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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 September 30, 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 November 10, 2026, there were 35,305,117 of the registrant's common shares outstanding.

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

	September 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 48,684	$ 36,788
Accounts receivable, net	23,786	23,221
Prepaid expenses	4,948	3,738
Inventory	2,117	1,565
Other current assets	1,416	1,731
Total current assets	80,951	67,043
Non-current assets		
Non-current accounts receivable, net	1,952	2,791
Other non-current assets, net of amortization	640	717
Total non-current assets	2,592	3,508
Total assets	$ 83,543	$ 70,551
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,607	$ 4,635
Accrued liabilities	5,830	5,635
Contract liability - current	2,807	248
Total current liabilities	13,244	10,518
Long-term liabilities		
Contract liability - long-term	21,109	24,561
Total long-term liabilities	21,109	24,561
Total liabilities	34,353	35,079
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common shares, no par value; unlimited shares authorized; 35,215 shares issued and outstanding (2025 -34,163)	194,093	189,906
Additional paid-in capital	76,462	73,745
Accumulated deficit	(222,608)	(229,422)
Accumulated other comprehensive income	1,243	1,243
Total stockholders' equity	49,190	35,472
Total liabilities and stockholders' equity	$ 83,543	$ 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		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Revenue				
PEDMARK product sales, net	$ 19,425	$ 12,462	$ 51,697	$ 30,865
Other revenue	183	—	893	—
Total revenue	19,608	12,462	52,590	30,865
Operating expenses:				
Cost of product sales	838	660	2,129	2,000
Research and development	154	29	321	230
Selling and marketing	10,050	6,513	32,131	14,523
General and administrative	3,912	5,449	11,737	17,840
Total operating expenses	(14,954)	(12,651)	(46,318)	(34,593)
Income/(loss) from operations	4,654	(189)	6,272	(3,728)
Other (expense)/income				
Unrealized foreign exchange (loss)/gain	—	(3)	(18)	27
Amortization expense	—	(12)	—	(38)
Unrealized loss on securities	—	—	—	(2)
Interest income	319	152	945	559
Interest expense	(1)	(586)	(11)	(1,772)
Total other income/(expense)	318	(449)	916	(1,226)
Income/(loss) before provision for income taxes	4,972	(638)	7,188	(4,954)
Provision for income taxes	332	—	374	—
Net income/(loss)	$ 4,640	$ (638)	$ 6,814	$ (4,954)
Basic net income/(loss) per common share	$ 0.13	$ (0.02)	$ 0.20	$ (0.18)
Diluted net income/(loss) per common share	$ 0.12	$ (0.02)	$ 0.19	$ (0.18)
Weighted-average number of common shares outstanding basic	35,112	27,889	34,772	27,711
Weighted-average number of common shares outstanding diluted	38,076	27,889	36,679	27,711

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 and Nine Months Ended September 30, 2026, and 2025
(U.S. dollars and shares in thousands)
(Unaudited)

	Common Shares		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	—	—	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**
Equity-based compensation	—	—	1,710	—	—	1,710
Employee stock purchase plan	—	—	64	—	—	64
Stock option exercise	319	1,961	—	—	—	1,961
Restricted and performance stock release	174	—	(941)	—	—	(941)
Net income	—	—	—	1,973	—	1,973
Balance at June 30, 2026	**35,034**	**193,190**	**75,257**	**(227,248)**	**1,243**	**42,442**
Equity-based compensation	—	—	1,291	—	—	1,291
Employee stock purchase plan	—	—	64	—	—	64
Stock option exercise	155	903	—	—	—	903
Restricted stock release	26	—	(150)	—	—	(150)
Net income	—	—	—	4,640	—	4,640
Balance at September 30, 2026	**35,215**	**$ 194,093**	**$ 76,462**	**$ (222,608)**	**$ 1,243**	**$ 49,190**

	Common Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2024	27,527	$ 145,608	$ 66,958	$ (219,681)	$ 1,243	$ (5,872)
Equity-based compensation	—	—	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)**
Equity-based compensation	—	—	1,494	—	—	1,494
Stock option exercise	52	186	—	—	—	186
Restricted stock release	87	—	(111)	—	—	(111)
Net loss	—	—	—	(3,152)	—	(3,152)
Balance at June 30, 2025	**27,733**	**146,165**	**69,127**	**(223,998)**	**1,243**	**(7,463)**
Equity-based compensation	—	—	2,219	—	—	2,219
Warrant exercise	9	59	(59)	—	—	—
Stock option exercise	257	1,428	—	—	—	1,428
Restricted stock release	63	—	(38)	—	—	(38)
Net loss	—	—	—	(638)	—	(638)
Balance at September 30, 2025	**28,062**	**$ 147,652**	**$ 71,249**	**$ (224,636)**	**$ 1,243**	**$ (4,492)**

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)

	Nine Months Ended	
	September 30, 2026	September 30, 2025
Cash flows provided by (used in):		
Operating activities:		
Net income/(loss)	$ 6,814	$ (4,954)
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Inventory reserve	—	(517)
Allowance for credit losses	(332)	67
Amortization of debt discount	—	38
Unrealized loss on securities	—	2
Amortization of Norgine asset	77	77
Equity-based compensation	4,119	4,511
Changes in operating assets and liabilities:		
Accounts receivable	(233)	(8,982)
Prepaid expenses	(1,210)	1,681
Inventory	(552)	(1,417)
Other current assets	315	—
Other non-current assets	839	85
Accounts payable	(28)	2,625
Accrued liabilities	195	273
Contract liability	(893)	—
Net cash provided by/(used in) operating activities	9,111	(6,511)
Financing activities:		
Issuance of shares, options exercise	4,187	1,985
Cash paid for taxes on restricted share release	(1,402)	(161)
Net cash provided by financing activities	2,785	1,824
Increase/(decrease) in cash and cash equivalents	11,896	(4,687)
Cash and cash equivalents - Beginning of period	36,788	26,634
Cash and cash equivalents - End of period	$ 48,684	$ 21,947

