US '793, US '018, US '530, and US '604 Patents will expire in 2039. Additional patents covering PEDMARK® formulation have been granted in Australia, Canada, the European Patent Office (EPO) (described further below), Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, and Russia, and patent applications covering PEDMARK® are pending in Brazil, China, the European Patent Office (EPO), Hong Kong, Israel, Korea, Mexico, New Zealand, Singapore, and Thailand. Patents covering alternative sodium thiosulfate formulations have been granted in the United States (US 12,311,026 (the "US '026 Patent"), Canada, Korea, Mexico, and Russia, and patent applications covering alternative sodium thiosulfate formulations are pending in the United States, Australia, the EPO, Hong Kong, Indonesia, Japan, Malaysia, Mexico, and New Zealand. Applications from these patent families, where granted, valid, and enforceable, will expire in July 2039, exclusive of any patent term adjustment or extension.

On March 16, 2026, we announced that we had entered into a settlement and license agreement with Cipla Limited and Cipla USA, Inc. resolving the PEDMARK® patent litigation pending in the United States District Court for the District of New Jersey. Under the terms of the agreement, the lawsuit will be dismissed with each party bearing its own costs, and Cipla will not enter the U.S. market with its generic sodium thiosulfate product until September 1, 2033, or earlier under certain specified circumstances. We believe this settlement, together with our existing patent and regulatory protections, provides additional visibility into the long-term exclusivity profile of PEDMARK® in the United States.

There can be no assurance that we do not or will not infringe on patents held by third parties or that third parties in the future will not claim that we have infringed on their patents. In the event that our product or technologies infringe or violate the patent or other proprietary rights of third parties, there is a possibility we may be prevented from pursuing product development, manufacturing or commercialization of our product until the underlying patent dispute is resolved. For example, there may be patents or patent applications held by others that contain claims that our product or operations might be determined to infringe or that may be broader than we believe them to be. Given the complexities and

uncertainties of patent laws, there can be no assurance as to the impact that future patent claims against us may have on our business, financial condition, results of operations, or prospects.

PEDMARK® Product Overview

PEDMARK® has been studied by co-operative groups in two Phase 3 clinical studies of survival and reduction of ototoxicity, COG ACCL0431 and SIOPEL 6. Both studies have been completed. The COG ACCL0431 protocol enrolled childhood cancer patients typically treated with intensive cisplatin therapy for localized and disseminated disease, including newly diagnosed hepatoblastoma, germ cell tumor, osteosarcoma, neuroblastoma, medulloblastoma, and other solid tumors. SIOPEL 6 enrolled only hepatoblastoma patients with localized tumors.

In the United States, PEDMARK® is the first and only therapy approved to mitigate the risk of ototoxicity associated with cisplatin in pediatric patients aged one month and older with localized, non-metastatic solid tumors. Further, the National Comprehensive Cancer Network (NCCN) recommended the use of PEDMARK® to reduce the risk of cisplatin-induced ototoxicity in patients with localized, non-metastatic solid tumors (category 2A) for Adolescent and Young Adult (AYA) Oncology. As of January 2025, all medical compendia have incorporated Fennec's clinical updates, and AHFS, the largest online platform for pharmacists, has updated its content to reflect and differentiate PEDMARK® in accordance with its labeling.

PEDMARK® is the first and only FDA- and EMA-approved agent designed to reduce the risk of CIO in pediatric patients with localized solid tumors. The strategic imperatives driving the execution of PEDMARK®'s strategy include increasing awareness of unmet patient needs and emphasizing the importance of preventing CIO among oncologists. A key goal is to establish PEDMARK® as the standard of care (SOC) for all CIO prevention. Additionally, efforts focus on expanding adoption beyond oncologists by ensuring healthcare providers (HCPs) gain confidence in and have positive experiences with PEDMARK®. Ensuring seamless access for advocacy groups, payers, and providers is also a priority, along with activating patients and caregivers through disease education to drive demand for PEDMARK®. Key activities supporting these objectives include an expanded sales team with a strong track record in both academic and community settings, partnerships with group purchasing organizations, and specialty pharmacy offerings such as home infusions, white bag delivery, and direct billing. Furthermore, digital materials, a digital speaker bureau to engage pediatric oncologists, audiologists, nurses, and pharmacists, along with a patient access services hub and ongoing support from advocacy groups, are all integral components of the strategy.

In the U.S. and Europe, Fennec estimates that there are approximately 11,400 pediatric patients with localized, non-metastatic solid tumors each year, of which include approximately 2,157 cisplatin-treated pediatric patients in the U.S. and 1,250 in Europe who fall within the current PEDMARK® market. The incidence and severity of CIO depends on the cumulative dose and duration of chemotherapy. Many affected children ultimately require hearing aids or, in more severe cases, cochlear implants, which are costly, technically complex and do not fully restore normal hearing. PEDMARK® is the first and only therapy approved in the U.S. to reduce the risk of ototoxicity associated with cisplatin in pediatric patients one month of age and older with localized, non-metastatic solid tumors. Infants and young children who experience ototoxicity during critical developmental windows are at risk for impaired speech and language development and literacy, while older children and adolescents may face long-term challenges in academic performance, social-emotional development, career potential and independent living.

In the U.S., approximately 90% of pediatric cancer patients receive care at approximately 200 key pediatric hospital centers, including institutions within the Children's Oncology Group (COG), National Cancer Institute (NCI) and National Comprehensive Cancer Network (NCCN).

