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July 8, 2022

Dear fellow member:

I'm pleased to provide an update on our two transformative transactions—both of which have now closed—and which together signal the completion of a major chapter in the history of our company.

- Next week we will publicly announce the spin-off of our dexpramipexole program ("Dex") to Areteia Therapeutics, Inc. ("Areteia"), a newly formed company co-founded with Population Health Partners and funded with \$350 million in capital commitments (assuming certain regulatory milestones are met) led by Bain Capital Life Sciences.
- This follows our announcement in April that we closed the sale of our Kv7 program to Biohaven Pharmaceuticals ("Biohaven"). The sale included all our Kv7 intellectual property, most of our physical assets, and most of the Knopp team.

The Biohaven and Areteia deals represent the culmination of nearly two decades of work by the team at Knopp and were accomplished because of their "never surrender" attitude and their commitment to bringing life changing medicines to patients. These transactions position dexpramipexole to become the first oral medicine to treat the millions of patients worldwide with eosinophilic asthma, and BHV-7000 to become a best-in-class treatment for patients around the world with epilepsy. By delivering on great science, the Knopp team has delivered real value to our members with the potential for significantly more value to be created in the future.

Following is a summary of the Areteia transaction, an update on the Biohaven transaction, and report on what's next for Knopp.

ARETEIA TRANSACTION

The Areteia deal is the result of a comprehensive effort to optimize dexpramipexole's value as we simultaneously solved for establishing Phase 3 clinical development capabilities, securing the significant required capital, and maximizing our ownership position. During the past ten months, we partnered with Population Health Partners ("PHP") to advance the Dex program through gating regulatory and manufacturing steps while in parallel preparing to fund and launch a new dexpramipexole company through a period of intense market volatility. I'm pleased to report that we've chosen to partner with Bain Capital, one of the largest private equity managers in the world, with over \$160 billion under management. Additional investors in the Bain syndicate include

affiliates of Google Ventures, ARCH Capital, Access Biotechnology, Maverick Capital, the pharmaceutical company Sanofi Aventis, and Saturn Capital.

The Areteia deal includes financial commitments of \$350 million to fund clinical studies required for FDA and EMA approval of Dex in eosinophilic asthma (consisting of \$175 million funded at closing and an additional \$175 million upon successful completion of the first of three planned Phase 3 trials in eosinophilic asthma and meeting certain other milestones with respect to the other two Phase 3 trials). We and PHP have assembled an exceptional team to lead Areteia, including its new CEO, Jorge Bartolome, who is stepping down as president of Johnson & Johnson's Canada operations and a former respiratory-area chief at Glaxo SmithKline. He will be joined by two Knopp executives, Calman Prussin and Mark Kreston, who are deeply ingrained in the science and business of the Dex program.

Knopp owns about half of the outstanding equity in Areteia, net of the Bain-led syndicate and the interest of PHP. After the full \$350 million of investment, we will become a minority owner, though likely remaining the largest single owner. Our funding arrangements allow for a potential Areteia IPO or an acquisition as the development of dexamipexole progresses and if market conditions warrant. If the Phase 3 clinical trials are positive and dexamipexole receives regulatory approval, it will be the only oral drug approved for the treatment of eosinophilic asthma in a market that is projected to reach \$10 billion by 2024.

BIOHAVEN TRANSACTION

The Biohaven deal closed on April 1 and included an upfront payment of \$35 million in cash and \$65 million in Biohaven shares. Most of the cash was used at closing to pay off debt and transaction-related professional fees. Assuming steady regulatory progress and at least moderate commercial success for the Kv7 program, Knopp could receive as much as \$1 billion in additional payments over the next decade, plus royalties on product sales.

We, along with the public, learned on May 10 that Biohaven had reached agreement for its purchase by Pfizer and that, following the closing of that transaction, the Kv7 program and other preclinical assets of Biohaven would be spun-off into a new company. The announcement of the Pfizer transaction caused a significant increase in the market price of Biohaven shares to about \$145 per share. The 493,254 Biohaven shares we received are not yet registered (i.e., cannot be freely publicly traded), and registration timing may be impacted while the acquisition and spin-off are completed. If the Pfizer deal closes on the publicly announced terms, and Knopp sells the shares to Pfizer in connection with that deal, Knopp would receive \$73.2 million in cash and 246,627 shares of the Biohaven spin-off company. Upon receipt of proceeds following disposition of the Biohaven shares, whether in connection with the Biohaven-Pfizer deal or otherwise, the Board will determine the magnitude and timing of any distribution of funds in accordance with the Knopp Operating Agreement.

FINANCIAL STATEMENTS

We will be mailing copies of our audited December 31, 2021 and compiled March 31, 2022 financial statements early next week. The financial statements do not reflect either the Biohaven or Areteia transactions.

NEXT STEPS FOR KNOPP

As you might imagine, the Areteia and Biohaven transactions generated voluminous exchanges of data and records, the assignment of many physical and intangible assets, and the transition of our staff to new roles. I personally now wear three hats: My full-time job is running Biohaven Labs, the R&D function at Biohaven, where I continue to oversee the Kv7 program. I also serve on the Board of Directors of Areteia, bringing continuity to the development efforts for dexpramipexole, and am joined by additional Knopp representatives, investor representatives, and Ian Read, the former CEO of Pfizer, as the PHP designee. I will also continue to serve as one of seven members of the Knopp Board of Managers, with an oversight role for the financial assets we now own.

I have already, or soon will be, joined at Biohaven by nearly all of our employees, including Greg Hebrank, a co-founder and Executive Vice President of Knopp, while our other EVP and co-founder, Tom Petzinger, is retiring.

We are recruiting a small staff to unwind the last pieces of our operations as a biotech company and to efficiently organize and manage Knopp as a holding company. They will work with the Knopp Board to protect our rights in Biohaven and Areteia and to distribute proceeds from each company when and if received, along with providing updates, financial statements, and tax forms to members.

It has been my honor to serve as your President and CEO these many years. I am grateful to my fellow Knoppers for making the enterprise not only a financial success but more importantly for advancing new medicines with the hope of improving patients' lives. Finally, I am grateful to you, our investor members, for the confidence and patience you have given to my team, and to me.

Best regards,



Michael E. Bozik, M.D.
President and CEO