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

Fennec Pharmaceuticals Inc.
Notes to the Unaudited Interim Condensed 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, the European Medicines Agency ("EMA"), and the Medicines and Healthcare products Regulatory Agency ("MHRA") 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 September 30, 2026, the Company had cash and cash equivalents of $48,684 an accumulated deficit of $222,608 and total stockholders' equity of $49,190. For the nine months ended September 30, 2026, the Company reported income from operations of $6,272, net income of $6,814 and net cash provided by operating activities of $9,111. 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 disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expense during the reporting period. Significant estimates include revenue recognition, allowance against trade receivables, measurement of equity-

based compensation and estimates of the Company's capital requirements over the next twelve months from the date of issuance of the consolidated financial statements. Actual results could differ 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 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.

Equity-Based Compensation

Under the Company's equity-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.

Under the employee stock purchase plan, substantially all employees of the Company and its U.S. subsidiaries are eligible to participate, subject to statutory limitations, including the exclusion of employees who own 5% or more of the Company's voting stock.

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 its 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 the Company 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. Amongst the Company's customers are distributors which subsequently resell the Company's products to health care providers and patients. In addition to distribution agreements, 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.

Other Revenue – Material Right Under PEDMARK® License

Other revenue for the three and nine months ended September 30, 2026 of $183 and $893, respectively, relates to the amortization of amounts previously recorded as deferred licensing revenue (contract liability) under the Company's commercialization agreement for PEDMARK® with Norgine. Under ASC 606, a portion of the upfront consideration received from Norgine was allocated to a material right and initially recorded as deferred revenue. This deferred revenue is recognized as "Other revenue" as PEDMARK® units are shipped to Norgine and the related material right is satisfied. Royalties earned under the Norgine agreement on commercial sales of PEDMARK® are included in PEDMARK® product sales, net.

Product Sales Discounts and Allowances

The Company records 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 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® and PEDMARQSI® (European branded product name) is the Company's first and only 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.

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 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 payor data received from the specialty distributors and historical utilization rates that will develop over time, as PEDMARK® is the Company's first and only 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 condensed consolidated statements of operations.

Distribution and Other Fees: The Company pays distribution and other fees to certain customers in connection with the sales of PEDMARK®. The Company records distribution and other fees paid to its customers as a reduction of revenue, unless the payment is for a distinct good or service from the customer and the Company can reasonably estimate the fair value of the goods or services received. If both conditions are met, the Company records 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® earned during the three and nine months ended September 30, 2026, and 2025, respectively:

	Three Months Ended		Nine Months Ended	
In thousands	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Product revenues:				
Gross product revenues	$ 23,707	$ 13,668	$ 58,465	$ 35,421
Discounts and allowances	(4,282)	(1,206)	(6,768)	(4,556)
Net product revenues	$ 19,425	$ 12,462	$ 51,697	$ 30,865
Other revenue	183	—	893	—
Total revenue	$ 19,608	$ 12,462	$ 52,590	$ 30,865

For the three and nine months ended September 30, 2026, the Company had three and two distributors that represented more than 10% of net sales, respectively.

The activities and ending allowance balances for each significant category of discounts and allowances for PEDMARK® (which constitute variable consideration) for the nine months ended September 30, 2026, were 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
Provision related to sales made in:			
Current period	866	210	1,076
Prior periods	—	—	—
Payments and customer credits issued	(980)	(492)	(1,472)
Balance at June 30, 2026	$ 116	$ 657	$ 773
Provision related to sales made in:			
Current period	1,531	689	2,220
Prior periods	—	—	—
Payments and customer credits issued	(1,319)	(704)	(2,023)
Balance at September 30, 2026	$ 328	$ 642	$ 970

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 condensed consolidated balance sheets.

Trade Receivables

The Company records gross trade receivables at the time of product sale to its customers. 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 with the corresponding provision for credit losses recognized as an operating expense in the consolidated statements of operations. 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 and future 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 an 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 $6,265 as of September 30, 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 September 30, 2026, the Company capitalized approximately $2,117 of costs as inventory on the condensed consolidated balance sheet. Of the items capitalized, $539 was capitalized as raw materials, $1,506 was capitalized as work in process, $72 was capitalized into 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. At September 30, 2026, the Company had $48,684 in cash, savings and money market accounts ($36,788 at December 31, 2025). 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 September 30, 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 variable 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 September 30, 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 the results of operations.

Income/(Loss) Per Share

Basic net income/(loss) per share is computed by dividing net income/(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 convertible debentures, 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 November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments require public business entities to provide additional disaggregated disclosures in the notes to the financial statements for certain income statement expense captions, including specified natural expense categories and selling expenses. The amendments are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Accordingly, the amendments will be effective for the Company's annual report for the year ending December 31, 2027 and its interim period ending March 31, 2028. The Company is currently evaluating the impact of the new disclosure requirements and expects adoption to have a significant impact on the level of expense disaggregation included in its financial statement footnotes; however, the amendments are not expected to affect the Company's consolidated financial statements, results of operations, or cash flows.