The Adolescent and Young Adult ("AYA") oncology patient is defined as an individual between 15 and 39 years of age at the time of initial cancer diagnosis. In the U.S., Fennec estimates that there are approximately 51,282 new AYA solid tumor cases annually, of which approximately 25,536 involve cisplatin-treated patients with localized, non-metastatic solid tumors. The most common relevant tumor types include germ cell tumors, testicular cancer, thyroid cancer and breast cancer. The U.S. AYA oncology treatment landscape spans both academic and community settings, with 72 NCI-designated academic centers treating roughly 20% of AYA oncology patients, while approximately 80% are managed across approximately 3,750 community oncology centers nationwide.

CIO and Unmet Medical Need

Cisplatin is a cornerstone of modern cancer therapy for many pediatric and AYA solid tumors, with reported overall survival rates in some cisplatin-treated cancers exceeding 80%. However, cisplatin is associated with a high incidence of ototoxicity. Published data indicates that approximately 60% to 90% of cisplatin-treated patients may develop some degree of permanent, sensorineural hearing loss, with reported rates of 40% to 80% occurring in adults and 50% to 90% in children. CIO typically begins as bilateral, high-frequency hearing loss that is progressive and irreversible, occasionally accompanied by tinnitus. In some cases, it may ultimately require the use of hearing aids or cochlear implants.

Published literature has linked treatment-related hearing loss to impairments in speech and language development, reduced academic performance, challenges in social-emotional development, and enduring impacts on educational attainment, vocational opportunities, and independent living. Additionally, published research indicates that severe to profound early-onset hearing loss can impose a substantial lifetime economic burden, with per-individual costs estimated at approximately $489 and potentially exceeding $1,000 on an undiscounted basis, primarily due to lost productivity, educational expenses, and medical costs. These figures are derived from published literature regarding the disease burden of hearing loss and do not represent demonstrated health-economic outcomes specifically attributable to PEDMARK®.

European Commission Marketing Authorization

PEDMARQSI® (PEDMARK® brand name in Europe) received European Commission Marketing Authorization in June 2023 and received U.K. approval in October 2023.

As previously noted, in March 2024, we entered into an agreement with Norgine, a leading European specialist pharmaceutical company. This is an exclusive licensing agreement under which Norgine will commercialize PEDMARQSI® in Europe, Australia and New Zealand. PEDMARQSI® is the first and only approved therapy in the EU and U.K. for the prevention of ototoxicity (hearing loss) induced by cisplatin chemotherapy in patients 1 month to < 18 years of age with localized, non-metastatic solid tumors.

Under the terms of the licensing agreement, Fennec received approximately $43 million in upfront consideration and may receive up to approximately $230 million in additional commercial and regulatory milestone payments and double-digit tiered royalties on net sales of PEDMARQSI® in the licensed territories up to the mid-twenties. To date, Fennec has not received any milestone payments. Norgine will be responsible for all commercialization activities in the licensed territories and will hold all marketing authorizations in the licensed territories.

Most recently, in 2025, Norgine launched PEDMARQSI® in Germany and the U.K with plans to launch in several additional markets in 2026.

Japan: STS-J01 Investigator-Initiated Trial and Registration Plans

In Japan, an independent investigator-initiated clinical trial, known as STS-J01, has been evaluating PEDMARK® for the prevention of CIO. In December 2025, we announced positive topline results from this trial that demonstrated use of PEDMARK® was associated with a significant reduction in the incidence of hearing loss compared to historically reported rates in patients receiving cisplatin alone, with no evidence of reduced antitumor activity and an approximate 95% clinical response rate. Based on these results, we are pursuing a regulatory registration strategy for PEDMARK® in Japan and are evaluating partnering or licensing opportunities in that market, similar to our model with Norgine in Europe. Discussions with potential partners and regulators are ongoing.

Investigator-Initiated Studies and Lifecycle Management

In addition to our pivotal pediatric studies (SIOPEL6 and COG ACCL0431), we support a number of investigator-initiated and other clinical studies designed to further characterize the use of PEDMARK® in additional tumor types and patient populations. For example, City of Hope, a U.S. cancer research and treatment organization, is conducting an investigator-

initiated clinical trial evaluating PEDMARK® in adult men with stage II–III metastatic testicular germ cell tumors receiving cisplatin-based chemotherapy. We also engage in medical affairs activities and data-generation initiatives to expand the clinical evidence base for PEDMARK®, including in AYA and adult populations. In 2026, additional investigator-sponsored studies were initiated, including a real-world study at Tampa General Hospital Cancer Institute and a Phase I/II trial at the University of Arizona Cancer Center to evaluate PEDMARK® in AYA and adult patients receiving cisplatin-based chemotherapy. These studies are exploratory in nature, and PEDMARK® is not currently approved for use in metastatic cancers or adult populations outside of its labeled indication. Any potential label expansion will require additional clinical data and regulatory approvals.

Further, in April 2026, we announced that four abstracts evaluating PEDMARK® (sodium thiosulfate injection) were accepted as part of the 2026 American Society of Clinical Oncology (ASCO) Annual Meeting program, taking place May 29-June 2, 2026 in Chicago, IL.

Results of Operations

Three months ended March 31, 2026 versus three months ended March 31, 2025:

In thousands of U.S. Dollars	Three Months Ended March 31, 2026	%	Three Months Ended March 31, 2025	%	Change
PEDMARK product sales, net	$ 15,108		$ 8,751		$ 6,357
Operating expenses:					
Cost of product sales	570	4 %	373	4 %	197
Research and development	49	0 %	94	1 %	(45)
Selling and marketing	11,422	75 %	3,227	34 %	8,195
General and administration	3,186	21 %	5,865	61 %	(2,679)
Total operating expense	15,227	100 %	9,559	100 %	5,668
Loss from operations	(119)		(808)		689
Unrealized loss on securities	—		(1)		1
Amortization expense	—		(13)		13
Interest expense	(7)		(592)		585
Unrealized foreign exchange loss	(12)		13		(25)
Interest income	339		236		103
Net income/(loss)	$ 201		$ (1,165)		$ 1,366

- The Company recorded net product sales of $15,108 in the first quarter of 2026 compared to $8,751 in 2025 as the Company increased market penetration and access for PEDMARK.

