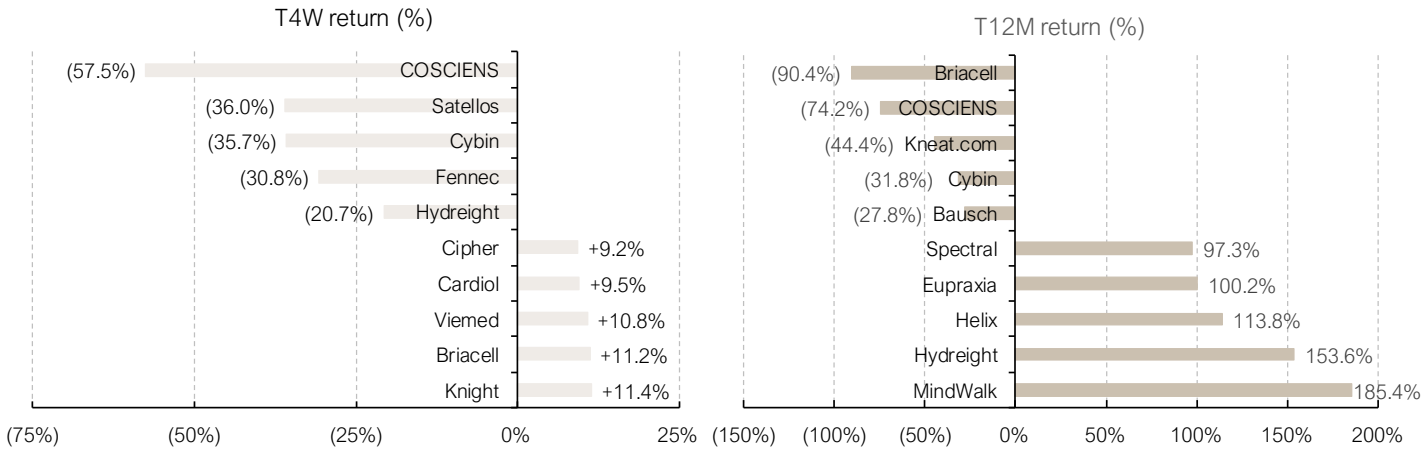
Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Updates From Our Healthcare Universe

- **ProMIS Neurosciences reports FQ425 financial data.** MA-based CNS-focused antibody developer ProMIS Neurosciences (PMN-Q, Spec Buy, PT US$49.25) reported FQ425 financial data for the December-end period that were in line with our expectations both in terms of timelines to clinical milestones that are germane to our investment thesis & valuation, as well as on key financial metrics mostly focused on balance sheet strength & associated financial risk.

  - Starting with balance sheet data, ProMIS exited the year with US$6.2M in cash but of course its pro forma cash is much higher after considering net proceeds from the firm US$75M equity offering in Feb/26, with the offering contemplating another US$100M in downstream warrant exercise that could certainly transpire if a few near-term clinical milestones are achieved, mostly focused on the firm's lead beta-amyloid oligomer-targeted mAb PMN310. We calculate that pro forma cash, excluding FQ126 operating cash loss to data that is probably in the (US$8.0M)-to-(US$8.5M) range based on our calculated FQ425 pure operating cash loss of about (US$9.1M), is about US$77.4M, sufficient to fund Phase II PMN310 clinical testing & ongoing preclinical IND-enabling studies for misfolded alpha-synuclein-targeted PMN442 (Parkinson's disease) & misfolded TDP-43-targeted mAb PMN267 (amyotrophic lateral sclerosis).

  - Shifting back to PMN310, all milestones for the 144-patient Phase II PRECISE-AD/PMN310 trial are on pace to be met this year. The trial as announced previously is fully enrolled & so interim six-month data on cognitive improvement & biomarker analysis could be available by end-of-FQ226 (though probably press-released in FQ326), with final twelve-month data on the same endpoints thus expected by end-of-FQ426, with publication of results likely in FQ127.

  - By coincidence, ProMIS' main competitor that is also developing a beta-amyloid-oligomer-selective mAb in ACU193, MA-based Acumen Pharmaceuticals (ABOS-Q, NR) also reported its FQ425 financial data this week, announcing therein that Phase II data from its 542-patient ALTITUDE -AD trial are also expected by end-of-FQ426.

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Exhibit 1. Income Statement & Financial Forecast Data For ProMIS Neurosciences

Year-end December 31 *(C$M, except per share data)*	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Royalty revenue, by mAb & indication											
PMN310/Alzheimer's disease (AD)	$0.0	$0.0	$23.2	$113.7	$216.9	$261.1	$308.6	$359.4	$413.8	$472.1	$534.4
Parkinson's disease (PD)	$0.0	$0.0	$0.0	$0.0	$0.0	$10.2	$34.9	$61.6	$90.4	$121.4	$154.8
Amyotrophic lateral sclerosis (ALS)	$0.0	$0.0	$0.0	$0.0	$0.0	$5.4	$17.6	$30.4	$44.0	$58.4	$73.7
Royalty revenue, mAbs	**$0.0**	**$0.0**	**$23.2**	**$113.7**	**$216.9**	**$276.8**	**$361.1**	**$451.4**	**$548.3**	**$651.9**	**$762.8**
Revenue growth (%)	*NA*	*NA*	*NA*	*391%*	*91%*	*28%*	*30%*	*25%*	*21%*	*19%*	*17%*
Cash operating expenses	$33.4	$34.2	$30.2	$26.2	$27.3	$28.5	$29.9	$31.4	$33.0	$34.8	$36.8
Non-cash operating expenses	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8
Milestone & other revenue	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)
Operating income	**($24.1)**	**($25.0)**	**$2.2**	**$96.7**	**$198.9**	**$257.6**	**$340.5**	**$429.3**	**$524.5**	**$626.4**	**$735.3**
EBITDA	**($23.4)**	**($24.2)**	**$3.0**	**$97.5**	**$199.6**	**$258.3**	**$341.2**	**$430.1**	**$525.3**	**$627.1**	**$736.0**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*104.8%*	*29.4%*	*32.1%*	*26.0%*	*22.1%*	*19.4%*	*17.4%*
EBITDA margin (%)	*NA*	*NA*	*12.9%*	*85.8%*	*92.0%*	*93.3%*	*94.5%*	*95.3%*	*95.8%*	*96.2%*	*96.5%*
Other non-operating expenses (Interest, income tax, deriv value)	$0.0	$0.0	$0.9	$30.1	$90.0	$77.5	$102.4	$129.0	$157.6	$188.1	$220.8
Net income	($23.6)	($24.5)	$1.8	$67.1	$109.4	$180.6	$238.6	$300.8	$367.5	$438.8	$515.0
Adjusted net inc, fully-taxed	($24.1)	($25.0)	$1.3	$67.5	$139.0	$180.1	$238.1	$300.3	$367.0	$438.3	$514.5
EPS (fully-taxed, basic)	**($2.69)**	**($2.79)**	**$0.15**	**$7.53**	**$15.50**	**$20.08**	**$26.55**	**$33.49**	**$40.92**	**$48.87**	**$57.37**
EPS (fully-taxed, fd)	**($1.28)**	**($1.33)**	**$0.07**	**$3.59**	**$7.40**	**$9.58**	**$12.67**	**$15.98**	**$19.52**	**$23.32**	**$27.37**
S/O (basic, 000)	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*
S/O (fully-diluted, 000)	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*
P/E (fd)	*NA*	*NA*	*211.1x*	*4.2x*	*2.0x*	*1.6x*	*1.2x*	*0.9x*	*0.8x*	*0.6x*	*0.6x*
EV/EBITDA (fd)	*NA*	*NA*	*69.1x*	*2.1x*	*1.0x*	*0.8x*	*0.6x*	*0.5x*	*0.4x*	*0.3x*	*0.3x*

Source: ProMIS Neurosciences, Leede Financial

- The firm is using multiple well-validated measures of cognition to assess ACU193 efficacy at 80-week follow-up, with changes in levels of various cerebrospinal fluid markers from baseline along with PET-assessed beta-amyloid deposition in the brain serving as key secondary endpoints in final analysis. Acumen exited FQ425 with US$116.9M in pipeline-developing capital. We track Acumen's share price performance along with ProMIS' share price performance as mutual measures of capital market regard for beta-amyloid oligomer-targeted therapies, with both equities trading at compressed market value (& in Acumen's case, previously well below cash value) during much of FH125, with major share price strength associated with capital raises for both firms in recent months.

Exhibit 2. ProMIS' Pipeline Of Conformational Epitope-Targeted mAbs Is Still Led By Phase II Alzheimer's Disease-Focused Oligomer-Binding PMN310, But Other Attractive mAbs Targeting Other CNS Disorders Are On The Horizon

Asset	Target protein	Disease indication	Normal physiological role	Stage: Discovery / Preclinical / I / II / III	Timelines to next milestone
Lead antibodies in formal preclinical/IND-enabling testing					
PMN310	Epitope exposed in beta-amyloid oligomers	Alzheimer's disease	Synaptic plasticity, memory formation in hippocampus		Phase I completed, data in FH224 PRECISE-AD is active; data in FH226
PMN267	TDP-43 (Transactive response DNA-bind protein)	Amyotrophic lateral sclerosis (ALS)	Transcription factor (mRNA homeoasis/processing)		Complete IND-enabling studies, FH126 Commence Phase I ALS trial, FQ127
PMN442	Alpha-synuclein (pre-synaptic tetramer in the brain)	Parkinson's disease, multiple system atrophy	Controls neurotransmitter release, vesicle transport		Complete IND-enabling studies, FH126 Commence Phase I PD/MSA trial, FQ127
Misfolded protein antigens being targeted in discovery					
TBD	RACK1, SOD1	Amyotrophic lateral sclerosis (ALS)	Protein synthesis		Lead mAb generation by FH226-FH127
TBD	Tau	Alzheimer's disease Frontotemporal lobar degeneration (FTLD)	Microtubule stabilization neuron generation		Lead mAb generation by FH226-FH127
TBD	DISC1	Schizophrenia	Neuron generation mitochondrial transport		Lead mAb generation by FH226-FH127
TBD	Beta-amyloid vaccine	Alzheimer's disease prevention	Synaptic plasticity, memory formation in hippocampus		Lead mAb generation by FH226-FH127

Source: ProMIS Neurosciences, Leede Financial

- **Summary & valuation.** But shifting back to ProMIS, we are maintaining our Spec Buy rating & one-year PT of US$49.25 on PMN, with our valuation still based on projected royalty revenue for not just PMN310 (though that is the main value driver in our model) but also for Parkinson's disease-targeted PMN442 & ALS-targeted PMN267, though with more protracted timelines to FDA approval/launch since both are still in preclinical testing. We base our valuation as before

on the average of NPV determination (30% discount rate) & multiples of our F2031 EBITDA/fd EPS forecasts of US$199.6M & US$7.40/shr, respectively. Our forecasts are based on our calculated pro-forma fd S/O of 18.8M; at current price levels, our PT corresponds to a one-year return of 227%, obviously with capital markets sharing our focus on pending interim PRECISE-AD data in a quarter or two.

