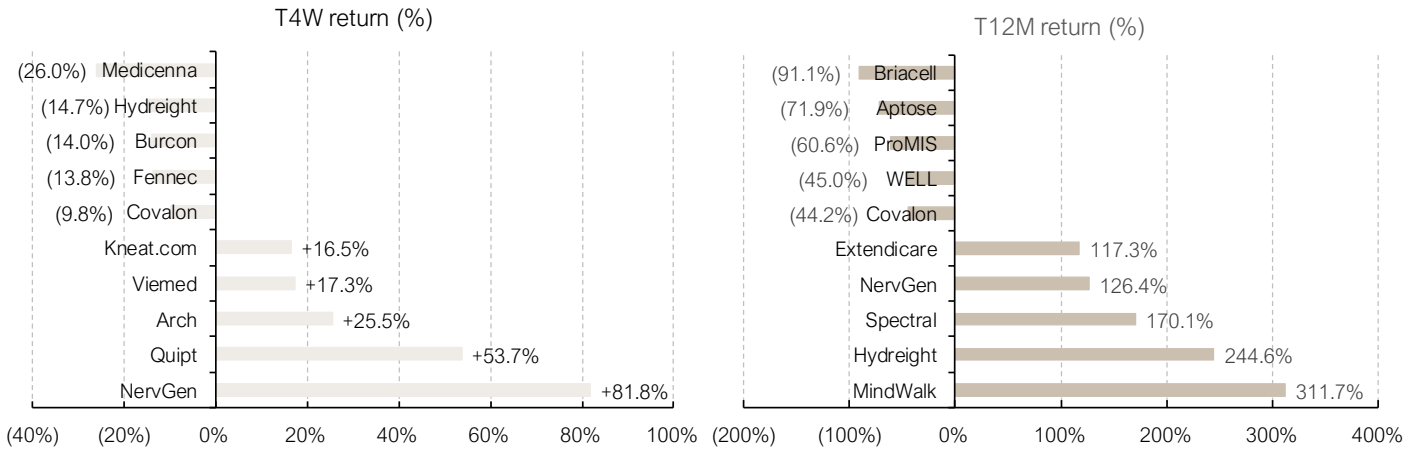
Core Highlights of the Week

Top Movers

Exhibit 1. Top Healthcare/Biotechnology Movers for the Trailing Four-Week & YTD Periods



Source: Leede Financial, Refinitiv

Updates From Our Coverage Universe

- **Shifted to Tender on investor bid to acquire Quipt Home Medical.** KY-based respiratory home healthcare-focused equipment distribution firm Quipt Home Medical (QIPT-Q, Tender) announced that its executive & Board agreed to terms on a take-out bid by two US-based investors, Kingswood Capital Management & Forager Capital Management, in a deal valuing the firm at US$3.65/shr (which on the day of announcement corresponded to a one-day return of 35%).
  - When considering Quipt's FQ425 financial data that was published in parallel & thus calculating EV from relevant data cited therein to be US$257.6M (fd S/O of 50.4M, September-end cash of US$12.9M, total debt that was augmented in the quarter up to US$86.6M to incorporate the new debt from the Hart Medical acquisition in early Sept/25). Deal value thus corresponded to an EV-to-FQ425 EBITDA run-rate ratio (EBITDA in the quarter by our calculation was US$15.0M) of 4.3x & a separate but comparable EV-to-T12M EBITDA ratio (F2025 EBITDA was US$56.1M) of 4.6x.
  - Perhaps not coincidentally, the multiple that we ascribed to our F2026 EBITDA forecast to derive our previous one-year PT was 4.5x, squarely within range of the multiple that Kingswood/Forager considered reasonable for the transaction. Indeed, we find that the average EBITDA multiple that was relevant to the eighteen acquisitions that Quipt itself consummated over the trailing six-year period to fund its own growth was 4.7x. If we excluded the 6.2x EBITDA multiple ascribed to Quipt's largest recent acquisition of Great Elm Healthcare back in early FQ223, Quipt was quite disciplined on ascribing EBITDA-based valuations that were interestingly quite close to the transaction that is now acquiring itself.
  - As stated, Quipt also reported its FQ425 financial data that we described in a company-specific report earlier this week, but at a surface-level analysis, we considered the quarter to be comparable to prior periods on virtually all margins, including EBITDA & operating cash margins that the firm historically has held firm at five-year averages of 22.5% & 17.3%, respectively (EBITDA margin & cash flow margin [excluding working capital] in FQ425 were 22.0% & 14.5%).

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We assume that Kingswood & Forager were aware of FQ425 performance before it was posted for public consumption. We do not anticipate any major impediments to formally closing the acquisition & thus expect shareholders to tender to Quipt's bid value, consistent with our formal recommendation.

- **Profound Medical announced equity offering, ostensibly to fund ongoing TULSA-PRO US marketing roll-out.** ON-based medical technology developer Profound Medical (PRN-T/PROF-Q, Buy, PT US$15.25) announced pricing for a US$40M equity offering this morning in a transaction that once completed will add 5.7M new shares to the firm's capital structure, bringing basic S/O to 36.9M by our calculation & fd S/O to 38.4M. The transaction was spearheaded by NY-based Konik Capital Partners

  - Profound exited FQ325 with US$24.8M in cash (so the offering would bring pro forma cash to US$64.8M, less financial costs ascribed to the transaction) & US$4.5M in total debt & we calculate that the firm's FQ325 EBITDA & pure operating cash flow were (US$7.1M) & (US$6.2M), respectively. Operating cash loss run-rate was predicted by us to diminish in forthcoming quarters as unit sales & recurrent procedure-based consumables sales for its FDA-approved MR-guided ultrasound ablation platform TULSA-PRO ramped throughout F2026 & into the balance of our forecast period. But on a strict run-rate basis, the firm had about one-year of cash to fund manufacturing & marketing activities & at a minimum, it seems reasonable for Profound to generate an equity capital reserve to fund TULSA-PRO manufacturing for inventory as well as on demand, just to ensure that unit sales ramp can accelerate in pending quarters without the inevitable delays that on-demand manufacturing would entail.

  - We are maintaining our Buy rating on Profound, with our valuation still based on NPV (20% discount rate) & multiples of our F2029 adjusted EBITDA/EPS forecasts of US$69.5M & US$1.55/shr respectively (our EPS forecast is trivially different from our prior forecast since our share-based projections were based on notional S/O that contemplated supplemental capital raise(s) to fund TULSA-PRO development & commercialization), both discounted at the same rate. In the medium term, our investment thesis does assume that Profound's TULSA-PRO is at a seminal commercial inflection point in its history – the device & the procedures affiliated with it in treating localized prostate disease has no lingering impediments to adoption, including in benign prostatic hyperplasia for which data are emerging that show dramatic reduction in prostate gland size & associated reductions in serum PSA from focused TULSA-PRO ablation.

  - Device-specific US reimbursement codes are in place & of course TULSA-PRO itself has long been FDA-approved based on data from the pivotal TACT trial that shows substantial reduction in serum PSA levels post-ablation with favorable safety profile on urological side effects. At present, our model projects consolidated revenue (mostly from TULSA-PRO & less from its alternative MR-guided ultrasound ablation platform Sonalleve MR-HIFU) of US$46.6M (US$18.5M from capital sales, the balance from procedure-based revenue & maintenance/services/leasing), increasing to US$77.9M (US$24.0M from capital sales) in F2027.