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 amendments are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. Accordingly, the amendments will be effective for the Company beginning with its interim period ending March 31, 2028. 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 guidance is effective for annual reporting periods beginning after December 15, 2026, and interim

periods within those annual periods, with early adoption permitted. 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

Net income/(loss) per common share is presented under two formats: basic net income/(loss) per common share and diluted income/(loss) per common share. Basic net 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 shares equivalents (e.g. convertible debt, stock options and warrants). Dilutive common share equivalents consist of the incremental common shares issuable upon exercise of convertible debt, restricted share units, stock options 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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net income/(loss)	$ 4,640	$ (638)	$ 6,814	$ (4,954)
Denominator:				
Weighted-average common shares, basic	35,112	27,889	34,772	27,711
Dilutive effect of stock options	2,855	—	1,827	—
Dilutive effect of restricted share units	80	—	72	—
Dilutive effect of warrants	29	—	8	—
Incremental dilutive shares	2,964	—	1,907	—
Weighted-average common shares, diluted	38,076	27,889	36,679	27,711
Net income/(loss) per share, basic	$ 0.13	$ (0.02)	$ 0.20	$ (0.18)
Net income/(loss) per share, diluted	$ 0.12	$ (0.02)	$ 0.19	$ (0.18)

For the three and nine months ended September 30, 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 and nine months ended September 30, 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 common stock equivalents, outstanding convertible debt, options and warrants were excluded from the computation of diluted net income/(loss) per share for the periods presented because including them would have had an anti-dilutive effect:

	Diluted Earnings Per Share Three Months Ended September 30,		Diluted Earnings Per Share Nine Months Ended September 30,	
	2026	2025	2026	2025
Options to purchase common shares	4,101	5,915	4,946	5,915
Convertible debt to purchase common shares	—	3,761	—	3,761
Restricted share units to purchase common shares	—	419	—	419
Performance share units to purchase common shares	—	244	—	244
Warrants to purchase common shares	—	111	3	111

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 Shares

During the three and nine months ended September 30, 2026, and 2025, there were no warrants and 9 warrants exercised, respectively and no warrants were issued. As of September 30, 2026, 111 investor warrants remained outstanding, with a weighted-average exercise price of $8.11 and a weighted-average remaining contractual life of 0.93 years.

Equity Incentive Plan

The Company maintains the Fennec Pharmaceuticals Inc. 2020 Equity Incentive Plan, as amended (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"), stock appreciation rights, restricted stock awards, unrestricted stock awards, cash-based awards, dividend equivalent rights and stock purchase rights 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; and (ii) include provisions for an employee stock purchase program. This amendment was approved by the Company's shareholders on June 3, 2025.

On April 27, 2026, the Company's Board of Directors approved a further amendment to the Plan to increase the maximum number of common shares reserved and available for issuance under the Plan, together with the Company's prior stock option plan, to 10,000 common shares, excluding for this purpose any shares issued under the Plan or the Company's prior stock option plan prior to June 10, 2026. This amendment was approved by the Company's shareholders at the Company's Annual General Meeting of Shareholders held on June 10, 2026.

Prior to the June 2026 amendment, the maximum number of equity instruments issuable under the Plan, together with the Company's prior stock option plan, was limited to 8,500 common shares, excluding common shares issued prior to June 3, 2025 pursuant to the exercise of options and vesting of RSUs. Prior to the June 2025 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, which based on the then-current outstanding share count 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 equity-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 equity-based compensation expense related to equity awards:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Equity-based expense recognized	$ 1,355	$ 2,219	$ 4,119	$ 4,511
Total equity-based compensation expense recognized	**$ 1,355**	**$ 2,219**	**$ 4,119**	**$ 4,511**

Stock Option Activity

The following is a summary of option activity for the three and nine months ended September 30, 2026.

Options	Number of Options (thousands)	Weighted-Average Exercise Price $USD
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**
Granted	160	9.08
Exercised	(319)	6.09
Forfeited	(31)	6.22
Outstanding at June 30, 2026	**7,039**	$ **6.37**
Granted	170	11.72
Exercised	(155)	5.86
Forfeited	(98)	6.96
Outstanding at September 30, 2026	**6,956**	$ **6.50**

Of the 6,956 options granted and outstanding at September 30, 2026, 4,577 are fully vested and exercisable.

The fair value of equity awards valued using the Black-Scholes option pricing model, including stock options awards, was estimated using the assumptions in the table below. Expected volatility was determined based on the historical volatility of the Company's common stock over a period consistent with the expected term of the applicable award.

Black-Scholes Model Assumptions	Valuation Assumptions September 30, 2026
Expected dividend	0.00%
Risk free rate	4.07- 4.44%
Expected volatility	140.87 - 159.22%
Expected life	5.00 - 6.00 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 nine months ended September 30, 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 and nine months ended September 30, 2026. During the three and nine months ended September 30, 2026, there were 40 and 445 RSUs released from restriction, respectively. 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.

RSUs Current Year	Number of Restricted Share Units (thousands)
Outstanding at December 31, 2025	630
Awarded	—
Released	(118)
Forfeited	—
Outstanding at March 31, 2026	**512**
Awarded	—
Released	(287)
Forfeited	(8)
Outstanding at June 30, 2026	**217**
Awarded	—
Released	(40)
Forfeited	—
Outstanding at September 30, 2026	**177**

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

Employee Stock Purchase Plan

The Company maintains an employee stock purchase plan under the Fennec Pharmaceuticals Inc. 2020 Equity Incentive Plan that allows eligible employees to purchase common shares at a discount through after-tax payroll deductions during recurring six-month offering periods. The purchase price is generally 85% of the lower of the fair market value of the Company's common shares on the first or last trading day of the applicable offering period, subject to statutory limits. The ESPP is accounted for as a compensatory plan under ASC 718, and the grant-date fair value of purchase rights is estimated using the Black-Scholes option pricing model. ESPP-related equity-based compensation expense for the three and nine months ended September 30, 2026 was $64 and $128, respectively.