- **Satellos reports FQ425 financial update.** ON-based Duchenne muscular dystrophy-focused small-molecule drug developer Satellos Biosciences (MSCL-T/MSLE-Q, Spec Buy, PT US$16.00) reported FQ425 financial data for the December-end period that were in line with our expectations on cumulative operating cash loss for the year at (US$23.6M), with most cash requirements deployed to formal clinical testing of the firm's lead AAK1 inhibitor drug SAT-3247. Full-year R&D expense was US$18.4M, also in line with our expectations & likely to climb in F2026 based on the firm funding two Phase II Duchenne muscular dystrophy trials and not just one as was relevant to last year's development activities.

  - Satellos exited the quarter with US$27.7M in cash but its pro forma cash is far higher than that when considering net proceeds from its equity offering consummated last month. Our model incorporates current pro forma cash (excluding FQ126 operating cash loss to data that we believe is [US$6.0M]-to-[US$7.0M] so far) of US$81.2M into our EV evaluation of the firm.

Exhibit 3. Income Statement & Financial Forecast Data For Satellos Biosciences

Year-end December 31 (US$000, exc share data)	*2025A*	*2026E*	*2027E*	*2028E*	*2029E*	*2030E*	*2031E*	*2032E*	*2033E*	*2034E*
SAT-3247 royalty revenue, US	$0	$0	$0	$0	$0	$31,455	$63,287	$84,889	$106,748	$128,866
SAT-3247 royalty revenue, EU	$0	$0	$0	$0	$0	$0	$39,635	$80,063	$107,818	$136,120
Total SAT-3247 revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$31,455**	**$102,922**	**$164,952**	**$214,566**	**$264,986**
Revenue growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*227%*	*60%*	*30%*	*23%*
R&D, clinical expenses	$18,426	$20,000	$22,500	$22,500	$15,000	$14,155	$12,351	$8,248	$7,510	$7,420
G&A, marketing expenses	$4,794	$5,000	$5,250	$5,500	$6,000	$8,176	$9,547	$10,287	$10,112	$11,194
Other expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EBITDA	**($23,220)**	**($25,000)**	**($27,750)**	**($28,000)**	**($21,000)**	**$9,124**	**$81,025**	**$146,417**	**$196,944**	**$246,372**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*788%*	*81%*	*35%*	*25%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*29%*	*79%*	*89%*	*92%*	*93%*
Non-operating expenses	$3,239	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260
EBIT	**($26,459)**	**($26,260)**	**($29,010)**	**($29,260)**	**($22,260)**	**$7,864**	**$79,765**	**$145,157**	**$195,684**	**$245,112**
Other non-oper expenses	($1,758)	($1,500)	($1,538)	($1,576)	($1,615)	($1,656)	($1,697)	($1,740)	($1,783)	($1,828)
EBT	**($24,701)**	**($24,760)**	**($27,473)**	**($27,684)**	**($20,645)**	**$9,519**	**$81,462**	**$146,897**	**$197,467**	**$246,940**
Tax expense, other	$155	$0	$0	$0	$0	$2,380	$20,365	$36,724	$49,367	$61,735
Net income, fully-taxed	**($24,856)**	**($24,760)**	**($27,473)**	**($27,684)**	**($20,645)**	**$7,140**	**$61,096**	**$110,173**	**$148,100**	**$185,205**
Fully-taxed EPS (basic)	($1.61)	($1.20)	($1.33)	($1.29)	($0.96)	$0.33	$2.85	$5.13	$6.90	$8.63
Fully-taxed EPS (fd)	**($1.41)**	**($1.06)**	**($1.18)**	**($1.15)**	**($0.86)**	**$0.30**	**$2.53**	**$4.56**	**$6.14**	**$7.67**
P/E (basic)	*NA*	*NA*	*NA*	*NA*	*NA*	*17.1x*	*2.0x*	*1.1x*	*0.8x*	*0.7x*
EV/EBITDA	*NA*	*NA*	*NA*	*NA*	*NA*	*(0.3x)*	*(0.0x)*	*(0.0x)*	*(0.0x)*	*(0.0x)*
S/O, basic (M)	*15,424*	*20,622*	*20,622*	*21,456*	*21,456*	*21,456*	*21,456*	*21,456*	*21,456*	*21,456*
S/O, fd (M)	*17,614*	*23,307*	*23,307*	*24,140*	*24,140*	*24,140*	*24,140*	*24,140*	*24,140*	*24,140*

Source: Satellos Biosciences, Leede Financial

- The suite of ongoing clinical activities is unchanged from our last update – Satellos' 30-patient Phase II adult Duchenne muscular dystrophy trial (the TRAILHEAD trial) marches on with patient follow-up following an interim analysis of various biomarker & muscle physiology measures of response to SAT-3247 therapy that was presented earlier this month & on which we commented in an earlier Healthcare Weekly. As we commented at the time, the firm's efficacy data on improvements in grip strength & on disease-relevant shifts in various serum biomarkers of muscle integrity/structure were directionally positive, though the manner in which grip strength & lung function (as measured by forced expiratory volume) required more heavy lifting by capital markets than was probably necessary.

- Data as presented was a bit ambiguous at least as depicted graphically & as would have been interpreted by generalist investors, but our take was more positive when considering that adult Duchenne muscular dystrophy patients have more advanced disease with longer duration of muscle function decline for which any efficacy signals would have been (and were in our commentary) seen by us as favorable in this difficult-to-treat population. That trial marches on and we expect sporadic interim updates from newly-enrolled patients during F2026.

- The other Phase II clinical trial that we will be tracking is the newly-launched 51-patient Phase II pediatric Duchenne muscular dystrophy trial (the BASECAMP trial) for which patient enrolment commenced last month & for which we

expect interim updates on three-month improvements in muscle function/integrity & biomarker analysis also throughout F2026. Both BASECAMP & TRAILHEAD should provide definitive if interim efficacy data in both adult & pediatric patient populations by end-of-year. The firm has sufficient capital to fund those two trials to completion, probably some time in FH127.

Exhibit 4. Valuation Scenarios For Satellos Biosciences

NPV, discount rate		20%	25%	30%	35%	40%
Implied value per share		$35.77	$22.70	**$14.38**	$9.04	$5.46
Price/earnings multiple, 2031E		**20%**	**25%**	**30%**	**35%**	**40%**
Implied share price[1,2]	**10**	$12.21	$10.37	$8.86	$7.62	$6.59
	20	$24.41	$20.73	**$17.72**	$15.24	$13.18
	30	$36.62	$31.10	$26.58	$22.86	$19.76
EV/EBITDA multiple, 2031E		**7.5x**	**10x**	**12.5x**	**15x**	**17.5x**
Implied share price[1,2]		$9.99	$12.93	**$15.87**	$18.81	$21.74
One-year MSCL target price (US$)[1,2]				**$15.99**		

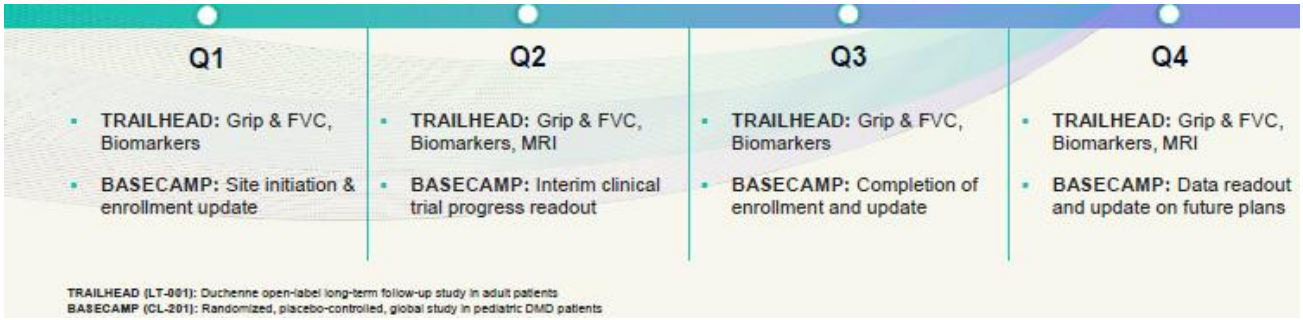
[1] *Based on F2031 fd fully-taxed EPS of US$2.53; EBITDA of US$81.0M, discounted at 30%, current basic S/O post-consolidation, post Feb/26 equity offering of 20.6M, FD S/O of 23.3M*

[2] *Enterprise value based on notional fd S/O of 24.1M (assumes supplemental equity capital raise during our forecast period); pro forma cash of US$81.2M (FQ425 cash & equiv of US$27.7M, plus estimated net proceeds from Feb/26 equity offering), no LT debt*

Source: Satellos Biosciences, Leede Financial

- **Summary & valuation.** We are maintaining our Spec Buy rating & one-year PT of US$16.00 on Satellos, with our valuation still driven by SAT-3247 economics & timelines to pivotal data & regulatory review. As before, our valuation is foundationally based on three distinct valuation methodologies (similar to our ProMIS valuation summary above), including a NPV determination using a discount rate of 30% & multiples of our F2031 adjusted EBITDA/fd EPS forecasts of US$81.0M & US$2.53/shr, respectively. Our EV calculation incorporates pro forma cash of US$81.2M as calculated above (the firm has no LT debt) & notional fd pro forma S/O of 24.1M that incorporates capital structure revision imposed by the aforementioned equity offering while also assuming that the firm could raise supplemental equity capital to fund SAT-3247 Phase III testing (current fd pro forma S/O is 23.3M by our calculation).

Exhibit 5. Timelines For Interim Updates During F2026 From TRAILHEAD & BASECAMP Phase II Duchenne Muscular Dystrophy Trials Testing AAK1 Inhibitor Drug SAT-3247



Source: Satellos Biosciences investor presentation (Feb/26)

- TRAILHEAD & BASECAMP are squarely in our field of vision as they pertain to our MSCL/MSCL investment thesis & our evaluation of SAT-3247's medical prospects, with seminal updates likely to provide key insights into SAT-3247's disease-reversing muscle-regenerating potential, even though both trials are mid-stage Phase II activities. Satellos' shares have experienced transient softness in recent trading sessions after several sessions of price strength, presumably in anticipation of less ambiguous TRAILHEAD interim data that we prospectively interpret to have been more positive (at least by interim standards) than capital markets did. Our PT corresponds to a one-year return from current price levels of 128%.

Other Significant Clinical Trial Updates With Relevance To Our Coverage Universe

- **Breast cancer as a focus oncology market sustains momentum with Novartis' Pikavation acquistion.** Last week, Swiss pharma giant Novartis (NVS-NY, NR) bid US$2B to acquire Pikavation Therapeutics, a division of Synnovation Therapeutics (private) that is developing a suite of small-molecule inhibitors of mutant isoforms of the enzyme phosphoinositide-3-kinase-alpha, an enzyme that is integral to a cell growth-mediating pathway (& goes awry when mutated in some way) that includes other druggable enzymes & receptors as well such as the serine/threonine kinase mTOR (short for mechanistic target of rapamycin, discovered based predictably on its ability to bind to the immunosuppressive/anti-cancer naturally-occurring macrolide rapamycin/sirolimus) & another kinase enzyme called AKT. The acquisition also contemplates up to US$1B in additional clinical/regulatory milestones, as is conventional in co-development alliances though less so in outright acquisition of corporate drug developers as has transpired here.