- **Oncolytics shares updated pelareorep Phase II data from legacy colorectal cancer trial; no change in rating or PT.** AB-based cancer biologics developer Oncolytics Biotech (ONCY-Q, Spec Buy, PT C$5.25/US$4.00) provided supplemental commentary from its completed 32-patient REO-022 trial, in which the firm's proprietary reovirus formulation pelareorep was tested in combination with the anti-VEGF mAb bevacizumab/Avastin & the widely-used small-molecule combination therapy FOLFIRI (the vitamin B9/folate analog folinic acid, the nucleoside analog 5-fluorouracil & the DNA topoisomerase I inhibitor irinotecan) in patients presenting with colorectal tumors harboring mutations in the Kras oncogene.

  - Recall that Oncolytics' original observation on which the company's founding in 1998 was based on was a study published in the journal Science that year that showed pelareorep (called Reolysin at the time) exhibited selective anti-tumor activity in Ras-activated tumors. Clinical studies that Oncolytics funded since then occasionally but not always were focused on Ras-mutated/Ras-activated tumor types & so we are always encouraged to see the firm report clinical evidence of anti-cancer activity (or document mechanisms by which it could exhibit such activity in a well-designed controlled trial) in cancer forms where its foundational anti-tumor activity should be most relevant.

  - Our model does not overtly ascribe value to pelareorep in colorectal cancer, but the indication could be a secondary or tertiary medical market for Oncolytics to pursue down the road, after pivotal testing in advanced pancreatic cancer (to which our model does ascribe value) concludes. But on the data update itself, Oncolytics reports that follow-up analysis of REO-022 that, in addition to confirming that second-line microsatellite-stable colorectal cancer patients exhibited an objective response rate of 33% (seemingly low but still far superior to published response rate data for the combination

of Avastin/FOLFIRI [or other chemotherapy regimens] of 6%-to-11%) in two studies that Oncolytics itself cites in its press release.

Exhibit 2. Income Statement & Financial Forecast Data for Oncolytics Biotech

Year-end December 31											
(C$M, except per share data)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Pelareorep royalty revenue, by indication											
Breast cancer	$0.0	$0.0	$0.0	$0.0	$0.0	$24.1	$122.6	$250.1	$331.6	$416.2	$504.2
Pancreatic cancer	$0.0	$0.0	$0.0	$0.0	$6.6	$33.3	$67.5	$89.4	$112.2	$135.9	$160.4
Royalty rev, pelareorep	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$6.6**	**$57.3**	**$190.1**	**$339.5**	**$443.8**	**$552.1**	**$664.6**
Revenue growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*767%*	*231%*	*79%*	*31%*	*24%*	*20%*
SG&A expense (amortization-adj)	$19.2	$25.0	$25.0	$25.0	$25.0	$25.0	$20.0	$17.5	$15.0	$12.5	$10.0
R&D expense	$8.0	$9.0	$11.2	$12.8	$14.7	$17.0	$19.5	$22.4	$25.8	$29.7	$34.1
EBITDA	**($27.2)**	**($34.0)**	**($31.2)**	**($30.3)**	**($25.6)**	**$22.9**	**$158.1**	**$307.0**	**$410.5**	**$517.4**	**$628.0**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*690.5%*	*194.2%*	*133.7%*	*126.1%*	*121.4%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*39.9%*	*83.2%*	*90.4%*	*92.5%*	*93.7%*	*94.5%*
Cumulative non-cash expenses	$7.3	$4.7	$3.2	$3.2	$3.2	$8.9	$42.7	$80.0	$105.8	$132.6	$160.2
Net Income, fully-taxed	($34.5)	($38.7)	($34.4)	($33.5)	($28.8)	$14.0	$115.4	$227.1	$304.6	$384.9	$467.8
EPS (fully-taxed, basic)	($0.33)	($0.37)	($0.33)	($0.32)	($0.28)	$0.13	$1.11	$2.19	$2.94	$3.71	$4.51
EPS (fully-taxed, fd)	**($0.29)**	**($0.32)**	**($0.28)**	**($0.28)**	**($0.24)**	**$0.12**	**$0.96**	**$1.88**	**$2.53**	**$3.19**	**$3.88**
S/O (basic, M)	*103.6*	*103.6*	*103.6*	*103.6*	*103.6*	*103.6*	*103.6*	*103.6*	*103.6*	*103.6*	*103.6*
S/O (fully-diluted, M)	*120.5*	*120.5*	*120.5*	*120.5*	*120.5*	*120.5*	*120.5*	*120.5*	*120.5*	*120.5*	*120.5*
P/E	*NA*	*NA*	*NA*	*NA*	*NA*	*8.7x*	*1.1x*	*0.5x*	*0.4x*	*0.3x*	*0.3x*
EV/EBITDA	*NA*	*NA*	*NA*	*NA*	*NA*	*4.2x*	*0.6x*	*0.3x*	*0.2x*	*0.2x*	*0.2x*
Key financial metrics in US$M, except EPS data											
Royalty rev, pelareo (US$M)	***$0.0***	***$0.0***	***$0.0***	***$0.0***	***$4.8***	***$41.7***	***$138.2***	***$246.8***	***$322.6***	***$401.4***	***$483.2***
EBITDA (US$M)	***($19.8)***	***($24.7)***	***($22.6)***	***($22.0)***	***($18.6)***	***$16.6***	***$114.9***	***$223.2***	***$298.4***	***$376.2***	***$456.6***
EPS, fd (US$)	***($0.21)***	***($0.23)***	***($0.21)***	***($0.20)***	***($0.17)***	***$0.08***	***$0.70***	***$1.37***	***$1.84***	***$2.32***	***$2.82***

Source: Leede Financial

- These include the 369-patient EAGLE trial published by Japan-based researchers in 2015 in the journal *Annals of Oncology* (where response rate in both Avastin-incorporating study arms was 11%) & the Roche-funded [ROG-SW, NR] 820-patient ML18147 trial published by a European consortium in 2014 in *Lancet Oncology* (where response rate was 6%) – in both studies, the primary intention was to test Avastin's ability to improve overall survival or progression-free survival in comparison to alternative therapy regimens (which was modest in both studies, by the way) & not to document any objective response rate improvements as such (indeed, response rate data is inferred from supplemental data published on-line).

Exhibit 3. Valuation Scenarios for Oncolytics Biotech

NPV, discount rate		**20%**	**30%**	**35%**	**40%**	**50%**	**60%**
Implied value per share		$16.82	$7.38	**$5.00**	$3.42	$1.59	$0.68
				Discounted share price end-of-2026			
Price/earnings multiple, F2031	**P/E**	**20%**	**30%**	**35%**	**40%**	**50%**	**60%**
Implied share price[1]	**10**	$6.61	$4.80	$4.13	$3.57	$2.71	$2.09
	20	$13.22	$9.60	**$5.76**	$7.14	$5.42	$4.18
	30	$19.83	$14.40	$12.39	$10.71	$8.13	$6.27
EV/EBITDA multiple, F2031		**5x**	**7x**	**8x**	**9x**	**10x**	**12x**
Implied share price[1,2]		$3.65	$5.09	**$5.81**	$6.53	$7.25	$8.69
One-year ONC target price (C$)				**$5.53**			
One-year ONC target price (US$)				**$4.02**			

[1] *Based on F2031 fd fully-taxed EPS forecast of $0.96; EBITDA of $158.1M; 35% discount rate*

[2] *EV based on FQ325 cash of $12.4M/US$8.8M, no LT debt, S/O (fd) of 120.5M (basic S/O 103.6M)*

[3] *PT derived from projections in CDN, converted to USD using USD:CDN ratio of 1.38x*

Source: Leede Financial

- Indeed, a separate analysis of a 36-patient Phase I trial testing pelareorep (again combining it with Avastin & FOLFIRI) in Kras-mutated colorectal cancer patients that was published in 2020 in *Molecular Cancer Therapy* showed that three of six patients in one Kras-mutation cohort where pelareorep/Avastin-FOLFIRI were administered at their recommended dosage strength exhibited a partial response. For now, we are maintaining our Spec Buy on ONCY, with our valuation still based on NPV (35% discount rate) & multiples of our F2031 EBITDA/fd EPS forecasts (C$158.1M & C$0.96/shr, respectively).