Under the ESPP, eligible employees of the Company and its participating subsidiaries may purchase common shares through after-tax payroll deductions at a discounted price. Substantially all employees of the Company and its U.S. subsidiaries are eligible to participate, except employees who own 5% or more of the Company's voting stock and employees who may be excluded under the plan's terms in accordance with Section 423 of the Internal Revenue Code (e.g., based on service requirements, customary hours worked, or highly-compensated status).

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 market-based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

	Fair Value Measurement at September 30, 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	$ 2,986 (1)	$ 3,072 (1)	$ 45,698	$ 33,716	$ —	$ —	$ 48,684	$ 36,788
Processa common shares	$ 2 (2)	$ 2 (2)	$ —	$ —	$ —	$ —	$ 2	$ 2

(1) The Company held approximately $2,986 in cash accounts as of September 30, 2026, of which approximately $374 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 0.1 unrestricted common shares of Processa Pharmaceuticals, Inc. (NASDAQ:PCSA).

6. Commitments and Contingencies

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.

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 September 30, 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. Effective June 1, 2026, the Company began matching employee contributions to the 401(k) Plan at 100% of employee contributions, up to 3% of eligible compensation.

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 September 30, 2026 and December 31, 2025, contract liabilities related to the Agreement were $23,916 and $24,809, respectively, consisting of $2,807 classified as current and $21,109 classified as long-term. For the nine months ended September 30, 2026, the Company recognized $893 of revenue related to the deferred material right and $439 of royalty revenue under the Agreement. No milestone was recognized during the period.

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 September 30, 2026, $640 in incremental cost was capitalized.

8. Income Taxes

The Company accounts for income taxes under ASC 740, *Income Taxes*. The income tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, recognized in the period in which they occur.

For the three and nine months ended September 30, 2026, the Company recorded an income tax provision of $332 and $374, respectively, compared to no income tax provision for the three and nine months ended September 30, 2025. The 2026 provision relates primarily to state income taxes, as federal taxable income was substantially offset by available net

operating loss carryforwards. No provision was recorded in the 2025 periods, in which the Company incurred net losses. The Company continues to maintain a full valuation allowance against its deferred tax assets.

The Company continues to maintain a valuation allowance against deferred tax assets for jurisdictions where, based on all available evidence, it is more likely than not that such deferred tax assets will not be realized. The Company will continue to evaluate the realizability of deferred tax assets in future periods, including the impact of sustained profitability, future taxable income and the reversal of temporary differences.

9. 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.

10. 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 our plans and strategy for our 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). 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. 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.

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 in the U.K. and Germany 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 $0.5 million and potentially exceeding $1.0 million 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, an investigator-initiated clinical study of PEDMARK® (sodium thiosulfate injection) in Japan in pediatric and adolescent and young adult patients with localized solid tumors receiving cisplatin. The STS-J01 study was investigator-initiated, open-label, single-arm, and evaluated a limited number of patients; accordingly, its results may not be replicated in larger, controlled studies or in clinical practice.

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.

In September 2026, we announced positive results that the study met its primary endpoint, with American Speech-Language-Hearing Association-defined hearing loss observed in 24.0% (6 of 25) of patients in the primary efficacy population, compared with a prespecified historical benchmark of 56.4% (p=0.001). In addition, 84.0% of patients had Grade 0 hearing loss under Brock criteria, with no Grade 3 or Grade 4 hearing loss reported. Objective tumor responses were observed in 23 of 24 evaluable patients (95.8%), and no serious adverse event was attributed to PEDMARK®. These findings provide additional clinical and pharmacokinetic support for administration of PEDMARK® six hours after cisplatin and for our efforts to pursue registration and evaluate potential partnering or licensing opportunities for PEDMARK® in Japan.

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 partnership 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, which took place from May 29-June 2, 2026 in Chicago, IL. These four independently led studies build upon the established safety and efficacy of PEDMARK® – currently approved for pediatric patients one month of age and older with localized, non-metastatic solid tumors, and recognized by the National Comprehensive Cancer Network with a 2A recommendation for use in adolescent and young adult patients – and help to expand understanding of the clinical utility of PEDMARK® in Adolescent and Young Adult (AYA) and adult populations, where significant unmet need remains.

Results of Operations

Three months ended September 30, 2026 versus three months ended September 30, 2025:

In thousands of U.S. Dollars	Three Months Ended September 30, 2026	%	Three Months Ended September 30, 2025	%	Change
PEDMARK product sales, net	$ 19,425		$ 12,462		$ 6,963
Other revenue	183		—		183
Total revenue	19,608		12,462		7,146
Operating expenses:					
Cost of product sales	838	6 %	660	5 %	178
Research and development	154	1 %	29	0 %	125
Selling and marketing	10,050	67 %	6,513	51 %	3,537
General and administrative	3,912	26 %	5,449	43 %	(1,537)
Total operating expense	14,954	100 %	12,651	100 %	2,303
Income/(loss) from operations	4,654		(189)		4,843
Unrealized foreign exchange (loss)	—		(3)		3
Amortization expense	—		(12)		12
Interest income	319		152		167
Interest expense	(1)		(586)		585
Income/(loss) before provision for income taxes	4,972		(638)		5,610
Provision for income taxes	332		—		332
Net income/(loss)	$ 4,640		$ (638)		$ 5,278

- The Company recorded net product sales of $19,425 in the third quarter of 2026 compared to $12,462 in the comparable period in 2025, an increase of $6,963 or 56%, as the Company increased market penetration and access for PEDMARK® and expanded its focus to the adolescent and young adult (AYA) population. Further, the Company recorded $183 in other revenue related to the Norgine transaction in the three months ended September 30, 2026 compared to $0 in the comparable period in 2025.

