



GUD Days at Knight: Jonathan Ross Goodman's Latest Foray into Specialty Pharma

Jonathan Ross Goodman, founder and CEO of Montreal-based Knight Therapeutics Inc. (TSX:GUD), says "better lucky than smart" when asked about the start of his second specialty pharmaceutical company on February 23, 2014. The date is a stand-out for Jonathan because it's also the day Endo International plc closed the purchase of Paladin Labs Inc., his first specialty pharmaceutical company, for \$3.2 billion, making him one of the most successful people in the history of specialty pharma in Canada.

While most of us would have reveled in the realization of such a tremendous achievement, Jonathan refused to take even one day off before opening the doors at Knight. When asked why, he doesn't miss a beat: "I love making people better and making money in the process. I can't imagine a more meaningful way to spend a career. Plus," he adds, tongue-in-cheek, "I am not *gud* at anything else."

Jonathan Ross Goodman founded his second specialty pharmaceutical company, Knight Therapeutics Inc. in 2014.





Goodman says that his management team was assembled in part due to lucky circumstances. Shown here are, from left to right, Ines Hasanbasic, Associate Director of Finance and Corporate Development; James Anderson, Business Intelligence Manager; Corey Richardson, Director of Commercialization; and Gerry Mazzei, National Business Manager.

While that is not true (he is also a whiz at ping-pong), what is beyond dispute is Jonathan's demonstrated ability to succeed in his chosen field. Within seven days of starting, Knight raised \$75 million at \$3.50 per share. Jonathan believes this ease in fund-raising was based on Paladin's 19 consecutive years of record revenues, the well-recognized clarity of his strategic vision and the consistency of his financial stewardship. "It's a proven approach and it's not rocket science," he adds, "profitable growth starts with a solid foundation and means we do not take binary risks."

An inveterate punster, Jonathan he likes to underscore that GUD luck has been part of his experience with Knight, "As part of the deal with Endo International were able to start with one product that already had a modest royalty stream, Impavido®."

"We raised a huge amount of cash at a time when we were less than a dozen people," notes Jonathan, "it was a tremendous achievement but not an end in itself. We are lucky, yes, but we also have to be smart."

Approved for sale in 14 countries for the treatment of leishmaniasis, a highly infectious tropical disease, Impavido® was granted a Neglected Tropical Disease Priority Review Voucher (PRV) shortly after Knight opened its doors. A PRV is an incentive for companies to invest in new drugs for neglected tropical diseases and means the time it takes the FDA to review a new drug application is sharply reduced. In a world where time can mean a great deal of money, the PRV

is designed to be transferable. Knight received FDA approval for Impavido® in March of 2014 and sold its PRV to Gilead Sciences for USD\$125 million.

Since inception, Knight has raised \$685 million in equity capital in five separate financings all at increasing valuations. "We raised a huge amount of cash at a time when we were less than a dozen people," notes Jonathan, "it was a tremendous achievement but not an end in itself. We are lucky, yes, but we also have to be smart."

With approximately \$800 million in cash, Knight has been faced with the question of how to deploy this capital in low-risk, solid return opportunities while building a solid specialty pharmaceutical company.

Knight Therapeutics is in the business of acquiring or in-licensing innovative pharmaceutical products and mature or “under-promoted” products from Big Pharma. “The strength of our balance sheet allows us to patiently but actively execute our strategy with discipline,” Jonathan adds, “Our commitment is to create significant long-term shareholder value. Last time, it took the team 19 years to become an overnight success.”

Jonathan acknowledges Knight’s execution of both conventional and non-conventional tactics, which are successfully being used to secure innovative products rights for Canada and select international markets. Knight’s Rest of World (ROW) pharmaceutical strategy is focused on growing Knight into Big Pharma’s non-core geographies (i.e. not the U.S., Europe, Japan or China). The ROW markets represent approximately 30% of global pharmaceutical revenues.

To this end, in October Knight announced the creation of an ROW-focused specialty pharmaceutical company through transformational acquisition of Biotoscana Investments S.A. (Grupo Biotoscana or GBT). With the closure of 51.2% of GBT, Knight emerges as the premiere pan-American (ex-US) specialty pharma company. GBT has strong regional infrastructure and management team with a unique footprint across 10 countries in Latin America. GBT is active in oncology, onco-hematology and infectious diseases across Latin America. For the 12-month period ending June 30, 2019, GBT generated revenue of approximately C\$240 million and adjusted EBITDA of approximately C\$49 million.

