



Delivering Innovative Healthcare

April 29, 2019

Dear Fellow Knight Therapeutics Shareholder:

Medison Biotech (1995) Ltd. and its affiliates (“Medison”) are the second largest shareholder of Knight Therapeutics, Inc. (“Knight”). Knight’s annual and special shareholder meeting is fast approaching, and we ask you to consider carefully your vote this year. The deadline for voting is this Thursday.

Knight Has Failed to Execute Its Business Plan

As you know by now, Knight has failed to build the business it promised to build, choosing instead to sit on a large stockpile of cash. As Knight’s progress has floundered, the value attributed to its operations and business prospects has faded dramatically: the stock price now reflects less than \$0.30 per share for the business itself, down more than 90% from just a few years ago.

Shareholders must take action to fix the lack of progress in building a business.

Knight Suffers from Serious and Fundamental Governance Issues

Knight is run by an executive and Board who have serious – perhaps even unprecedented – conflicts of interest. We know of no other business anywhere in the world in which the CEO owns more stock in a leading competitor than he owns in the business he is running. And Knight’s “independent” Chairman is anything but: he is a business partner with the CEO, a service provider to the CEO’s family and a business partner of a leading competitor. Together, the CEO and Chairman have approved transactions involving lending money to themselves, friends and related parties. No one on the current Board is truly independent.

Shareholders must take action to fix the retrograde governance and lack of independence.

Widespread Support for a Meaningful Change at Knight

We are not alone in our belief. The two leading independent proxy vote advisory services – ISS and Glass Lewis – have written lengthy, in-depth analyses of Knight, after hearing from both the Company and us. Both ISS and Glass Lewis are supportive of substantial and meaningful change in Knight’s Board composition and governance:

- **Glass Lewis:** “[W]e are of the opinion that Knight’s public shareholders would be best served by supporting Medison’s campaign for board change.”
- **ISS:** “It appears that a more independent and less conflicted board may be needed for the company to adjust its course...”

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A leading Canadian corporate governance expert, Professor Richard Leblanc, wrote that he had never seen so many conflicts of interest and governance issues in his twenty-five years of advising Canadian and global businesses on these matters. Underscoring the failures at Knight, Professor Leblanc had no fewer than 54 recommendations for improved governance and shareholder protections at Knight.

Knight's third largest shareholder, Cambridge Global Asset Management (CI), a \$20 billion investment advisor and long-standing Knight stockholder, told Bloomberg that they too support change at Knight and will vote with us. Based on our conversations with numerous other shareholders, we are confident that many more are going to support the need for a meaningful change at Knight.

Shareholders must come together to support substantial change in Knight's Board and governance.

The Path Forward – Medison Offers a Promising Strategy that Simply Makes Sense

Knight's lack of execution and governance are severe, in our opinion, and inhibit Knight's ability to ever create value for shareholders. As we have described in two extensive presentations (available at www.NewDayForKnight.com), the Company's business plan lacks vision and credibility. More concerning, based on our extensive experience building successful pharma companies, Knight's current strategy is suboptimal and is highly unlikely to create substantial operating profits or shareholder returns.

Our vision and plan for Knight – described in detail during this campaign – is the best path to creating a differentiated, growing and profitable Knight. As Glass Lewis said:

“In our opinion, Medison's alternative plan seems to address the capital allocation and strategic issues that have prevented Knight from building a meaningful pharmaceutical business in the last five years and from delivering adequate returns for shareholders.”

Shareholders must take action to set Knight on a path forward to build a profitable business.

The Incumbents Resist Any Change and Use Desperate Tactics to Preserve a Status Quo of Underperformance

As the Financial Post opined, the only people who do not seem to be in favor of change are the incumbent directors themselves: “like most shareholders, Jakobsohn got bored with the ‘lack of action’ at Knight.”

Indeed, the incumbent Board has taken extraordinary steps to resist change at Knight. They sued Medison to prevent it from using its own money to protect its investment in Knight. They have taken every chance they have to “shoot the messenger” with false and misleading statements about Medison's successful business. (For example, contrary to Knight's allegations about Medison's profitability and dividends, Medison has in fact paid more than \$100 million in dividends from its operating profits to shareholders in the last five years alone.) And they have

distorted history, claiming that recently acknowledged competitors like Pharmascience have been longstanding ones; that directors with whom the CEO has had a decades-long business relationship are “new” and “fresh” and “independent”; and that product licenses were obtained from a completely failed strategy to invest in venture capital funds.

Knight’s CEO has gone so far as to suggest that he would refuse to continue in his position if the shareholders change the Board. Glass Lewis fully understands the gravity of such a threat:

“...such a threat only raises our concern that management's current strategic plan is not defensible on the merits alone, and that the CEO is not working for or willing to be held accountable by anyone but himself (or his long-standing business partners).”

These extreme tactics and disingenuous claims demonstrate the lengths to which Knight’s incumbents will go to preserve their absolute control and power over Knight.

The incumbents have seemingly convinced themselves that all is well at Knight, that a stagnant stock price and \$12 million of annual revenue generating consistent operating losses are to be touted as successful and making progress, when they are clearly not. And they want shareholders to be quiet and patient. For decades more.