- Cost of product sales increased by $178 for the third quarter of 2026 compared to the comparable period in 2025, primarily due to higher sales volume. As a percentage of net product sales, cost of product sales decreased to 4% from 5%, driven by greater efficiencies in manufacturing and inventory management.

- Research and development expense increased by $125 for the three-month period ended September 30, 2026, as compared to the same period in 2025. Our research and development activities for this period consisted of costs associated with investigator-initiated trials, including studies initiated in 2026.

- Selling and marketing expenses include distribution costs, logistics, shipping and insurance, advertising, wages, commissions and out-of-pocket expenses. We recorded $10,050 in selling and marketing expenses for the three-month period ended September 30, 2026, as compared to $6,513 for the same period in 2025. The increase is

largely related to higher commercial headcount expenses to support the expansion of our sales organization to enhance coverage of the U.S. market and additional marketing and awareness initiatives in 2026.

- There was a $1,537 decrease in general and administrative expenses for the three-month period ended September 30, 2026 compared to the same period in 2025. The decrease was primarily due to lower legal and professional fees following the settlement of the patent litigation with Cipla in March 2026, and the reallocation of certain employee-related costs from general and administrative expenses to selling and marketing expenses beginning in the first quarter of 2026.

- Interest expense decreased by $585 for the three-month period ended September 30, 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 in 2026.

- Interest income increased by $167 in the three-month period ended September 30, 2026 as compared to the same period in 2025, driven by higher average cash balances on money market investments.

- The Company recorded a provision for income taxes of $332 for the three-month period ended September 30, 2026, compared to $0 in the same period in 2025.

Nine months ended September 30, 2026, versus nine months ended September 30, 2025:

In thousands of U.S. Dollars	Nine Months Ended September 30, 2026	%	Nine Months Ended September 30, 2025	%	Change
PEDMARK product sales, net	$ 51,697		$ 30,865		$ 20,832
Other revenue	893		—		893
Total revenue	52,590		30,865		21,725
Operating expenses:					
Cost of product sales	2,129	5 %	2,000	6 %	129
Research and development	321	1 %	230	1 %	91
Selling and marketing	32,131	69 %	14,523	42 %	17,608
General and administrative	11,737	25 %	17,840	51 %	(6,103)
Total operating expenses	46,318	100 %	34,593	100 %	11,725
Income/(loss) from operations	6,272		(3,728)		10,000
Unrealized foreign exchange (loss)/gain	(18)		27		(45)
Amortization expense	—		(38)		38
Unrealized loss on securities	—		(2)		2
Interest income	945		559		386
Interest expense	(11)		(1,772)		1,761
Income/(loss) before provision for income taxes	7,188		(4,954)		12,142
Provision for income taxes	374		—		374
Net income/(loss)	$ 6,814		$ (4,954)		$ 11,768

- The Company recorded net product sales of $51,697 in the nine months ended September 30, 2026 compared to $30,865 in the comparable period in 2025, an increase of $20,832 or 67%, as the Company increased market penetration and access for PEDMARK® and expanded its focus to the adolescent and young adult (AYA) population. For the nine months ended September 30, 2026, the Company recorded $893 in other revenue related to the Norgine transaction compared to $0 in the comparable period.

- Cost of product sales increased by $129 for the nine months ended September 30, 2026 compared to the comparable period in 2025, primarily due to higher sales volume. As a percentage of net product sales, cost of product sales decreased to 4% from 6%, driven by greater efficiencies in manufacturing and inventory management.

- Research and development expense increased by $91 for the nine-month period ended September 30, 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.

- We recorded $32,131 in selling and marketing expenses for the nine-month period ended September 30, 2026, as compared to $14,523 for the same period in 2025. The increase is largely related to higher commercial headcount to support the expansion of our sales organization to enhance coverage of the U.S. market and increased marketing and awareness activities in 2026.

- There was a $6,103 decrease in general and administrative expenses for the nine-month period ended September 30, 2026 compared to the same period in 2025. The decrease was primarily due to lower legal and professional fees as patent litigation activities with Cipla concluded, and the reallocation of certain employee-related costs from general and administrative expenses to selling and marketing expenses beginning in the first quarter of 2026.

- Interest expense decreased by $1,761 for the nine-month period ended September 30, 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 by $386 in the nine-month period ended September 30, 2026, as compared to the same period in 2025, driven by higher average cash balances on money market investments.

- The Company recorded a provision for income taxes of $374 for the nine-month period ended September 30, 2026, compared to $0 in the same period in 2025.

Liquidity and Capital Resources

Selected Asset and Liability Data (thousands):	As of September 30, 2026	As of December 31, 2025
Cash and equivalents	$ 48,684	$ 36,788
Other current assets	32,267	30,255
Current liabilities	13,244	10,518
Working capital [1]	67,707	56,525
[1] [Current assets – current liabilities]		
Selected Equity:		
Common shares and additional paid in capital	270,555	263,651
Accumulated deficit	(222,608)	(229,422)
Stockholders' equity	49,190	35,472

- There was an $11,896 net increase in cash and cash equivalents between December 31, 2025 and September 30, 2026. The increase was primarily driven by net cash provided by operating activities reflecting profitable operations and by proceeds from stock option exercises.

- The increase in other current assets of $2,012 between December 31, 2025 and September 30, 2026 primarily relates to increases in prepaid expenses, accounts receivable and inventory.

- Current liabilities at September 30, 2026 increased $2,726 compared to December 31, 2025. The increase primarily reflects the current portion of the Norgine contract liability, as a greater share of the deferred material right is expected to be recognized within the next twelve months.

