
KNOA PHARMA LLC

FIRST MONITOR REPORT

Comes now, Stephen C. Bullock, as duly appointed and contracted Monitor for Knoa Pharma LLC, to report as follows:

EXECUTIVE SUMMARY

This is the first Report filed under the Operating Injunction (“Injunction”).¹ The Report will include an outline of the major differences between the Voluntary Injunction and the Injunction, as well as some of the activities undertaken in connection with emergence from bankruptcy and commencement of operations as a different entity under a new injunction. It will discuss the actions taken since the effective date of the Injunction to determine compliance with the terms and conditions of the Injunction, results of areas of further inquiry or recommendations from prior Reports, and new recommendations provided to Knoa Pharma LLC and its

¹ Knoa Pharma LLC is an entirely different entity and, as of May 1, 2026, the effective date of the Eighteenth Amended Plan of Reorganization (the “Plan”) of Purdue Pharma L.P. and certain of its affiliates (“Purdue”), substantially all the assets of Purdue were transferred to Knoa Pharma LLC. Purdue has ceased to have active operations, and the Plan Administration Trust became the sole representative, liquidator and wind-down agent of Purdue Pharma L.P.

As Knoa Pharma LLC is a distinct entity and operates under a different injunction, the Monitor has identified this report as the First Monitor Report. However, the Monitor often cites earlier reports, both in explaining or following up on prior recommendations and to give context to the analysis of topics or practices. Moreover, although the Injunction expressly provides that Monitor “[r]ecommendations shall not be deemed to be incorporated into the terms of this injunction,” (Injunction, VI.F.2.e.iii), the Company has agreed that, unless revisited between the Company and the Monitor, any agreed upon recommendations made while operating under the Voluntary Injunction will continue in force. Accordingly, the undersigned may occasionally reference reports from the oversight of Purdue Pharma L.P. under its monitorship.

Additionally, going forward, the Monitor will refer to the Operating Injunction as “Injunction” and the Voluntary Injunction as “Voluntary Injunction.”

subsidiaries (“Knoa” or “the Company”),² and the Company’s response to those recommendations.

Based on what has been reviewed to date and subject to the recommendations contained herein, Knoa appears to be making a good faith effort to comply with the terms and conditions of the Injunction, and the Company has been responsive in fulfilling the Monitor’s requests for information, documents, and interviews with Knoa employees.

INTRODUCTION – STEPS TAKEN SINCE THE EFFECTIVE DATE OF THE OPERATING INJUNCTION

1. Since the effective date of the Injunction, the undersigned Monitor has had interviews and discussions with the former Interim President and Chief Executive Officer; Vice President, Chief Compliance Officer; Chief Executive Officer; Board Chair; Vice President, Clinical Research & Development; Senior Director, Clinical Operations; Associate Director, Clinical Project Management; and Knoa’s outside counsel.

2. Since the effective date of the Injunction, the Monitor has continued to request, receive, and review a variety of documents, reports, and materials. The undersigned has received information relating to standing requests, new requests, and documents and reports generated by the Company to directly address inquiries made by the undersigned.

RECOMMENDATIONS AND AREAS OF FURTHER INQUIRY

3. Prior to transitioning to the Injunction, there were outstanding recommendations and areas of inquiry arising under the Voluntary Injunction, including:

² Knoa Pharma LLC is the parent company. Going forward, the undersigned will identify “Knoa” or “the Company” when referring to Knoa Pharma LLC and its subsidiaries, “Knoa Pharma” when referring to the distributor of products including Butrans, Hysingla, and OxyContin, and “Rhodes” when referring to the subsidiary distributing primarily generic products. Additionally, “Knoa Pharmaceuticals LLC” is the name of the entity owning the manufacturing facility and operations in Wilson, NC. If there are matters specific to that entity, the undersigned will identify it as “Knoa Pharmaceuticals” or “the manufacturing facility in Wilson, NC.”

- a. Following up with representatives of Medical Affairs after conferences to ascertain if there are any inquiries or interactions relating to Opioid Products.
(Twenty-sixth Report (Purdue), Paragraph 10.)
- b. Working with a distributor and two of the larger pharmacy chains to get access to unblinded 867 Data that the Company was unaware it was not receiving.
(Twenty-sixth Report (Purdue), Paragraphs 41 and 42.)
- c. Contacting the smaller pharmacy chains from which the Company had not been receiving unblinded 867 Data, explaining the limited use of the 867 Data for Suspicious Order Monitoring (“SOM”) purposes, and requesting that they instruct their distributors to provide the Company’s SOM Team access to their 867 Data.
(Twenty-sixth Report (Purdue), Paragraph 43; Twenty-fifth Report (Purdue), Paragraph 52.)
- d. Contacting smaller direct customers and requesting that they provide Knoa access to unblinded 867 Data. (Twenty-second Report (Purdue), Paragraph 77.)

DISCUSSION AND ANALYSIS

I. CHANGES BETWEEN VOLUNTARY INJUNCTION AND OPERATING INJUNCTION

4. In the final Report filed under the Voluntary Injunction, the undersigned noted that an explanation of the substantive changes between the injunctions would be included in the next report. (Twenty-Sixth Report (Purdue), Paragraph 59.) While not all changes are highlighted, what follows is an explanation of the most significant changes in terms of business operations and/or Monitor oversight.

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A. Promotion Definition

5. The revised definition of Promotion is as follows:

“Promote,” “Promoting,” and “Promotion” shall mean dissemination of information or other practices intended or that could be reasonably anticipated to influence prescribing practices in a manner that increases sales, prescriptions, or the utilization of prescription products.

(Injunction, I.S.)

6. The definition adds the catch-all “or other practices,” modifies the standard from “practices either likely or intended to influence prescribing practices” under the Voluntary Injunction, to “practices intended or that could be reasonably anticipated to influence prescribing practices,” and changes practices “in favor of prescribing greater amounts, quantities, doses, and/or strengths of Opioid Products” under the Voluntary Injunction to “practices in a manner that increases sales, prescriptions, or the utilization of prescription products” under the Operating Injunction. The Monitor is not suggesting any existing Company practices need be changed to conform with this more expansive definition of Promotion, though will review actions of Knoa going forward under this revised definition.

B. Ban on Prescription Savings Cards

7. Unlike under the Voluntary Injunction, the Injunction prohibits “prescription savings cards or coupons for its Opioid Products (other than PHI Products) except to existing, commercially insured, non-cash paying patients.” (Injunction, III.E.1.) As a matter of practice, even though not expressly required by the Voluntary Injunction, Purdue Pharma limited the savings cards to patients that were commercially insured, non-cash paying clients. (Twenty-third Report (Purdue), Paragraphs 34 to 40.) Accordingly, the most substantive change is that the program is now limited to existing patients.

8. On March 1, 2026, the Company implemented changes to the savings card program to comply with the Injunction. Starting on March 1, 2026, to be considered an existing patient, a consumer must have last used a savings card within the preceding 45 days. Thereafter, a patient must continue to use a savings card at least once every 45 consecutive days to maintain eligibility. If more than 45 consecutive days pass without a savings card transaction, the patient will no longer be eligible for the savings card program, even if the patient is still being prescribed an eligible Knoa Opioid Product. **The Monitor finds that this is an acceptable definition of an existing patient and is consistent with the terms of the Injunction.**

9. On July 1, 2026, The Company notified and requested approval from the Monitor to permit a 75-day lookback period for the month of July in assessing whether a patient is an existing patient for purposes of the Injunction. The Company made this request to allow individuals who were unable to obtain branded medications due to supply chain disruptions from being eliminated from the savings card program. As will be further discussed in the section of the Report relating to SOM, the supply chain disruption is the result of Knoa being required to obtain new DEA registrations and state licenses. Given that the modification was a temporary extension just for the month of July and the supply chain disruption was beyond the control of the Company, the Monitor found this request reasonable and acceptable.

10. The Injunction continues to allow “unsolicited electronic point-of-dispense programs for the benefit of commercially-insured, non-cash paying patients.” (Injunction, III.E.1.; *see also* Twenty-third Report (Purdue), Paragraphs 41 to 45.)

