Eupraxia Pharmaceuticals | EPRX-TSX, EPRX-NASDAQ

Update

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EPRX-TSX, EPRX-NASDAQ

Rating:	Buy
Target:	US$12.75 (was US$11.00)
Price:	US$7.39
Return:	72.5%
Valuation:	NPV (20% rate), 20x EPS, 12.5x EV/EBITDA (F2031 estimates)

Market Data

Basic Shares O/S (M)	62.7
FD Shares O/S (M)	84.6
Market capitalization (US$M)	463.1
Enterprise Value (US$M)	313.7
Pro forma cash (US$M)	149.4
LT debt (US$M, most rec Q)	0.0
52 Week Range	$2.68-$9.32
Avg. Weekly Volume (000)	1,091,679
Fiscal Year End	31-Dec

Key Completed Or Pending Milestones

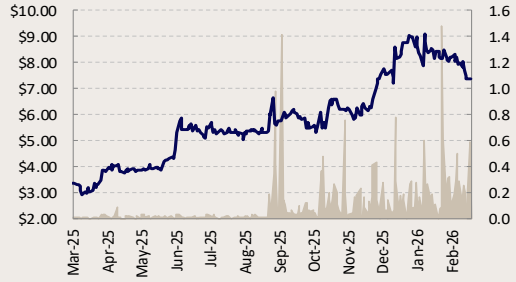
Phase IIb knee osteo pain data (EP-104IAR)	Q424
Phase IIb EoE data (EP-104GI)	Q326
Phase III knee osteo pain data (EP-104IAR)	Q428
Phase III EoE data (EP-104GI)	Q129

Financial Metrics

In US$000	2029E	2030E	2031E
EP104GI (EoE), US	$39,677	$79,830	$120,463
EP-104GI (EoE), EU	$0	$9,595	$29,072
EP104IAR (OA), US	$0	$8,410	$16,921
Gross royalty revenue	**$39,677**	**$97,834**	**$166,456**
Royalties to Auritec	($1,587)	($3,913)	($6,658)
Total net revenue	**$38,090**	**$93,922**	**$159,798**
EBITDA ($000)	**$8,289**	**$68,656**	**$137,323**
Adj net inc ($000)	($2,239)	$43,578	$98,810
EPS (basic)	($0.03)	$0.66	$1.50
EPS (fd)	**($0.03)**	**$0.52**	**$1.17**

Company Description

Eupraxia is a clinical-stage biopharmaceutical company developing advanced drug delivery technologies for autoimmune & inflammatory diseases using their proprietary Diffusphere platform. Lead candidates EP-104GI (eosinophilic esophagitis) & EP-104IAR (knee osteoarthritis pain) deliver the cortisosteroid fluticasone propionate with zero-order drug release kinetics



Source: Refinitiv, Leede Financial

RESOLVE Update Reinforces Our Positive View On EP-104GI's Prospects & Not Just In EoE – PT Increase, Maintaining Buy

BC-based inflammatory disease-focused drug delivery technology developer Eupraxia Pharmaceuticals reported updated interim Phase II data from its RESOLVE trial, testing the firm's long-acting injectible DiffuSphere-based fluticasone propionate formulation EP-104GI as a disease-mitigating therapy for the inflammatory gastro-esophageal disorder eosinophilic esophagitis (EoE). Since we initiated coverage on Eupraxia in Oct/25, the EP-104GI clinical narrative has advanced meaningfully. The RESOLVE Phase II trial has generated a consistent stream of positive data since patient enrollment commenced last year, with sustained nine-month symptom-alleviating outcomes (& with no serious adverse events) reported back in May/25 & with over two-hundred months of patient history already generated.

RESOLVE has evolved in a few distinct ways since then, with the first patient dosed in a Phase IIb placebo-controlled portion of the trial transpiring in Jul/25 & with one-year follow-up data from early enrollees showing that two-thirds of patients enrolled in one of the patient cohorts (Cohort 5) sustaining complete disease remission as reported in Sept/25, shortly before we launched coverage on the firm as indicated above. Subsequent interim analyses of RESOLVE data have been sustainably positive, as is the update just provided, including positive clinical remission data reported for patients receiving higher EP-104GI dosage strengths (reported in Sept/25) & then earlier this year in Jan/26 reporting that clinical remission was associated with histological improvement in tissue biopsy analysis.