- Research and development expense decreased by $45 for the three-month period ended March 31, 2026, as compared to the same period in 2025. Our research and development activities for this period consisted of costs associated with investigator initiated clinical trials and the global named patient program.

- Selling and marketing expenses include distribution costs, logistics, shipping and insurance, advertising, wages commissions and out-of-pocket expenses. We recorded $11,422 in selling and marketing expenses for the three-month period ended March 31, 2026, as compared to $3,227 for 2025. The increase is largely related to the higher commercial headcount and related expenses to support the expansion of our sales organization to enhance coverage of the U.S. market as well as higher commercial headcount.

- There was a $2,679 decrease in general and administrative expenses for the three-month period ended March 31, 2026 compared to 2025. The decrease was primarily due to lower legal and professional fees as litigation activities concluded.

- Amortization expense decreased $13 for the three-month period ended March 31, 2026 as compared to the same period in 2025 reflecting completion of deferred financing costs related to Petrichor note.

- Interest expense decreased by $585 for the three-month period ended March 31, 2026 compared to the same period in 2025. The decrease was primarily due to full repayment of the Petrichor convertible notes in the fourth quarter of 2025, which eliminated related interest and accretion in 2026.

- Interest income increased in the three-month period ended March 31, 2026 as compared to the same period in 2025 by $103, driven by higher average cash balances on money market investments.

Liquidity and Capital Resources

Selected Asset and Liability Data (thousands):	As at March 31, 2026	As at December 31, 2025
Cash and equivalents	$ 40,179	$ 36,788
Other current assets	26,701	30,255
Current liabilities	9,586	10,518
Working capital [(1)]	57,294	56,525
[(1)] [Current assets – current liabilities]		
Selected Equity:		
Common stock and additional paid in capital	265,653	263,651
Accumulated deficit	(229,221)	(229,422)
Stockholders' equity	37,675	35,472

- There was a $3,391 net increase in cash and cash equivalents between March 31, 2026, and December 31, 2025. The increase was primarily driven by net cash provided by operating activities reflecting profitable operations and favorable working capital movements, and including the timing of working capital collections.

- The decrease in other current assets of $3,554 between March 31, 2026, and December 31, 2025, primarily due to a decrease in accounts receivable as the Company collected outstanding balances, partially offset by modest increases in prepaid expenses and other current assets.

- Current liabilities at March 31, 2026 decreased $932 compared to December 31, 2025 mainly reflecting lower accrued liabilities as prior-year accruals were settled.

- Working capital increased by $769 between March 31, 2026, and December 31, 2025 driven by higher cash balance and reduction in current liabilities noted above.

The following table illustrates a summary of cash flows data for the three-month periods of March 31, 2026 and 2025:

Selected Cash Flow Data (dollars and shares in thousands)	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Net cash provided by/(used in) by operating activities	$ 2,379	$ (4,318)
Net cash provided by investing activities	—	—
Net cash provided by financing activities	1,012	359
Net cash flow	$ 3,391	$ (3,959)

The net cash provided by operating activities for the three-month period ended March 31, 2026 was approximately $2,379 as compared to $4,318 net cash used in operating activities during the same period in 2025. The year-over-year improvement was primarily driven by the shift from a net loss of $1,165 to net income of $201 and a favorable swing in working capital, including a significant decrease in accounts receivable in 2026 versus a build-up of receivables in 2025.

Net cash provided by financing activities was $1,012 in 2026 versus $359 in 2025, driven mainly by higher proceeds from stock option exercises.

We continue to pursue various strategic alternatives including collaborations with other pharmaceutical and biotechnology companies. Our projections of further capital requirements are subject to substantial uncertainty. Our working capital requirements may fluctuate in future periods depending upon numerous factors, including: our ability to obtain additional financial resources; our ability to enter into collaborations that provide us with up-front payments, milestones or other payments; results of our research and development activities; progress or lack of progress in our preclinical studies or clinical trials; unfavorable toxicology in our clinical programs, our drug substance requirements to support clinical programs; change in the focus, direction, or costs of our research and development programs; headcount expense; the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing our patent claims; competitive and technological advances; the potential need to develop, acquire or license new technologies and products; our business development activities; new regulatory requirements implemented by regulatory authorities; the timing and outcome of any regulatory review process; and commercialization activities, if any.

Outstanding Share Information

Our outstanding share data as of March 31, 2026 and December 31, 2025 was as follows (in thousands):

Outstanding Share Type	March 31, 2026	December 31, 2025	Change
Common shares	34,541	34,163	378
Warrants	111	111	—
RSU and PSU Awards	512	701	(189)
Stock options	7,229	5,853	1,376
Total	42,393	40,828	1,565

Financial Instruments

We invest excess cash and cash equivalents in high credit quality investments held by financial institutions in accordance with our investment policy designed to protect the principal investment. As of March 31, 2026, we had approximately $3,553 in our cash accounts and $36,626 in savings and money market accounts. While we have never experienced any loss or write down of our money market investments since our inception, the amounts we hold in money market accounts are substantially above the $250 amount insured by the FDIC and may lose value.