11. Finally, the Ban on Prescription Savings Cards also now includes that Knoa “shall not directly or indirectly assist patients, Health Care Providers, or pharmacies regarding the claims and/or prior authorization process required for third-party payors to approve claims

involving any Opioid Product.” (Injunction, III.E.2.) Although this is a new prohibition, it is not a change in practice, as Purdue was not, and Kinoa is not, directly or indirectly assisting patients, Health Care Providers (“HCPs”) or pharmacies in this manner.

C. Lobbying Restrictions

12. The most significant change to the lobbying restrictions is that Kinoa must now provide advance notice to the Board and Monitor if it undertakes any Lobbying,³ including activity relating to PHI Products. The Injunction provides:

The Company shall not Lobby by affirmatively advocating either for or against the enactment of any federal, state, or local legislation or promulgation of any rule or regulation or the appointment of any individual to public office, unless [Kinoa Pharma’s] Board shall have determined that the request comports with the Company’s Purpose (as defined in the [Kinoa Pharma] Operating Agreement). If [Kinoa Pharma’s] Board so determines, then the Company shall provide advance notice to the Monitor of its intention to Lobby on the issue. The Monitor shall then have the sole and absolute discretion to direct that the activity not take place if the Monitor exercises such discretion and determines that the request approved by the [Kinoa Pharma] Board (a) is expressly prohibited by the terms of this injunction, or (b) does not reasonably comport with the Company’s Purpose (as defined in the [Kinoa Pharma] Operating Agreement).

(Injunction, III.D.4)

13. The Company proposes to fulfill this obligation under the Injunction by providing the Monitor with the proposed measures or bills that the Board determines comports with the Company’s Purpose. As further discussed in the section of the Report relating to Government Affairs and Lobbying Restrictions, the Monitor reviewed 22 proposed bills that had been reviewed by the Board, and that the Company is considering lobbying for their passage.

³ “Lobby” is defined in the Injunction “to engage in ‘lobbying activities’ or ‘lobbying contacts’ under the federal lobbying disclosure act, 2 U.S.C. § 1602 *et seq.*, and any analogous state or local provisions governing the person or entity being lobbied in that particular state or locality. As used in this injunction, ‘Lobby’ includes Lobbying directly or indirectly, through grantees or Third Parties.” (Injunction, I.L.). Given that different states often have different definitions, as explained in the Nineteenth Report (Purdue), Purdue “agreed to take a more inclusive approach, modeled after the Massachusetts law, which defines lobbying as ‘any act to promote, oppose, influence or attempt to influence’ legislation or the decision of any officer or employee of the executive branch or an authority.” (Nineteenth Report (Purdue), Paragraph 21.) Kinoa has agreed to continue this approach and practice.

14. The Injunction also provides that Knoa “shall not establish any Political Action Committees or make campaign contributions to candidates for political office. . . .” (Injunction, III.D.2.j.) Although a new prohibition, it is not a change in practice.

15. Additionally, the Injunction now prohibits the Company from “responding to an unsolicited request for the input on the passage of legislation or the promulgation of any rule or regulation” except “when such request is submitted in writing specifically to the Company from a government entity directly involved in the passage of that legislation or promulgation of that rule or regulation.” (Injunction, III.D.3.d.) However, Knoa is still permitted to “[r]espond[] to unsolicited requests from the DEA, the FDA, or any other Federal or state agency and/or participat[e] in FDA or other agency panels at the request of the agency.” (Injunction, III.D.3.e.) Harmonizing these provisions, if Knoa receives unsolicited requests relating to the passage of legislation or promulgation of a rule or regulation from the Drug Enforcement Administration (“DEA”) or the Food and Drug Administration (“FDA”), even if not in writing or specifically addressed to Knoa, the Monitor will construe as consistent with the Injunction.⁴ **To the extent Knoa responds to such requests from the FDA or DEA, Knoa will share the Company’s response with the Monitor.**

D. Clinical Data Transparency: Data to be Shared, Third Party Data Archive, Non-Interference

16. Unlike the Voluntary Injunction, the Injunction contains provisions requiring the Company to share clinical data regarding OxyContin, Butrans, and Hysingla. (Injunction, IV.) This includes data previously disclosed to the FDA, as well as “all previously unreleased, clinical

⁴ For example, the DEA had changed the requirements for submitting quota requests from once a year to once every quarter. While these changes were in writing, rather than being specifically addressed to the Company, the correspondence was addressed to “DEA-Registered Manufacturer.” The manufacturers, including Purdue, worked collaboratively with the DEA so that quota requests are only submitted once every six months. *See Eighteenth Report (Purdue)*, Paragraphs 35 to 39.

data and/or information it possesses in electronic form that can be located following a reasonable diligent search...for both approved and unapproved indications.” (Injunction, IV.A.1.a.&b.) For previously unreleased clinical data, the Injunction provides that the data include: “(i) Full analyzable data set(s) (including individual participant-level data de-identified by an independent biostatistician); (ii) The clinical study report(s) redacted for commercial or personal identifying information; (iii) The full protocol(s) (including the initial version, final version, and all amendments); and (iv) Full statistical analysis plan(s) (including all amendments and documentation for additional work processes) and analytic code.” (Injunction, IV.A.1.b.i.-iv.)

17. The sharing of this clinical data is limited “to the extent and in a manner permitted by applicable law and contracts, including data privacy laws, informed consent forms and clinical trial protocols.” (Injunction, IV.A.1.) Moreover, a panel of reviewers with independent review authority working for a third-party data archive will determine whether those seeking the data are Qualified Researchers with a bona fide scientific research proposal. (Injunction, IV.B.3.)

18. To better understand the steps taken to fulfill this section of the Injunction, the undersigned interviewed the Vice President, Clinical Research & Development, Senior Director, Clinical Operations, Associate Director, Clinical Project Management, and Knoa’s outside counsel.

19. The Company identified 165 eligible studies and clinical data sets relating to OxyContin (76), Butrans (73) and Hysingla (16). It did not identify any “previously unreleased, clinical data and/or information it possesses in electronic form” regarding OxyContin, Butrans or Hysingla, as provided for in Section IV.A.1.b. of the Injunction.

20. The Company employees that identified the studies as responsive are the Vice President, Clinical Research & Development; Senior Director, Clinical Operations; and Associate Director, Clinical Project Management.⁵ These employees conducted searches for clinical trials of two Purdue Pharma electronic databases containing patient datasets for all clinical studies performed at Purdue, protocols, statistical analysis plans and clinical study reports. They also reviewed the final submissions to the FDA of New Drug Applications to further identify the studies supporting each product's indications. The Company informed the undersigned that all databases that could have contained studies were searched, and no databases that could have contained studies were excluded.

21. Of the 165 studies identified, the Company concluded, in consultation with its outside counsel, it is permitted to share anonymized patient level data for 90 of the studies. The remaining 75 studies either did not have patient informed consent forms permitting the sharing of data or the informed consent forms were not available due to the age of the studies.

22. For all studies, including the 75 studies containing patient level data for which the Company does not have or cannot locate patient informed consent forms, Knoa provided to the third-party data archive available study protocols and statistical analysis plans. This material can be accessed by anyone that creates a free account with Vivli, the company hosting the data, without Vivli reviewing whether it is a Qualified Researcher with a bona fide scientific research proposal. (https://vivli.org/wp-content/uploads/2026/06/2026_06_27-Vivli_quick_start_users_guide-4.0.pdf)

⁵ Two employees that were involved in this process are no longer with the Company. The titles of those employees are Senior Manager, Statistical Programming and Director, Biometrics. The undersigned has not interviewed the former employees.

23. For the 90 studies containing patient level data, the Company is going through the process of anonymizing the reports, using an outside company specializing in doing so. Vivli has an independent review panel that will make the determination whether the requestor is a Qualified Researcher with a bona fide scientific research proposal.

(<https://vivli.org/about/independent-review-panel/>).

24. There have been no requests as of the end of July 2026.

25. It should be noted that Knoa is posting this information as research from Purdue Pharma, not Knoa, as the studies were conducted by Purdue, and those interested in reviewing the materials are less likely to recognize Knoa as the distributing entity.

(<https://vivli.org/ourmember/purdue-pharma-l-p/>)

26. It should be further noted that the Monitor has no way of assessing the completeness of the clinical data and/or information provided by the Company to the third-party data archive, both in terms of whether the review process captured all information and the content of the studies, information and data sets.