Exhibit 4. Recently-Completed & Anticipated Clinical Milestones For Pelareorep

Expected milestone	Clinical trial	Cancer indication	Patient number	Co-administered therapies	Clinical collaborators	Comments
Final biomarker (T-cell clonality, tumor infiltration) data	AWARE-1 (completed)	Metastatic breast cancer (HER2-neg/ HR-pos)	38	Atezolizumab/ Tecen-triq (anti-PD-L1 mAb)	Roche, SOLTI	Q423 (upreg of PD-L1, new T-cell clones)
Interim safety & biomarker data	BRACELET-1 (completed)	Metastatic breast cancer	48	Avelumab/Bavencio (anti-PD-L1 mAb), paclitaxel	Pfizer & Merck KGaA	Q324 (37.5% ORR pela/paclitaxel vs 13.3% paclitaxel)
Interim safety & biomarker (T-cell clonality, tumor infiltration) data	IRENE	Triple-negative breast cancer (HER2-neg/ ER-neg, PR-neg)	25	Retifanlimab (anti-PD1 mAb)	Rutgers Univ, Incyte	H126 (two-year PFS/OS data)
Interim biomarker data (T-cell clonality & CEA-CAM6 expression)	GOBLET	Advanced pancreatic, colorectal, anal cancer	55	Atezolizumab/ Tecentriq (anti-PD-L1 mAb), mFOLFIRINOX	Roche, AIO Studien gGmbH	H126 (safety data for pelareorep-mFOLFIR-INOX, 62% ORR, favorable 2-yr survival)
Interim response rate, survival	AMBUSH	Refractory multiple myeloma	42	Bortezomib/Velcade or Pembrolizumab/ Keytruda, dexameth	USC, US NCI (started in Oct/22)	H226 (final 3-yr ORR, PFS, OS data)
Commence patient enrollment	Pivotal Phase III	Metastatic pancreatic cancer (first-line)	TBD	Gemcitabine, nab-paclitaxel (Abraxane), anti-PD1 mAb or anti-PD-L1 mAb	Unpartnered as yet	H126 (OS as primary endpoint), data by 2029/30
Commence patient enrollment	Pivotal Phase III	Metastatic breast cancer (HER2-neg/ HR-pos), probably Enhertu (trastuzu-	180	Paclitaxel	Unpartnered	H226 (PFS/OS data possibly by 2030/31)

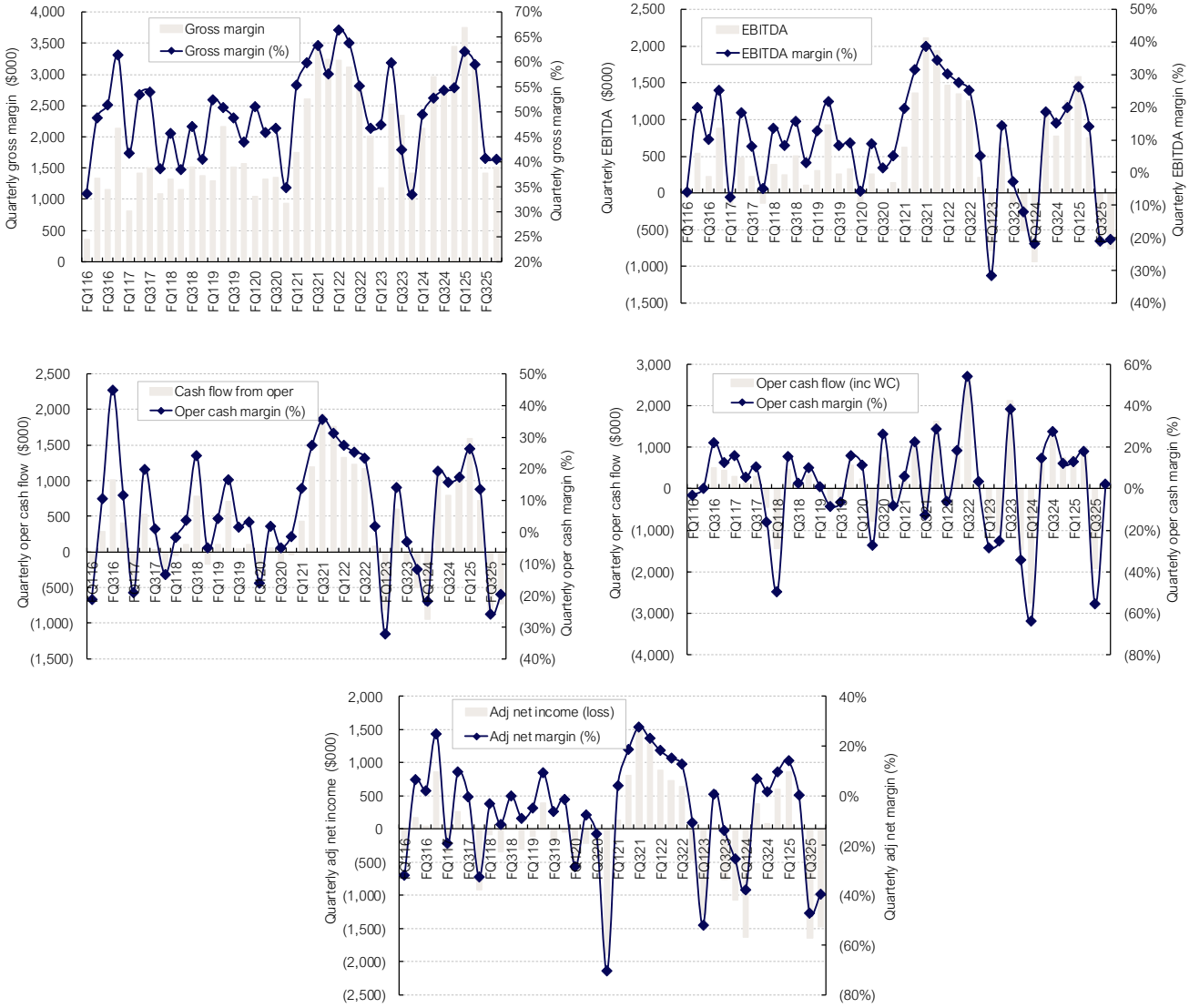
Source: Oncolytics Biotech; Leede Financial

