FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Knight Therapeutics Inc. (“Knight” or the “Company”)
376 Victoria Avenue, suite 220
Westmount, Québec
H3Z 1C3

Item 2 Date of Material Change

December 22, 2016

Item 3 News Release

A press release was disseminated by Marketwired on December 22, 2016 from Montréal, Québec.

Item 4 Summary of Material Change

Knight announced the completion of its previously announced bought deal of common shares, including the exercise of the over-allotment option, for $100 million.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On December 22, 2016, Knight announced that it had completed its previously announced bought deal offering (the “Offering”) for gross proceeds of $100,050,000 of common shares of Knight (“Common Shares”). The Offering was completed through a syndicate of underwriters co-led by GMP Securities L.P. (“GMP”) and Cormark Securities Inc. (“Cormark”), and including Bloom Burton & Co. Limited, CIBC World Markets Inc., Laurentian Bank Securities Inc., Mackie Research Capital Corporation, National Bank Financial Inc., Paradigm Capital Inc., Scotia Capital Inc. and TD Securities Inc. (collectively with GMP and Cormark, the “Underwriters”) who have purchased, on a bought deal basis, an aggregate of 10,005,000 Common Shares at a price of $10.00 per Common Share, which includes the exercise in full of the Underwriters’ over-allotment option to purchase 1,305,000 Common Shares.

The Common Shares were offered by way of a short form prospectus in all of the provinces of Canada, as well as in the United States under applicable registration statement exemptions. Knight intends to use a substantial portion of the net proceeds of the Offering (i) for potential acquisitions of (a) in-licensing of over-the-counter and prescription pharmaceutical products and targeted promotion of these products, and (b) specialty pharmaceutical businesses in select international markets, (ii) for financing of other life science companies in Canada and internationally, and (iii) the remainder for general corporate purposes.

Long Zone Holdings Inc. ("Long Zone"), a company controlled by Mr. Jonathan Ross Goodman, Chief Executive Officer of the Company, purchased 25,000 Common Shares under the Offering, Samira Sakhia, President of the Company and Jeffrey Kadanoff, Chief Financial Officer of the Company, each purchased 10,000 Common Shares, and Amal Khouri, Vice President of Business Development of the Company, purchased 5,000 Common Shares.

Long Zone's, Ms. Sakhia's, Mr. Kadanoff's and Ms. Khouri's participation in the Offering constitute "related party transactions" as defined in *Regulation* 61-101 *respecting Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Offering is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the securities issued to insiders nor the consideration for such securities by insiders exceeded 25% of the Company's market capitalization determined in accordance with MI 61-101. The Company did not file a material change report 21 days prior to closing of the Offering as the details of the participation of insiders of the Company in the Offering had not been confirmed at that time. The Offering, including the insider participation therein, has been unanimously approved by the board of directors of the Company.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Jeffrey Kadanoff, P.Eng., MBA
Chief Financial Officer
(514) 484-4831

Item 9 Date of Report

December 23, 2016