  - Research on AKT dates back to early research on virus-derived oncogenes back in the 1980s, during which a novel gene sequence was characterized in a thymoma tumor in a genetically-defined AKR mouse model of disease (implying that the abbreviation AKT results from a blending of the T in thymoma & the AK in AKR mouse). We commented on AKT inhibitors with regard to cancer drug development activities at BC-based Rakovina Therapeutics (RKT-V, NR) in prior Healthcare Weeklies & will not review that analysis here but can send the relevant document on request.

  - Shifting back to Pikavation & PI3Kα inhibition in cancer therapy, it is well-known in the medical literature that inhibition of naturally-occurring non-mutated PI3Kα often gives rise to dysregulation of blood glucose homeostasis, thus driving the search for small-molecule inhibitors that are selective for cancer-associated mutant forms, for which the Pikavation/Synnovation acquisition is relevant. The deal is primarily though not exclusively focused on Pikavations lead drug SNV4818, for which a 320-patient Phase II solid tumor study that is testing the drug in combination with two other breast cancer-relevant agents in aromatase inhibitor fulvestrant/Faslodex & cyclin-dependent kinase inhibitor palcociclib/Ibrance, making it clear to us that breast cancer is the most likely target market for this drug, especially if Novartis' strategic intent is to supplement for an existing breast cancer therapy in its commercial portfolio alpelisib/Piqray (see below). Short-term two-month tumor response & safety/pharmacokinetic data are expected by mid-F2027.

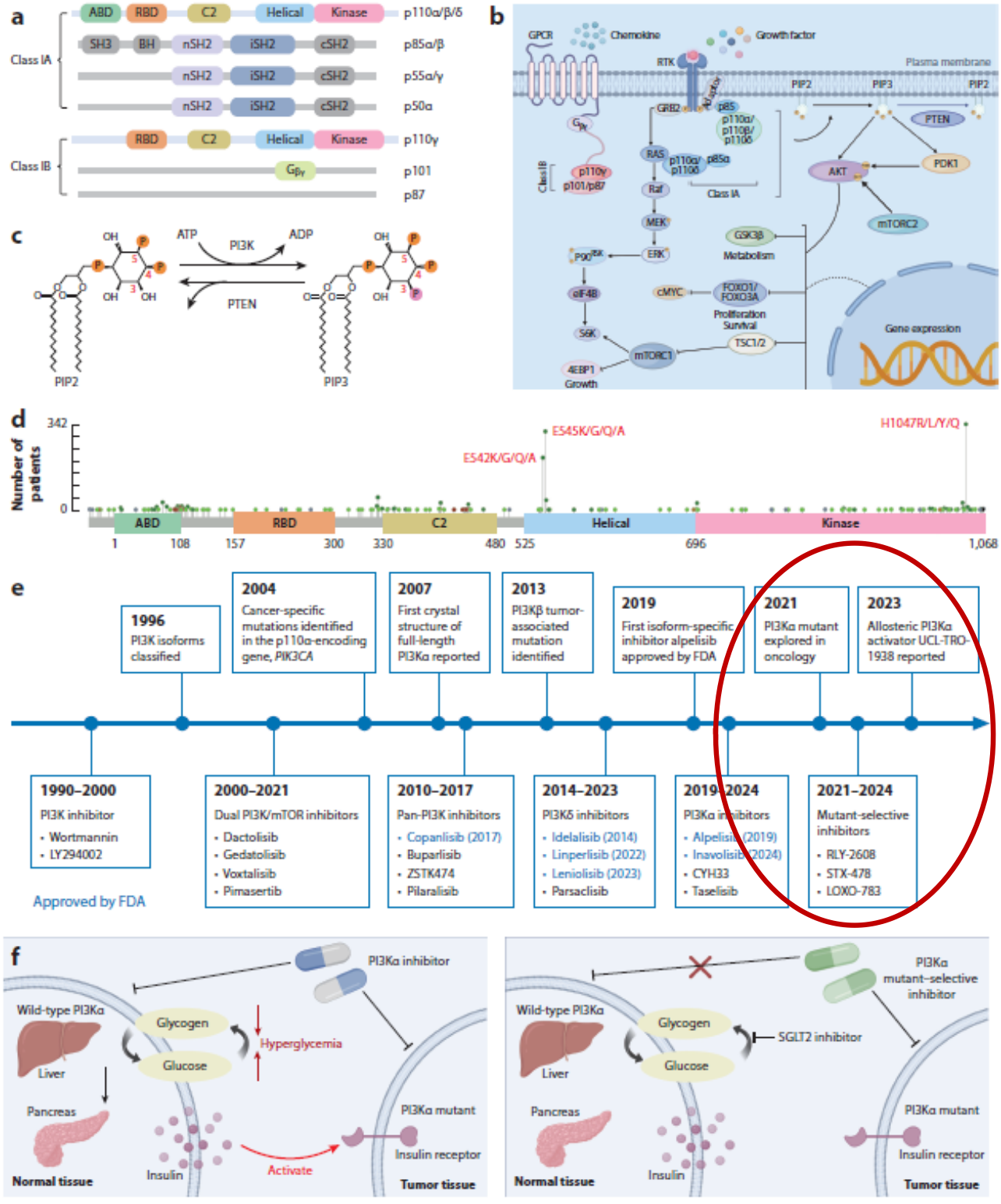
  - SNV4818 is not specifically described in the medical literature just yet, at least not by that name, but in the US National Cancer Institute's pharmacology library, it describes SNV4818 as being a selective inhibitor of a defined mutant PI3Kα harboring a point mutation within its p110 α-subunit called H1047X. This is a substitution of any amino acid for the amino acid histidine at position #1047 in PI3Kα's primary structure. SNV4818 binding to this mutant PI3Kα form is known to prevent activation of cell growth-stimulating pathways that are influenced downstream by the AKT & mTOR pathways as mentioned above.

  - Recall that IN-based Eli Lilly (LLY-NY, NR) acquired MA-based PI3Kα inhibitor developer Scorpion Therapeutics back in Jan/25 for US$2.5B, ostensibly for rights to its own small-molecule drug STX-478 that itself targets H1047X-harboring mutations in cancer-associated PI3Kα isoforms. STX-478 is far better characterized in the medical literature than SNV4818 at present & interestingly, it has been tested in comparison to Novartis' alpelisib/Piqray in a few peer-reviewed papers, including a 2023 mouse xenograft study in the journal *Cancer Discovery* but more comprehensively described in a review published earlier this year in *Annual Review of Pharmacology & Toxicology* that we also cite in Exhibit 6.

  - In that review, biochemical data showed that STX-478 is highly selective for inhibiting mutated PI3Kα forms harboring a specific histidine-to-arginine mutation at position #1047 (H1047R), a widely-observed specific mutation identified in many cancer forms. So the relevance of mutated PI3Kα to cancer progression, especially in metastatic breast cancer, is widely recognized within oncology drug development circles & not just by Novartis through its Pikavaton/SNV4818 acquisition.

  - There are a few PI3Kα inhibitors that are either FDA-approved or in advanced clinical testing & these include Novartis' own HER2-negative/hormone receptor-positive breast cancer-targeted alpelisib formulation Piqray (FDA-approved in May/19; FQ425 sales US$81M & declining), Astra-Zeneca's (AZN-LN, NR) capivasertib/Truqap (FDA-approved in Nov/23; FQ425 sales US$233M) & Roche's (ROG-SW, NR) inovalisib/Itovebi (FDA-approved in Oct/24; FQ425 sales CHF113M), all of which target hyper-activated mutant forms of the kinase.

Exhibit 6. The History Of PI3K Inhibitor Development Is Long, But Developing Mutant-Selective Inhibitors Is A More Recent Initiative - A Few FDA-Approved Therapies Are Available With Clinical-Stage Candidates Like SVN4818 On The Horizon



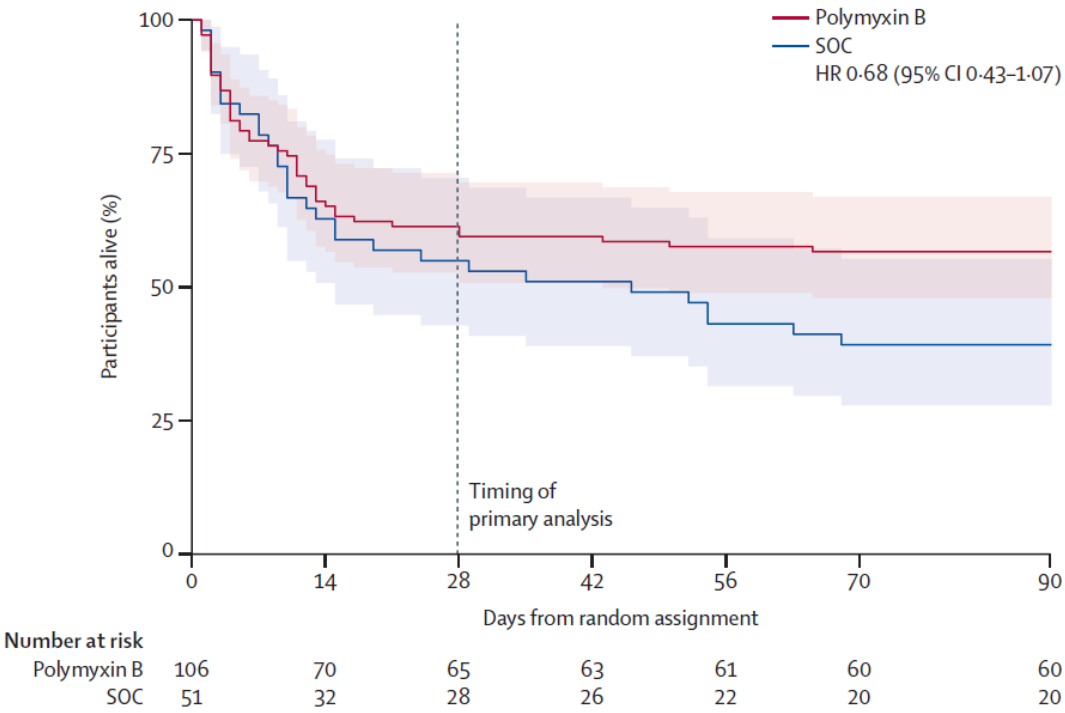
Source: *Annual Review of Pharmacology & Toxicology (2026). Vol. 66, pp. 465-485.*

- Other PIK3α inhibitors that target the enzyme without any preferential inhibition of mutant forms or indeed with any specificity for breast cancer include relapsed follicular lymphoma Bayer's (BAYN-DE, NR) copanlisib/Aliqopa (inhibits the α/δ forms of the enzyme, was withdrawn from the US market in Nov/23), Intellikine/Verastem/Secura Bio's (private)

leukemia/lymphoma-targeted duvelisib/Copiktra, Gilead Sciences' (GILD-Q, NR) chronic lymphocytic leukemia-targeted δ-specific idelalisib/Zydelig (FQ425 sales enveloped into 'other' product sales by Gilead that were US$87M) & Pharming Group NV's (PHAR-Q, NR) also- δ-specific leniolisib/Joenja (FQ425 sales US$19.8M; which as an aside, just received approval in Japan this week).