- Working capital increased by $11,182 between December 31, 2025 and September 30, 2026, driven by the higher cash balance.

The following table illustrates a summary of cash flow data for the nine-month periods ended September 30, 2026 and 2025:

Selected Cash Flow Data (dollars and shares in thousands)	Nine Months Ended September 30, 2026	2025
Net cash provided by/(used in) operating activities	$ 9,111	$ (6,511)
Net cash provided by financing activities	2,785	1,824
Net cash flow	$ 11,896	$ (4,687)

Net cash provided by operating activities for the nine-month period ended September 30, 2026 was $9,111, compared to $6,511 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 $4,954 to net income of $6,814 as net product sales increased $20,832 year over year. Net cash provided by financing activities was $2,785 in 2026 versus $1,824 in 2025. The increase was driven by higher proceeds from stock option exercises ($4,187 versus $1,985), partially offset by taxes paid on restricted and performance share releases ($1,402 versus $161).

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; 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 September 30, 2026 and December 31, 2025 was as follows (in thousands):

Outstanding Share Type	September 30, 2026	December 31, 2025	Change
Common shares	35,215	34,163	1,052
Warrants	111	111	—
RSU and PSU Awards	177	701	(524)
Stock options	6,956	5,853	1,103
Total	42,459	40,828	1,631

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. At September 30, 2026, we had approximately $2,986 in our cash accounts and $45,698 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. 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, equity-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.

Non-GAAP Measures

Adjusted EBITDA

To supplement our condensed consolidated financial statements presented in accordance with U.S. GAAP, the Company provides the computation of Adjusted EBITDA attributable to the Company, which is defined as net income adjusted for the following items: interest expense, depreciation expense, amortization of intangible assets, income tax expense, share-based compensation expense, other revenue, certain other specific provisions, and unrealized foreign exchange gains and/or losses. The adjustments to net income in computing Adjusted EBITDA are set forth in the reconciliation table below.

We view Adjusted EBITDA as a key measure of our performance. We present Adjusted EBITDA because it assists us in comparing our performance across reporting periods on a consistent basis as it excludes certain items that we do not believe are indicative of our core operating performance. Our management uses Adjusted EBITDA:

- for planning purposes, including the preparation of our annual operating budget and developing and refining our internal projections for future periods;
- to allocate resources to enhance the financial performance of our business;
- as a target for the determination of the bonus component of compensation for our senior executives;
- to evaluate the effectiveness of our business strategies and as a tool in evaluating our performance against our budget for each period; and
- in communications with our Board of Directors and investors concerning our financial performance.

We believe Adjusted EBITDA is used by securities analysts, investors and other parties interested in the evaluation of the Company. Management believes the disclosure of Adjusted EBITDA offers an additional financial metric that, when coupled with results prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and the reconciliation to U.S. GAAP results, provides a more complete understanding of our results of operations and the factors and trends affecting our business. We believe Adjusted EBITDA is useful to investors for the following reasons:

- Adjusted EBITDA and similar non-GAAP measures are widely used by investors to measure a company's operating performance without regard to items that can vary substantially from company to company depending upon financing and accounting methods, book values of assets, tax jurisdictions, capital structures and the methods by which assets were acquired;
- investors can use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of our Company, including our ability to service our debt and other cash needs; and
- by comparing our Adjusted EBITDA in different historical periods, our investors can evaluate our operating performance excluding the impact of items described below.

The adjustments included in the reconciliation table listed below are presented to illustrate the operating performance of our business in a manner consistent with the presentation used by our management. These adjustments eliminate the impact of a number of items that:

- we do not consider indicative of our ongoing operating performance, such as interest income, unrealized loss on securities;
- we believe to be akin to, or associated with, interest expense, such as revolving credit facility commitment fees and letter of credit fees;
- are non-cash in nature, such as share-based compensation.

Adjusted EBITDA does not represent, and should not be a substitute for, net income or cash flows from operations as determined in accordance with U.S. GAAP. Adjusted EBITDA has limitations as an analytical tool, and you should not

consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of the limitations are:

- Adjusted EBITDA does not reflect our capital expenditures, or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- several of the adjustments that we use in calculating Adjusted EBITDA, such as non-cash write-downs and other charges, while not involving cash expense, do have a negative impact on the value of our assets as reflected in our consolidated balance sheet prepared in accordance with U.S. GAAP; and
- other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Furthermore, as noted above, one of our uses of Adjusted EBITDA is as a target for determining elements of compensation for our senior executives. At the same time, some or all of these senior executives have responsibility for monitoring our financial results, generally including the adjustments in calculating Adjusted EBITDA (subject ultimately to review by our Board in the context of the Board's review of our financial statements). While many of the adjustments, involve mathematical application of items reflected in our financial statements, others involve a degree of judgment and discretion. While we believe all of these adjustments are appropriate, and while the calculations are subject to review by our Board in the context of the Board's review of our financial statements, this discretion may be viewed as an additional limitation on the use of Adjusted EBITDA as an analytical tool.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our U.S. GAAP results and using Adjusted EBITDA only supplementally.