Updated RESOLVE data shared today were equally encouraging. Specifically, Eupraxia reported six-month symptom relief data earlier today from the highest EP-104GI dose cohort in RESOLVE (so-called Cohort 9, whereby Eupraxia's clinical collaborators administered twenty distinct EP-104GI injections of 8-mg dosage strength into diseased esophageal tissue, with data available from three evaluable subjects), showing a mean 4.0-point reduction in magnitude of the Straumann Dysphagia Index (SDI) at the six-month follow-up time point. A benefit of this magnitude on the SDI scale qualifies as formal clinical remission (which is defined by a >3-point improvement on this scale, as was defined interestingly by Sanofi/ Regeneron [SNY-NY, NR] during Phase II Dupixent testing).

Strong clinical remission rates achieved with defined EP-104GI dose level & injection site number regimen. This dosing/injection number regimen is one of the two doses currently being evaluated in the Phase IIb portion of RESOLVE. Pooled analyses across multiple similar cohorts receiving at least twelve EP-104GI injections showed cumulative remission rate of 59% (13/22) at three-month follow-up, 76% (13/17) at six-month follow-up & 67% (6/9) at one-year follow-up. Though it would be instructive as a notional exercise to garner some insight into why some RESOLVE patients did not achieve formal clinical remission (it may be that improvements in SDI were still directionally positive if not quite to the >3 level required for formal clinical remission diagnosis), it is nonetheless positive in our view to see clear improvement in clinical remission rate from three-to-six-months after EP-104GI administration, thus reinforcing our view that sustained DiffuSphere-enabled localized corticosteroid release can mitigate both the inflammatory & fibrotic components of EoE over a sustained period.

Exhibit 1. Income Statement and Financial Forecast Summary for Eupraxia Pharmaceuticals, F2025A-to-F2034E

Year-end December 31 (US$000, exc share data)	*2025A*	*2026E*	*2027E*	*2028E*	*2029E*	*2030E*	*2031E*	*2032E*	*2033E*	*2034E*
EP104GI (EoE), US	$0	$0	$0	$0	$39,677	$79,830	$120,463	$161,581	$203,188	$245,289
EP-104GI (EoE), EU	$0	$0	$0	$0	$0	$9,595	$29,072	$58,725	$88,968	$99,842
EP104IAR (OA), US	$0	$0	$0	$0	$0	$8,410	$16,921	$34,045	$51,374	$60,296
Total revenue	**$0**	**$0**	**$0**	**$0**	**$39,677**	**$97,834**	**$166,456**	**$254,351**	**$343,530**	**$405,427**
Revenue growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*147%*	*70%*	*53%*	*35%*	*18%*
R&D, clinical expenses	$21,331	$22,193	$17,754	$13,316	$7,989	$5,992	$5,393	$4,854	$4,368	$4,150
G&A, marketing expenses	$10,327	$10,430	$10,535	$10,640	$10,534	$10,428	$10,324	$10,221	$10,119	$10,017
Other expenses	$0	$0	$0	$0	$0	$5,952	$6,848	$6,159	$6,359	$6,184
EBITDA	**($31,658)**	**($32,188)**	**($32,728)**	**($28,394)**	**$8,289**	**$68,656**	**$137,323**	**$222,205**	**$308,634**	**$368,743**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*100%*	*62%*	*39%*	*19%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*NA*	*21%*	*70%*	*82%*	*87%*	*90%*	*91%*
Non-operating expenses	$6,775	$1,712	$1,795	$1,883	$11,975	$12,071	$7,172	$2,278	$2,390	$2,506
EBIT	**($38,433)**	**($33,900)**	**($34,523)**	**($30,277)**	**($3,686)**	**$56,585**	**$130,151**	**$219,927**	**$306,244**	**$366,236**
Other non-oper expenses	($2,496)	($1,250)	($1,313)	($1,378)	($1,447)	($1,519)	($1,595)	($1,675)	($1,759)	($1,847)
EBT	**($35,937)**	**($32,650)**	**($33,210)**	**($28,899)**	**($2,239)**	**$58,104**	**$131,746**	**$221,602**	**$308,003**	**$368,083**
Tax expense	($17)	$0	$0	$0	$0	$14,526	$32,937	$55,400	$77,001	$92,021
Net income, fully-taxed	($35,920)	($32,650)	($33,210)	($28,899)	($2,239)	$43,578	$98,810	$166,201	$231,002	$276,062
Fully-taxed EPS (basic)	($0.69)	($0.52)	($0.50)	($0.44)	($0.03)	$0.66	$1.50	$2.52	$3.50	$4.18
Fully-taxed EPS (fd)	**($0.47)**	**($0.39)**	**($0.39)**	**($0.34)**	**($0.03)**	**$0.52**	**$1.17**	**$1.96**	**$2.73**	**$3.26**
P/E (basic)	*NA*	*NA*	*NA*	*NA*	*NA*	*14.3x*	*6.3x*	*3.8x*	*2.7x*	*2.3x*
EV/EBITDA	*NA*	*NA*	*NA*	*NA*	*37.8x*	*4.6x*	*2.3x*	*1.4x*	*1.0x*	*0.9x*
S/O, basic (M) [1]	*51,939*	*62,662*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*
S/O, fd (M)	*76,995*	*84,603*	*84,603*	*84,603*	*84,603*	*84,603*	*84,603*	*84,603*	*84,603*	*84,603*