- The other nuance from REO-022 was that Oncolytics was able to identify T-cell populations in pelareorep-treated patients that were primed to target colorectal cancer cells that harbored mutated Kras; this observation is not direct evidence for pelareorep's clinical activity in this indication, but it is a plausible mechanism by which it could. REO-022 was not a controlled study but median progression-free survival in metastatic disease was 16.6 months & median overall survival was 27.0 months; on both metrics, Avastin/FOLFIRI-treated patients performed far worse, with median PFS/overall survival as published in the aforementioned *Lancet Oncology* study of 5.7 months & 11.2 months, respectively.
- We are not huge fans of clinical data analyses that compare outcomes to different trials that have not been properly randomized in comparison to each other. But despite this limitation, pelareorep data are objectively superior to data published in distinct trials for its co-administered therapies in REO-022 & the indication in our view merits further investigation, at least to the limits of Oncolytics' available capital that as of this writing we expect to be preferentially deployed into Phase III advanced pancreatic cancer testing.
- Though our model does not incorporate colorectal cancer-based pelareorep royalty revenue, this is an indication for which Oncolytics has published clinical data from other studies as well, notably in a 103-patient Phase II advanced colorectal cancer study published in 2018 in the journal *Clinical Colorectal Cancer* – pelareorep-treated patients exhibited a higher response rate than control patients but it was of a shorter duration & pelareorep did not perform well on PFS or overall survival when combined with Avastin & a different but overlapping chemotherapy cocktail (FOLFOX6, a combination of folinic acid & 5-fluorouracil, but substituting the platinum drug oxaliplatin for irinotecan). Importantly though, colorectal cancer patients were not screened for Kras mutations (or at least the study did not report that they were) & this seems like a plausible parameter for predicting pelareorep responsiveness based on prior biochemical/ cytological characterization of pelareorep's mode of action, as we indicate above.

Updates From Other Domestic Healthcare/Biotechnology Firms

- **Microbix reports FQ425 financial data – revenue/EBITDA softness experienced in FQ325 carries through to end-of-year.** ON-based diagnostics/microbial antigen manufacturer Microbix Biotech (MBX-T, NR) reported FQ425 financial data for the Sept-end quarter that were as soft on most metrics as for the June-end FQ325 quarter, with comparably soft top-line performance (specifically on antigen revenue) flowing through the rest of the income/cash flow statements into profitability measures & margins.

Exhibit 5. Quarterly Gross Margin-EBITDA-Net Income-Cash Flow Data For Microbix, FQ416-to-FQ425



Source: Microbix financial filings; Leede Financial

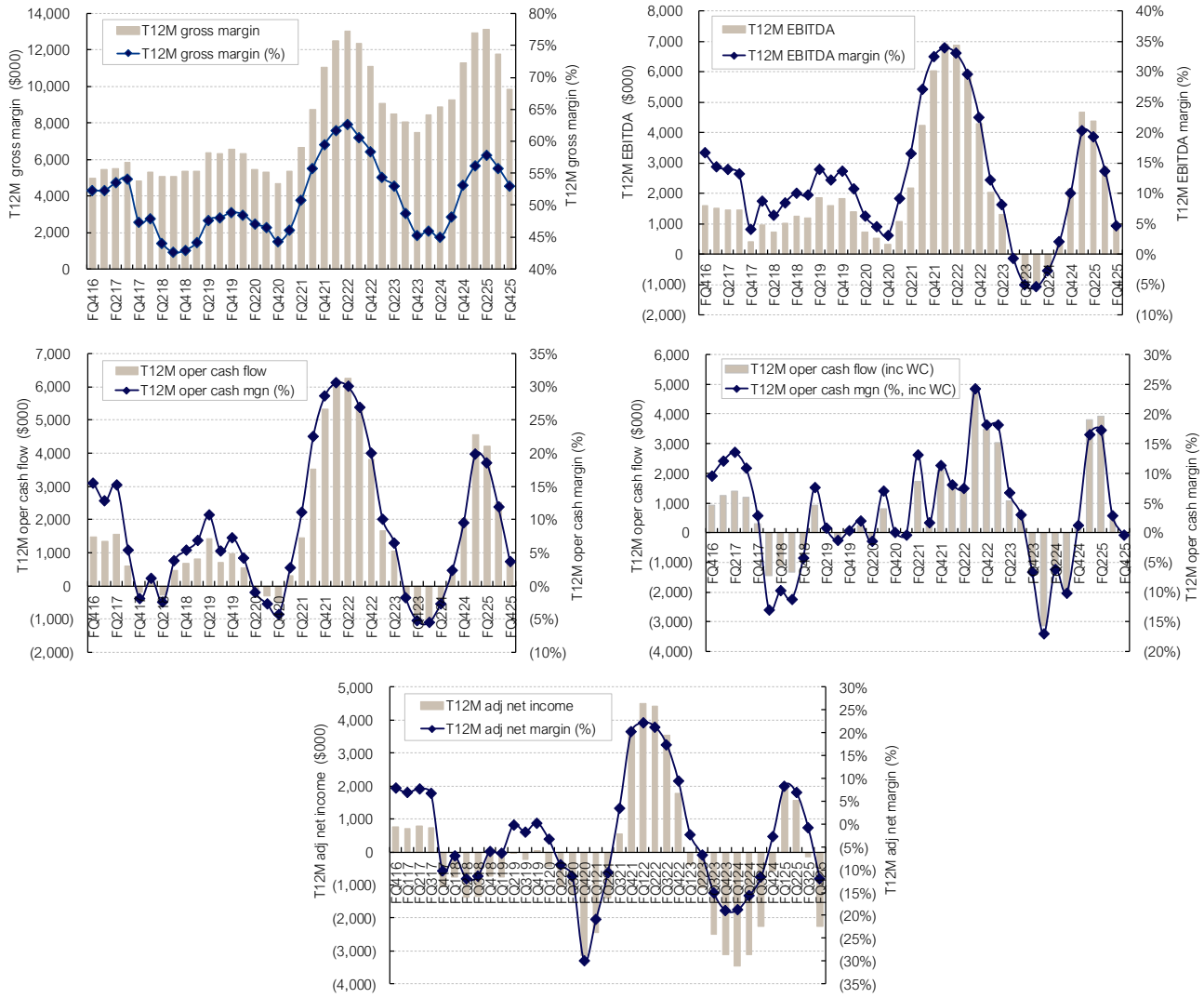
- As indicated above, Microbix's FQ425 consolidated revenue of $3.6M was low by recent standards, if incrementally above $3.3M generated in FQ325, with antigen revenue of $2.0M also incrementally up from $1.8M in FQ325 but well below the standard achieved in prior quarters, when antigen revenue was comfortably above $4.0M (it was $4.5M in FQ424, $4.3M in both FQ125 & FQ225). Revenue from quality assurance products (QAPs) was fairly stable throughout recent quarters as it was in FQ425 at $1.6M, as compared to $1.7M in FQ424 & to $1.5M in FQ325.

- Gross margin in FQ425 was also low by recent standard at $1.5M/40.5% & thus comparable to FQ325 data of $1.4M/40.8% but well below $3.5M/54.8% in FQ424. As we depict graphically in Exhibits 5 & 6, Microbix certainly has

recorded financial periods when gross margin either dipped below or approached 40% but not since FQ423 & a gross margin at this level virtually guaranteed that EBITDA & cash flow will be negative or close to it, as they were in FQ425.

- So shifting to EBITDA/cash flow, FQ425 EBITDA was ($0.76M) by our calculation, as compared to ($0.72M) in FQ325 but far below $1.25M generated in FQ424. As recently as FQ125, Microbix was able to generate EBITDA margin above 25%, with EBITDA/margin in that period of $1.58M/26.2% establishing a recent peak on both metrics that was not reproduced in the following three quarters. The reason for FQ425 softness, as was the case in FQ325, was the loss of two major antigen clients, both unnamed but one based in China & the other a point-of-care infectious disease test developer, & there was no indication that these clients could return to Microbix' workflow. Accordingly, restoration of revenue growth trajectory that was apparent in Microbix's financial data until FQ125 will require new customer relationships, for which timelines are undetermined at present.

