

April 13, 2017

Dear Shareholder:

Novelion Therapeutics, Inc. ("Novelion") believes that it will not be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for its taxable year ended December 31, 2016. However, Novelion believes that it may be a PFIC for its taxable years ended December 31, 2008 through 2015. As described in further detail in Novelion's Annual Report on Form 10-K for the year ended December 31, 2016 (the "2016 Form 10-K"), which is available on the U.S. Securities and Exchange Commission's website at <http://www.sec.gov>, for taxable years ended December 31, 2008 through 2015, U.S. shareholders of Novelion ("U.S. Shareholders") could have made a qualified electing fund ("QEF") election with respect to Novelion, which generally should have been made with the filing of the U.S. Shareholder's U.S. federal income tax return for the first taxable year for which both (i) the U.S. Shareholder held common shares of Novelion and (ii) Novelion was a PFIC.

U.S. Shareholders who chose to make a QEF election in respect of Novelion's taxable years prior to 2016 must have done so by filing Internal Revenue Service ("IRS") Form 8621, "Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund" ("Form 8621"). For any taxable year that Novelion is a PFIC, U.S. Shareholders who file (or have filed) a QEF election must report their pro rata share of Novelion's ordinary earnings and net capital gain for Novelion's taxable year, if any, on Form 8621. Because Novelion believes it is not a PFIC for 2016, U.S. Shareholders that have made a QEF election should not be required to report their pro rata share of ordinary earnings or net capital gain for 2016. For this reason, Novelion has not prepared a PFIC Annual Information Statement, as this information is not required in any year it is not a PFIC.

Please note that, a U.S. Shareholder who held common shares of Novelion during the years ended December 31, 2008 through 2015 may have been required to file Form 8621 with respect to Novelion, whether or not a QEF election was made. For example, a U.S. Shareholder who first held common shares of Novelion in 2015, but who did not make a QEF election, is still required to report certain distributions from, and dispositions of common shares of, Novelion.

Blank copies of Form 8621, with instructions, may be obtained from the IRS website at <https://www.irs.treas.gov/formspubs/index.html>.

You are strongly urged to read the section headed "U.S. Federal Income Tax Information" in the 2016 Form 10-K for further explanation of the U.S. federal income

tax considerations that may apply to U.S. Shareholders that hold shares of a PFIC, including information about the QEF election and other relevant elections.

The information in this letter does not constitute tax advice and should not be relied upon. You are strongly urged to consult your tax advisor regarding the tax consequences of the PFIC rules to you and the U.S. federal income tax treatment of PFICs (including QEF elections or any other elections that may be available to a U.S. Shareholder of a PFIC).

As Novelion's PFIC status for a given taxable year will not be determinable until the close of such year, no assurance can be given regarding Novelion's PFIC status in 2017 or any future year.

Yours very truly,

Novelion Therapeutics, Inc.

Gregory Perry
Chief Financial Officer

Attachment