[1] *Basic S/O in F2026 included partial conversion of expiring (in Apr/26) warrants, as summarized in Eupraxia's FQ425 MD&A financial notes; full conversion of expiring warrants by mid-Apr/26 is assumed in our F2027-to-F2038 capital structure*

Source: Historical Data – Eupraxia Pharmaceuticals Inc; Forecasts/Estimates – Leede Financial

A more rigorous dose-response relationship may still need to be determined before advancing into Phase III EoE testing, but supplemental RESOLVE updates could provide insight on that theme at final analysis. On safety, 31 patients with > 220 patient-months of follow-up have been accumulated so far, with no serious adverse events and no cases of oropharyngeal candidiasis (a commonly reported side effect with swallowed steroids). Other aspects of RESOLVE that we are tracking includes a Phase IIb randomized component that is enrolling >60 patients in three distinct study arms, a placebo arm plus two active EP-104GI dosage arms, from which top-line clinical remission data are expected later in FQ326. As expected, the firm is undertaking IND-enabling studies in preparation for eventual US-based pivotal Phase III EoE testing, consistent with our existing EPRX investment thesis.

EP-104GI has medical potential in multiple inflammatory diseases – Eupraxia explicitly identifies in its FQ425 MD&A & prospectus that benign esophageal strictures & fibrostenotic Crohn's disease are plausible secondary indications. Though our EPRX model at present exclusively ascribes primary value to EP-104GI's commercial prospects in EoE & secondary value to EP-104IAR prospects in knee osteoarthritis pain, Eupraxia makes it clear in its Feb/26 prospectus that a seminal use-of-proceeds is to advance clinical studies with EP-104GI in multiple additional gastrointestinal indications, including in esophageal strictures and fibrostenotic Crohn's disease. Pharmacologic justification for doing so is strong in our view.

On esophageal strictures specifically, there is an established clinical precedent for deploying localized anti-fibrotic therapy for this indication. Topical mitomycin C (MMC), a chemotherapeutic agent that inhibits fibroblast proliferation and collagen synthesis, has been used since 2002 in the treatment of refractory benign esophageal strictures (BES), with published case series demonstrating reductions in the number of repeat dilatations required. A systematic review and meta-analysis of randomized controlled trials published in 2021 in the journal *Archives of Gastroenterology* that we reviewed strongly supported the utility of topical mitomycin C for the indication, specifically showing that the drug was more effective than alternative endoscopic therapy alone, at least in pediatric patients that were explicitly tested in the study. Additionally, a meta-analysis evaluating intralesional administration of a different steroid than fluticasone called triamcinolone for BES, as described in a 2018 study published in the journal *Endoscopy*, concluded that intralesional triamcinolone reduced both stricture recurrence & the

number of endoscopic dilatation sessions required thereafter. It seems plausible to us that DiffuSphere-formulated fluticacone propionate/EP-104GI could replicate if not out-perform triamcinolone's published clinical performance in this indication & it is thus justified in our view to generate formal clinical data that documents this hypothesis.