Exhibit 6. T12M Gross Margin-EBITDA-Net Income-Cash Flow Data For Microbix, FQ416-to-FQ425

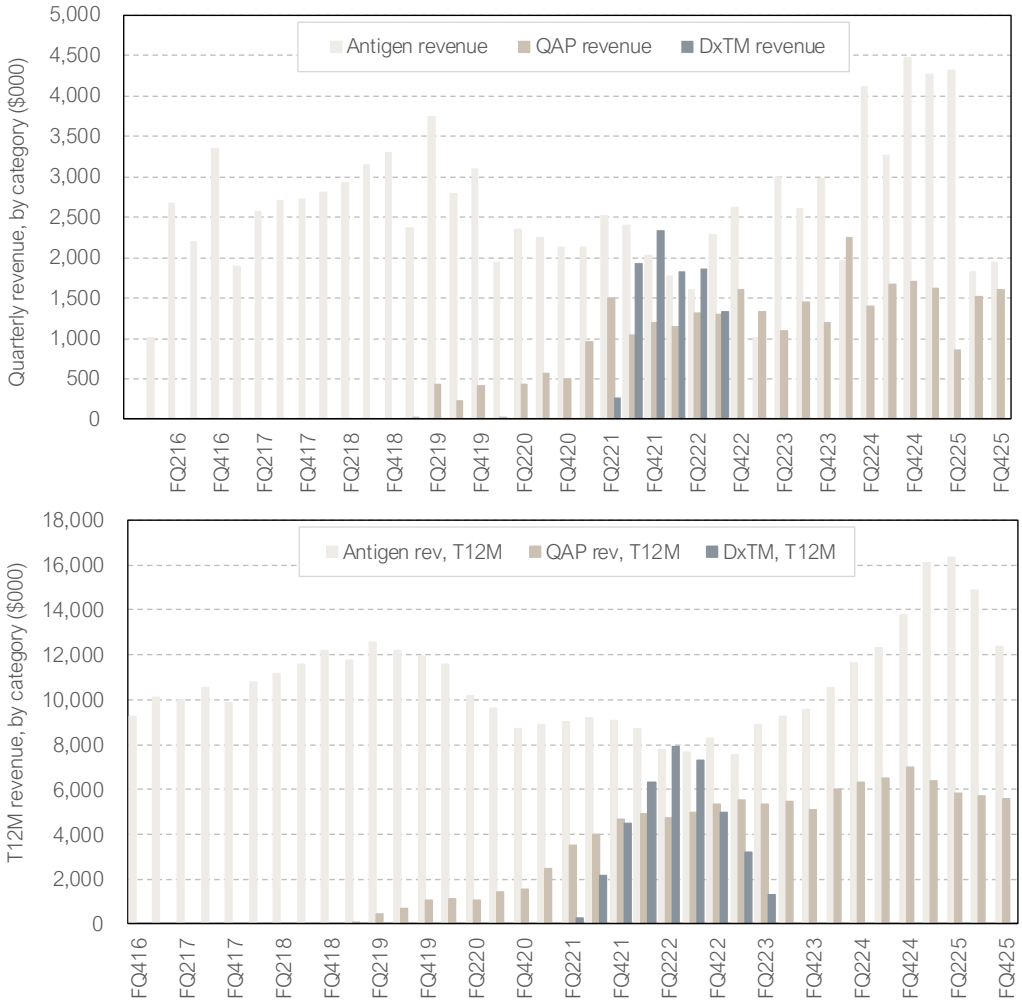


Source: Microbix financial filings; Leede Financial

- Shifting to cash flow, the message is predictably similar, with FQ425 pure operating cash flow of ($0.73M) just slightly less negative than ($0.90M) generated in equally soft FQ325 & well below $1.1M generated in FQ424. Working capital balance that was substantially into negative territory in FQ325 was more favorable in FQ425 at $0.82M through a combination of receivables & payables surpluses recorded in the period. Accordingly, consolidated FQ425 operating

cash flow was incrementally positive at $0.082M, essentially matching but still slightly below the firm's interest expense in the period that was $0.09M.

Exhibit 7. Quarterly & T12M Revenue for Microbix, by Category, FQ116-to-FQ425



Source: Microbix financial filings; Leede Financial

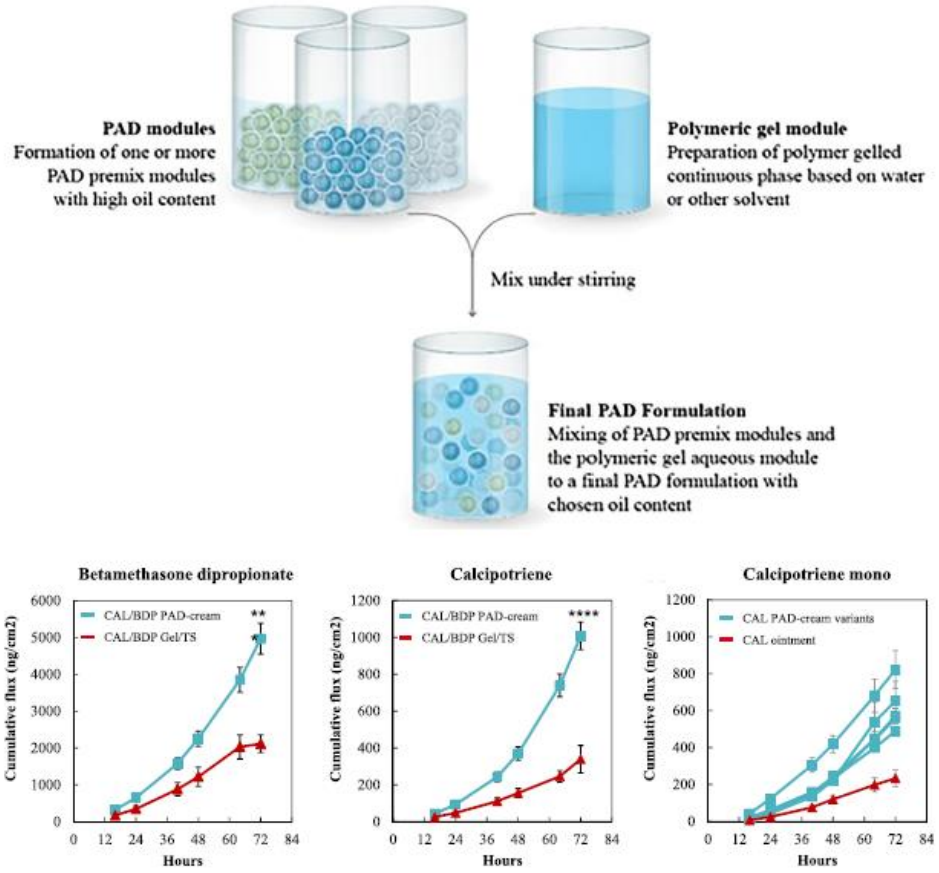
- As in most recent quarters, Microbix's financial risk that is heightened by operating metrics is offset by balance sheet stability, with FQ425 cash of $12.1M & net cash of $6.8M providing the firm with a substantial capital reserve to weather transient operating cash flow softness, excluding any cash-requiring strategic initiatives that Microbix may deem necessary to reverse its FH225 revenue/EBITDA softness.
- In its FQ425 MD&A, Microbix suggested without quite predicting that sequentially flat revenue could be achieved in F2026 (full-year F2025 revenue was $18.0M & thus well above FQ425 run-rate revenue of $14.3M) if organic growth from existing clients & ongoing client projects both materialize in the next quarter or two. We ourselves are making no overt predictions on this theme, but it is nonetheless true that Microbix frequently announced new antigen or QAP initiatives & the firm thus already has infrastructure in place to solicit new antigen/QAP clients without incurring new G&A expense.
- In separate commentary on expectations for F2028, Microbix intimated that its legacy urokinase formulation Kinlytic could re-achieve commercial status that year under the stewardship of NJ-based partner Sequel Pharma LLC (private), which we assume is advancing with formal clinical testing of the enzyme as a catheter-clearing agent in the US acute care hospital market. Recall that urokinase is a naturally-produced enzyme (in the kidneys & in fact, Kinlytic itself is