Our investment policy is to manage investments to achieve, in the order of importance, the financial objectives of preservation of principal, liquidity and return on investment. Investments may be made in U.S. or Canadian obligations and bank securities, commercial paper of U.S. or Canadian industrial companies, utilities, financial institutions and consumer loan companies, and securities of foreign banks provided the obligations are guaranteed or carry ratings appropriate to the policy. Securities must have a minimum Dun & Bradstreet rating of A for bonds or R1 low for commercial paper. The policy also provides for investment limits on concentrations of securities by issuer and maximum-weighted average time to maturity of twelve months. This policy applies to all of our financial resources. The policy risks are primarily the opportunity cost of the conservative nature of the allowable investments. Until we are cash flow positive from operations, we have chosen to avoid investments of a trading or speculative nature.

We classify fixed income investments with original maturities at the date of purchase greater than three months which mature at or less than twelve months as current. We carry investments at their fair value with unrealized gains and losses included in other comprehensive income (loss); however, we have not held any instruments that were classified as short-term investments during the periods presented in this Quarterly Report.

Off-Balance Sheet Arrangements

Since our inception, we have not had any material off-balance sheet arrangements.

Contractual Obligations and Commitments

None, other than the lease agreements, and severance amounts described in notes to our condensed consolidated financial statements contained elsewhere in this Quarterly Report.

Critical Accounting Policies and Estimates

The preparation of our condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as related disclosures of contingent assets and liabilities. Actual results could differ from those estimates and such differences may be material to the financial statements in future periods.

There have been no material changes to our critical accounting policies and estimates from those described in our Annual Report on Form 10-K for the year ended December 31, 2025, which include, among others, revenue recognition (including variable consideration and contract liabilities), valuation of accounts receivable and related allowances, inventory valuation, stock-based compensation, and income taxes. A detailed description of these policies is included in Note 2, “Significant Accounting Policies,” to our audited consolidated financial statements in that Form 10-K and in Note 2 to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures.

(a) ***Evaluation of Disclosure Controls and Procedures***

The Company’s management, with the participation of our Chief Executive Officer and Chief Financial Officer, has conducted an evaluation of the effectiveness of the Company’s disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of March 31, 2026. The Company’s disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports the Company files under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that such information is accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, the Company’s management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints that require the Company’s management to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2026, the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes to the Company's internal control over financial reporting during the three months ended March 31, 2026 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting can only provide reasonable, not absolute, assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot assure that such improvements will be sufficient to provide us with effective internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

CIPLA Litigation

On December 1, 2022, we received a letter dated November 30, 2022, notifying us that CIPLA Ltd. and CIPLA USA ("CIPLA") submitted to the FDA an ANDA (ANDA No. 218028) for a generic version of PEDMARK® (sodium thiosulfate solution) that contained Paragraph IV Certifications on two of our patents covering PEDMARK®: the OHSU licensed '190 Patent, expiration date January 2038; and our US 11,291,728 Patent (the "'728 Patent"), expiration date July 2039. On January 6, 2023, we received a letter dated January 5, 2023, notifying us that CIPLA submitted to the FDA a Paragraph IV Certification on our newly issued US 11,510,984 Patent (the "'984 Patent"). These patents are listed in FDA's list of Approved Drug Products with Therapeutic Equivalence Evaluations, commonly referred to as the Orange Book, for PEDMARK®. The certifications allege these patents are invalid or will not be infringed by the manufacture, use, or sale of CIPLA's sodium thiosulfate solution.

Under the Food, Drug, and Cosmetic Act, as amended by the Drug Price Competition and Patent Term Restoration Act of 1984, as amended, after receipt of a valid Paragraph IV notice, the Company may bring a patent infringement suit in a federal district court against CIPLA within 45 days from the receipt of the Notice Letter and if such a suit is commenced within the 45-day period, the Company is entitled to a 30 month stay on the FDA's ability to give final approval to any proposed products that reference PEDMARK. In addition to the 30-month stay, because we have received Orphan Drug Exclusivity, the FDA may not approve CIPLA's ANDA for at least 7 years from PEDMARK's FDA approval date of September 20, 2022, which is September 20, 2029.

On January 10, 2023, we filed suit against the CIPLA entities in the United States District Court for the District of New Jersey (Case No. 2:23-cv-00123), for infringement of the US '190 Patent, the US '728 Patent, and the US '984 Patent. On April 20, 2023, we filed an Amended Complaint to assert infringement of the US '728 Patent and the US '984 Patent. On April 4, 2023, we were granted US 11,617,793 Patent (the "US '793 Patent") covering the formulation of the PEDMARK product, which was listed in the Orange Book on or around April 17, 2023, and has an expiration date of July 2039. On May 11, 2023, we received written notice of CIPLA's Paragraph IV Certification as to the US '793 Patent, which was dated May 10, 2023, along with an enclosed statement of alleged factual and legal bases for stating that the US '793 Patent is invalid, unenforceable, and/or will not be infringed by CIPLA's ANDA Product. On July 27, 2023, we filed a Second Amended Complaint to assert the US '793 Patent. CIPLA filed an Answer to the Second Amended Complaint on August 31, 2023.

On April 23, 2024, we were granted US 11,964,018 Patent (the "US '018 Patent) covering a method of using our PEDMARK product to reduce ototoxicity in a patient receiving a platinum based chemotherapeutic for the treatment of a cancer, which was listed in the Orange Book on or around May 8, 2024, and has an expiration date of July 2039. On May 28, 2024, we were granted US 11,992,530 Patent (the "US '530 Patent") covering a method of using our PEDMARK product to reduce ototoxicity in a patient receiving a platinum based chemotherapeutic for the treatment of a cancer, which was listed in the Orange Book on or around June 20, 2024, and has an expiration date of July 2039. On June 4, 2024, we were granted US 11,998,604 Patent (the "US '604 Patent") covering a method of using our PEDMARK product to reduce

ototoxicity in a patient receiving a platinum based chemotherapeutic for the treatment of a cancer, which was listed in the Orange Book on or around June 24, 2024, and has an expiration date of July 2039.