For context, in our original report we described the relevance of an alternative long-acting steroid formulation ZILRETTA to our commercial evaluation of EP-104GI's prospects, a comparison that seems even more relevant when considering the triamcinolone meta-analyses described above. Recall that ZILRETTA is a drug-eluting formulation of triamcinolone acetonide ER utilizing poly-(lactic-co-glycolic acid) (PLGA) microspheres as a drug delivery modality for slowing release of triamcinolone not in the esophagus but rather in the synovial fluid in joints. ZILRETTA was developed by Flexion Therapeutics, which was acquired by Pacira Biosciences (PCRX-Q, NR) back in 2021 for US$430M.

Exhibit 2. Valuation Summary of Eupraxia Pharmaceuticals

NPV, discount rate		10%	15%	20.0%	25%	30%	40%
Implied value per share		$41.83	$26.16	**$16.76**	$10.95	$7.26	$3.22
Price/earnings multiple, 2031E		**10%**	**15%**	**20.0%**	**25%**	**30%**	**40%**
Implied share price[1,2]	**10**	$7.98	$6.68	$5.63	$4.78	$4.09	$3.04
	20	$15.95	$13.36	**$11.26**	$9.57	$8.18	$6.08
	30	$23.93	$20.03	$16.90	$14.35	$12.27	$9.12
EV/EBITDA multiple, 2031E		**7.5x**	**10x**	**12.5x**	**15x**	**17.5x**	**18.5x**
Implied share price[1,2]		$6.72	$8.68	**$10.64**	$12.59	$14.55	$15.33
One-year EPRX target price (US$)[1,2]				**$12.89**			

[1] *Based on F2031 fd fully-taxed EPS of $1.17; EBITDA of $137.3M, discounted at 20%, current basic S/O 62.6M*

[2] *Enterprise value based on fd S/O of 84.6M; pro forma cash of US$149.4M includes net proceeds from Feb/26 equity offering & separate cash proceeds from warrant exercise also in Feb/26), no LT debt*

Source: Leede Financial

For added context, ZILRETTA's utility in mitigating knee osteoarthritis pain (its approved medical market) was based on data from a pivotal 24-week, randomized Phase III clinical trial in which 32-mg dosing significantly improved mean average daily knee pain intensity relative to placebo and as compared to an alternative triamcinolone crystalline suspension. The primary endpoint focused changes from baseline on Average Daily Pain score at three-month follow-up, but with a more modest improvement in pain intensity score as measured by the equally-common WOMAC pain score. We compared three-month pain intensity data for EP-104IAR (which is EP-104GI by a different name) to ZILRETTA in our original report, documenting therein that EP-104IAR's performance in the Phase II SPRINGBOARD trial was actually superior at least notionally (the two drugs were not statistically randomized within the same trial), perhaps because of the first-order drug release kinetics that DiffuSphere confers, allowing for higher local drug concentrations to be sustained over a longer duration.

We thought it instructive to revisit DiffuSphere's drug release characteristics in comparison to ZILRETTA while contemplating EP-104GI's prospects in other esophageal indications, specifically esophageal strictures that appear to be on Eupraxia's radar screen. Standards-of-care described above (topical mitomycin C, intralesional triamcinolone) do not enjoy EP-104GI's DiffuSphere-based extended-release localized drug delivery kinetics & this could be a key differentiating factor in support of EP-104GI's prospects for this indication specifically.

A regulatory path to approval in esophageal strictures awaits consultation with the US FDA of course, but EP-104GI already does have a dossier of patient safety data & supportive Phase II RESOLVE data showing that the drug can accurately delivery fluticasone propionate to diseased esophageal tissue while conferring clinical benefit, at least on the level of mitigating eosinophil recruitment in EoE. The pharmacology of the drug would of course be similar in esophageal strictures. We assume that Eupraxia could advance directly into Phase II esophageal strictures testing without new preclinical-Phase I data, but for now, our model will refrain from ascribing market value to secondary indications until a clear clinical/regulatory path is established.