produced from human kidney cells in culture) that has the ability to convert the blood protein plasminogen into plasmin, itself an enzyme that degrades fibrin in blood clots, an activity that it retains when deployed into medical devices like catheters as well as it does in the body to mitigate vascular clotting. Urokinase/Kinlytic is well-characterized in the medical literature not just for medical device blood clot clearing but also as a therapeutic agent for treating blood clotting disorders like pulmonary embolism.

- Sequel itself does not provide any public information on its own Kinlytic advances that we have been able to find, so our source for information on Kinlytic's clinical/commercial status arises solely from Microbix's own financial filings & webinar commentary, as it is in this circumstance. There is virtually no development risk for this urokinase formulation & the utility of similar anti-thrombotic enzymes in catheter clearance is well-documented so the main risk factors to Kinlytic development timelines would be in enzyme manufacturing or in clinical trial execution, both of which are logistical elements that Sequel is imminently capable of mitigating without incurring any scientific/biologic risk that a more novel therapy might incur.
- Microbix stated in the MD&A that it expects Sequel to submit a sBLA (short for supplemental biological licensing application; recall that Kinlytic was previously FDA-approved as Abbokinase by Abbott Laboratories (ABT-NY, NR) back in 1978) during C2027 while predicting that formal FDA approval could be granted by end-of-C2027. We ourselves are not overly optimistic that Kinlytic could eventually be re-approved for clinical indications like ischemic stroke or pulmonary embolism, but Microbix contemplates this possibility in its MD&A commentary. We have no feedback from Sequel itself on feasibility of these timelines, but presumably Microbix does & if Kinlytic can indeed be FDA re-approved & launched by FH128, the royalty revenue that Kinlytic could generate provides some foundational support for Microbix's consolidated revenue growth prospects.

- **Knight's newly-expanded Canadian Rx operations receives approval for novel psoriasis therapy.** QC-based global specialty pharmaceutical firm Knight Therapeutics (GUD-T, NR) received Health Canada approval for the novel topical psoriasis formulation Wynzora, a combination therapy comprised of the well-known anti-inflammatory corticosteroid betamethasone (in its propionic acid-derivatized form) & the vitamin D analog calcipotriol/calcipotriene. The drug has been FDA-approved since Jul/20.
  - Betamethasone in multiple topical forms is already Health Canada-approved for treating psoriasis, branded as Betaderm (a valeric-derivatized & not a propionate form) sold by Taro Pharmaceuticals (private), as Teva-Topisone sold predictably by Teva Pharmaceuticals (TEVA-NY, NR) or as Diprolene/Diprosalic/Diprosone sold by Organon (OGN-NY, NR). There are other betamethasone dipropionate/calcipotriol formulations sold in Canada already, including Dovobet Gel & Enstilar (aerosol foam) as sold by Leo Pharma (private) & Taro-Calcipotriol/Betamethasone Gel as sold by Taro. We do not see any topical calcipotriol monotherapy formulations in the Health Canada database, but the drug is FDA-approved since 1996 in monotherapy topical form by Leo as Dovonex.
  - As indicated in Knight's press release announcing Wynzora's Health Canada approval, the drug was originally developed by Denmark-based private dermatology-focused drug developer MC2 Therapeutics, who independently announced the Health Canada approval itself. Canadian marketing rights were acquired by Endo (which spun out its Canadian Rx operations to Knight last quarter) back in Nov/24. Wynzora's formulation is based on MC2's PAD technology (short for polyaphron dispersion, as described in a 2022 paper published by MC2 in *Dermatology & Therapy*) that the firm describes as being an emulsifier-free oil-in-water encapsulation platform that it separately incorporated into clinical-stage formulations of the immunosuppressive agents tacrolimus (Astellas' [4503-JP, NR] Prograf) & cyclosporin A (Novartis' [NVS-NY, NR] SandImmune).
  - The aforementioned paper describes some of the details in PAD manufacturing involving formation of polyaphron droplets within a water-immiscible oil that is then encapsulated in a multi-layer surfactant-oil-water shell, presumably to ensure that active agents remain homogenously dispersed within a cream or ointment formulation. In a separate set of studies, MC2 showed that transdermal flux of both betamethasone & calcipotriol/calcipotriene was far greater in a PAD formulation than in alternative forms (Exhibit 8), a capability that could impact Knight's ability to capture market share in a Canadian psoriasis market that is well-populated with topical betamethasone formulations but not with betamethasone calcipotriol combinations & not with the rapid transdermal uptake kinetics that PAD-based Wynzora possesses.

Exhibit 8. Schematic of MC2's PAD Technology On Which Wynzora's Topical Formulation Is Based



Source: *Dermatology & Therapy (2022). Vol. 12, pp. 2217-2231.*

- Wynzora is of course now Health Canada-approved & thus its pivotal Phase III psoriasis data would be assumed to be sufficiently positive not just for the approval but for market adoption as well, but for the record, MC2 funded two distinct Phase III trials code-named MC2-01-C2 & MC2-01-C7 that were published in combination earlier this year in Dermatology & Therapy, with the trials in combination testing 551 patients on Wynzora, another 542 patients on an alternative betamethasone dipropionate/calcipotriol gel formulation (not identified but presumably either of the aforementioned formulations marketed by Leo or Taro or both) & another 178 patients treated with PAD vehicle alone. Data nicely showed that the proportion of patients achieving disease responsiveness at one-month follow-up, as measured by the modified Psoriasis Area & Severity Index (mPASI), was far superior for Wynzora-treated patients (31.0%) as compared to 19.0% for patients treated with the active gel control & 7.9% for PAD vehicle control-treated patients. mPASI scores at two-month follow-up exhibited a similar trend (51.0%-37.5%-11.8%, respectively).