On June 13, 2024, we filed a Motion for Leave to File a Third Amended Complaint to focus the ANDA litigation against CIPLA on the US '018 Patent and the US '793 Patent only. The non-asserted patents remain listed in the Orange Book. On July 22, 2024, CIPLA filed a response indicating that they do not oppose our Motion for Leave to File a Third Amended Complaint. On July 30, 2024, the court granted us leave to file the Third Amended Complaint, which we filed on September 16, 2024.

In coordination with the Third Amended Complaint, we entered into a covenant not to sue CIPLA on the US '363 Patent, US '728 Patent, US '984 Patent, US '530 Patent, and US '604 Patent, subject to the limitation that such shall not apply to the extent CIPLA alters the product or formulation described in its FDA ANDA application.

On March 16, 2026, the Company announced that it had entered into a settlement and license agreement with Cipla Limited and Cipla USA, Inc. resolving the litigation. Under the terms of the agreement, the lawsuit will be dismissed with each party bearing its own costs, and CIPLA will not enter the U.S. market with its generic sodium thiosulfate product until September 1, 2033, or earlier under certain specified circumstances.

Other than the foregoing, we are not currently a party to any legal proceedings that, in the opinion of management, would have a material adverse effect on our business, financial condition or results of operations.

Item 1A. Risk Factors

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on March 27, 2026 (the "Annual Report"), includes a detailed discussion of our risk factors under the heading "PART I, Item 1A – Risk Factors." You should carefully consider the risk factors discussed in our Annual Report, as well as other information in this Quarterly Report. Any of these risks could cause our business, financial condition, results of operations and future growth prospects to suffer. We are not aware of any material changes from the risk factors previously disclosed.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements and Policies

During the quarter ended March 31, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulations S-K.

Press Release

On May 14, 2026, we issued a press release announcing our financial results for the quarter ended March 31, 2026. A copy of the news release is attached to this Quarterly Report as Exhibit 99.1. The press release is being furnished and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or

incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, unless such subsequent filing specifically references the press release.

Item 6. Exhibits

Exhibit No.	Description
10.1*	Fennec Pharmaceuticals Inc. 2026 Equity Inducement Plan (incorporated herein by reference to Schedule B to the Management Proxy Circular of the Company filed April 28, 2026).
31.1	Certification of Chief Executive Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Chief Financial Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chief Executive Officer and Chief Financial Officer of the Company in accordance with Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
99.1	Press Release for Quarter Ended March 31, 2026 (filed herewith).
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

* Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Fennec Pharmaceuticals Inc.

Date: May 14, 2026

By: */s/ Jeffrey Hackman*
Jeffrey Hackman
Chief Executive Officer
(principal executive officer)

Date: May 14, 2026

By: */s/ Robert Andrade*
Robert Andrade
Chief Financial Officer
(principal financial and chief accounting officer)

Exhibit 31.1

FENNEC PHARMACEUTICALS INC
CERTIFICATION

I, Jeffrey Hackman, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2026 of Fennec Pharmaceuticals Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the unaudited interim condensed consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its condensed subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2026

By: /s/ Jeffrey Hackman
Jeffrey Hackman
Chief Executive Officer

Exhibit 31.2

FENNEC PHARMACEUTICALS INC.
CERTIFICATION

I, Robert Andrade, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2026 of Fennec Pharmaceuticals Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the unaudited interim condensed consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its condensed subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2026

By: /s/ Robert Andrade
Robert Andrade
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fennec Pharmaceuticals Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 (the "Report"), each of the undersigned, Jeffrey Hackman, Chief Executive Officer of the Company, and Robert Andrade, Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2026

By: /s/ Jeffrey Hackman
Jeffrey Hackman
Chief Executive Officer

Date: May 14, 2026

By: /s/ Robert Andrade
Robert Andrade
Chief Financial Officer

FENNEC PHARMACEUTICALS REPORTS FIRST QUARTER 2026 FINANCIAL RESULTS AND PROVIDES BUSINESS UPDATE

~ Achieved First Quarter 2026 Total Net Revenues of $15.1 Million, Up 73% Year Over Year ~

~ Field Sales Expansion Showing Early Signs of Positive Results with Record PEDMARK® Demand in April 2026 ~

~ Initiated Third Institution-Led Clinical Study Evaluating PEDMARK® in Adolescent and Young Adult (AYA) and Adult Patients with Head and Neck and Testicular Cancers ~

~ Four Abstracts Evaluating PEDMARK® will be Included in the Upcoming 2026 American Society of Clinical Oncology (ASCO) Annual Meeting Program ~

~ Management to Host Conference Call Today at 8:30 a.m. ET ~

Research Triangle Park, NC, May 14, 2026 – Fennec Pharmaceuticals Inc. (NASDAQ:FENC; TSX: FRX), a specialty pharmaceutical company, today reported its financial results for the first quarter ended March 31, 2026 and provided a business update.

"We are encouraged by our continued quarter-over-quarter growth and strong start to the year. 2026 is a defining period for Fennec, with growing clinical interest in independently evaluating PEDMARK® (sodium thiosulfate injection) across new patient populations and tumor types that reinforces our confidence in its broader potential," said Jeff Hackman, chief executive officer of Fennec Pharmaceuticals. "At the same time, the strategic enhancements we've made to our field force are already sharpening our execution and expanding our reach – in tandem, the positive experiences we're seeing through our Fennec HEARS® program are translating into meaningful access and strong conversion rates, resulting in more patients being treated. Coupled with our solid financial foundation, we believe we are well-positioned to continue to build momentum and deliver sustained growth throughout 2026."