E. Treatment of Pain

27. The Injunction defined “Treatment of Pain” as follows:

“Treatment of Pain” means the provision of therapeutic modalities to alleviate or reduce pain. “Treatment of Pain” does not include (i) the provision of therapeutic modalities to treat a disease or condition that is something other than pain but for which a side effect or impact of the treatment of such disease or condition is a reduction in pain caused by such disease or condition, or (ii) Tinostamustine or Sunobinop.

(Injunction, I.Z.)

28. With the exception of Tinostamustine and Sunobinop, two products currently under development by the Company, the Injunction’s inclusion of the Treatment of Pain definition throughout the Injunction means that Knoa cannot Promote its products as a modality

to alleviate or reduce pain, if that Promotion would directly or indirectly encourage the use of Opioid Products.⁶ However, the Company is already prohibited from Promoting Opioid Products, subject to the exceptions listed in III.A.2 of the Injunction. Accordingly, the Company is not providing any information on its website, or otherwise, concerning the Opioid Products beyond language included in the FDA-approved package insert, medication guide, and labeling. **To the extent that other language is used by the Company in the future, the Monitor requests that Knoa provides the undersigned these materials. The Company has agreed to this request.**

29. Additionally, the Treatment of Pain definition applies to other medications not relating to Opioid Products. If Knoa was to develop non-Opioid products to alleviate or reduce pain, those non-Opioid products could not be Promoted, nor could Knoa management-level employees be involved with other entities that Promote the Treatment of Pain.⁷ This prohibition is new, and not a change to existing business practices.

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⁶ “The Company shall not, either through the Company or through Third Parties, engage in Promotion of the Treatment of Pain in a manner that directly or indirectly encourages the use of Opioids or Opioid Products.” (Injunction, III.A.4.)

⁷ See Injunction, III.C.1. (“The Company shall not directly or indirectly provide financial support or In-Kind Support to any Third Party for the purpose of Promoting . . . the Treatment of Pain. . . including educational programs or websites that Promote . . . the Treatment of Pain”); Injunction, III.C.2. (“The Company shall not operate, control, create, sponsor, provide financial support or In-Kind Support to any medical society or patient advocacy group relating to . . . the Treatment of Pain. . .”); Injunction, III.C.3. (“The Company shall not provide links to any Third-Party website or materials or otherwise distribute materials created by a Third Party relating to . . . the Treatment of Pain. . .”); Injunction, III.C.7. (“No current director, officer, or management-level employee of the Company may serve as a director, board member, employee, agent, or officer of any entity that engages in Promotion relating . . . the Treatment of Pain. . .”); Injunction, III.C.8. (“The Company shall play no role in appointing persons to the board, or hiring persons to the staff, of any entity that principally engages in Promotion relating . . . the Treatment of Pain. . .”)

F. Ban on Promotion: Website Posting of Information

30. The Injunction requires website posting of information provided “to a payor, formulary committee, distributor, or other similar entity with knowledge and expertise in the area of health care economics concerning cost or availability or a Company Opioid Product...includ[ing] information about the stocking of the Opioid Product as described in the FDA-approved labeling; tier status; applicable prescribing guidelines that are consistent with the FDA-approved labeling; step-edits for Opioid Products; restrictions; and/or prior authorization status concerning an Opioid Product.” (Injunction, III.A.2.h.) Information that is commercially sensitive or otherwise confidential need not be posted, but “instead shall be provided to the Monitor and the State Monitor Committee.” (*Id.*)

31. Knoa has represented to the undersigned that, with respect to its Opioid Products, it does not provide information regarding step edits, tier status, or prior authorizations to formulary committees, payors, distributors, or similar entities.

32. The Company has further reported to the undersigned that, of the remaining materials referenced in the Injunction provision, the only information that is not already available on its website relates to availability and cost of Opioid Products, and both areas are considered by the Company as commercially sensitive or confidential.

33. Regarding product availability, the Company has provided the Monitor examples of ad hoc communications sent to direct customers when products are on backorder or supply chain disruptions occur, and a weekly email to one of the larger distributors relating to generic product stocking information. **The Monitor does not find this information illuminating or of assistance in fulfilling the oversight functions, so will only ask Knoa to provide this information upon request. The Monitor also conferenced with the State Monitor**

Committee, and the Committee does not see a compelling reason to regularly receive product availability information.

34. Closely related to product availability is when the Company launches a new product or discontinues an existing product. While this information is generally publicly available, **the Company has agreed to send the Monitor notices of any launch or discontinuation, and the undersigned will share this information with the State Monitor Committee.**

35. Regarding cost, the language of the Injunction is ambiguous. “Cost” would typically refer to the costs Knoa spends to manufacture and distribute its products. Knoa would not provide information relating to cost to the categories of entities listed in this section of the Injunction, absent a legal obligation to do so. Moreover, this would lead to a strained if not absurd construction, as the Injunction also requires Knoa to provide “the costs compared to the cost of an Opioid Product manufactured or distributed by another company.” (Injunction, III.A.2.h.) Knoa would never have this information available.

36. Accordingly, the Injunction is more likely referring to price or pricing, than cost. Three different categories of pricing materials are shared with one or more of the entities listed in this section of the Injunction.

37. The Wholesale Acquisition Cost (“WAC”) is “the manufacturer’s list price for the drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates or reductions in price....” 42 USC sec. 1395w-3a(c)(6)(B). There are WAC prices for both branded and generic products. Knoa Pharma typically updates its WAC prices only once per year, and Rhodes typically updates WAC prices for each of its products at separate times throughout the year and provides its direct customers

with notices when a product's WAC changes. Most likely, the parties drafting the Injunction intended that the Company share the WAC pricing with the Monitor and State Monitor Committee. **The Company has agreed to send the Monitor an example of the email communication sent to direct customers each time the branded or generic WAC price changes. If the undersigned has concerns or questions about the WAC price changes that could touch upon matters covered by the Injunction, the undersigned will raise those concerns or questions with the Company and, where appropriate, the State Monitor Committee.**

38. Second, the Veterans Administration ("VA") Federal Supply Schedule ("FSS") is a delegated procurement program to provide federal agencies healthcare items and services, including pharmaceuticals. The FSS cost list is public information and accessible through the VA's website. (<https://department.va.gov/procurement-acquisition-and-logistics/national-acquisition-center/federal-supply-schedule-service/?target=Data%3A+Pharm+Pricing%2C+Sales+Data%2C+and+Newly+Awarded+Contracts>). While not currently displayed on the Knoa website, the Monitor does not believe this publicly available price list was intended to be captured as a "cost" that Knoa needs display on the Company's website or otherwise share.

39. Finally, there are also EDI 845 price lists, which reflect the contract prices agreed upon between the Company and Group Purchasing Organizations ("GPOs"). The EDI 845 pricing for branded Opioid Products changes both after contract negotiation or renegotiation and, depending upon the contract, when the WAC price changes. The EDI 845 pricing for generic Opioid Products changes much more frequently and can even change multiple times in one week.

40. While this pricing material is shared with one or more of the entities listed in this section of the Injunction, the price lists reflect “rebates, discounts, fees, and other customary pricing adjustments,” rather than WAC pricing. Section III.A.2.j expressly states that the Company can provide these customary pricing adjustments, and those customary pricing adjustments are not also enumerated in Section III.A.2.h, the provision explaining the information that must be posted on Knoa’s website or provided to the Monitor and the State Monitor Committee. Moreover, the Monitor has reviewed samples of the EDI 845 price lists and does not find them to be of assistance in fulfilling the oversight functions.

41. Accordingly, the Monitor concludes that the only cost information the Company must share on a regular basis with the undersigned is the WAC pricing and adjustments.

G. Ban on Promotion: Detailing PHI Products

42. Unlike under the Voluntary Injunction, the Injunction limits the activities of sales representatives detailing PHI Products.