Capital Markets Summary

Exhibit xxx. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 18-Dec	Mkt Cap (M)	Mkt Cap (C$M)	Ent. Value (M)	Ent. Value (C$M)	EV/EBITDA (T12M)	EV/EBITDA FY1	EV/EBITDA FY2	Price/Earnings (T12M)	Price/Earnings FY1	Price/Earnings FY2
Profitable Canadian healthcare firms - specialty services [2]														
dentalcorp Holdings	CAD	DNTL	191.5	$10.95	2,097	2,097	3,431	3,431	12.0x	10.8x	9.6x	NA	20.6x	18.9x
DRI Healthcare Trust	CAD	DHT.UN	55.1	$16.50	909	909	1,324	1,324	8.6x	5.8x	5.8x	NA	8.1x	7.2x
Jamieson Wellness	CAD	JWEL	41.7	$32.66	1,360	1,360	1,799	1,799	12.5x	11.3x	9.9x	21.9x	17.5x	14.3x
K-Bro Linen	CAD	KBL	13.0	$35.11	456	456	757	757	8.5x	7.9x	7.0x	21.1x	17.8x	15.2x
Medical Facilities [1]	CAD	DR	18.1	$11.18	202	278	385	530	6.7x	5.2x	5.3x	7.3x	9.1x	9.4x
Microbix Biosystems	CAD	MBX	139.0	$0.24	33	33	28	28	11.5x	NA	NA	NA	NA	NA
Savaria	CAD	SIS	71.6	$22.07	1,581	1,581	1,787	1,787	10.2x	9.9x	8.9x	25.5x	18.9x	16.4x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales [2]														
Aurinia Pharmaceuticals	USD	AUPH	131.8	$15.79	2,082	2,870	1,802	2,484	12.2x	10.3x	8.9x	27.4x	20.5x	16.9x
Bausch Health	USD	BHC	370.9	$6.82	2,529	3,487	31,953	44,044	9.6x	8.8x	8.5x	7.0x	1.7x	1.6x
BioSyent	CAD	RX	11.5	$11.95	137	137	115	115	8.0x	9.2x	9.1x	15.6x	16.1x	13.7x
Cipher Pharmaceuticals [1]	CAD	CPH	25.4	$10.12	257	354	361	497	18.1x	13.6x	13.2x	14.9x	14.7x	16.5x
HLS Therapeutics	CAD	HLS	31.3	$4.91	154	154	213	213	9.6x	7.8x	6.8x	NA	NA	NA
Knight Therapeutics	CAD	GUD	99.3	$6.03	599	599	587	587	11.4x	9.7x	9.1x	NA	NA	NA
Medexus Pharmaceuticals	CAD	MDP	32.4	$2.65	86	86	102	102	4.9x	3.5x	5.2x	NA	48.5x	NA
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales														
CareRx	CAD	CRRX	62.8	$3.75	236	236	302	302	10.8x	9.2x	7.7x	NA	53.2x	18.8x
Chartwell Retirement Residences	CAD	CSH.UN	310.5	$20.02	6,216	6,216	8,799	8,799	23.6x	21.9x	18.0x	NA	NA	NA
Extendicare	CAD	EXE	94.5	$21.99	2,077	2,077	2,249	2,249	13.6x	13.3x	10.1x	20.4x	20.3x	18.7x
Northwest Healthcare Properties REIT	CAD	NWH.UN	250.0	$5.13	1,282	1,282	5,137	5,137	19.9x	21.2x	21.4x	25.6x	NA	NA
Nova Leap Health	CAD	NLH	87.3	$0.32	28	28	30	30	11.6x	NA	NA	36.8x	NA	NA
Sienna Senior Living	CAD	SIA	95.0	$20.36	1,935	1,935	3,164	3,164	22.2x	19.7x	16.1x	45.4x	42.4x	35.1x
Profitable Canadian healthcare firms - medical equipment distribution/sales														
Covalon Technologies	CAD	COV	27.6	$1.74	48	48	33	33	12.1x	19.2x	7.1x	23.2x	NA	14.5x
Quipt Home Medical [3]	USD	QIPT	43.4	$3.51	152	210	322	444	NA	5.8x	4.9x	NA	NA	NA
Viemed Healthcare	USD	VMD	38.0	$7.38	281	281	403	556	8.9x	7.0x	6.2x	21.1x	20.2x	14.5x
Profitable Canadian healthcare firms - medical equipment distribution/sales														
Healwell AI	CAD	AIDX	281.2	$0.86	242	242	319	319	NA	NA	30.7x	NA	NA	NA
Kneat.com	CAD	KSI	95.3	$4.73	451	622	421	421	NA	45.3x	25.5x	NA	NA	NA
Vitalhub	CAD	VHI	63.1	$8.99	567	782	445	445	20.4x	17.4x	13.2x	NA	NA	37.5x
Well Health	CAD	WELL	254.0	$3.90	991	991	1,687	1,687	16.3x	8.4x	8.1x	NA	12.6x	9.5x
Average									**12.6x**	**12.6x**	**11.1x**	**22.4x**	**21.4x**	**16.4x**
Recently-acquired Canadian healthcare firms														
Andlauer	*CAD*	*AND*	*39.2*	*$54.97*	*2,152*	*2,152*	*2,165*	*2,165*	*13.4x*	*NA*	*NA*	*32.0x*	*NA*	*NA*
Theratechnologies	*CAD*	*TH*	*46.0*	*$4.47*	*206*	*206*	*238*	*238*	*12.3x*	*NA*	*NA*	*NA*	*NA*	*NA*

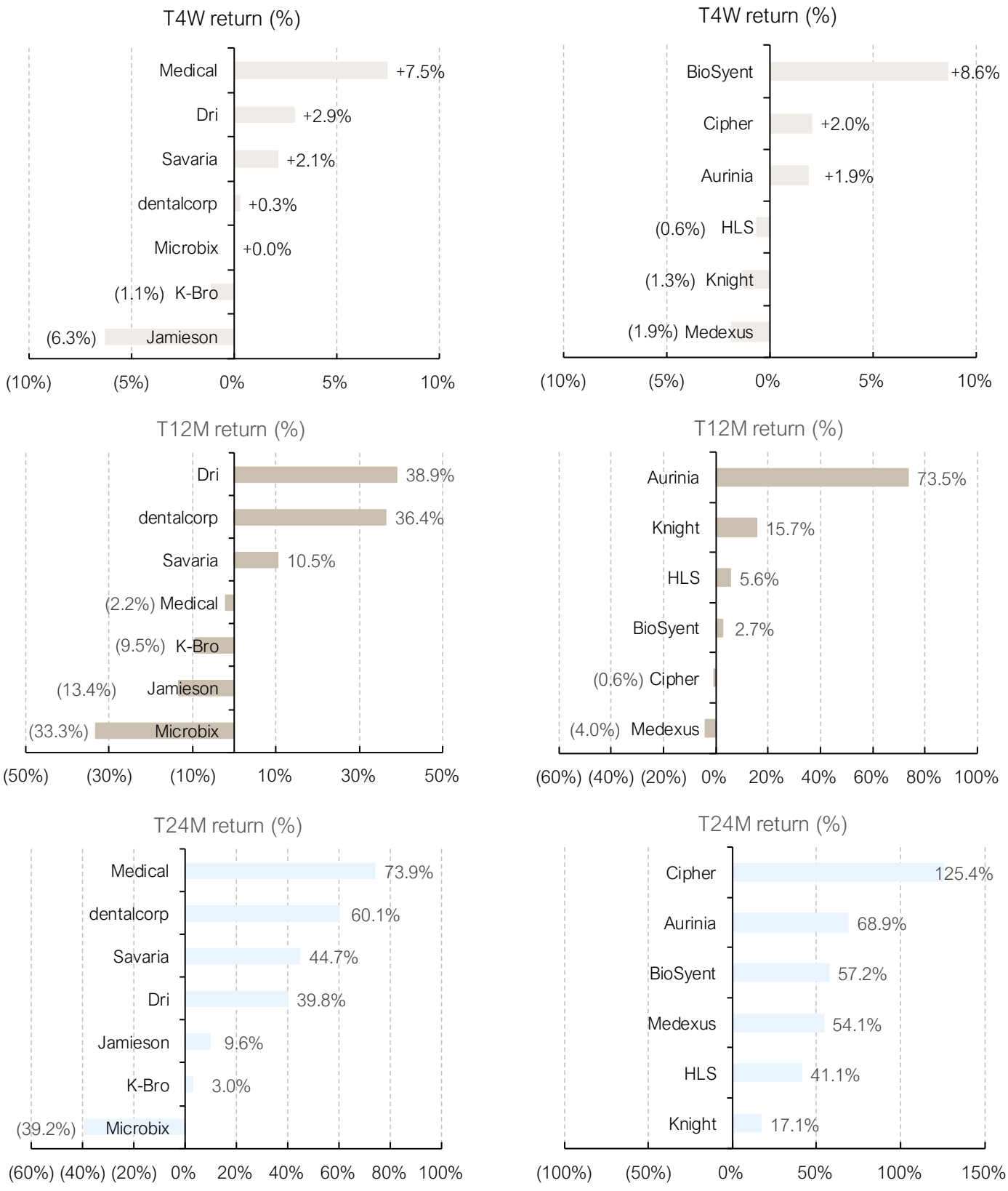
[1] Share price converted to USD for stocks reporting financial data in USD but for which share value is reported in CAD; price refers to prior day close, EV calculations based on cash/LT debt reported in most recent quarter