Business Highlights:

- **Continued Growth Within Key PEDMARK® Accounts**: Adoption continues to build across both new and existing accounts, with established prescribers demonstrating growing confidence in PEDMARK®, contributing to deeper utilization and higher vials per account. Demand in the first quarter was driven by prescribing in three core tumor types: testicular, cervical and head and neck cancers, and these remain foundational to Fennec's commercial opportunity. Additionally, our comprehensive patient services HUB, Fennec HEARS®, continues to be an important contributor to PEDMARK® utilization and HCP adoption. Through ongoing operational refinements, we are seeing more patients enter the funnel, while the overall experience for those patients continues to improve.

- **Initiation of Third Institution-Led Clinical Study**: In April 2026, Fennec announced the initiation of an investigator-sponsored study by the University of Arizona Cancer Center to evaluate use of PEDMARK® in AYA and adult patients with head and neck and testicular cancers receiving cisplatin. Additional investigator-initiated studies supporting the use of PEDMARK® have been submitted to Fennec and are currently under review.

- **2026 American Society of Clinical Oncology (ASCO) Annual Meeting:** Four abstracts evaluating PEDMARK® were accepted as part of the 2026 ASCO Annual Meeting program, taking place May 29-June 2, 2026 in Chicago, IL.

Upcoming Events:

- **Annual Meeting of Shareholders:** Fennec would like to invite shareholders to participate in the Company's Annual General Meeting on Tuesday, Wednesday June 10, 2026 at 10:00 a.m. ET, which will be held virtually and online by visiting www.virtualshareholdermeeting.com/FENC2026.

- **Investor Conferences:** Fennec will be participating in the following upcoming investor conferences:
  - H.C. Wainwright 4th Annual BioConnect Conference, held in partnership with Nasdaq in NYC, on May 19, 2026;
  - B. Riley Securities 2026 Annual Investor Conference in Los Angeles, CA, on May 20 & 21, 2026;
  - 24th Annual Craig-Hallum Institutional Investor Conference being held in Minneapolis, MN on May 28, 2026.

Financial Results for the First Quarter Ended March 31, 2026

- **Net Product Sales** – For the first quarter of 2026, the Company recorded net product sales of approximately $15.1 million compared to $8.8 million in the first quarter of 2025. The increase in sales is attributable to growth across PEDMARK® accounts, including new accounts in the AYA population.

- **Selling and Marketing Expenses –** The Company recorded $11.4 million in selling and marketing expenses in the first quarter of 2026 compared to $3.2 million in the first quarter of 2025. The increase of approximately $8.2 million is largely related to the higher costs associated with the commercialization of PEDMARK® and related expenses to support the expansion of our sales organization. Further, on a comparable basis there was a reallocation of select general and administrative expenses to selling and marketing expenses in the first quarter of 2026 compared to the first quarter of 2025.

- **General and Administrative (G&A) Expenses –** The Company recorded $3.2 million in general and administrative expenses in the first quarter of 2026 compared to $5.9 million in the first quarter of 2025. There was a $2.7 decrease in general and administrative expenses for the three-month period ended March 31, 2026 compared to 2025. The decrease was primarily due to lower legal and professional fees as litigation activities concluded. Further, on a comparable basis there was a reallocation of select general and administrative expenses to selling and marketing expenses in the first quarter of 2026 compared to the first quarter of 2025.

- **Cash Position –** Cash and cash equivalents were $40.1 million as of March 31, 2026 compared to $36.8 million as of December 31, 2025. The increase in cash in the first quarter is primarily due to operating cash flow of approximately $2.3 million and $1.0 million in cash received from option exercises. We anticipate

that our cash, cash equivalents and investment securities as of March 31, 2026, combined with the projected revenues from PEDMARK®, will be sufficient to fund our business based on our current operating plan.

First Quarter 2026 Conference Call Information

Date: Thursday, May 14, 2026
Time: 8:30 a.m. Eastern Time
Webcast Link: https://edge.media-server.com/mmc/p/2iptdco4
Participant Link: https://register-conf.media-server.com/register/BIaa4b518aeb974d02873eccf8f56d92f3

Financial Update

The selected financial data presented below is derived from our unaudited condensed consolidated financial statements, which were prepared in accordance with U.S. generally accepted accounting principles. The complete unaudited condensed consolidated financial statements for the period ended March 31, 2026, and management's discussion and analysis of financial condition and results of operations will be available via www.sec.gov and www.sedar.com. All values are presented in thousands unless otherwise noted.

Unaudited Condensed Consolidated
Statements of Operations
(U.S. Dollars in thousands except per share amounts)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue		
PEDMARK product sales, net	$ 15,108	$ 8,751
Total revenue	15,108	8,751
Operating expenses:		
Cost of products sold	570	373
Research and development	49	94
Selling and marketing	11,422	3,227
General and administrative	3,186	5,865
Total operating expenses	15,227	9,559
Loss from operations	(119)	(808)
Other (expense)/income		
Unrealized foreign exchange (loss)/gain	(12)	13
Amortization expense	—	(13)
Unrealized loss on securities	—	(1)
Interest income	339	236
Interest expense	(7)	(592)
Total other income/(expense)	320	(357)
Net income/(loss)	$ 201	$ (1,165)
Basic net income/(loss) per common share	$ 0.01	$ (0.04)
Diluted net income/(loss) per common share	$ 0.01	$ (0.04)
Weighted-average number of common shares outstanding basic	34,336	27,578
Weighted-average number of common shares outstanding diluted	35,548	27,578

Fennec Pharmaceuticals Inc.
Balance Sheets
(U.S. Dollars in thousands)