FQ425 financial update was not on its own hugely material to our valuation, other than to illustrate how well-capitalized Eupraxia is, an element that was further emphasized with new capital infusions transpiring after quarter-end. Separately, Eupraxia reported FQ425 financial data for the December-end quarter last week. As we conventionally state upfront for clinical-risk firms in our coverage universe, pure income statement & cash flow data are not overly relevant to our investment thesis, & they are not to our EPRX investment thesis either, but for the record, the firm exited the quarter with US$80.6M in cash but current pro forma cash now includes US$59.4M in net proceeds (US$63.2M in gross proceeds, less 6% transaction cost) from an equity offering that the firm consummated last month.

Several moving parts in deriving Eupraxia's pro forma cash, but all arrows point upward on recent capital structure revision & ongoing exercise of in-the-money legacy warrants. Additionally, in the notes to the firm's FQ425 financial report, Eupraxia indicated that supplemental warrant exercise contributed another US$9.2M to the firm's pro forma cash balance, bringing cumulative pro forma cash (excluding operating cash loss incurred so far in FQ126 that we expect to be similar to trailing quarters in F2025) to US$149.4M, sufficient capital at the firm's current quarterly operating cash loss of about (US$7.0M)-to-(US$8.0M) to fund clinical activities currently contemplated in our model for the firm's DiffuSphere-based fluticasone propionate formulations until at least F2028. We do not value Eupraxia on a cash per share basis, but for the record, cash value of the firm based on our pro forma calculation is US$2.38/shr (basic).

Our pro forma cash calculation does not include probable exercise of 3.4M residual warrants that expire later in April/26 for which exercise price (US$3.00/warrant) is sufficiently below Eupraxia's current share value to virtually ensure full exercise; once completed, we expect new gross proceeds of US$10.2M will accompany conversion of warrants into 3.4M new EPRX shares, lifting pro forma cash by that magnitude in a month or so & bringing notional basic S/O that we infuse into our model to 66.1M, though obviously without altering fd S/O that our model now calculates to be 84.6M.

Just to hit on a few key income statement metrics before moving on, F2025 operating cash loss (including working capital deficit of about [US$0.7M]) was US$28.6M, consistent with our expectations & as compared to US$30.0M last year, though with F2024 operating cash impacted by a US$5.0M payment to DiffuSphere innovator Auritec that did not recur in F2025. F2025 R&D expense was US$21.3M as compared to US$16.1M last year & we expect clinical activities focused on EP-104GI to intensify in future periods & especially so when the drug is actively enrolling patients in Phase III eosinophilic esophagitis (EoE) testing perhaps as soon as FH127. Our model assumes that Eupraxia has sufficient cash & imminent sources of cash to substantially drive EP-104GI through formal clinical testing in this indication; our model assumes that the firm's knee osteoarthritis pain-focused fluticasone propionate formulation EP-104IAR (the same DiffuSphere formulation, just deployed into a distinct pain market) awaits partnership interest before leveraging positive Phase II SPRINGBOARD data into a separate pivotal Phase III program.

Summary & valuation. In conclusion, we are highly positive about the six-month efficacy update from one of the seminal cohorts in Eupraxia's RESOLVE trial, with that analysis giving us high confidence in EP-104GI's clinical prospects in EoE not just in future Phase III pivotal EoE testing but in secondary gastro-esophageal medical markets where sustained localized corticosteroid delivery has high potential for improving on standard-of-care. Eupraxia is not technically obligated to deliver fluticasone propionate through a DiffuSphere modality in any next-generation therapies it develops but we believe that substituting other corticosteroids into a DiffuSphere platform would be unlikely to improve clinical efficacy in other inflammatory/fibrotic disorders.

We are confident now more than ever that EP-104GI is an approvable drug, with a high level of confidence in its approvability in EoE, with an almost-as-high level of confidence in its approvability in other gastro-esophageal inflammatory disorders though our confidence is pharmacology-based & not yet clinically-based, & with correspondingly high level of confidence in its approvability in knee osteoarthritis pain with EP-104IAR, with only logistical risk impeding more aggressive progress in that indication.