- **Spectral Medical publishes Toraymyxin data from its Phase III severe sepsis Tigris trial.** ON-based septis-focused diagnostic & therapeutics developer Spectral Medical (EDT-T, NR) published Phase III data from its 157-patient Tigris trial testing the firm's polymyxin B-based lipopolysaccharide/bacterial endotoxic-binding plasmapheresis column platform Toraymyxin as a therapy for severe sepsis. Tigris data were originally press-released by Spectral back in mid-Aug/25, during which EDT shares experienced much of its T12M price strength.
  - Spectral's commercial partner Vantive US Healthcare LLC (Vantive but originally called Baxter Kidney Care, a self-described vital organ therapy firm that was spun-out from IL-based Baxter [BAX-NY, NR] & sold to the Carlyle Group [private] for US$3.8B in Feb/25, with a major focus on kidney care but also in hemodialysis which clearly overlaps procedurally with Toraymyxin-based plasmapheresis) independently announced publication of Tigris data in the journal this week. The name Toraymyxin is a blend of the active endotoxin-binding agent polymyxin B & the name of the Japan-based conglomerate Toray Medical (3402-JP, NR) that invented the platform.
  - Data were published earlier this week in *The Lancet Respiratory Medicine*. The trial was an adaptation of an earlier Phase II severe sepsis trial (the EUPHRATES trial) that did not on its own generate approvable data but it did provide key insights into characteristics of patients (specifically on the amount of serum endotoxin levels that presented as diagnosis that needed to be within a defined range for Toraymyxin-based plasmapheresis to be effective) that informed how Tigris could be more representative of Toraymyxin's medical prospects in severe sepsis standard-of-care.

Exhibit 7. Toraymyxin-Mediated Plasmapheresis Shows Modest Acute Survival Benefit As Compared To Standard-Of-Care In An Endotoxin Level-Defined Patient Population



Source: *Lancet Respiratory Medicine (2026). On-line*

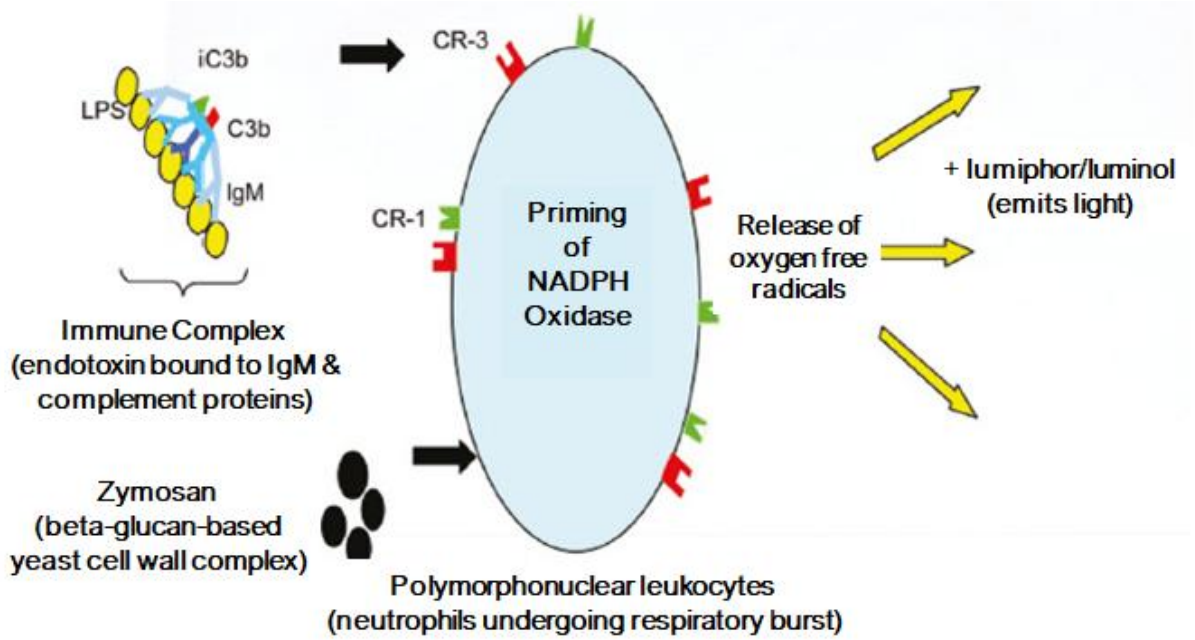
- So on the data itself, Spectral & its US clinical collaborators showed that a greater proportion of control sepsis patients passed away at four week follow-up post-sepsis diagnosis as compared to Toraymyxin-treated patients (45% vs 39%, a gap that looks larger graphically than numerically, as shown in Exhibit 7) though with more Toraymyxin patients experiencing a serious side effect of some type at three-month follow-up as compared to control patients (30% vs 22%). Standard-of-care control patients were not precisely defined, probably because it varied from center to center, but it

probably involved some combination of antibiotics, anti-hypertensive or vasopressive agents, or anti-inflammatory corticosteroids, as described in a few reviews we surveyed for this analysis. For comparison, there was no demonstrable benefit from Toraymyxin-based plasmapheresis in the Phase II 449-patient EUPHRATES severe sepsis trial in which patients were randomized based not on their circulating endotoxin levels at enrollment but on APACHE II score (stands for acute physiology & chronic health evaluation), a disease classification based on a combination of physical measures, age & co-presenting morbidities.

- In that trial, the mean APACHE II score was 29.4 – a score of 30 or higher is associated with 70% in-hospital mortality rate so mitigating mortality is both altruistically & clinically a meaningful endpoint in the trial. But in EUPHRATES, serum endotoxin levels were certainly quantified but randomized patients with endotoxin levels below a threshold level of 0.60 (an arbitrary measure of chemiluminescence generated by the firm's own EAA endotoxin assay) were excluded from the trial, with post-hoc data analysis showing that some endotoxin measures above that value were indeed too high in some patients to be accurately quantified & perhaps exceeding the capacity of Toraymyxin columns to remove sufficient quantifies of endotoxin to confer symptomatic relief, or so goes the explanation for EUPHRATES underperformance.

- Endotoxin – which is a component of the outer cell wall of Gram-negative bacteria called lipopolysaccharide – is indeed well-established as a seminal cause of severe sepsis & quantifying endotoxin forms the basis for an FDA-approved sepsis diagnostic assay coincidentally developed by Spectral called the EEA assay, short for endotoxin activity assay. EEA is a chemiluminescence assay that quantitatively detects immunoglobulin M [IgM] binding to circulating endotoxin indirectly through the amount of oxygen-based free radicals that are generated by neutrophils that are primed by the amount of endotoxin-IgM that the neutrophils interact with – we are mindful that this explanation is a bit cumbersome for which we hope that the schematic in Exhibit 8 will be illustrative.

Exhibit 8. It Has Long Been Recognized That Endotoxin Levels Are Diagnostic For Severe Sepsis, Making It At Least Plausible To Test The Hypothesis That Reducing Endotoxin Levels Could Thus Mitigate Severe Sepsis Symptoms



Source: Adapted from *Clinical Care (2012). Vol. 16, pp. 248-257*

- But the key takeaway is that the US FDA long ago acknowledged the relevance of quantifying circulating endotoxin as a diagnostic element in sepsis diagnosis, making it rational in our long-held view to mitigate acute sepsis symptoms by reducing the amount of circulating endotoxin that presumably is exacerbating disease. Clearly one limitation in this thesis is that other elements of severe sepsis pathophysiology – one of which is release of the vascular stability-associated protein angiopoietin-1 – may simultaneously give rise to sepsis symptoms, perhaps engendering pathologies for which endotoxin release is a marker for, rather than a cause of disease. Clearly EUPHRATES & Tigris were agents for testing that hypothesis.

- In prior Tigris updates, Spectral indicated that it expects to incorporate one-year mortality data from the Tigris trial into its eventual PMA submission, now expected to be submitted to the US FDA by mid-Q226. One-year mortality data were not published in the *Lancet Respiratory Medicine* paper we describe above but it is expected to be press-released toward the end of Q226. We will be interested to see if survival benefit from Toraymyxin-based plasmapheresis does indeed confer longer-term mortality benefit – a three-month benefit is clearly observed at both one- & three-month follow-up & if indeed survival benefit is tightly correlated with serum endotoxin reduction, it seems plausible to assume that the proportion of Toraymyxin/plasmapheresis patients surviving beyond the duration graphically depicted in Exhibit 8 could still be superior to patients treated with standard-of-care.

- Independent of *The Lancet*/Tigris data publication, Spectral reported FQ425 financial data, with full-year revenue of $2.4M related to sales of the aforementioned EAA severe sepsis diagnostics assay, up minimally from $2.3M last year even while EAA test sales in FQ425 were down measurably at $0.38M from $0.65 in FQ424. In absolute terms though, the differences between the respective periods were trivial in our view & could actually climb appreciably if Toraymyxin is in fact FDA-approved in F2027. The firm exited the year with $4.1M in cash.

- Consolidated sales do include some precommercial unit traction for Toraymyxin in international markets (the device is approved in many RoW markets, including Japan & Europe, with >360,000 polymyxin B-immobilized resin columns sold so far). We assume that more positive RoW regulatory regard for Toraymyxin was based on legacy 28-day mortality data from a 64-patient Phase II severe sepsis trial (the EUPHAS trial) that was published in 2009 in the journal JAMA, clearly with more ambiguous mortality data generated in larger Phase II/III studies that followed.

- **Sernova consummates modest non-brokered equity offering.** ON-based regenerative medicine-focused medical technology developer Sernova (SVA-T, NR) consummated a share-and-a-three-year-warrant equity capital raise this week, adding $2.1M in gross proceeds to its FQ226 balance sheet while in parallel adding 13.8M SVA shares to basic S/O that we now calculate to be 369.9M, including shares that were issued as part of a capital structure update announced by the firm in early Mar/26. After factoring in all recently-announced derivative securities that are germane to the firm's fully-diluted S/O, we calculate pro forma fd S/O of 502.8M that includes all outstanding options summarized in the firm's FQ126 financial filings & all announcements of recent unit offerings to which warrant issuances were incorporated.

  - With regard to Sernova's financial risk profile, we observe that the firm's corporate costs just on executive compensation alone – which we glean from the Summary Compensation Table on page 24 of Sernova's management circular posted to SEDAR in early Mar/26 in preparation for its annual general meeting in early Apr/26 – that the $2.1M equity raise just announced would be insufficient to fund executive compensation in F2026 if pegged at F2025 rates published in that table.

  - We believe that Sernova's core cell therapy reservoir Cell Pouch is still its main clinical-stage medical technology, for which function of the device itself & cells/tissues deployed within it has been invariably documented in published preclinical & clinical studies, conferring insulin independence through pancreatic islet transplantation in one set of Cell Pouch performance data in type I insulin-dependent diabetes, conferring documented Factor VIII release from implanted genetically-modified blood outgrowth endothelial cells in preclinical models of hemophilia A & conferring documented thyroxine release from thyroglobulin precursors within thyroid cells deployed into thymectomized animals. For now & based on public disclosures from the firm, available R&D resources seem likely to be deployed to drive type I diabetes-based initiatives forward, for which there are two modes of advancement that we can discern from the firm's recent annual information form & FQ126 MD&A.