	March 31, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 40,179	$ 36,788
Accounts receivable, net	18,762	23,221
Prepaid expenses	3,461	3,738
Inventory	1,856	1,565
Other current assets	2,622	1,731
Total current assets	66,880	67,043
Non-current assets		
Other non-current assets, net of amortization	4,942	3,508
Total non-current assets	4,942	3,508
Total assets	$ 71,822	$ 70,551
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 6,281	$ 4,635
Accrued liabilities	3,057	5,635
Contract liability - Norgine	248	248
Total current liabilities	9,586	10,518
Long term liabilities		
Contract liabilty - Norgine	24,561	24,561
Total long term liabilities	24,561	24,561
Total liabilities	34,147	35,079
Stockholders' equity		
Common stock, no par value; unlimited shares authorized; 34,541 shares issued and outstanding (2025-34,163)	191,229	189,906
Additional paid-in capital	74,424	73,745
Accumulated deficit	(229,221)	(229,422)
Accumulated other comprehensive income	1,243	1,243
Total stockholders' equity	37,675	35,472
Total liabilities and stockholders' equity	$ 71,822	$ 70,551

About Cisplatin-Induced Ototoxicity

Cisplatin and other platinum-based chemotherapies are widely used to treat solid tumors and have been vital in improving survival rates. Unfortunately, these life-saving treatments often result in permanent, irreversible hearing loss, also known as ototoxicity.[i]

Hearing loss from cisplatin treatment is not rare. Studies show that between 60-90% of patients treated with cisplatin may develop hearing loss, depending upon the dose and duration of chemotherapy.[ii] Many of those treated with cisplatin will require lifelong hearing aids or cochlear implants, which can be helpful for some, but

do not reverse the hearing loss and can be costly over time.[iii] Treatment-induced hearing loss can reduce quality of survivorship as it impacts many aspects of life, such as speech and language skills, academic performance, social-emotional development, career potential and the ability to live independently.[iv,v] While audiologic monitoring is recommended to help manage ototoxicity, it is currently underutilized in certain cancer patient populations.

PEDMARK® (sodium thiosulfate injection)

PEDMARK® is the first and only U.S. Food and Drug Administration (FDA) approved therapy indicated to reduce the risk of ototoxicity associated with cisplatin treatment in pediatric patients 1 month of age and older with localized, non-metastatic, solid tumors. It is a unique formulation of sodium thiosulfate in single-dose, ready-to-use vials for intravenous use in pediatric patients. PEDMARK is also the first and only therapeutic agent with proven efficacy and safety data with an established dosing regimen, across two open-label, randomized Phase 3 clinical studies, the Children's Oncology Group (COG) Protocol ACCL0431 and SIOPEL 6.

Additionally, PEDMARK is recommended for the adolescent and young adult (AYA) population by the National Comprehensive Cancer Network, or NCCN, with a 2A endorsement.

Approximately 500,000 patients in the U.S. are diagnosed annually with cancers that could be treated with a platinum-based chemotherapy.[vi,vii] The incidence of ototoxicity depends upon the dose and duration of chemotherapy, and many of those treated will require lifelong hearing aids. Until the FDA approval of PEDMARK, there were no preventative agents for this hearing loss. Patients with hearing loss resulting from cancer treatment have a statistically significant worse quality of life compared with peers who have no hearing loss.[viii,ix]

PEDMARK has been studied by co-operative groups in two Phase 3 clinical studies of survival and reduction of ototoxicity, COG ACCL0431 and SIOPEL 6. Both studies have been completed. The COG ACCL0431 protocol enrolled childhood cancers typically treated with intensive cisplatin therapy for localized and disseminated disease, including newly diagnosed hepatoblastoma, germ cell tumor, osteosarcoma, neuroblastoma, medulloblastoma, and other solid tumors. SIOPEL 6 enrolled only hepatoblastoma patients with localized tumors.

Indications and Usage
PEDMARK® (sodium thiosulfate injection) is indicated to reduce the risk of ototoxicity associated with cisplatin in pediatric patients 1 month of age and older with localized, non-metastatic solid tumors.

Limitations of Use
The safety and efficacy of PEDMARK have not been established when administered following cisplatin infusions longer than 6 hours. PEDMARK may not reduce the risk of ototoxicity when administered following longer cisplatin infusions, because irreversible ototoxicity may have already occurred.

Important Safety Information
PEDMARK is contraindicated in patients with history of a severe hypersensitivity to sodium thiosulfate or any of its components.

Hypersensitivity reactions occurred in 8% to 13% of patients in clinical trials. Monitor patients for hypersensitivity reactions. Immediately discontinue PEDMARK and institute appropriate care if a hypersensitivity reaction occurs. Administer antihistamines or glucocorticoids (if appropriate) before each subsequent administration of PEDMARK. PEDMARK may contain sodium sulfite; patients with sulfite

sensitivity may have hypersensitivity reactions, including anaphylactic symptoms and life-threatening or severe asthma episodes. Sulfite sensitivity is seen more frequently in people with asthma.

PEDMARK is not indicated for use in pediatric patients less than 1 month of age due to the increased risk of hypernatremia or in pediatric patients with metastatic cancers.

Hypernatremia occurred in 12% to 26% of patients in clinical trials, including a single Grade 3 case. Hypokalemia occurred in 15% to 27% of patients in clinical trials, with Grade 3 or 4 occurring in 9% to 27% of patients. Monitor serum sodium and potassium levels at baseline and as clinically indicated. Withhold PEDMARK in patients with baseline serum sodium greater than 145 mmol/L.
Monitor for signs and symptoms of hypernatremia and hypokalemia more closely if the glomerular filtration rate (GFR) falls below 60 mL/min/1.73m^2.

Administer antiemetics prior to each PEDMARK administration. Provide additional antiemetics and supportive care as appropriate.