43. First, Knoa cannot “[e]mploy or contract with sales representatives to detail PHI Products (i.e., though direct interaction, whether in-person or virtual, with individual prescribing or dispensing health care professionals or their staffs) who are compensated based on sales or volume of PHI Products.” (Injunction, III.A.2.k.i.) It should be noted that a portion of the Knoa outside sales force’s compensation is based on “[i]ncreas[ing] hospitals, clinics, and/or institutions that have adopted Nalmefene HCl vials and/or Zurnai (nalmefene autoinjector)” with examples of adoption including “added the product(s) to formulary, incorporated into protocols, etc.” Similarly, one of the Management By Objectives for Knoa’s National Account Executive is to “[a]dvance the introduction of Nalmefene vials by contributing to the achievement of an additional group goal of 80 institutions ordering and/or placing on formulary by the end of Q4

2026.” While the addition to a formulary or incorporation into protocols is certainly a prerequisite to an institution purchasing Knoa PHI Products, and interaction with individual HCPs and their staff could occur during these sales interactions, the Monitor does not conclude that these incentives are inconsistent with the Injunction, as the compensation is not directly tied to the sales or volume of PHI Products sold and the primary aim of the detailing activities are not directed at individual HCPs or their staff.

44. Second, Knoa cannot employ or contract with sales representatives to detail PHI Products that are also Opioid Products indicated for substance abuse disorders. (Injunction, III.A.2.k.ii.) Presumably, within the Company’s current portfolio, this provision is focused on the generic equivalent of Suboxone (buprenorphine and naloxone), distributed by Rhodes.⁸ Currently, none of the internal or external sales representatives are involved in activities relating to this PHI Product that is also an Opioid Product.

45. Finally, the Company must document all interactions between sales representatives and HCPs and, for PHI Products that are Opioid Products, Knoa must retain information relating to communications between Knoa non-sales representatives and HCPs. These materials are to be provided to the Monitor upon request. (Injunction, III.A.2.k.ii. and iii.). The undersigned will periodically request and review this information.

H. Ban on Promotion: Other Assorted Provisions

46. There are some changes that are new or more restrictive than the Voluntary Injunction, and some that are either less restrictive or that expressly allow activities that were not addressed in the Voluntary Injunction.

⁸ Rhodes also distributes buprenorphine tablets, which is the generic equivalent of Subutex, and is used to treat opioid use disorder. It is expressly excluded in the definition of PHI Products. (Injunction, I.R.). As buprenorphine is an Opioid Product, it is subject to the Ban on Promotion for purposes of the Injunction.

47. Less restrictive provisions include a provision relating to pricing adjustments. The Injunction provides that it is not inconsistent with the Ban on Promotion for the Company to “[p]rovide rebates, discounts, fees and other customary pricing adjustments to DEA-registered customers and contracting intermediaries, such as Buying Groups, Group Purchasing Organizations, Managed Care Plans and Pharmacy Benefit Managers, except as prohibited by Section III.E [Ban on Prescription Savings Cards].” (Injunction, III.A.2.j.) While the Company’s practices are unchanged, the Voluntary Injunction did not expressly provide this exception from the Ban on Promotion.

48. New or more restrictive provisions than in effect under the Voluntary Injunction include:

- a. Use of electronic health records and other digital health platforms: The Injunction prohibits Knoa from “[u]tilizing electronic health records software or other digital health platforms to create alerts, workflows, or dissemination information known or reasonably expected to increase utilization of Opioids or Opioid Products.” (Injunction, III.A.1.h.) This will not require any changes to business practices currently in place, as the Company is not utilizing such mechanisms.
- b. Opioid-induced Side effects: The Injunction provides that the Company shall not Promote products for the treatment of Opioid-induced side effects, including employing or contracting with sales representatives, using speakers, sponsoring or providing support to medical education programs, supporting any Third Party, supporting advertising or engaging in any other promotion. (Injunction, III.A.3.a.-f.) The Injunction expressly excludes PHI Products. (Injunction, III.A.3.; III.C.) Although Purdue Pharma formerly owned a subsidiary company

that distributed and marketed over-the-counter laxatives, it sold the assets of the subsidiary in June 2023. (Eighteenth Report (Purdue), Paragraph 20.a.)

Accordingly, complying with this provision will not require any change in current business practices.

I. Ban on Funding/Grants to Third Parties

49. The ban on funding and grants to third parties is largely the same as the Voluntary Injunction, with several exceptions. First, as noted above, Knoa cannot provide financial support for organizations Promoting the Treatment of Pain. Second, “[t]he Company shall not compensate or provide In-Kind Support to Health Care Providers or organizations to advocate for formulary access or treatment guideline changes that would have the effect of increasing access to any Opioid Product by third-party payors, *i.e.*, any entity, other than an individual, that pays or reimburses for the dispensing of prescription medicines, including but not limited to managed care organizations and pharmacy benefit managers.” (Injunction, III.C.6.) Third, the Injunction contains more general catch-all provisions, such as “[t]he Company shall not enter into any contract or agreement with any person or entity or otherwise attempt to influence any person or entity in such a manner that has the purpose or likely effect of limiting the dissemination of information regarding the risks and side effects of using Opioids.” (Injunction, III.C.5.) While these provisions were not included in the Voluntary Injunction, no changes in current business practices are necessary to comply with the Injunction.

50. The Injunction also provides that “[n]o current director, officer or management-level employee of the Company may serve as a director, board member, employee, agent, or officer of any that engages in Promotion of Opioids, Treatment of Pain” except if services relate to OUD or rescue medicine. (Injunction, III.C.7.) **While the Injunction does not define**

“management-level employee,” the Company has agreed to query all employees relating to this provision.

51. Finally, the Injunction now expressly permits Knoa to provide financial or In-Kind Support to universities, medical institutions or hospitals, medical societies and patient advocate groups who are principally involved in issues relating to “(i) the treatment of OUD; (ii) the prevention, education, and treatment of opioid abuse, addiction, or overdose, including medication-assisted treatment for opioid addiction; and/or (iii) rescue medications for opioid overdose.” (III.C.10.a.&b.) **To the extent the Company does so, it has agreed to provide the Monitor with this information.**

J. Suspicious Order Monitoring

52. The Injunction contains more prescriptive requirements for conducting Suspicious Order Monitoring and Reporting (“SOM”), though these requirements are consistent with the policies and practices currently in place.

53. The Injunction incorporates a further level of scrutiny of pended orders that are cleared for release by a member of the SOM Team. It provides that “each month the Company shall make a selection of previously cleared orders for further review. Such additional review will include, but not be limited to gathering information pertaining to the legitimacy of the customer’s orders and investigating whether there are indicators that a direct or downstream customer poses a risk of diversion. The Company shall document its review and findings.” (Injunction, III.F.2.c.) The Company proposes to meet this requirement by further scrutinizing a significant percent, or a set minimum number of the previously cleared pended orders each month, whichever is greater. The further scrutiny will entail a member of the SOM Team not involved in clearing the pended order reviewing the correspondence and materials supporting the

reviewer's decision to clear the order. The documentation of this review and findings will be provided to the undersigned monthly.

54. The Injunction also provides that “[w]here the Company has reviewed an order identified as a Suspicious Order and determined that the identified order is not suspicious, the Company must document the basis for its determination, and provide such documentation to the Monitor. The Company will retain record copies of documents provided to the Monitor, and make such documentation available to any federal, state, or local law enforcement agency upon request.” (Injunction, III.F.3.) While more detailed than under the Voluntary Injunction, this provision will not require any change in practices. Each month, the Monitor receives a spreadsheet with all pended and cleared orders. This spreadsheet includes a brief narrative summary of the SOM Team's review of the pended order, and basis for determining the order is not suspicious. After reviewing, if the undersigned has additional questions or desires documents supporting the decision to clear a pended order, the Monitor requests this information from the Company. This was the practice under the Voluntary Injunction as well.

55. Finally, the Injunction provides that “[t]he Company shall promptly notify the DEA of findings by the Monitor related to the Company's suspicious order monitoring program.” (Injunction, III.F.4.) The Injunction does not define what constitutes a “finding” that would be required to be reported to the DEA. It does define the Monitor's “Observations and Recommendations” as “areas for potential improvement regarding the Company's compliance with this injunction” and “questions, concerns, or recommendations,” and “Potential Violations” as “the Company's failure to comply with the provisions of this injunction, as reasonably determined by the Monitor.” (Injunction, VI.F.1a.&b; and VI.F.2.b.) However, the Monitor

Reports will be provided by the Company to the DEA. Accordingly, no matter how one might construe the term “findings,” Knoa will be providing the DEA with the full Monitor Reports.