Shareholders must take action to install a Board that acts in their own interests, not its own.

If Shareholders Want Change, They Need a Complete Winning Team; Half Measures Will Not be Effective

We have heard from enough of our fellow shareholders privately – and from ISS, Glass Lewis, Professor Leblanc, Cambridge Asset Management and the Financial Post publicly – to know that patience and decades of waiting is not what shareholders want.

The question for shareholders then is: how can we get Knight on a successful path, with energetic execution of a promising business plan?

We do not believe adding one or two new directors, on a Board of eight that includes mostly friends and business associates of the CEO, will be enough. If shareholders only support *modest* Board change, they can expect less than a modest change at Knight.

Based on prior history, we fear Knight’s CEO will simply quash debate, sue his opponents, plot with his friends and continue down his chosen path. That is what this campaign has taught us.

Instead of modest steps, we urge you to support *meaningful* change.

We shareholders must send a clear and unequivocal message that we want Knight to move with discipline and urgency – putting its idle cash to work to create value for shareholders and adopting a proven business plan that will create a differentiated, growing and profitable company. Meaningful changes will not occur if one or two or even three new directors are added to Knight’s recalcitrant Board. Knight and its shareholders need meaningful Board change to create meaningful change in its strategy, business and operating results.

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It is time for shareholders to elect a highly qualified, winning team, with a proven business plan and a mandate to execute it, to the Knight Board.

Half measures and half teams are not sufficient to drive change or build successful, profitable businesses. Send in a full team.

I urge you to vote using the GOLD card for our entire winning team. It is time for a New Day for Knight.

Sincerely,

/s/

Meir Jakobsohn

Medison encourages shareholders to view profiles of its director nominees and read its Information Circular at www.NewDayForKnight.com for the complete, accurate story about Knight's failure to create value for shareholders, Medison's highly qualified and independent nominees, and the best path forward for Knight and its shareholders.

TIME IS OF THE ESSENCE

VOTE ONLY GOLD TODAY

If you have any questions and/or need assistance completing your **GOLD** form of proxy or VIF, please call Shorecrest at 1-888-637-5789 (toll-free) or 647-931-7454 (collect calls accepted), or e-mail contact@shorecrestgroup.com.

About Medison

Medison is one of the world's largest commercial partners of leading global biotech companies. Backed by three generations of experience in the healthcare industry since 1937, Medison is uniquely qualified to provide the complete spectrum of integrated services for international companies looking to enter or expand their presence in Israeli and selected ROW markets. Over the years, Medison has become the partner of choice for biotech companies that produce highly innovative, cutting edge therapeutics for commercialization in the Israeli market and is currently the second largest pharmaceutical company in Israel, with over CAD 250 million in revenues annually and over 270 employees. Medison runs a corporate venture arm with a dedicated research and evaluation team boasting deep scientific and commercial backgrounds. Medison also operates a scouting program to cater to its partners and is an active investor in life science projects around drug development and digital health.

Additional information can be found at www.medison.co.il.

Forward Looking Statement

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws, including, without limitation, Medison's and Knight's respective priorities, plans and strategies. All statements and information, other than statements of historical fact, included herein are forward-looking statements, including, without limitation, statements regarding activities, events or developments that Medison expects or anticipates may occur in the future. These forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur or, even if they do occur, will result in the performance, events or results expected. We caution readers not to place undue reliance on forward-looking statements contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements. These factors include: changes in Knight's strategies, plans or prospects; general economic, industry, business, regulatory and market conditions; actions of Knight and its competitors; conditions in the pharmaceutical industry; risks relating to government regulation and changes thereto, including in respect of the regulations concerning board composition, proxy solicitation and shareholder meetings; the state of the economy including general economic conditions globally and economic conditions in the jurisdictions in which Knight operates; the unpredictability and volatility of Knight's share price; and dilution and future sales of securities of the Company. These factors should not be construed as exhaustive. Certain forward-looking statements contained herein may be considered to be future-oriented financial information or a financial outlook for the purposes of applicable Canadian securities laws. Future oriented financial information and financial outlook contained herein about prospective financial performance, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on the applicable management team's assessment of the relevant information available to them at the applicable time, and to become available in the future. In particular, the information contains projected operational information for future periods which are based on a number of material assumptions and factors. The actual results of the applicable operations for any period could vary from the amounts set forth in these projections, and such variations may be material. Further, there is no assurance or guarantee with respect to the prices at which any securities of Knight will trade, and such securities may not trade at prices that may be implied herein. See above for a discussion of the risks that could cause actual results to vary from such forward-looking statements. Readers are cautioned that all forward-looking statements involve known and unknown risks and uncertainties, including those risks and uncertainties detailed in the continuous disclosure and other filings of Knight, copies of which are available on the System for Electronic Document Analysis ("SEDAR") at www.sedar.com. We urge you to carefully consider those risks and

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uncertainties. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Unless expressly stated otherwise, the forward-looking statements included herein are made as of the date of this news release and Medison disclaims any obligation to publicly update such forward-looking statements, except as required by applicable law.

For more information:

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