Accordingly, we are increasing our PT for EPRX to US$12.75 from SU$11.00 previously, mostly on decreasing the discount rate we incorporate into our three valuation methodologies to 20% from 25% while in parallel incorporating revised capital structure that recent warrant exercise required into our share-based forecasts, as shown in Exhibits 1 & 2. As before, we base our PT derivation on three distinct valuation methodologies: a NPV determination now using a 20% discount rate as state, along with ascribing multiples to our F2031 EBITDA/fd EPS forecasts of US$137.3M (minimally revised after incorporating FQ425 financial data into our model) & US$1.17/shr (reduced from US$1.27/shr previously, solely on impact from revised capital structure) respectively. Our valuation for now is solely based on EP-104GI/EoE & EP-104IAR/knee osteoarthritis-based economics.

Our EV calculation incorporates fd S/) of 84.6M & pro forma cash of US$149.4M (the firm has no LT debt) without yet giving effect to the high likelihood that another US$10.2M in warrant-exercise capital should materialize on or before mid-Apr/26 (3.4M residual warrants with strike price of US$3.00/warrant expire on April 20th). It seems plausible to us that pending warrant exercise is placing constraints on EPRX's ability to trade fundamentally on EP-104GI's clinical prospects, but those constraints disappear imminently & thus provide investors with a desire to achieve a weighting in clinical-risk equities to augment EPRX holdings at a currently (in our view) compressed valuation. Our revised PT corresponds to a one-year return of 72.5%.

Exhibit 3. Publicly Listed Comparables for EPRX

Company	Curr	Sym	Shares out (M)	Share price 17-Mar	Mkt Cap ($M) (curr)	Mkt Cap ($M) (C$)	Ent Val ($M) (curr)	Ent Val ($M) (C$)	Company description
Osteoarthritis Pain / Chronic Pain Therapies									
Anika Therapeutics	USD	ANIK	13.4	$14.36	$192	$263	76	$104	CINGAL is cross-linked viscoelastic hyaluronic acid, approved in Canada; US-based 231-pt Phase III trial is ongoing in knee osteoarthritis; data expected by Nov/21
Assertio Holdings	USD	ASRT	6.4	$11.77	$76	$103	22	$30	Commercial-stage drug delivery pain/CNS-focused; sells diclofenac/CAMBIA & extended-release tapentadol NYCYNTA ER; neuropathic pain drug cebranopadol in clinical testing
Axsome Therapeutics Inc	USD	AXSM	51.2	$158.23	$8,094	$11,077	9,165	$12,543	Disodium zoledronate tetrahydrate formulation AXS-02, an osteoclast inhibitor targeting knee osteoarthritis; 346-pt Phase III trial completed in Sep/17
Camurus AB	SEK	CAMX	59.9	SEK 471	SEK 28,241	$38,651	SEK 33,266	$4,864	CAM2038 is a long-acting subcutaneous buprenorphine for the treatment of chronic pain
Collegium Pharmaceuticals	USD	COLL	31.8	$35.62	$1,131	$1,548	1,891	$2,588	Abuse-deterring extended-release oxycodone Xtampza, based on DETERx wax-based microsphere tchnology, approved in Q216; holds rights to transmucosal fentanyl (Onsolis; BioDelivery Sciences/Collegium)
Elite Pharmaceuticals	USD	ELTP	1,077.0	$0.39	$418	$572	462	$633	Extended-release abuse-deterring bead-based naloxone-containing opioid forms based on ART platform; ANDA for extended-release oxycodone filed in Q317
Heron Therapeutics	USD	HRTX	188.5	$0.90	$169	$232	340	$465	Heron's bupivacaine-meloxicam formulation HTX-011/ZYNRELEF is FDA-approved for post-surgical pain
Omeros Corp	USD	OMER	70.9	$11.14	$790	$1,081	889	$1,217	Diversified portfolio, but GPCR-targeted pipeline has pain candidates (MRGE); FDA-approved Omidria (phenylephrine-ketorolac intraocular solution) targets post-ocular surgery (cataract removal) pain
Orexo AB	SEK	ORX	34.7	SEK 23	SEK 810	$1,109	SEK 618	$845	Markets Abstral (sublingual fentanyl) for breakthrough cancer pain; acute pain drug OX51 and opioid dependence/pain drug OX382 in Phase I/II testing
Pacira Biosciences	USD	PCRX	40.5	$22.69	$919	$1,257	1,198	$1,639	DepoFoam liposome platform; lead drug is FDA-approved anesthetic Exparel (injectible bupivacaine)
Eosinophilic Esophagitis / Autoimmune & Inflammatory Therapies									
Kyverna Therapeutics	USD	KYTX	57.1	$9.09	$519	$711	376	$514	CAR-T therapies for autoimmune diseases, lead KYV-101 in Phase II trials for multiple B cell-based pathologies
Kymera Therapeutics, Inc.	USD	KYMR	81.6	$79.60	$6,499	$8,894	5,730	$7,842	STAT6 degraders for Th2-mediated conditions, IRAK4 inhibitors for inflammatory diseases, and IRF5 degraders for rheumatic and autoimmune diseases.
Nektar Therapeutics	USD	NKTR	28.7	$72.21	$2,072	$2,835	1,860	$2,546	Rezpegaldesleukin is a regulatory T cell stimulator developed for Atopic Dermatitis, recent success in phase 2b trial
Recently Acquired Peer Firms									
Flexion Therapeutics	USD	Acquired by Pacira Biosciences in Oct/21			$430	$588			Zilretta (FX-006) , FDA approved extended release polymer- based bead containing triamcinolone for knee osteoarthritis
Horizon Therapeutics	USD	Acquired by Amgen in Oct/23			$27,800	$38,047			Sells topical diclofenac (Pennsaid 2%); naproxen-eso-meprazole (Vimovo) & ibuprofen-famotidine (Duexis); EV based on FQ422 balance sheet data
Average						**$5,458**		**$2,774**	
Eupraxia Pharmaceuticals	USD	EPRX	59.5	$7.39	$440	$602	291	$398	Injectible extended-release drug delivery modality Diffu-Sphere; fluticasone propionate delivery initially tested in knee osteoarthritis pain & eosinophilis esophagitis