K. General terms

56. The Injunction provides that “[t]he Company shall not represent that Opioids, Opioid Products or PHI Products have approvals, characteristics, uses, benefits, or qualities that they do not have or are inconsistent with the products’ FDA-approved labeling.” (Injunction, III.G.3.) However, the Injunction also provides that the Company may:

Provide scientific and/or medical information in response to an unsolicited request by a Health Care Provider concerning Opioid Products consistent with the recommendations set forth in the FDA’s Draft Guidance for Industry, *Responding to Unsolicited Requests for Off-Label Information About Prescription Drugs and Medical Devices* (Dec. 2011, as updated or amended by the FDA) and Guidance for Industry, *Good Reprint Practices for the Distribution of Medical Journal Articles and Medical or Scientific Reference Publications on Unapproved New Uses of Approved Drugs and Approved or Cleared Medical Devices* (Jan. 2009, as updated or amended by the FDA). Such responses should be handled by medical or scientific personnel at the Company who are independent from the sales or marketing departments.

(Injunction, III.A.2.f.)

57. At the undersigned’s request, the Chief Compliance Officer queried Medical Information and reported that off-label inquiries regarding the Company’s Opioid Products are uncommon, and Medical Information provides custom, one-time responses to the specific inquiries. **The Company has agreed to share its responses to off-label questions with the undersigned.**

L. Compliance with all Laws

58. The Injunction expressly provides that the “[t]he Company shall comply with all laws and regulations that relate to the sale, Promotion, distribution, and disposal of any Opioid or PHI Product,” and lists out federal and state laws included in this requirement. (Injunction,

III.H.) For clarity, however, the Monitor’s scope of work does not include assessing whether Knoa is complying with all relevant laws and regulations. (Injunction, VI.C.1.)

M. Duration of Injunction and Monitorship

59. The Injunction “shall apply to and be binding on [Knoa] . . . and on any transferee or successor to, or subsequent operator of, all or any portion of [Knoa’s] Opioid business.” (Op Injunction, II.A.) However, “[n]othing in this injunction applies to the operation of a Transferee/Successor’s pre-existing Opioid business.” (Injunction, II.D.2.) Accordingly, if another Opioid manufacturer were to acquire Knoa’s Opioid business, the limitations and proscriptions of the Injunction will apply only to the Opioid Products and business activities that were formerly held by Knoa. As an example, a successor or transferee could potentially Promote its existing Opioid Products, but not promote those were formerly manufactured or distributed by Knoa.⁹

60. Moreover, even though the Injunction will continue to apply to transferees or successors of some or all of Knoa’s Opioid Products, there is no obligation to retain a Monitor more than one year after the effective date of the transaction. (Op Injunction, VI.B.2.)

N. Ban on High Dose Opioids

61. Under Section II.E of the Voluntary Injunction, Purdue agreed to abide by whatever decision was made by the FDA on the pending Citizens Petition dated September 1, 2017, concerning a ban on high doses of prescription and transmucosal Opioids exceeding 90 morphine milligram equivalents (FDA-2017-P-5396). No action has been taken on the Petition,

⁹ The language of the rest of that subsection is less clear. Section II.D.3 goes on to provide, “Any Transferee/Successor shall be subject only to Sections III.A-C and III.E-H.” In omitting the Lobbying Restrictions provision of the Ban on Promotion, it suggests that the Transferee/Successor would not be limited in lobbying related to Opioid Products. However, there are other parts of the Ban on Promotion, like Monitoring and Reporting of Direct and Downstream Customers, that couldn’t reasonably be separated between a company’s pre-existing Opioid business and Knoa’s Opioid business. Rather than try to harmonize the language at this juncture, the Monitor will revisit if any portion of Knoa’s Opioid business is transferred.

and the Injunction contains no similar provision. Accordingly, the undersigned will no longer review and report on the FDA registry relating to this matter.

O. Shareholder Released Parties

62. The Voluntary Injunction prohibited the Initial Sackler Persons from “actively engag[ing] in the opioid business in the United States. . .” (Voluntary Injunction, II.I.) This prohibition is not included in the Injunction, which only provides that “[t]he Shareholder Released Parties shall not take any action that would interfere with the Company’s compliance with its obligations under this injunction.” (Injunction, VII.) **Rather than continuing to seek affidavits from counsel to the Shareholder Released Parties, Knoa’s Chief Compliance Officer will quarterly inquire of the Company’s Executive Team¹⁰ whether there were any interactions with the Shareholder Released Parties excluding interactions relating to Mundipharma. The Chief Compliance Officer will report the results of this inquiry to the Monitor, so the undersigned can assess whether the interaction could be construed as interfering with the Company’s compliance with the Injunction.**

P. Compliance Deadlines

63. The Injunction provides that Knoa “must be in full compliance with the provisions included in this injunction” 90 days after the Injunction takes effect. (Injunction, III.I.) Over 90 days have passed since the Effective Date. **While some of the processes of how reporting to the Monitor and State Monitor Committee are still being worked out, the**

¹⁰ Knoa’s Executive Team is comprised of the following Company positions: President & Chief Executive Officer; Executive Vice President, Chief Financial Officer; Vice President, Chief Compliance Officer; Vice President, General Counsel and Corporate Secretary; Vice President, Chief Scientific Officer; Vice President, Chief Information and Technology Officer; Vice President, Sales and Marketing; Vice President, Medical Affairs; Vice President, Chief of Technical Operations; Vice President, Chief of Technical Operations; Vice President, Corporate Communications and Corporate Social Responsibility; and Vice President, Human Resources.

Monitor is satisfied that this requirement has been fulfilled and Knoa is in full compliance with the provisions of the Injunction.

64. As noted at the outset of this section, the above captures the most significant, but not all of, the differences between the Voluntary Injunction and the Operating Injunction. To the extent that matters arise in subsequent reporting periods unique to the obligations under the Injunction, the Monitor will endeavor to highlight those differences.

II. MEASURES TAKEN TO IMPLEMENT THE OPERATING INJUNCTION

A. Training on the Injunction

65. The Injunction requires “regular training, at least once per year, to relevant employees on their obligations imposed by this injunction [and] training to any new employees at the time of their onboarding.” (Injunction, III.J.)

66. In early May 2026, the Chief Compliance Officer sent a two-page memo regarding the Injunction to all Knoa employees. In addition to providing a hyperlink to the Injunction, the memo provided a high-level overview of prohibited and permissible conduct, explained that a Monitor is in place, and identified who to contact if there are any concerns about compliance. The memo also informed the employees that an Online Workplace Learning (“OWL”) training module would soon be available.

67. The Chief Compliance Officer shared with the Monitor the proposed script and visuals for the OWL training, and invited feedback. The Monitor made several suggestions which were incorporated into the training. The OWL training module went live in mid-July, and the Chief Compliance Officer reported to the undersigned that all Knoa employees have now completed the online Injunction training.

68. Additionally, the Chief Compliance Officer and Knoa's outside counsel provided training to personnel in the Commercial, Medical, Suspicious Order Monitoring, and Research & Development Departments, the leadership team for the Manufacturing Department, as well as training for Government Affairs personnel and their contract lobbyists. Though not official trainings, the Chief Compliance Officer used these sessions to inform those personnel having responsibilities and obligations most directly related to the Injunction and used the feedback during those sessions to help inform the content for the OWL training module.

B. Work Plan

69. The Injunction required that "[w]ithin thirty (30) calendar days after the Effective Date, the State Monitor Committee and the Company shall confer with the Monitor on a work plan and contract.... The work plan shall set forth the substance of the Monitor's review and the manner in which the Monitor will carry out his or her review of the Company's compliance with this injunction, including the general scope of information that the Monitor will seek to review." (Injunction, VI.C.4.)

70. Within the 30-day period of the Injunction taking effect, the Monitor worked with the Company and State Monitor Committee in preparing and presenting a work plan. The work plan contains narrative descriptions of matters reported on in every report, periodic or annual topics that will be reported upon, and materials reviewed by the Monitor on a monthly or quarterly basis, even if not reported upon. The topics and matters are tied to the provisions of the Injunction.