  - These pending advances include ongoing patient monitoring in Sernova's 17-patient Phase I/II islet transplantation trial at the University of Chicago, for which impressive insulin independence for early enrollees is well-documented. We expect this trial to be supplemented by a distinct study arm that will test immune suppression activity of a new clinical-stage anti-CD40L mAb (tegoprubart) as developed by CA-based Eledon Pharmaceuticals (ELDN-Q, NR) – we observe that Sernova's University of Chicago collaborators, specifically transplantation surgeon Piotr Witkowski, are already undertaking a 70-patient Phase II islet transplantation study that began in F2024 & which is on pace to generate final one-year insulin independence data in early F2029. Cell Pouch is not overtly mentioned as being part of this trial, at least not yet.

- Legacy partner Evotec (EVT-DE, NR) may also be on track to manufacture its stem cell-derived pancreatic islets (iBeta, for which the partnership already generated positive preclinical data in a Cell Pouch environment) to at least clinical-scale if not commercial-scale later this year. Sernova refers to a pending Phase I Cell Pouch/iBeta islet transplantation study (perhaps still involving existing University of Chicago collaborators) in its most recent MD&A but does not provide any guidance on timelines to commencement of an Evotec/iBeta-based trial. A more formal update on both of these initiatives could be forthcoming in future MD&As from the firm, or as probably during the firm's AGM in a few weeks.

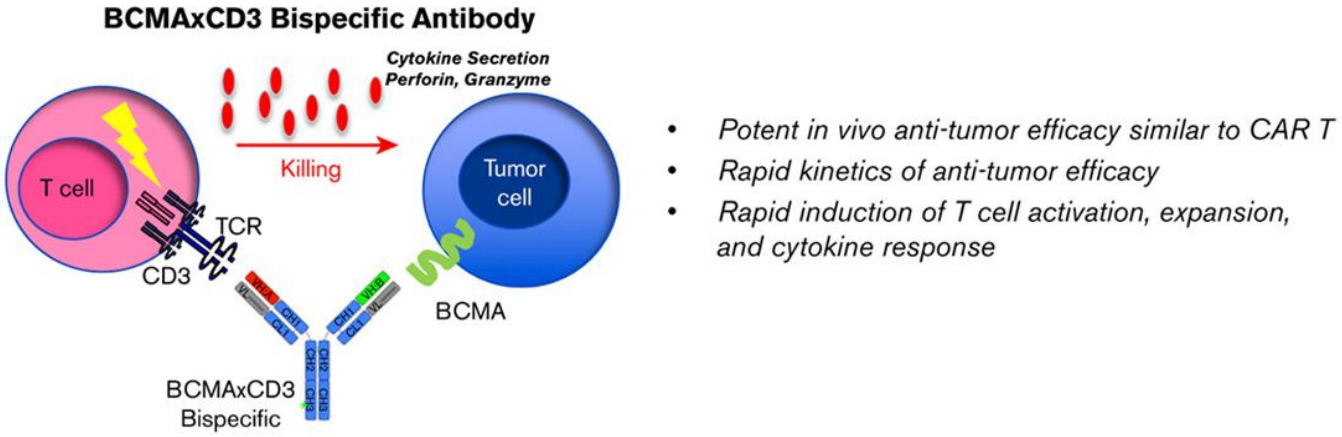
- **Gilead Sciences acquires T-cell engager therapy developer on attractive terms.** CA-based infectious disease & oncology-focused drug develop Gilead Sciences (GILD-Q, NR) acquired the GlaxoSmithKline (GSK-LN, NR) spin-out Ouro Medicines (private) in a deal valuing the T-cell engager therapy developer at an upfront value of US$1.67B, with another US$500M in potential downstream milestones contemplated in overall deal value.

  - Ouro's lead asset is called OM336/gamgertamig, a bispecific mAb that simultaneously binds to the B-cell maturation antigen (BCMA) & to the cytotoxic T-cell surface antigen CD3 (short for cluster of differentiation 3), of which there are many, including CD4 which Theratechnologies (now private) targeted with its multidrug-resistant HIV mAb ibalizumab/Trogarzo, or CD20 that Roche/Genentech/Idec (ROG-SW, NR) targeted with rituximab/Rituxan, to name two of many immune cell surface markers in the 'CD' category.

  - OM336 was originally developed by Hong Kong-based Keymed Biosciences (02162-HK, NR), which granted development rights to Ouro in Nov/24. Keymed still held a partial equity stake in Ouro for which it announced in its own press release on the transaction that it expected to receive US$250M of the upfront cash value of the transaction (& US$70M of contingent milestone payments). Keymed still holds OM336 marketing rights in China. The most recent peer-reviewed paper describing OM336 & the concept of T-cell engagers was published by Ouro & collaborators just this month in the journal *Blood Reviews*.

  - In a separate press release issued by Belgium-based Galapagos NV (GLPG-Q, NR), in which Gilead holds a 25% equity stake, it was announced that Galapagos will actually be the OM336 developer going forward while being responsible for half of Ouro's transaction value & future contingent milestone payments should they materialize. Gilead retains commercial rights to the drug, for which it will pay Galapagos 20%-to-23% of net OM336 sales.

Exhibit 9. Schematic Describing The Mode Of Action For BCMA-CD3-Targeted Bispecific mAbs (T-Cell Engagers), Usually But Not Exclusively With Refractory Multiple Myeloma As The Primary Indication, At Least Initially



Source: Adapted from *Blood Advances (2021). Vol. 5, pp. 1291-1304.*

- Ouro has a few competitors in this realm, including Regeneron Pharmaceuticals' (REGN-Q, NR) clinical-stage REGN5458/linvoseltamab/Lynozyfic that was FDA-approved in Jul/25 but for which several Phase II trials are still ongoing including the 387-patient LINKER-MM1 multiple myeloma trial (five-year response rate data expected in F2033),

- Pfizer's (PFE-NY, NR) elranatamab/Elrexfio (FDA-approved for treating relapsed/refractory multiple myeloma in 2022; F2025 sales US$304M),

- Johnson & Johnson's (JNJ-NY, NR) pedantically-named JNJ-79635322 that is at present undergoing testing in multiple myeloma in the 400-patient Phase III Trilogy-4 trial (five-year response rate & progression-free survival data in H231) & J&J's first-generation already-FDA-approved multiple myeloma-targeted teclistamab/Tecvayli (F2024 sales US$670M) to which '322 is being compared in Trilogy-4,
- Candid Therapeutics' (private) cizutamig that presumes to target various autoimmune diseases such as IgA nephropathy or myasthenia gravis or systemic lupus erythematosus, but is at present undergoing Phase I testing in rheumatoid arthritis (safety/PK data expected next year). Preclinical cizutamig data were presented at the 2025 American College of Rheumatology meeting last year in a 40-patient Phase II multiple myeloma, with an encouraging 66% objective response rate published in the conference proceedings.
- J&J developed another T-cell engager bispecific mAb called talquetamab/Talvey (F2025 sales US$463M) that while also targeting multiple myeloma is distinct in that its target antigens are CD3 as with the other T-cell engager mAbs mentioned above but instead of targeting BCMA it targets a different antigen called GPRC5D (short for a G-protein-coupled receptor isoform called Class C-Group 5-Member D) found on the surface of myeloma cells.
- And of course, OM336, for which Phase II testing is ongoing in a 32-patient Phase I autoimmune cytopenia trial in Australia (three-month safety/PK data expected in H227) & a separate 39-patient Phase I seropositive autoimmune disease trial is also ongoing for which distinct three-month safety/PK data are expected in early H128.

- **Apogee Therapeutics, Inc. (APGE-Q, NR) reports positive 52-week maintenance data for zumilokibart (APG777) in moderate-to-severe atopic dermatitis; APGE up ~20% on the day.** Apogee reported 52-week data from Part A of its Phase 2 APEX trial, evaluating zumilokibart, a novel anti-IL-13 monoclonal antibody, administered subcutaneously at three- & six-month maintenance dosing intervals after a 16-week induction period. Among Week 16 responders, 75% (Q3M) and 85% (Q6M) of patients maintained EASI-75 at 52 weeks, with vIGA 0/1 maintenance rates of 86% (Q3M) and 78% (Q6M). For some additional context, initial EASI-75 Placebo-Adjusted Delta response at 16 weeks was 42%. Part B of APEX, a 347-patient placebo-controlled dose optimization study randomized 1:1:1:1 across high-, medium-, and low-dose zumilokibart versus placebo, is expected to read out 16-week induction data in Q2/26, with Phase 3 initiation planned for H2/26 and a potential commercial launch targeted for 2029.
  - Zumilokibart's primary point of differentiation relative to existing IL-13-targeting biologics is its extended half-life, which is achieved through Xencor's (XNCR-Q, NR) Xtend Fc domain engineering platform. The Xtend technology incorporates dual amino acid substitutions (M428L/N434S) in the antibody Fc region that enhance binding to the neonatal Fc receptor (FcRn) at acidic endosomal pH, slowing antibody clearance and extending circulating half-life by approximately three-fold (Zalevsky et al., Nature Biotechnology, 2010).
  - In the case of zumilokibart, the half-life extension enables a dosing schedule of Q3M to Q6M maintenance, compared to every-two-weeks (Q2W) for both Sanofi/Regeneron's (SNY-NY, NR) Dupixent (dupilumab, an IL-4Rα antagonist blocking both IL-4 and IL-13) and Eli Lilly's (LLY-NY, NR) Ebglyss (lebrikizumab, anti-IL-13), as well as LEO Pharma's Adtralza (tralokinumab, anti-IL-13). In practical terms, zumilokibart's proposed maintenance regimen translates to as few as 2-4 injection days per year versus approximately 26 for Q2W-dosed biologics, a potentially meaningful differentiator for patient compliance and payer economics. Given the increasingly crowded nature of the IL-13/Type 2 inflammation space in AD (three approved IL-13-pathway biologics), this value add is certainly
  - Beyond atopic dermatitis, Apogee has identified eosinophilic esophagitis (EoE) as an expansion indication for zumilokibart, with trial details expected later in 2026. The viability of systemic anti-IL-13 monoclonal antibodies in EoE remains uncertain. Bristol Myers Squibb's (BMY-NY, NR) cendakimab, another anti-IL-13 mAb, narrowly met co-primary endpoints in a Phase 3 EoE trial (NCT04753697), demonstrating statistically significant reductions in dysphagia days and histologic eosinophil counts versus placebo at 24 weeks (Schoepfer & coworkers as published in 2024 in *UEG Week*).
  - Despite the positive data, BMS removed cendakimab from its pipeline in Q1/25, with its chief commercialization officer stating in February 2025 that the company did not see sufficient competitive advantage to justify commercialization against an entrenched Dupixent franchise. Zumilokibart's dosing advantage over Dupixent (which requires weekly administration in EoE) could provide a basis for competing on treatment burden even if efficacy proves comparable

rather than superior, but the cendakimab precedent illustrates that a similar efficacy profile on a similar mechanism was not enough to justify commercial pursuit for BMS.