Source: Leede Financial

Disclosures none

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Speculative Buy	The security is considered a BUY but carries an above-average level of risk.
Hold	The security represents fair value and no material appreciation is expected over the next 12-month time horizon.
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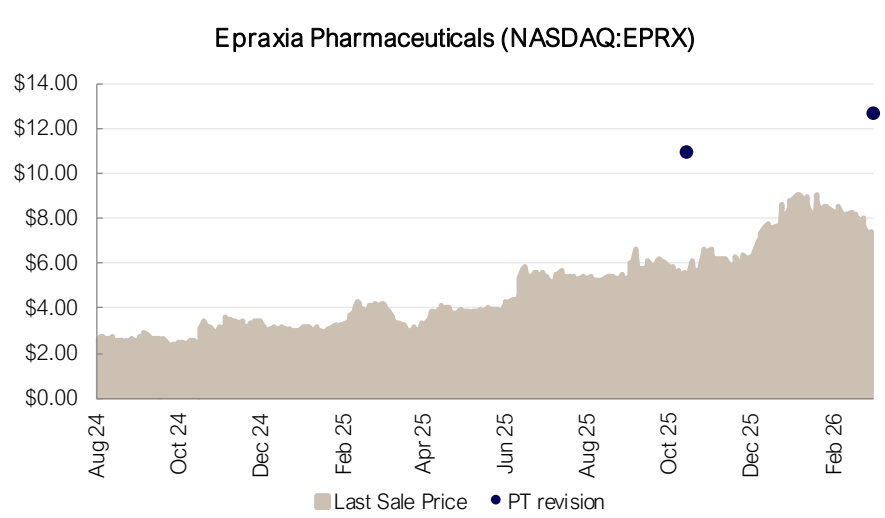
RECOMMENDATION	NO. OF COMPANIES	%
Buy	9	56%
Speculative Buy	5	32%
Hold	1	6%
Sell	-	-
Tender	-	-
Under Review	1	6%

Historical Target Price



Date	Target ($)	Rating
29 Oct 2025	C$11.00	Buy
17 Mar 2026	C$12.75	Buy

Coverage Initiated: Oct 29, 2025

Data sourced from: Refinitiv