71. Past experience suggests that events will happen and/or matters raised beyond the scope of the work plan, and the undersigned anticipates modifications to the work plan over

time. However, creating and seeking and receiving input on the work plan was a valuable exercise in ensuring all facets of the Injunction are analyzed and reported upon.

C. Standard Operating Procedures

72. The Company is undertaking an effort to update Standard Operating Procedures (“SOPs”) to reflect the change to Knoa and the requirements of the Injunction.

73. The undersigned reviewed the following SOPs relating to the Ethics & Compliance Department: Policy Portal; Process for Limiting Access To and Use of 867 Data; Engaging HCPs Under Contract; Customer Vetting; Restricted Data Sets; Foreign Distributor Due Diligence; Company Employees As External Speakers; Conflicts of Interest Process; Enterprise Risk Management; Aggregate Spend and Transparency Reporting; Ethics & Compliance Training; Compliance Committee and Risk Management; Ethics & Compliance Monitoring Program; Operations of the Integrity Helpline; Ethics & Compliance Investigations; Exit Interview Questionnaire Procedure; and Ethics & Compliance Audit Program.

74. The revisions reflected the change from Purdue to Knoa and, in instances where the injunction was referenced, updated the SOPs to reference the Injunction. None of the revisions were otherwise substantive.

75. The Monitor did not analyze changes to the SOPs relating to SOM, nor SOPs relating to other areas of the Company’s business, and will do so in a subsequent report.

III. BAN ON PROMOTION

A. Participation in Conferences

76. Section III.A of the Injunction sets forth the ban on promoting Opioids or Opioid Products. “Promoting” is expressly defined as the “dissemination of information or other practices intended or that could be reasonably anticipated to influence prescribing practices in a

manner that increases sales, prescriptions, or the utilization of prescription products.”

(Injunction, I.S.)

77. The prohibition covers activities relating to sales representatives, outside speakers, medical education programs, websites and social media, written publications, digital and printed advertisements, Internet search optimization techniques, and Internet marketing.

(Injunction, III.A.1.a-h.)

78. The Injunction also sets forth permissible activities and expressly permits the Promotion of products related to the treatment of Opioid use disorders, abuse addiction or overdose, and rescue medications.¹¹ (Injunction, III.A.2.k-4.)

79. During this reporting period, the Company participated in the Society of Academic Emergency Medicine and the Academy of Emergency Medicine Pharmacists Annual Meeting in May, the Coastal Emergency Medicine Conference in June, and the New York American College of Emergency Physicians Scientific Assembly in July. Medical Affairs representatives participated in each of these conferences and focused on the Company’s Public Health Initiatives and Medical Affairs research priorities.

80. The Company shared information about the booth and materials it intended to display, the anticipated topics that would be discussed at the conference, as well as the board members of the organizations holding the conferences. The undersigned did not have any concerns about Company participation. Additionally, the Company informed the Monitor that

¹¹ Rather than recitation of these general categories, the Injunction permits promotion of “PHI Products,” defined as including “buprenorphine-naloxone combination tablets, over-the-counter naloxone nasal spray, injectable nalmefene, and any other medicines as determined by [Knoa’s] Board provided that such medicines must be approved by the FDA for treatment of opioid addiction and/or reversing opioid overdoses, but for purposes of this injunction does not include methadone and generic versions of Subutex® sublingual buprenorphine tablets.” (Injunction, I.R.)

Company attendees did not receive any inquiries or have any interactions relating to Opioid Products at these conferences.

81. Although not until next reporting period, the Company shared that it intended to have a Medical Affairs Booth at the American College of Emergency Physicians Scientific Assembly, the North American Congress of Clinical Toxicology, and at the National Conference on Correctional Health Care in October 2026. Medical Affairs reported it intends to provide highlights of Knoa Pharma's PHI efforts, an overview of their research priorities, and answer medical inquiries. The Company shared with the undersigned all information that will be used and presented by the Medical Affairs representatives, and the undersigned finds these materials consistent with the requirements of the Injunction.

82. The Company also shared information about the booth and materials it intended to display, the anticipated topics that would be discussed at the conference, as well as the board members of the organizations holding the conferences. The undersigned does not have any concerns about Company participation.

83. **As has been the case for other conferences, the Monitor requests that the Company follow up with Company representatives to ascertain if there are any inquiries or interactions relating to Opioid Products. The Company has agreed to this recommendation.**

B. Company Websites

84. The Injunction permits the Company to "[m]aintain corporate websites" and "[m]aintain a website for any Opioid Product that contains principally the following content: the FDA-approved package insert, medication guide, and labeling, and a statement directing patients or caregivers to speak with a licensed Health Care Provider; Risk Evaluation and Mitigation

Strategy (REMS) materials; and contact information to report an adverse event or product complaint.” (Injunction, III.A.2.a.&b.)

85. The Company maintains two corporate websites, three websites for Opioid Products, and two websites for Public Health Initiative (“PHI”) Products: Knoa Pharma (<https://knoapharma.com/>); Rhodes (<https://rhodespharma.com/>); OxyContin (<https://www.oxycontin.com/>); Butrans (<https://butrans.com/>); Hysingla (<https://www.hysinglaer.com/>); Zurnai™ (<https://www.zurnai.com/>); and Nalmefene HCl (<https://nalmefenehcl.com/>).¹²

86. The landing page of Knoa Pharma’s website describes Knoa Pharma as follows:

Knoa Pharma makes important medicines safely and responsibly, while innovating to benefit patients and the public health.

The company is dedicated to safely distributing medicines that are critical to patient care, enhancing its robust generics portfolio, addressing unmet medical needs, and supporting public health initiatives to address the opioid crisis. Our public minded purpose enables us to expand access to life-saving overdose reversal medicines and affordable treatments for opioid use disorder — at no profit.

From research to manufacturing and distribution, we work collaboratively to ensure our medicines are developed and distributed safely and responsibly.

We are guided by a public health purpose and operate with transparency and accountability to the public.

We are Knoa Pharma.

87. The Knoa Pharma website includes other information about the Company, with the main categories including “About Us,” “Patients & Caregivers,” “Healthcare Professionals,”

¹² The Purdue Pharma website has recently been taken down and replaced with a banner that reads, “On May 1, 2026, Purdue Pharma permanently ceased operations. Knoa Pharma, a new and different company, will distribute medicines formerly distributed by Purdue Pharma. Click here to be taken to the Knoa Pharma website...” (<https://www.purduepharma.com/>). Future decisions regarding the content and timing of any further changes to the Purdue Pharma L.P. website will be made by the Plan Administration Trust.

“Public Health Initiatives” and “Science.” The only information on the Knoa Pharma website about the branded Opioid Products are the boxed warnings, and then links to the full prescribing information, medication guides, safety data sheets, Opioid analgesic REMS, and the drug-specific websites maintained by the Company, as discussed below. The site also includes information about the Injunction. All the language used on the landing page website went through the Company’s Material Review and Approval Process.¹³ None of the information on the Knoa Pharma website is promotional or otherwise inconsistent with the Injunction.

88. The landing page on the Rhodes website describes Rhodes as follows:

Rhodes Pharmaceuticals LLC has developed and distributed quality pharmaceutical products nationwide since 2008. With our R&D capabilities, industry partnerships, broad customer base, and strong relationships with suppliers, we offer reliable supply of high-quality products at competitive prices. Rhodes is a wholly-owned subsidiary of Knoa Pharma LLC.

89. The Rhodes website includes other information about Rhodes, with the main categories including “Products,” “Ask Rhodes Medical,” “Contact,” and “Partner with Us.” The product catalogue includes all products manufactured and/or distributed by Rhodes, and each product is hyperlinked to a page containing product-specific information, including links to the full prescribing information and, where appropriate, the boxed warning and links to the medication guide and Opioid analgesic REMS. None of the information on the Rhodes website is promotional or otherwise inconsistent with the Injunction.

¹³ The Material Review and Approval Process is set out in a SOP that guides approval and periodic review of “[a]ny branded or non-branded, new or revised, non-individualized communication, printed and digital (including audio and video), that is intended for, or has the likely potential for, external distribution to, or consumption by, HCPs or consumers.” While the SOP provides for varying levels of review based on the content and purpose of the materials, in this instance, the undersigned was informed that the website language went through full medical, regulatory, and legal review.