- Relative to Eupraxia Pharmaceuticals' (EPRX-Q, Buy, PT US$12.75) EP-104GI, we view zumilokibart as poorly positioned in EoE on both efficacy and convenience grounds. On efficacy, anti-IL-13 antibodies address only one node in a multi-pathway inflammatory/fibrotic cascade. TH2 cells concurrently produce IL-5, which drives eosinophil proliferation, activation, and prolonged survival independently of IL-13; those eosinophils, along with mast cells, contribute their own TGF-β1 signaling that sustains fibroblast activation, collagen deposition, and the stricturing that defines symptomatic disease progression. Blocking IL-13 alone leaves these parallel inputs intact. EP-104GI's fluticasone propionate, delivered locally via DiffuSphere, suppresses multiple converging arms of this cascade, including IL-5-mediated eosinophil biology, mast cell activity, and broader TH2/TH17-driven cytokine signaling, rather than targeting a single upstream cytokine.

- On dosing, zumilokibart still requires a 16-week induction period followed by Q3M-to-Q6M maintenance injections, which is an improvement over Dupixent's weekly regimen but still represents multiple dedicated treatment visits per year. EP-104GI, by contrast, is administered during routine surveillance endoscopy that EoE patients are already undergoing, with recent data suggesting once-yearly administration is feasible. That effectively adds zero incremental treatment visits, a convenience threshold that even Q6M systemic dosing does not match. We continue to view EP-104GI's combination of localized, broad-spectrum pharmacology and alignment with existing clinical workflows as fundamentally differentiated from the systemic biologic competitive dynamics playing out among Dupixent, zumilokibart, and their predecessors.

- **Merck (MRK-NY, NR) to acquire Terns Pharmaceuticals (TERN-Q, NR) for US$6.7B, adding chronic myeloid leukemia (CML) assets to its hematology pipeline**. NJ-based pharma giant Merck announced earlier this week that it intends to acquire CA-based Terns Pharmaceuticals for US$53.00/share in cash, corresponding to a notional enterprise value of US$6.7B (US$5.7B net of Terns' balance sheet cash), a modest 6% premium to TERN share value on the date of the announcement but a more substantive 31% premium when compared to the two-month volume-weighted average price for the stock. The transaction, expected to close in Q2/26, adds the small-molecule drug TERN-701 (described below) to Merck's hematology portfolio.

  - Transaction value does seem aggressive to us on initial inspection for what is at its core a single-product-focused valuation. To be clear though, the transaction is a full acquisition of Tern itself & not a development alliance to which deal economics could apply & Tern does have at least two other small-molecule assets in its portfolio in selective thyroid hormone receptor-beta agonist TERN-501 (targeting obesity & probably fatty liver diseases) & in glucose-dependent insulinotropic polypeptide receptor antagonist TERN-801 (targeting similar obesity/hepatology markets to TERN-501 just with a distinct target & mechanism).

  - But shifting back to TERN-701, the featured drug is an oral allosteric tyrosine kinase inhibitor (TKI) that binds the ABL myristoyl pocket (myristoyl is a fourteen-carbon fatty acid chain), restoring autoinhibition of the so-called BCR::ABL1 fusion kinase that drives uncontrolled proliferation of leukemic white blood cells in CML. Because this binding site is distinct from the ATP-binding domain targeted by conventional TKIs, TERN-701 offers a non-overlapping resistance mutation profile, a mechanism shared with Novartis' (NVS-NY, NR) asciminib/Scemblix, though preclinical data have shown improved TERN-701 potency across multiple clinically relevant resistance variants.

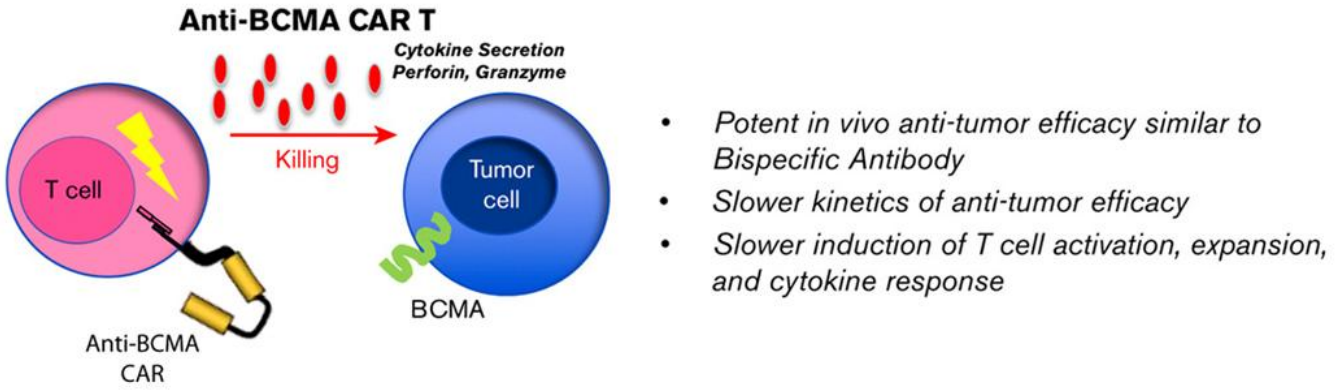
  - In the ongoing Phase 1/2 CARDINAL trial, dose-expansion data presented at the 2025 American Society of Hematology Annual Meeting showed a 75% cumulative major molecular response (MMR) rate by 24 weeks at the recommended Phase 2 dose range (>320 mg QD) in a heavily pretreated population (median 3 prior TKIs; 36% prior asciminib exposure). No dose-limiting toxicities were observed through 500 mg, treatment-emergent adverse events were predominantly low grade, and no clinically meaningful blood pressure changes or high rates of lipase elevation were reported.

  - The deal is the latest in a series of large-scale hematology/oncology acquisitions driven by impending patent cliffs across the large-cap pharma sector. Merck's blockbuster Keytruda (pembrolizumab), the world's top-selling drug at ~US$29.5B in 2024 revenue (about 46% of Merck's Rx sales that year & higher in F2025), loses US market exclusivity in late 2028. Merck is not alone in this conundrum, as we discuss in a Feb/26 edition of our Healthcare Weekly regarding

Gilead's (GILD-Q, NR) US$7.8B acquisition of Arcellx (CAR-T, multiple myeloma). In coverage-universe context, Medexus Pharmaceuticals (MDP-T, Buy, PT $8.00) continues to commercialize GRAFAPEX (treosulfan), an alkylating agent approved by the FDA in January 2025 as a conditioning regimen for allogeneic stem cell transplant in acute myeloid leukemia and myelodysplastic syndrome.

- CML and AML/MDS are distinct disease entities with different treatment paradigms, but the broader takeaway is that large-cap pharma appetite for hematology assets remains robust. GRAFAPEX demonstrated a favorable overall survival hazard ratio of 0.67 versus busulfan (95% CI: 0.51-0.90) in its pivotal Phase 3 trial (Beelen et al., American Journal of Hematology, 2022) and has generated US$8.2M in product-level net revenue for the nine-month fiscal period ended Dec/2025, following its US commercial launch in Feb/25.

Exhibit 10. Schematic Describing The Mode Of Action For An Alternative BCMA-Based Immune Therapy That Gilead Acquired Through Its Arcellx Transaction Last Year, Similar To But Distinct From Ouro's T-Cell Engager Platform In OM336



Source: Adapted from *Blood Advances (2021). Vol. 5, pp. 1291-1304.*

- **UCB (UCB.BR-EUR, NR) announces US$2B US biologics manufacturing investment – capital deployment for expanding US-based Rx manufacturing is a recurring theme in our Healthcare Weekly commentary.** On March 24th, UCB announced that it would commit to building it's first US-based biologics manufacturing facility, committing approximately US$2.0B to the project. Gwinett County, Georgia, will host the 460,000 square-foot campus, with a six-to-seven-year design & build timeline. UCB already maintains its US headquarters in Smyrna, Georgia, and has grown its US workforce 73% since 2017 to nearly 2,000 employees.

  - The investment is tied to manufacturing scale for UCB's biologics-heavy portfolio, which generated €7.7B in total revenue in 2025 (+26% YoY). Bimzelx (bimekizumab), a dual IL-17A/F inhibitor approved across five immunology indications, generated over €2.2B in 2025 net sales (+200% YoY), already halfway to UCB's stated peak sales target of at least €4B. Patent protection extends to 2037, providing long-dated commercial runway that justifies front-loading capacity. The Georgia facility is expected to produce complex biologics 24/7, primarily for the US market.

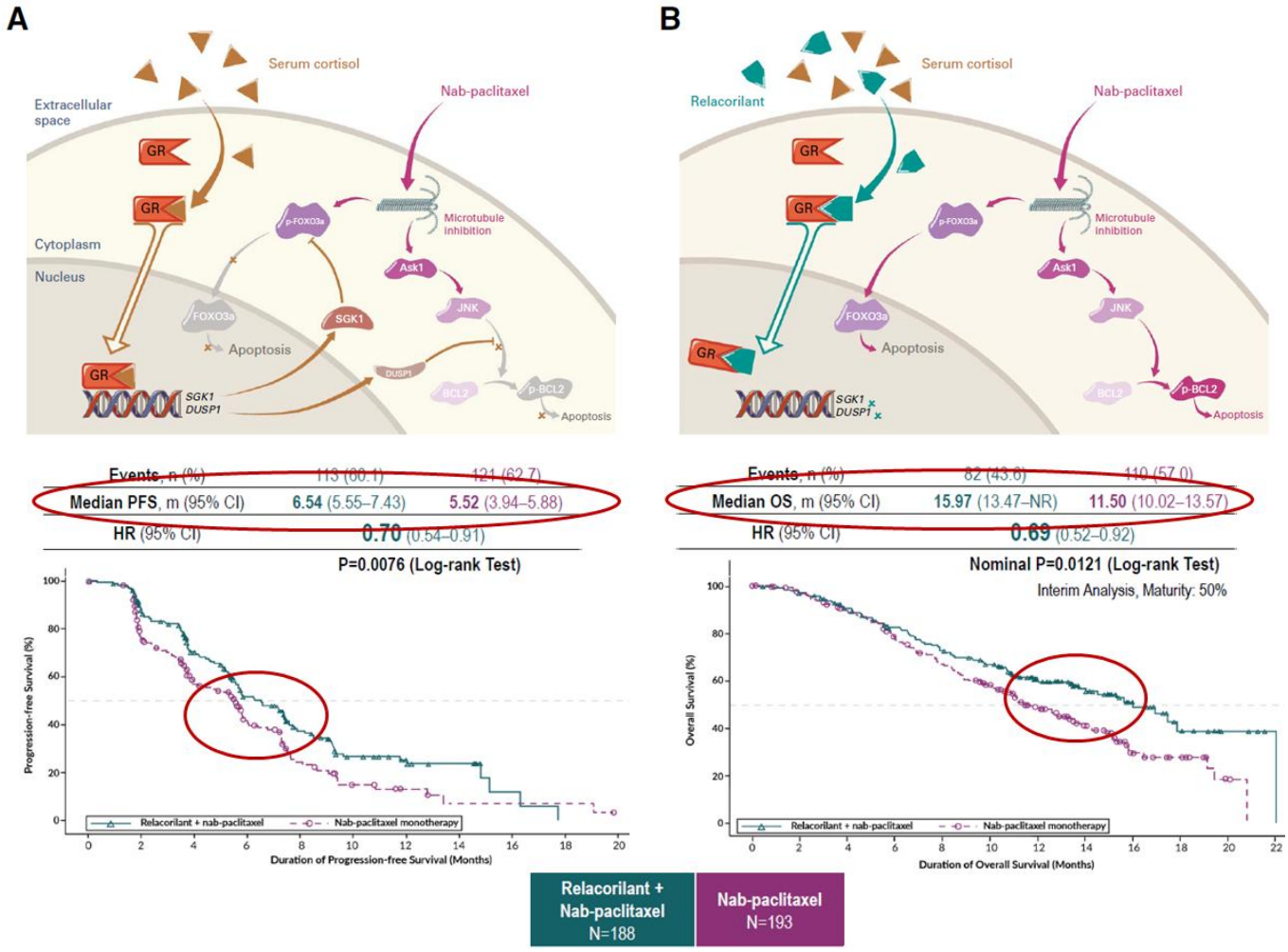
  - The announcement fits within the broader US biomanufacturing reshoring trend that has accelerated under tariff pressure. By late 2025, 14 major drugmakers had pledged over $480B in US manufacturing and R&D projects over 4-to-10-year timelines, prompted by a proposed 100% tariff on branded drug imports (Yadav, Think Global Health 2025). UCB's $2B is modest in absolute terms, but for a mid-cap biopharma generating under €8B in annual revenue, it is proportionally significant and signals that the onshoring dynamic extends beyond the largest multinationals. Capital intensity of biologics manufacturing creates meaningful barriers to entry and scale, and companies committing billions to US-based capacity are locking in long-term competitive positioning in the domestic market.

