

**FORM 62-103F1**

**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.**

This report amends the report filed by Knight Therapeutics Inc. ("Knight") dated January 16, 2017 to take into account the decrease in securityholding reported herein.

**Item 1 Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Common Shares of Pediapharm Inc. ("Pediapharm") with head office located at:

225 - 1 Place du Commerce  
Verdun, Quebec  
H3E 1A2

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

TSX Venture Exchange

**Item 2 Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Knight Therapeutics Inc.  
3400 De Maisonneuve Blvd. W.  
Suite 1055  
Montreal, Quebec  
H3Z 3B8

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

Since July 4, 2018, Knight disposed of an aggregate of 93,500 shares of Pediapharm ("Shares") on the TSX Venture Exchange at an average price of \$0.46 per share for total gross proceeds of \$43,130.

**2.3 State the names of any joint actors.**

Not applicable

### Item 3 Interest in Securities of the Reporting Issuer

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

Since July 4, 2018, Knight disposed of an aggregate of 93,500 Shares on the TSX Venture Exchange at an average price of \$0.46 per share for total gross proceeds of 43,130, representing a decrease of 3.7% of the issued and outstanding shares of Pediapharm, assuming the exercise of the 757,500 warrants ("Warrants") exercisable into 757,500 Shares held by Knight only.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

Knight disposed ownership of the Shares.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Knight owned 11,964,420 common shares of Pediapharm and Warrants, convertible into 757,500 common shares of Pediapharm, representing 17.3% of the issued and outstanding common shares of Pediapharm, assuming the exercise of the Warrants held by Knight only. On July 4, 2017, Pediapharm announced it closed a non-brokered private placement and issued 14,705,883 common shares. Immediately after the disposition of the Shares, Knight holds 11,193,920 common shares of Pediapharm and the Warrants, representing 13.6% of the issued and outstanding common shares of Pediapharm, assuming the exercise of the Warrants held by Knight only.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

As of the date of this report, Knight holds 11,193,920 common shares of Pediapharm and the Warrants, representing 13.6% of the issued and outstanding common shares of Pediapharm, assuming the exercise of the Warrants held by Knight only.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Knight holds the Warrants which are convertible into 757,500 common shares of Pediapharm at an exercise price of \$0.33 per common share at any time until March 30, 2020. Should Knight exercise the Warrants, Knight would acquire an additional 757,500 common shares of Pediapharm, representing 0.9% of the issued and outstanding of common shares of Pediapharm, after taking effect of the exercise of the Warrants.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

**3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable

**Item 4 Consideration Paid**

**4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Knight disposed of the Shares on the TSX Venture Exchange at an average price of \$0.46 per share for total gross proceeds of \$43,130.

**4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Not applicable

**4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable

**Item 5 Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

Knight disposed of the Shares for investment purposes. Knight may in the future purchase or sell shares of Pediapharm or otherwise trade in securities of or engage in other transactions with respect to Pediapharm

depending on a number of factors, including but not limited to, Pediapharm's financial position, the price levels of the common shares of Pediapharm, conditions in the securities markets and general economic and industry conditions, Pediapharm's business or financial condition, and other factors and conditions Knight deems appropriate.

Other than as noted above, Knight does not have any plans or future intentions relating to any of the following:

- a. the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- b. a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- c. a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- d. a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- e. a material change in the present capitalization or dividend policy of the reporting issuer;
- f. a material change in the reporting issuer's business or corporate structure;
- g. a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;
- h. a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- i. the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- j. a solicitation of proxies from securityholders;
- k. an action similar to any of those enumerated above.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable

**Item 7 Change in material fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable

**Item 8 Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable

**Item 9 Certification**

Certificate

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

September 4, 2018

Per: (signed) Samira Sakhia  
Name: Samira Sakhia  
Title: President & Chief Financial Officer