The following table presents a reconciliation of net income/(loss) to Adjusted EBITDA:

	Three Months Ended		Nine Months Ended	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Net income/(loss)	$ 4,640	$ (638)	$ 6,814	$ (4,954)
Interest income	(319)	(152)	(945)	(559)
Interest expense	1	586	11	1,772
Provision for income taxes	332	-	374	-
Depreciation and amortization	-	12	-	38
Other revenue (a)	(183)	-	(893)	-
Share based compensation expense (b)	1,355	2,219	4,119	4,511
Unrealized loss on securities	-	-	-	2
Unrealized foreign exchange gain/(loss)	-	3	18	(27)
Adjusted EBITDA	$ 5,826	$ 2,030	$ 9,498	$ 783

(a) Represents the portion of GAAP revenue related to “material rights” under the Company’s PEDMARK® license with Norgine that is non-cash in the current period and was previously recorded as deferred licensing revenue. Under ASC 606, a portion of the upfront consideration received under this agreement was allocated to a material right and recorded as deferred revenue (contract liability), which is subsequently recognized as revenue as PEDMARK® units are shipped to Norgine and the related material right is satisfied. These amounts are included in GAAP revenue in the periods presented, and the Company continues to apply GAAP recognition and

measurement for all revenue, including this component. The adjustment is intended solely to remove this non-cash amortization of previously deferred licensing revenue from Adjusted EBITDA, as management believes excluding this item provides a more comparable view of period-over-period cash operating performance from the Company's commercial activities.

(b) Represents share-based compensation expense to account for stock options, restricted stock, and other stock awards over their respective vesting periods.

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 September 30, 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 September 30, 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 quarter ended September 30, 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.

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 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

Chris Rallis, a current member of the Company's Board of Directors, adopted a trading arrangement on September 15, 2026, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. This trading arrangement covers the disposition of up to 55,545 shares of the Company's common shares, including shares issuable upon exercise of stock options, and will terminate on June 25, 2027, unless earlier terminated in accordance with its terms.

Robert Andrade, the Company's Chief Financial Officer, adopted a trading arrangement on September 17, 2026, which is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. This trading arrangement covers the disposition of up to 75,000 shares of the Company's common shares, subject to the applicable cooling-off period, and will terminate on December 31, 2026, earlier terminated in accordance with its terms.

During the quarter ended September 30, 2026, no other 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 November 12, 2026, we issued a press release announcing our financial results for the quarter ended September 30, 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 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
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 (furnished herewith).
99.1	Press Release for Quarter ended September 30, 2026 (furnished 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)

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: November 12, 2026

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

Date: November 12, 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 September 30, 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: November 12, 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 September 30, 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: November 12, 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 September 30, 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: November 12, 2026

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

Date: November 12, 2026

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

Exhibit 99.1

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

~ Third Quarter 2026 Net Product Sales of $19.4 Million, Up 56% Year over Year ~

~ Third Quarter 2026 Non-GAAP Adjusted EBITDA of $5.8 Million ~

~ With $6.7 Million in Positive Cash Flow from Operations, Cash Position in the Third Quarter 2026 Grew to $48.7 Million ~

~ Record Number of Patients and Planned Infusions Carried into the Fourth Quarter 2026 ~

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

Research Triangle Park, NC, November 12, 2026 – Fennec Pharmaceuticals Inc. (NASDAQ:FENC; TSX: FRX), a specialty pharmaceutical company, today reported its financial results for the third quarter ended September 30, 2026 and provided a business update.

"Given the significant increase in demand that we are seeing quarter over quarter in 2026, we firmly believe in the sustainable growth potential of PEDMARK®. We are driving this forward through strong commercial execution, investment in evidence generation to support its use, and operational enhancements that will continue to improve the overall patient and healthcare professional experience," said Jeff Hackman, chief executive officer of Fennec Pharmaceuticals. "Additionally, with net revenue, adjusted EBITDA, and our cash position reaching record highs this quarter, we will continue to be disciplined in our capital deployment as we move through the fourth quarter and look ahead to 2027."

Business Highlights:

- **Continued Commercial Momentum Within Key PEDMARK® Accounts**: The second full quarter following the significant expansion of our commercial organization contributed to another sequential quarter of demand growth, with total program enrollments up 23% and completed infusions up 58% over the second quarter of 2026. As the field team is now operating with greater reach and frequency to engage healthcare providers, Fennec expects that the productivity curve will continue to increase through the fourth quarter of 2026 and into 2027.

- **58th Annual International Society of Pediatric Oncology (SIOP) Annual Meeting:** Detailed results from the investigator-initiated Phase 2 STS-J01 clinical trial evaluating PEDMARK® for the reduction of cisplatin-induced ototoxicity in pediatric and adolescent and young adult (AYA) patients with non-metastatic solid tumors in Japan were featured in an oral presentation at SIOP 2026. These data demonstrated significant hearing protection and provide reassuring clinical context regarding antitumor activity with delayed PEDMARK® administration. Full results from the study will be submitted for peer-reviewed publication.

Upcoming Events:

- **17th Annual Craig-Hallum Alpha Select Conference:** The management team will host one-on-one investor meetings at the 17th Annual Craig-Hallum Alpha Select Conference, which will be held on Tuesday, November 17, 2026 at the Sheraton New York Times Square Hotel in New York City.

- **Piper Sandler 38th Annual Healthcare Conference**: The management team will participate in a fireside chat on Thursday, December 3, 10:30 – 10:55 a.m. ET, at the conference and will host one-on-one investor meetings, which will be held at the Lotte New York Palace and will be available via webcast.

Financial Results for the Third Quarter Ended September 30, 2026

- **Net Product Sales** – For the third quarter of 2026, the Company recorded net product sales of approximately $19.4 million compared to $12.5 million in the third 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 $10.1 million in selling and marketing expenses in the third quarter of 2026 compared to $6.5 million in the third quarter of 2025. The increase is largely related to the higher costs associated with the commercialization and increased awareness initiatives of PEDMARK® and related expenses to support the expansion of our sales organization.