  - While UCB's investment does not directly intersect with our coverage universe, the broader biologics manufacturing cost dynamics remain relevant context. Both Eupraxia Pharmaceuticals (EPRX-Q, Buy, PT US$12.75) and Satellos Bioscience (MSCL-TSX / MSLE-Q, Spec Buy, PT US$16.00 / C$5.50) are developing small molecule therapies that sidestep the capital-intensive biologics manufacturing equation entirely. The billions being committed to biologics infrastructure industrywide underscore a structural cost advantage for oral and device-based drug delivery platforms,

particularly in niche indications where incumbents are unlikely to pursue competitive pricing responses given the fixed costs of mAb production and commercialization.

- **New ovarian cancer drug receives FDA approval.** Earlier this week, Corcept Therapeutics received FDA approval for its glucocorticoid receptor antagonist drug relacorilant/Lifyorli that when combined with Bristol Myers Squibb/Celgene/Abraxis' (BMY-NY, NR) albumin nanoparticle-paclitaxel formulation Abraxane/nab-paclitaxel is now indicated for treating women presenting with platinum-resistant epithelial ovarian, fallopian tube or primary peritoneal cancer.

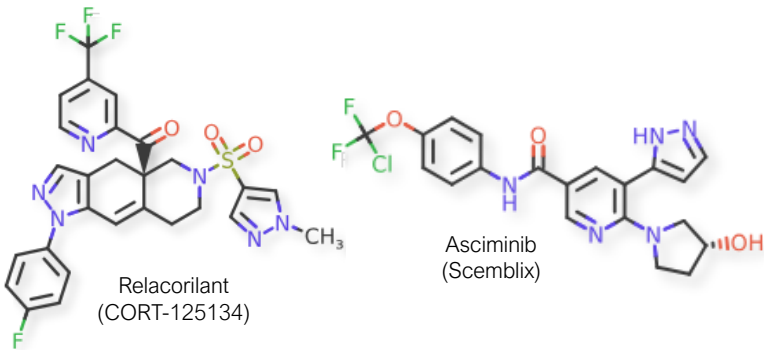
Exhibit 11. Mechanism Of Action & Phase III Data That Inevitably Supported Relacorilant/Lifyorli FDA Approval In Ovarian & Other Gynecologic Cancer Forms



Source: Adapted from *Journal of Clinical Oncology (2023). Vol. 41, pp. 4779-4789*; Corcept presentation at ESMO 2025

- The drug performed well in the 381-patient Phase III ROSELLA trial completed back in early FQ224, showing measurable (though modest in absolute terms at one month) progression-free survival benefit in relacorilant/Abraxane-treated patients in comparison to control patients receiving Abraxane monotherapy alone (6.54 months vs 5.52 months). Overall survival benefit was more pronounced in relacorilant-treated patients vs control patients at 16.0 months vs 11.5 months. Data from this trial were published last year in *The Lancet*.
- But interestingly, a subgroup analysis of patients who had previously received & then became refractory to treatment with a poly-ADP ribose polymerase (PARP) inhibitor like AstraZeneca's Lynparza showed even more dramatic impact on progression-free survival (7.4 months vs 4.6 months) & overall survival (7.4 months vs 3.9 months) from relacorilant/Abraxane therapy as compared to Abraxane monotherapy patients, suggesting that platinum/PARP inhibitor-refractory patients could be the most plausible indicated market for this new drug combination.

Exhibit 12. Molecular Structures Of Newly-Approved Relacorilant/Lifyorli & Of Novartis' Leukemia Drug Asciminib/ Scemblix To Which Merck's Newly-Acquired TERN-701 Will Inevitably Be Compared



Source: Adapted from PrecisionFDA

- **FDA Grants Accelerated Approval to Denali's (DNLI-Q, NR) AVLAYAH for Hunter Syndrome – relevant to regulatory risk for other orphan disease-targeted drug developers in our coverage universe**. The FDA on March 25 granted accelerated approval to AVLAYAH for the treatment of neurologic manifestations of Hunter syndrome (mucopolysaccharidosis type II, or MPS II) in presymptomatic or symptomatic pediatric patients weighing at least 5 kg before advanced neurologic impairment. It is the first new US treatment for Hunter syndrome in nearly two decades and the first FDA-approved biologic designed to cross the blood-brain barrier via transferrin receptor-mediated transcytosis. Denali was also awarded a Rare Pediatric Disease Priority Review Voucher (PRV) in connection with the approval.
  - Hunter syndrome is an X-linked recessive lysosomal storage disorder caused by deficiency of the enzyme iduronate-2-sulfatase (IDS), leading to progressive accumulation of glycosaminoglycans (GAGs), including heparan sulfate, across essentially all cell types, tissues, and organs. Neurological manifestations are the most devastating features in the severe phenotype as existing therapies (Takeda's Elaprase, approved in 2006) cannot cross the blood-brain barrier, leaving CNS disease unaddressed. AVLAYAH is composed of replacement IDS fused to Denali's proprietary TransportVehicle (TV) platform, which exploits receptor-mediated transcytosis via the transferrin receptor (TfR) to actively ferry the enzyme across the BBB into the CNS. The concept of leveraging TfR for brain-targeted drug delivery has been explored in the academic literature for decades (Bray & coworkers as published in 2014 in *Nature Reviews Drug Discovery*), but AVLAYAH represents the first American clinical validation in an approved product.
  - The accelerated approval was based on a Phase 1/2 multicenter, open-label trial in 47 pediatric patients aged 3 months to 13 years. At week 24, the 44 patients with evaluable CSF measurements showed an approximate 91% mean reduction in cerebrospinal fluid heparan sulfate (CSF HS). Peripheral biomarker reductions were also robust, with urinary heparan sulfate declining approximately 88%, and serum neurofilament light (NfL), a marker of neuroaxonal injury, declining 21% at week 49 and 71% at week 104. Clinical signals included stabilization or improvement in adaptive behavior, cognition, and hearing, with liver volume normalization at 24 weeks. The approval was based on CSF HS as a surrogate endpoint reasonably likely to predict clinical benefit, a standard agreed upon by Denali and the FDA during pre-BLA discussions. Continued approval is contingent on confirmatory evidence from the Phase 2/3 COMPASS trial (NCT05371613), which is over 95% enrolled and randomizes participants 2:1 to either AVLAYAH or Elaprase for up to 96 weeks.
  - The approval stands in contrast to the FDA's complete response letter issued to REGENXBIO's (RGNX-Q, NR) AAV-based gene therapy RGX-121 for the same indication just six weeks earlier (February 9), which we covered in our March 4 note. The agency cited three deficiencies: uncertain phenotype definition in the enrolled population, inadequate comparability of external controls, and insufficient evidence supporting CSF D2S6 as a surrogate endpoint. Denali avoided each of these pitfalls by using a more broadly validated biomarker (total CSF HS rather than a bespoke disaccharide fragment), securing explicit pre-BLA alignment with the FDA on its surrogate, and already having a randomized confirmatory trial (COMPASS) largely enrolled against an active comparator.
  - We are not concerned about REGENXBIO-type regulatory risk for Satellos, who is also in the pediatric rare disease space. BASECAMP is not seeking accelerated approval on the basis of an intermediary biomarker surrogate; the trial

is placebo-controlled and randomized (n=51), with primary endpoints built around muscle force and secondary endpoints encompassing muscle quality, function, and regeneration, including validated functional assessments such as the NSAA. These are clinically meaningful outcomes that the FDA has accepted in prior DMD approvals, not the kind of single-biomarker surrogates that tripped up REGENXBIO.