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Goodman says that while they have fun at the company, “building Knight is serious business” for himself and his team. He is shown here with Samira Sakhia, President and Chief Financial Officer; Amal Khouri, Vice President, Business Development; Arvind Utchanah, Vice President, Finance.

? If you were not working in the pharmaceutical industry, what would you be doing instead, and why?

Anything like selling pharmaceuticals where we make people better and make money in the process. We are not put on this earth just to take up space. We are put on this earth to make a difference.

? Tell us something most people don't know about you.

I helped start-up Fody Foods in the business of developing and commercializing a line of low FODMAP packaged food. The line was specifically designed to help the 15% of North Americans with some form of Irritable Bowel Syndrome to live symptom-free, since a low FODMAP diet has been clinically shown to reduce discomfort in patients with IBS.

? If you could eliminate one thing from your daily schedule, what would it be?

My need for downtime. As a result of my traumatic brain injury, I need a daily nap which is a source of great guilt. I literally sleep on the job and feel awful for doing it.

? Is there anything you can't live without?

Stuff doesn't buy happiness. There is nothing material I couldn't live without.

? Which superhero power would you like to possess, and why?

Superman was both Canadian and Jewish, so we're already almost related.

? What are the top three things remaining on your bucket list?

I had cancer when I was 22 and a traumatic brain injury when I was 44. Life is too fragile to keep such lists.

? What's the one thing you've done that you never want to do again?

Buy high, sell low.

? Who would you get to play you in a movie of your life?

Any tall bald, slightly fit middle-aged actor could do the job well.

? If you could spend a day with anyone (dead or alive), who would it be, and why?

My mother, of blessed memory, passed five years ago and I miss her daily. And yes, I am a mama's boy.

? When reading a book, do you prefer the print copy or the electronic version?

Electronic version because it is simple to look up unfamiliar words. Who reads with a dictionary by their bed?

? If you were to compete in the Olympics, what would be your event, and why?

Ping pong or badminton, as I have built my life and career playing in less-competitive niches.

? What is the best piece of advice you have received, and from whom did it come?

"Get back to work as fast as you can," advice given to me by my father after my traumatic brain injury, was by far the most impactful advice (even more than "buy low, sell high").

? What's your favourite hobby? Are you any good at it?

Life is not about finding the Holy Grail but loving the search. I am passionate about playing tennis even though I suck.



Jonathan Ross Goodman
Founder and CEO
Knight Therapeutics Inc.

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Some members of the management team have been working together for decades, with Goodman joking that he is “lucky they are still willing to put up with me after so many years together.”

“We are working tirelessly to achieve our goals, and we won’t rest at Knight until our mission is accomplished.”

do, and I am lucky they are still willing to put up with me after so many years together,” remarks Jonathan. “We have fun working together but building Knight is serious business given our mission to make people better while delivering shareholder value. We are working tirelessly to achieve our goals, and we won’t rest at Knight until our mission is accomplished.” **CPM**

“This transformational acquisition establishes Knight as a premiere pan-American (ex-US) specialty pharmaceutical company. With scale and a strong regional infrastructure, we will be well positioned as the pan-American (ex-US) in-licensing partner of choice,” said Jonathan, “The combination of Knight and GBT creates a compelling platform in large, fast growing markets. GBT is a natural strategic fit, with a similar business model to Knight and strong relationships with global partners.”

Knight also engages in strategic lending as a way of sourcing near and long-term product pipeline opportunities. To date, Knight has loaned \$170 million to fifteen partners on a secured basis, generating both double-digit returns and, in some cases, innovative therapeutics rights. Executing these strategies, Knight has secured more than 20 innovative pipeline products from 19 companies delivering \$241 million of net income since inception.

Jonathan has also had luck and been smart, assembling a strong management team. Samira Sakhia, Knight’s President and Amal Khouri, Knight’s Vice President of Business Development, both worked with Jonathan at Paladin Labs. Jonathan likes to brag that Amal was his first hire when he recruited her away from Novartis Pharma, where she worked in global business development and licensing in Switzerland. Samira, who has known Jonathan for almost two decades, joined Knight as President in 2016. She later assumed the additional responsibility of Chief Financial Officer, a role she knows well having spent fourteen years in the position at Paladin Labs. “Samira and Amal are both exceptionally skilled at what they