90. The three websites relating to the branded Opioid Products contain boxed warnings on the landing pages and links to “Opioid Analgesic REMS,” “Full Prescribing Information,” and “Medication Guide,” each of which takes users from the Knoa website to external sites. There are also links to “Resources” and “Important Safety Information,” taking the user to additional information about the products and usage. While there is general information on the sites, none of the information is promotional or otherwise inconsistent with the Injunction.

91. The two websites relating to Zurnai™ and Nalmefene HCl, Company PHI Products, are accessible through the Knoa website, or by directly searching the product names. Both contain language that is clearly promotional. The top of the landing page for the Zurnai site includes: “Discharge patients with the additional support they may need,” and “Zurnai works fast,” “Zurnai is long-acting” and “Zurnai is designed to be used by anyone in the community.” The top of the landing page for Nalmefene HCl reads, “Opioid overdoses are full of unknowns—the variability and potency of opioids, particularly synthetics, make reversal situations even more challenging. Help take control of these unknowns.” The pages include safety and prescribing information, as well as how to order the products. The pages also present information about the “Opioid Overdose Crisis,” including that the vast majority of opioid overdose deaths involve synthetic opioids. Although the websites are Promotional in nature, the Injunction expressly permits Knoa to Promote its PHI Products. (Injunction, III.A.2.k.)

IV. GOVERNMENT AFFAIRS AND LOBBYING RESTRICTIONS

92. Knoa agreed to certain restrictions related to lobbying and advocacy, including not to advocate, directly or through a third party, for federal, state, or local legislation or regulations that: encourage or require a HCP to use Opioids, or sanction the HCP for the failure

to prescribe or use Opioids for the treatment of pain; limit access to non-Opioid alternative pain treatments; pertain to the prohibitions against misbranding or adulteration in the Federal Food, Drug and Cosmetic Act; or pertain to the classification of any Opioid Product as a scheduled drug under the Controlled Substances Act. (Injunction, III.D.1.)

93. The Company further agreed that it would not advocate against certain measures including the use of non-pharmacological or non-Opioid pharmacologic therapy for the treatment of chronic pain, the use of immediate release Opioids instead of extended release Opioids when Opioid therapy is initiated, the prescribing of lowest effective dose of an Opioid Product, the limitation of initial prescriptions of Opioids to treat acute pain, the prescribing and other means of distribution of naloxone to minimize the risk of overdose, the use of urine testing before starting Opioid therapy and annual urine testing when Opioids are prescribed, the use of evidence-based treatments for Opioid Use Disorder, the implementation or use of Opioid drug disposal systems, and legislation, rules or regulations limiting the operation or use of prescription drug monitoring programs. (Injunction, III.D.2.)

94. The Company is not prohibited from “[c]ommunicating with government officials regarding access to, availability of, procurement of, or use of PHI Products.” (Injunction, III.D.3.f.) Nor is Kinoa prohibited from “[m]onitoring any pending or proposed legislation, rule or regulation relating to its business.” (Injunction, III.D.3.g.)

95. As noted above in the section of the Report highlighting the differences between the Voluntary and Operating Injunctions, before Kinoa undertakes any lobbying activities, both Kinoa’s Board and the undersigned must approve:

The Company shall not Lobby by affirmatively advocating either for or against the enactment of any federal, state, or local legislation or promulgation of any rule or regulation or the appointment of any individual to public office, unless NewCo’s Board shall have determined that the

request comports with the Company's Purpose (as defined in the NewCo Operating Agreement). If NewCo's Board so determines, then the Company shall provide advance notice to the Monitor of its intention to Lobby on the issue. The Monitor shall then have the sole and absolute discretion to direct that the activity not take place if the Monitor exercises such discretion and determines that the request approved by the NewCo Board (a) is expressly prohibited by the terms of this injunction, or (b) does not reasonably comport with the Company's Purpose (as defined in the NewCo Operating Agreement). Nothing in Section III.D.4 shall permit advocacy that is otherwise prohibited under Section III.D.

(Injunction, III.D.4.)

96. As set forth in the Operating Agreement, the purpose of Knoa is as follows:

The purpose of the Company shall be to, directly and/or through the Company's Subsidiaries, operate the NewCo Transferred Assets and any other assets of the Company or any of its Subsidiaries (i) in accordance with the terms of this Agreement, the Plan and the Confirmation Order, (ii) subject to the Operating Injunction and the Governance Covenants, and (iii) in a responsible, transparent and sustainable manner, taking into account the public interest in transparency regarding the Company and balancing: (x) the best interests of its stakeholders (including the direct and indirect holders of Interests in the Member) to fund and provide abatement of the opioid crisis, (y) effective deployment of the Company's and the Company's Subsidiaries' Assets to address the opioid crisis, and (z) the best interests of third parties materially affected by the Company's and the Company's Subsidiaries' conduct (collectively, the "Company's Purpose")

(Amended and Restated Limited Liability Company Operating Agreement of Knoa Pharma LLC, § 2.3)

97. Consistent with the Injunction, the Company informed the Monitor that Knoa's Board determined that 22 different state legislative measures in nine different states comport with the Company's purpose and, pending the undersigned's review and approval, Knoa would potentially lobby on these measures.

98. Knoa Pharma currently distributes two Opioid antagonists, or Opioid overdose reversal medicines: Zurnai™, which is a single-dose, pre-filled auto-injector designed to deliver nalmeferne for the emergency reversal of a known or suspected Opioid overdose

(<https://www.zurnai.com/>); and Nalmefene HCl, which is a single dose of naloxone and hydrochloride for the emergency reversal of a known or suspected Opioid overdose (<https://www.nalmefenehcl.com/about-nalmefene-hcl/#p1>). Rhodes distributes two medications for Opioid use disorders: (1) Buprenorphine/Naloxone tablets, which is the generic equivalent to Suboxone® (<https://www.knoapharma.com/expanding-access-to-opioid-use-disorder-treatment/>); and (2) Buprenorphine tablets, which is the generic equivalent to Subutex® (<https://rhodespharma.com/catalog/#!/buprenorphine-sublingual-tablets-ciii>). However, the buprenorphine tablets are not considered a PHI Product for purposes of the Injunction. (Injunction, I.R.).

99. The proposed legislation approved by the Board for lobbying fall into two general categories: (1) increasing access to education or training, and (2) increasing access to PHI Products.

100. Those relating to education and training include measures such as: employers who mandate CPR certification must also provide and pay for naloxone overdose reversal training for their employees; education in schools about opioid use disorder, recognizing Opioid overdoses and how to use naloxone to reverse an overdose, and destigmatizing naloxone prevention; training of Resident Assistants and other University personnel in providing Opioid antagonists; training state employees on use of Opioid antagonists; and requiring that local and state agencies and transit authorities display education materials about Opioid overdose recognition and response. The Company also sought approval to lobby on a measure to mandate annual medication error training for pharmacists, pharmacy technicians, and pharmacy technician trainees. Although this measure is not specific to Opioids or overdose reversal, it

does require that the training include proper dosage and effective management of medication overdose.

101. Those relating to access to PHI Products are focused on Opioid antagonists, rather than medications for opioid use disorders. These measures include requiring cost-free availability of Opioid antagonists: on commuter rail trains and in subway stations; in each state office; in schools and universities; upon request, to individuals with the medication provided by the state; to hospital patients arriving at hospitals with symptoms of overdose or opioid use disorder; to incarcerated individuals when they are released from a correctional facility; and to first responder stations and dispatch offices. Several measures also relate to the purchasing of Opioid antagonists, including allowing a state attorney general to negotiate directly with manufacturers to purchase or obtain Opioid antagonists for public entities and first responders; and creating a state trust fund from assessments on hospitals and managed care facilities to support a universal system for purchasing and distributing antagonists to healthcare facilities. And some measures expand the definition of Opioid antagonists to cover medications currently available, as well as one proposed bill permitting an individual or governmental entity to choose the formulation, type of delivery device, method of administration and dosage, in those circumstances where the Opioid antagonist is provided by the state at no cost.