[2] Legacy specialty pharmaceutical firm & coverage stock Theratechnologies (TH-T, THTX-Q) was acquired in Sept/25 by CB Biotechnology/Future Pak for cumulative consideration of US$4.20/shr; Andlauer's acquisition by UPS (UPS-NY, NR) is now closed as of Nov/25

[3] Quipt Home Medical was bid to be acquired by Kingswood Capital & Forager Capital for US$3.65/shr in Dec/25

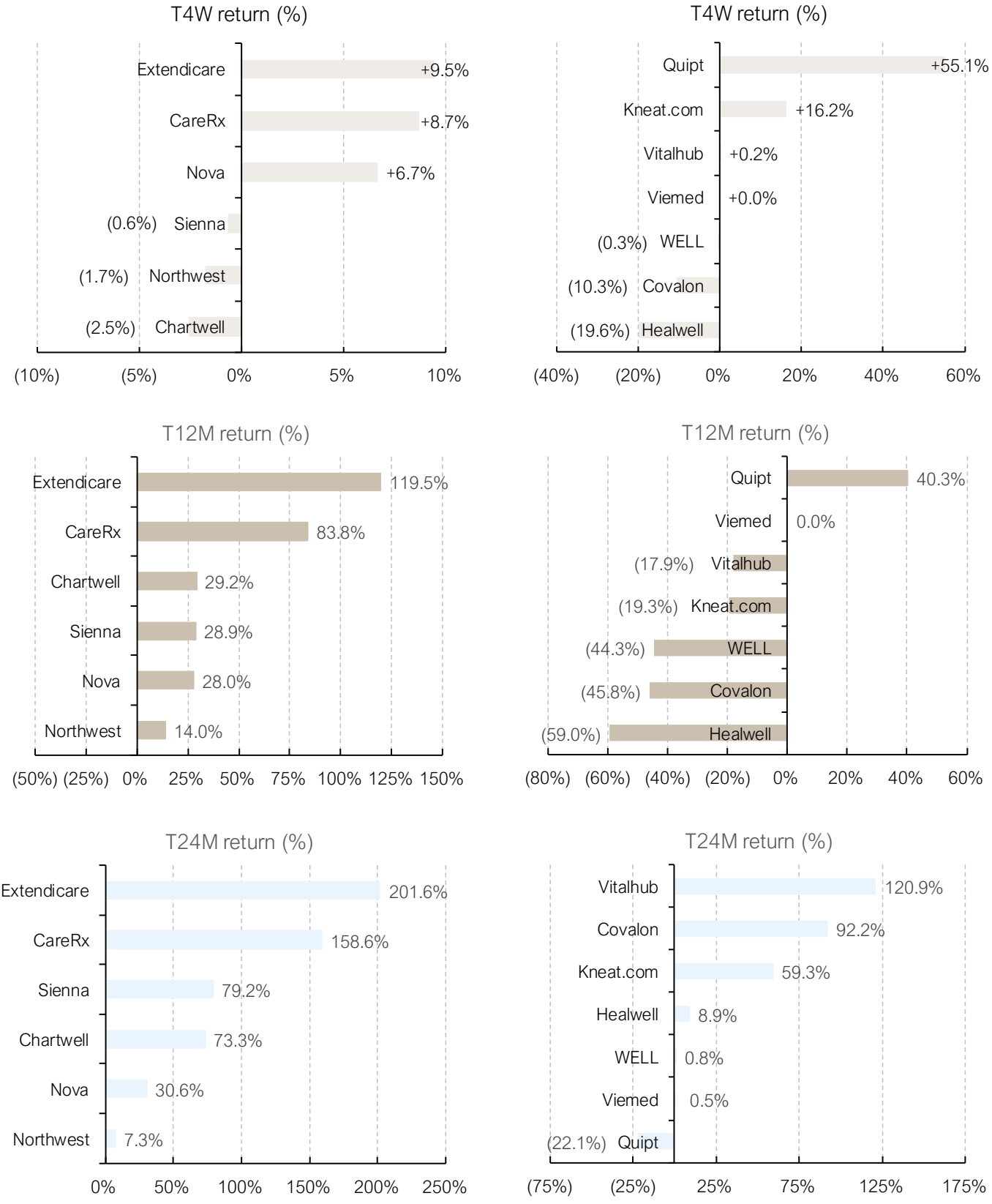
Source: Refinitiv, company reports, Leede Financial

Exhibit xxx. Trailing Four-Week, One-Year & Two-Year Relative Share Price Performance For EBITDA/EPS-Positive Canadian Healthcare Equities – Specialty Services & Specialty Pharmaceutical Firms



Source: Refinitiv, company reports, Leede Financial

Exhibit xxx. Trailing Four-Week, One-Year & Two-Year Relative Share Price Performance For EBITDA/EPS-Positive Canadian Healthcare Equities – Eldercare Services & Medical Technology Distribution/Healthcare IT Services



Source: Refinitiv, company reports, Leede Financial

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RECOMMENDATION	NO. OF COMPANIES	%
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Speculative Buy	7	41%
Hold	2	12%
Sell	-	-
Tender	2	12%
Under Review	-	-

Historical Target Price

Appili Therapeutics | APLI-TSXV	None
Cardiol Therapeutics | CRDL-TSX, NASDAQ	None
CareRx | CRRX-TSX	None
Cipher Pharmaceuticals | CPH-TSX	None
Eupraxia Pharmaceuticals | EPRX-TSX, NASDAQ	None
Extendicare | EXE-TSX	None
K-Bro Linen | KBL-TSX	4,5
Medexus Pharmaceuticals | MDP-TSX	4
Medical Facilities | DR-TSX	None
Nanalysis Scientific | NSCI-TSXV	None
Oncolytics Biotech | ONCY-NASDAQ	None
Perimeter Medical Imaging | PINK-TSXV	None
Profound Medical | PRN-TSX, PROF-NASDAQ	None
ProMIS Neurosciences | PMN-NASDAQ	2
Quipt Home Medical | QIPT-TSX, NASDAQ	None
Sernova Biotechnologies | SVA-TSX	2