Capital Markets Summary

Exhibit 13. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 26-Mar	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 [2,4]														
DRI Healthcare Trust	CAD	DHT.UN	55.0	$17.10	941	941	1,552	1,552	7.4x	7.1x	6.7x	NA	7.4x	7.2x
Jamieson Wellness	CAD	JWEL	41.2	$34.45	1,421	1,421	1,869	1,869	11.8x	10.5x	9.4x	23.1x	16.3x	13.9x
K-Bro Linen	CAD	KBL	13.0	$35.54	462	462	759	759	7.3x	7.0x	6.6x	21.3x	16.8x	15.4x
Medical Facilities [1]	CAD	DR	17.7	$11.82	209	288	400	552	6.5x	7.0x	7.0x	20.8x	5.8x	17.6x
Microbix Biosystems	CAD	MBX	138.3	$0.24	33	33	31	31	NA	NA	10.7x	NA	NA	NA
Savaria	CAD	SIS	71.7	$26.33	1,889	1,889	2,076	2,076	11.4x	10.2x	9.4x	27.4x	19.0x	17.0x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales [2]														
Aurinia Pharma	USD	AUPH	133.0	$14.37	1,911	2,639	1,582	2,184	9.1x	7.2x	6.0x	6.6x	18.1x	13.7x
Bausch Health	USD	BHC	370.6	$5.08	1,882	2,600	30,884	42,650	6.6x	5.9x	6.0x	12.0x	1.2x	1.2x
BioSyent	CAD	RX	11.7	$14.61	171	171	149	149	NA	11.8x	10.5x	18.7x	16.8x	15.4x
Cipher Pharma [1]	CAD	CPH	25.3	$12.19	308	425	434	599	NA	15.4x	12.3x	11.8x	16.4x	12.8x
HLS Therapeutics [1]	CAD	HLS	31.3	$3.18	99	137	190	263	11.7x	9.5x	8.0x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.0	$7.11	697	697	661	661	9.8x	9.1x	8.2x	NA	NA	29.0x
Medexus Pharma [1]	CAD	MDP	32.3	$2.24	72	100	114	158	8.5x	7.3x	5.3x	NA	NA	7.0x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	62.8	$3.82	240	240	304	304	10.1x	8.2x	7.3x	9.2x	22.0x	12.7x
Chartwell Retirement	CAD	CSH.UN	316.6	$19.78	6,263	6,263	9,141	9,141	22.7x	18.1x	16.5x	NA	NA	52.1x
Extendicare	CAD	EXE	94.5	$25.56	2,414	2,414	2,397	2,397	13.6x	10.9x	9.0x	22.6x	21.7x	17.8x
Vital Infrastructure	CAD	VITL.UN	250.0	$5.35	1,337	1,337	2,614	2,614	10.1x	12.2x	12.4x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	$0.33	29	29	31	31	11.6x	NA	NA	NA	NA	NA
Sienna Senior Living	CAD	SIA	102.9	$22.01	2,266	2,266	3,571	3,571	23.8x	17.8x	16.2x	45.0x	36.7x	31.9x
Profitable Canadian healthcare firms - medical equipment distribution/sales [3]														
Covalon Technologies	CAD	COV	27.6	$1.72	48	48	32	32	22.0x	9.1x	5.9x	48.3x	24.6x	12.3x
Viemed Healthcare	USD	VMD	38.6	$9.35	361	361	500	690	7.4x	5.4x	4.8x	24.2x	19.5x	15.1x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms														
Healwell AI	CAD	AIDX	294.1	$0.82	241	241	309	309	NA	35.9x	19.2x	NA	NA	NA
Hydreight	CAD	NURS	53.4	$2.79	149	149	138	138	NA	6.1x	3.9x	NA	9.3x	5.7x
Kneat.com	CAD	KSI	95.8	$3.51	336	464	316	316	57.0x	18.1x	12.3x	NA	NA	NA
Vitalhub	CAD	VHI	63.2	$7.10	449	620	332	332	14.6x	9.7x	8.2x	NA	28.2x	22.4x
Well Health	CAD	WELL	255.5	$3.86	986	986	1,739	1,739	8.6x	9.4x	8.6x	NA	12.9x	9.9x
Average									**13.9x**	**11.2x**	**9.2x**	**22.4x**	**17.2x**	**16.5x**
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***
Dentalcorp Holdings	***CAD***	***DNTL***	***192.0***	***$11.00***	***2,112***	***2,112***	***3,112***	***3,112***	***10.9x***	***NA***	***NA***	***NA***	***NA***	***NA***
Quipt Home Medical	***USD***	***QIPT***	***44.5***	***$3.65***	***162***	***223***	***235***	***323***	***5.4x***	***NA***	***NA***	***2.1x***	***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*

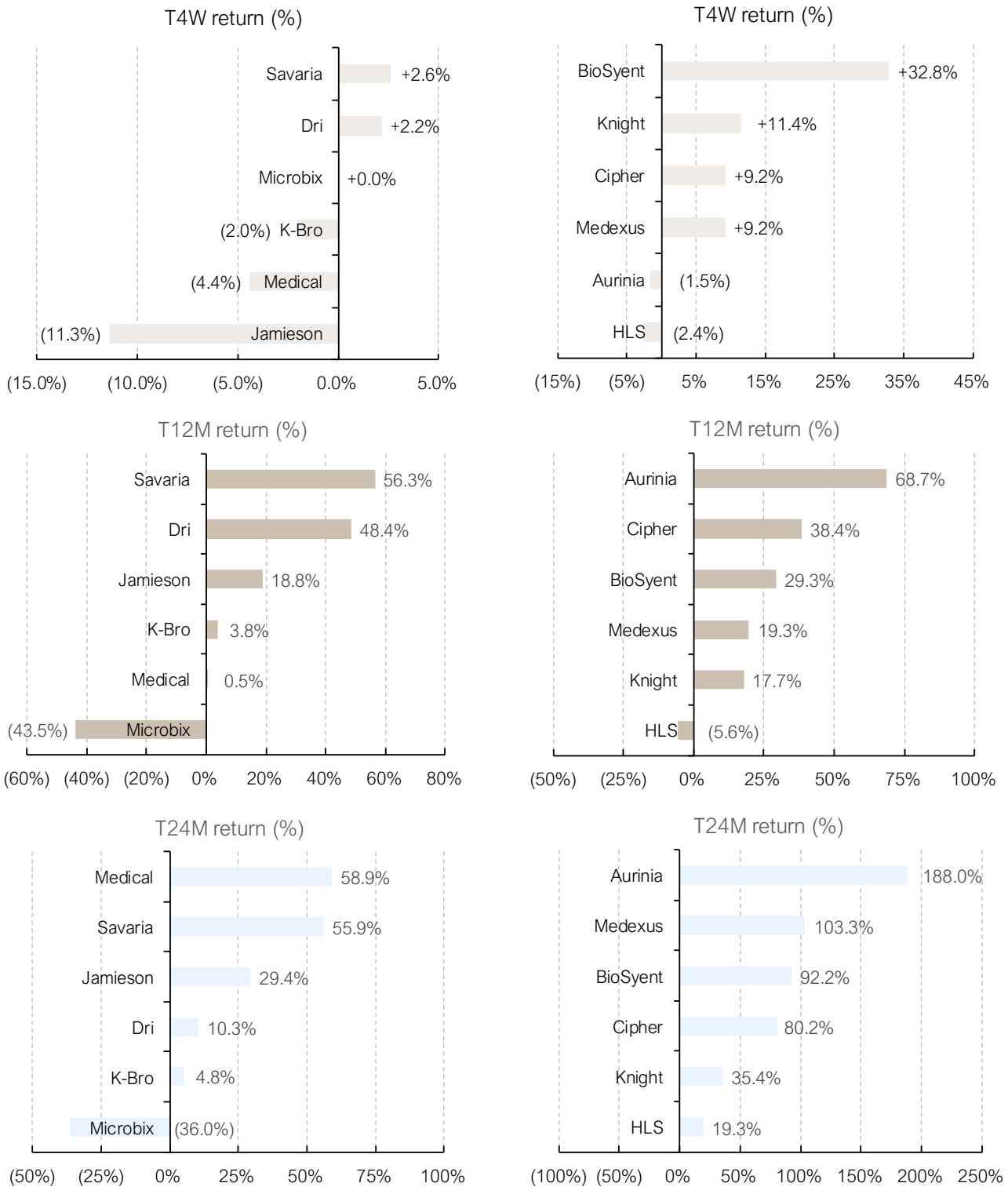
[2] *Legacy specialty pharmaceutical firm & coverage stock Theratechnologies (TH-T, THTX-Q) was acquired in Sept/25 by CB Biotechnology/Future Pak for cumulative consideration of US$4.20/shr; Andlauer's acquisition by UPS (UPS-NY, NR) is closed as of Nov/25*

[3] *Quipt Home Medical was bid to be acquired by Kingswood Capital & Forager Capital for US$3.65/shr in Dec/25, transaction closed in Mar/26*

[4] *Dentalcorp Holdings was acquired by US private equity firm GRCR LLC in Sept/25 for an EV of C$3.3B (market value C$2.1B); transaction closed in Jan/26*

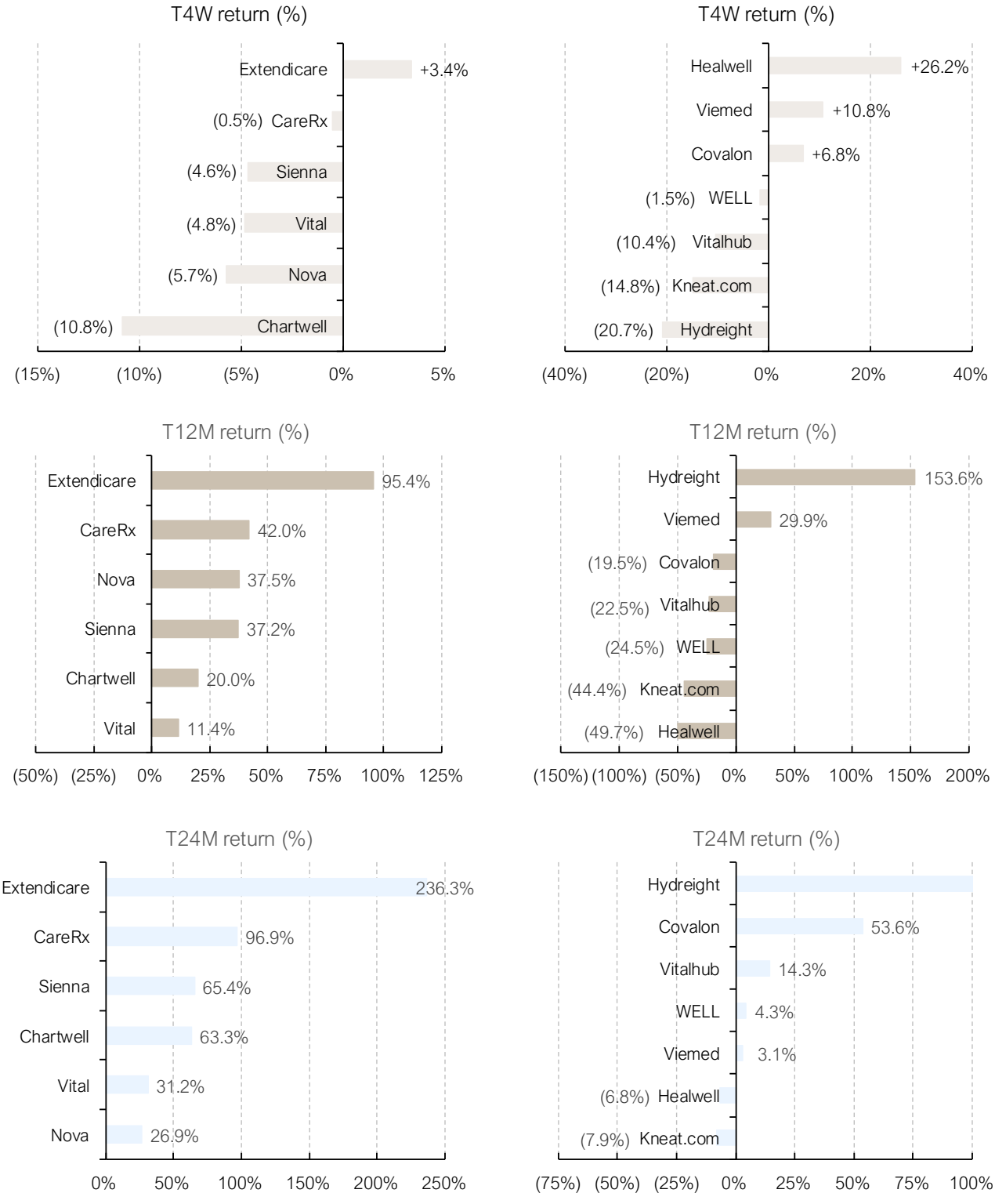
Source: Refinitiv, company reports, Leede Financial

Exhibit 14. 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 15. 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 *(Hydreight [NURS-V, NR] T24M return 830%)*

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RECOMMENDATION	NO. OF COMPANIES	%
Buy	9	60%
Speculative Buy	4	26%
Hold	1	7%
Sell	-	-
Tender	-	-
Under Review	1	7%

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
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
Satellos Biosciences | MSCL-TSX	2