102. The Monitor does not object to the Company lobbying on these measures.

103. In the future, as the Company, Board, and Monitor establish a cadence of executing the Lobbying Restrictions provisions of the Injunction, the undersigned may propose working with the Company and Board to identify categories of PHI-related lobbying that would not require advance Board and Monitor approval. Creating these categories would be consistent with the Injunction and still provide for the necessary oversight, because the Board and Monitor

would still have the opportunity to review and assess the specific measures that the Company lobbied on. *See* Injunction, III.D.6. (“On a quarterly basis, [Knoa] will report its Lobbying activities to the Monitor and the Board.”)

104. Moreover, it should be noted that not all activities of the contract lobbyists, Third Parties or Company employees relating to PHI Products must be brought before the Board and Monitor. In order for the Company to assess whether it should lobby a particular measure or administrative action, some engagement – information gathering, research, asking questions of third parties, asking questions of legislators, committee or staff, following the progression of a bill, reporting on the status of a measure or action to the Company – is often a necessary prerequisite. Additionally, the Injunction expressly provides that nothing in the Lobbying Restrictions limits the Company from “[m]onitoring any pending or proposed legislation, rule or relations relating to its business, including directly or indirectly through grantees or Third Parties.” (Injunction, III.D.3.g.)

105. In the Twenty-fourth Report of Purdue, the undersigned reported on activity of a state contract lobbyist “relating to legislation that would require insurers to cover FDA-approved nonopioid analgesics prescribed for the treatment or management of pain. The measure would also require that the nonopioid analgesics not have greater restrictions than opioids relating to prior authorization and preferred drug lists or formularies.” (Twenty-fourth Report (Purdue), Paragraph 35.) The Monitor interviewed the contracted firm about the lobbyist’s interactions with the caucus advisor to one of the legislative houses. In assessing this engagement, the undersigned concluded:

The undersigned appreciates that “monitoring” legislation can be understood as more than just reporting out the measure’s procedural steps, to include gathering the best intelligence or information on a measure’s prospect of advancement or passage. However, as advocacy against the proposed

legislation described above is a bright-line prohibition in the Injunction and similar proposals are being considered in other states, the Monitor recommends that the Company instruct its contract lobbyists to avoid taking any action that could directly or implicitly be viewed as advocacy prohibited by the Injunction. This includes having conversations about similar legislation with advisors, officials, or third parties. The Company has agreed to this recommendation.

(Twenty-fourth Report (Purdue), Paragraph 43.)

106. Upon reflection, the Monitor recognizes that this recommendation is overbroad and creates an ambiguous, if not unworkable, set of parameters under which the undersigned is suggesting the Company operate. The Monitor worked extensively with the Company during this reporting period to reach a shared and inclusive understanding of what activities must be reported to the Monitor. As long as the Company, its contract lobbyists and Third Parties are reporting all monitoring and engaging activities undertaken, the Monitor has an opportunity to further inquire if questions or concerns arise. Accordingly, the Monitor withdraws this recommendation.

107. For this quarter, the Monitor reviewed nine reports reflecting the actions of contracted firms at the state level and two at the federal level, covering the period from April 1 to June 30, 2026.

108. Only one of the state contracted firms lobbied during the second quarter of 2026. This activity involved engaging with House Committee staff to determine the path forward for two measures relating to PHI, approved by the Board and the Monitor as discussed above.

109. At the federal level, one of the firms introduced Knoa through meeting with several individual congressional offices, the Office of Intergovernmental Affairs for Health and Human Services and the White House Domestic Policy Council. The firm explained Knoa's ownership, organization structure, purpose to help address the opioid crisis, Company focus

areas, and PHI Programs. The other federal firm engaged with staff of multiple individual congressional offices on the formation of Knoa, provided an update on the new structure of the Company, and an update around public health initiatives related to Opioid antagonists.

110. The undersigned Monitor finds that the activities of the contracted firms are consistent with Section III, Part D of the Injunction.

V. SUSPICIOUS ORDER MONITORING AND REPORTING

A. Access to Downstream Customer 867 Data

111. In the Twenty-Sixth Report of Purdue, the undersigned reported that the Chief Compliance Officer informed the Monitor that one distributor had not been providing unblinded 867 Data for two of the larger pharmacy chains and also identified a smaller chain that had not approved providing the Company with unblinded 867 Data. (Twenty-sixth Report (Purdue), Paragraph 41.) The Company worked with the distributor and larger pharmacy chains and is now receiving the unblinded 867 Data for SOM purposes.

112. However, in this period, the Company determined that it was not receiving unblinded 867 data for one of the same larger pharmacy chains from a different distributor and was working through technical issues to get this resolved. The Company reported it believes the issue has now been resolved. The undersigned will provide additional detail, if necessary, in the next report.

113. The Monitor had also recommended that the Company contact the smaller pharmacy chains from which the Company is not receiving unblinded 867 Data, explain the limited use of the 867 Data for SOM purposes, and request that they instruct their distributors to provide the Company's SOM Team access to their 867 Data. (Twenty-sixth Report (Purdue), Paragraph 43; Twenty-fifth Report (Purdue), Paragraph 52.) Three downstream customers have

not yet agreed to provide this information to the Company. The Company is communicating or continues its outreach with all three downstream customers. The undersigned will provide updates, if any, in the next report.

114. The Company is also working its way through its direct customers and requesting that they provide the SOM Team access to their 867 Data. Approximately six months ago, 12 of the direct customers had agreed to do so. (Twenty-fifth Report (Purdue), Paragraph 48.) While there have been some changes in the Company's direct customers, as of the filing of this Report, 14 distributors are providing access to their 867 Data, and the Company is in conversations with two additional customers.

B. Pended and Rejected Orders

115. Knoa was required to apply for and get approval for new licenses to manufacture and distribute its products. On June 1, 2026, the DEA issued Knoa Pharmaceuticals the DEA registrations for which it had applied. As of the end of July 2026, it was still awaiting approval for 17 licenses out of a total of 164 applied for by Knoa Pharma, Knoa Pharmaceuticals, and Rhodes.

116. Prior to Knoa receiving its DEA registrations and relevant state licenses, Knoa Pharma and Rhodes could not distribute any Opioid Products to its direct customers. Accordingly, no orders were processed in May and as a result no orders pended.

117. Anticipating this delay, immediately prior to emergence, Purdue permitted its direct customers to purchase more Opioid Products than would be in a typical order. Approximately 17% of individual NDC lines for Opioid Products in April pended because they were "orders of unusual size, frequency or that substantially deviate from a normal pattern." In reviewing the SOM Team's justifications for releasing the pended orders, approximately 75% of

the cleared orders pended because of increased ordering relating to the anticipated supply disruption that emergence would cause. Similarly, in June 2026, approximately 14% of individual NDC lines for Opioid Products pended and were cleared for shipment after SOM Team review, and over 80% of those orders had pended because they were larger orders resulting from the inability to order any of Knoa Pharma's or Rhodes's Opioid Products in May, or because of ongoing licensing issues after May 2026.

118. Because the data evaluated by the algorithm is tied to the direct customer, not the manufacturer, the algorithm used to assess orders was not impacted by the formation of Knoa. Moreover, all of the SOM Team's analytical tools are tied to direct or downstream customers, so were also unaffected.

VI. SHAREHOLDER RELEASED PARTIES

119. The Injunction provides that the "Shareholder Released Parties," as defined in I.V. of the Injunction, "shall not take any action that would interfere with the Company's compliance with its obligations under this injunction." (Injunction, VII.)

120. Knoa's Chief Compliance Officer inquired of the Company's Executive Team and informed the Monitor there have been no communications or interactions between any member of the Executive Team and any of the Shareholder Released Parties, excluding interactions relating to Mundipharma.

VII. MISCELLANEOUS: EMERGENCE FROM BANKRUPTCY, FORMATION OF KNOA, AND TRANSITION TO OPERATING INJUNCTION

121. This Report does not capture or recognize the significant work in preparing for emergence and all the actions taken by the Company and its employees since emergence and the formation of Knoa. It also does not report on employee departures or staffing transitions occurring in the Executive Team. The effort and impact over the past months are not limited to

any individual department; all facets of the Company and its employees have been involved.

The Monitor commends the Company and its employees for weathering the challenges, disruptions, and changes through this transition.

The Undersigned Monitor respectfully submits this First Report with the observations and recommendations contained herein.



STEPHEN C. BULLOCK
Monitor