- **General and Administrative (G&A) Expenses –** The Company recorded $3.9 million in general and administrative expenses in the third quarter of 2026 compared to $5.4 million in the third quarter of 2025. The decrease in general and administrative expenses for the three-month comparable periods due to lower legal and professional fees as select litigation activities concluded.

- **Non-GAAP Adjusted EBITDA –** The Company recorded $5.8 million in non-GAAP adjusted EBITDA in the third quarter of 2026 compared to non-GAAP adjusted EBITDA of $2.0 million for the same period in the prior year. A table reconciling non-GAAP measures is included in this press release for reference.

- **Cash Position –** Cash and cash equivalents were $48.7 million as of September 30, 2026 compared to $41.2 million as of June 30 2026. We anticipate that our cash, cash equivalents and investment securities as of September 30, 2026, combined with the projected revenues from PEDMARK®, will be sufficient to fund our business based on our current operating plan.

Third Quarter 2026 Conference Call Information

Date: Thursday, November 12, 2026
Time: 8:30 a.m. Eastern Time
Webcast Link: https://edge.media-server.com/mmc/p/vuhn59ek
Participant Link: https://register-conf.media-server.com/register/BIa5435e66b82346329a08be7e156e3eac

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

September 30, 2026, and management's discussion and analysis of financial condition and results of operations will be available 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 share and per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Revenue				
PEDMARK product sales, net	$ 19,425	$ 12,462	$ 51,697	$ 30,865
Other revenue	183	—	893	—
Total revenue	19,608	12,462	52,590	30,865
Operating expenses:				
Cost of product sales	838	660	2,129	2,000
Research and development	154	29	321	230
Selling and marketing	10,050	6,513	32,131	12,510
General and administrative	3,912	5,449	11,737	19,853
Total operating expenses	(14,954)	(12,651)	(46,318)	(34,593)
Income/(loss) from operations	4,654	(189)	6,272	(3,728)
Other (expense)/income				
Unrealized foreign exchange (loss)/gain	—	(3)	(18)	27
Amortization expense	—	(12)	—	(38)
Interest income	319	152	945	559
Interest expense	(1)	(586)	(11)	(1,772)
Total other income/(expense)	318	(449)	916	(1,226)
Income/(loss) before provision for income taxes	4,972	(638)	7,188	(4,954)
Provision for income taxes	332	—	374	—
Net income/(loss)	$ 4,640	$ (638)	$ 6,814	$ (4,954)
Basic net income/(loss) per common share	$ 0.13	$ (0.02)	$ 0.20	$ (0.18)
Diluted net income/(loss) per common share	$ 0.12	$ (0.02)	$ 0.19	$ (0.18)
Weighted-average number of common shares outstanding basic	35,112	27,889	34,772	27,711
Weighted-average number of common shares outstanding diluted	38,076	27,889	36,679	27,711

Fennec Pharmaceuticals Inc.
Unaudited Condensed Consolidated Balance Sheets
(U.S. Dollars and shares in thousands)

	September 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 48,684	$ 36,788
Accounts receivable, net	23,786	23,221
Prepaid expenses	4,948	3,738
Inventory	2,117	1,565
Other current assets	1,416	1,731
Total current assets	80,951	67,043
Non-current assets		
Non-current accounts receivable, net	1,952	2,791
Other non-current assets, net of amortization	640	717
Total non-current assets	2,592	3,508
Total assets	$ 83,543	$ 70,551
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,607	$ 4,635
Accrued liabilities	5,830	5,635
Contract liability-current	2,807	248
Total current liabilities	13,244	10,518
Long-term liabilities		
Contract liability - long-term	21,109	24,561
Total long-term liabilities	21,109	24,561
Total liabilities	34,353	35,079
Commitments and contingencies		
Stockholders' equity:		
Common stock, no par value; unlimited shares authorized; 35,215 shares issued and outstanding (2025 -34,163)	194,093	189,906
Additional paid-in capital	76,462	73,745
Accumulated deficit	(222,608)	(229,422)
Accumulated other comprehensive income	1,243	1,243
Total stockholders' equity	49,190	35,472
Total liabilities and stockholders' equity	$ 83,543	$ 70,551

Reconciliation of Net Income/(Loss) to Adjusted EBITDA (Non-GAAP)
(U.S. Dollars in thousands)

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income/(loss)	$ 4,640	$ (638)	$ 6,814	$ (4,954)
Interest income	(319)	(152)	(945)	(559)
Interest expense	1	586	11	1,772
Provision for income taxes	332	-	374	-
Depreciation and amortization	-	12	-	38
Other revenue (a)	(183)	-	(893)	-
Share based compensation expense (b)	1,355	2,219	4,119	4,511
Unrealized loss on securities	-	-	-	2
Unrealized foreign exchange gain/(loss)	-	3	18	(27)
Adjusted EBITDA	$ 5,826	$ 2,030	$ 9,498	$ 783

(a) Represents the portion of GAAP revenue related to "material rights" under the Company's PEDMARK® license with Norgine that is non-cash in the current period and was previously recorded as deferred licensing revenue. Under ASC 606, a portion of the upfront consideration received under this agreement was allocated to a material right and recorded as deferred revenue (contract liability), which is subsequently recognized as revenue as PEDMARK® units are shipped to Norgine and the related material right is satisfied. These amounts are included in GAAP revenue in the periods presented, and the Company continues to apply GAAP recognition and measurement for all revenue, including this component. The adjustment is intended solely to remove this non-cash amortization of previously deferred licensing revenue from Adjusted EBITDA, as management believes excluding this item provides a more comparable view of period-over-period cash operating performance from the Company's commercial activities.

(b) Represents share-based compensation expense to account for stock options, restricted stock, and other stock awards over their respective vesting periods.

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 PEDMARQSIÒ.

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 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.

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