The most common adverse reactions (≥25% with difference between arms of >5% compared to cisplatin alone) in SIOPEL 6 were vomiting, nausea, decreased hemoglobin, and hypernatremia. The most common adverse reaction (≥25% with difference between arms of >5% compared to cisplatin alone) in COG ACCL0431 was hypokalemia.

Please see full Prescribing Information for PEDMARK® at: www.PEDMARK.com.

About Fennec Pharmaceuticals
Fennec Pharmaceuticals Inc. is a specialty pharmaceutical company committed to the fight against ototoxicity in cancer patients who receive cisplatin-based chemotherapy. Fennec is focused on the commercialization of PEDMARK® to reduce the risk of platinum-induced ototoxicity in cancer patients. PEDMARK received FDA approval in September 2022 and European Commission approval in June 2023 and United Kingdom (U.K.) approval in October 2023 under the brand name PEDMARQSI^{Ò}.

In March 2024, Fennec entered into an exclusive licensing agreement under which Norgine Pharmaceuticals Ltd., a leading European specialist pharmaceutical company, will commercialize PEDMARQSI® in Europe, U.K., Australia and New Zealand. PEDMARQSI is now commercially available in multiple countries.

PEDMARK has received Orphan Drug Exclusivity in the U.S. and PEDMARQSI has received Pediatric Use Marketing Authorization in Europe which includes eight years plus two years of data and market protection. Further, Fennec has patents providing protection for PEDMARK until 2039 in both the U.S. and internationally.

For more information, please visit www.fennecpharma.com and follow on LinkedIn.

Forward Looking Statements
Except for historical information described in this press release, all other statements are forward-looking. Words such as "believe," "anticipate," "plan," "expect," "estimate," "intend," "may," "will," or the negative of those terms, and similar expressions, are intended to identify forward-looking statements. These forward-looking statements include statements about our business strategy, timeline and other goals, plans and prospects, including our commercialization plans respecting PEDMARK®/PEDMARQSI®, the market opportunity and demand for and market impact of PEDMARK®/ PEDMARQSI®, its potential impact on patients and anticipated benefits associated with its use, future commercial and regulatory milestone and royalty payments from Norgine, and potential access to further funding after the date of this release. Forward-looking statements are subject to

certain risks and uncertainties inherent in the Company's business that could cause actual results to vary, including the risks and uncertainties that regulatory and guideline developments may change, scientific data and/or manufacturing capabilities may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, clinical results may not be replicated in actual patient settings, unforeseen global instability, including political instability, or instability from an outbreak of pandemic or contagious disease, such as the novel coronavirus (COVID-19), or surrounding the duration and severity of an outbreak, protection offered by the Company's patents and patent applications may be challenged, invalidated or circumvented by its competitors, the available market for the Company's products will not be as large as expected, the Company's products will not be able to penetrate one or more targeted markets, revenues will not be sufficient to fund further development and clinical studies, our ability to obtain necessary capital when needed on acceptable terms or at all, the Company may not meet its future capital requirements in different countries and municipalities, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission including its Annual Report on Form 10-K for the year ended December 31, 2025. Fennec disclaims any obligation to update these forward-looking statements except as required by law.

For a more detailed discussion of related risk factors, please refer to our public filings available at www.sec.gov and www.sedar.com.

For further information, please contact:

Investors:
Robert Andrade
Chief Financial Officer
Fennec Pharmaceuticals Inc.
+1 919-246-5299

Corporate and Media:
Lindsay Rocco
Elixir Health Public Relations
+1 862-596-1304
lrocco@elixirhealthpr.com

---

[i] Sheth S et al. Mechanisms of Cisplatin Ototoxicity and Progress in Otoprotection. *Frontiers in Cellular Neuroscience*. 2017, Vol. 11.
[ii] Langer T, am Zehnhoff-Dinnesen A, Radtke S, Meitert J, Zolk O. Understanding platinum-induced ototoxicity. *Trends Pharmacol Sci*. 2013;34(8):458-469
[iii] Landier W. Ototoxicity and Cancer Therapy. *Cancer*. June 2016 Vol. 122, No.11: 1647-1658.
[iv] Clemens E, van den Heuvel-Eibrink MM, Mulder RL, et al. Recommendations for ototoxicity surveillance for childhood, adolescent, and young adult cancer survivors: a report from the International Late Effects of Childhood Cancer Guideline Harmonization Group in collaboration with the PanCare Consortium. *Lancet Oncol*. 2019;20(1):e29-e41
[v] Bass JK, Knight KR, Yock TI, Chang KW, Cipkala D, Grewal SS. Evaluation and management of hearing loss in survivors of childhood and adolescent cancers: a report from the children's oncology group. *Pediatr Blood Cancer*. 2016;63(7):1152-1162.
[vi] Chattaraj A et al. Cisplatin-Induced Ototoxicity: A Concise Review of the Burden, Prevention, and Interception Strategies. *JCO Oncol Pract*. 2023;19
[vii] Freyer DR et al. Effects of sodium thiosulfate versus observation on development of cisplatin-induced hearing loss in children with cancer (ACCL0431): a multicentre, randomised, controlled, open-label, phase 3 trial. *Lancet Oncol*. 2017;18(1):63-74.
[viii] Rajput K, Edwards L, Brock P, Abiodun A, Simpkin P, Al-Malky G. Ototoxicity-induced hearing loss and quality of life in survivors of paediatric cancer. *Int J Pediatr Otorhinolaryngol*. 2020;138:110401. doi:10.1016/j.ijporl.2020.110401
[ix] Bass JK, Knight KR, Yock TI, Chang KW, Cipkala D, Grewal SS. Evaluation and management of hearing loss in survivors of childhood and adolescent cancers: a report from the children's oncology group. Pediatr Blood Cancer. 2016;63(7):1152-1162.