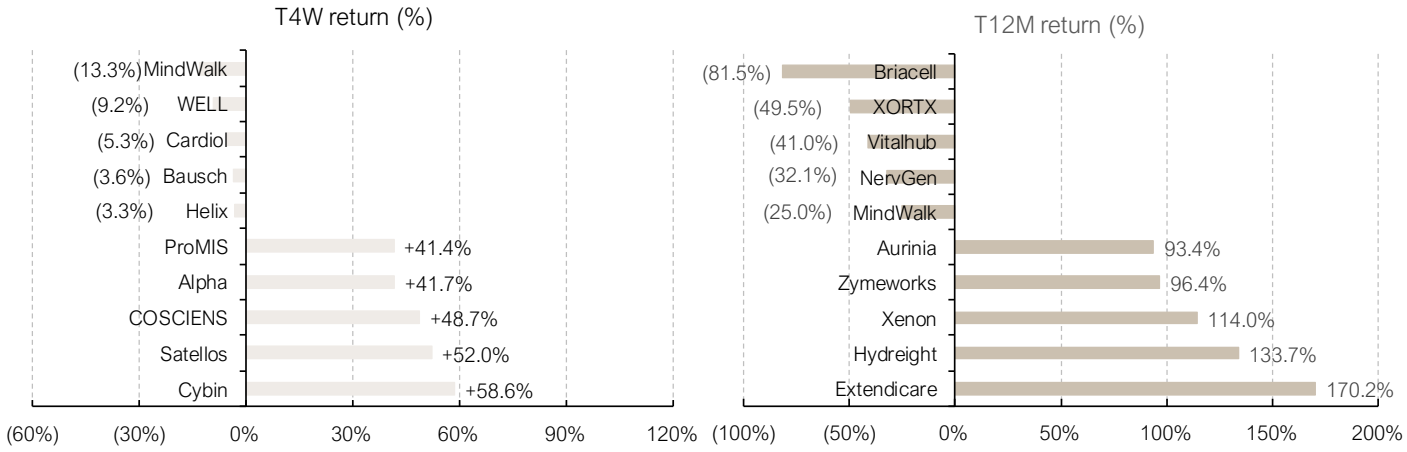
Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Updates From Our Healthcare Universe

- **Satellos provides encouraging-if-early six-month TRAILHEAD data, reinforcing disease-modification thesis for SAT-3247 in Duchene Muscular Dystrophy.** ON-based small-molecule drug developer Satellos Bioscience (MSCL-T, Spec Buy, PT US$16.00) reported encouraging six-month interim data from the open-label TRAILHEAD study of SAT-3247, its oral AAK1 inhibitor, in four adults aged 21–28 with DMD who originally enrolled in the CL-101 Phase Ib trial. Across every domain measured --muscle composition, serum biomarkers, upper-extremity strength, & real-world function-- outcomes were stable to improving through six months, spanning an aggregate ~14-17 month observation window that includes a 7-11 month off-drug interval between studies. Safety data were encouragingly uneventful & thus are not yet showing any impact on our views on SAT-3247 medical prospects (no serious adverse events, no drop-outs, 186-day mean exposure).

- Headline results are as follows: MRI muscle fat fraction -3.68% in all four participants; serum CK (biomarker for muscle damage) -38% (2,130→1,315 U/L); the near-doubling in handgrip strength seen in CL-101 maintained through Day 140; SYSNAV total effort (TE99C) +~34%; & FVC, PUL2.0 & PedsQL (quality of life score) stable-to-improved. Worth emphasizing is not isolated single figures but the convergence of independent modalities (imaging, enzyme, strength, wearable, & patient-reported) all moving the right direction.

    - **Imaging & biomarkers continue to point toward disease modification.** The MRI fat-fraction result is an exhibit to weigh heavily in this readout. Progressive replacement of muscle with fibro-fatty tissue is the defining pathology of advancing DMD. This replacement is active, the adipose & fibrous tissue derives from mesenchymal progenitor cells that, under pathological conditions, differentiate into fat & connective tissue & actively inhibit rather than support muscle regeneration (*Yamanouchi & coworkers*, as published in *Scientific Reports* in 2020).

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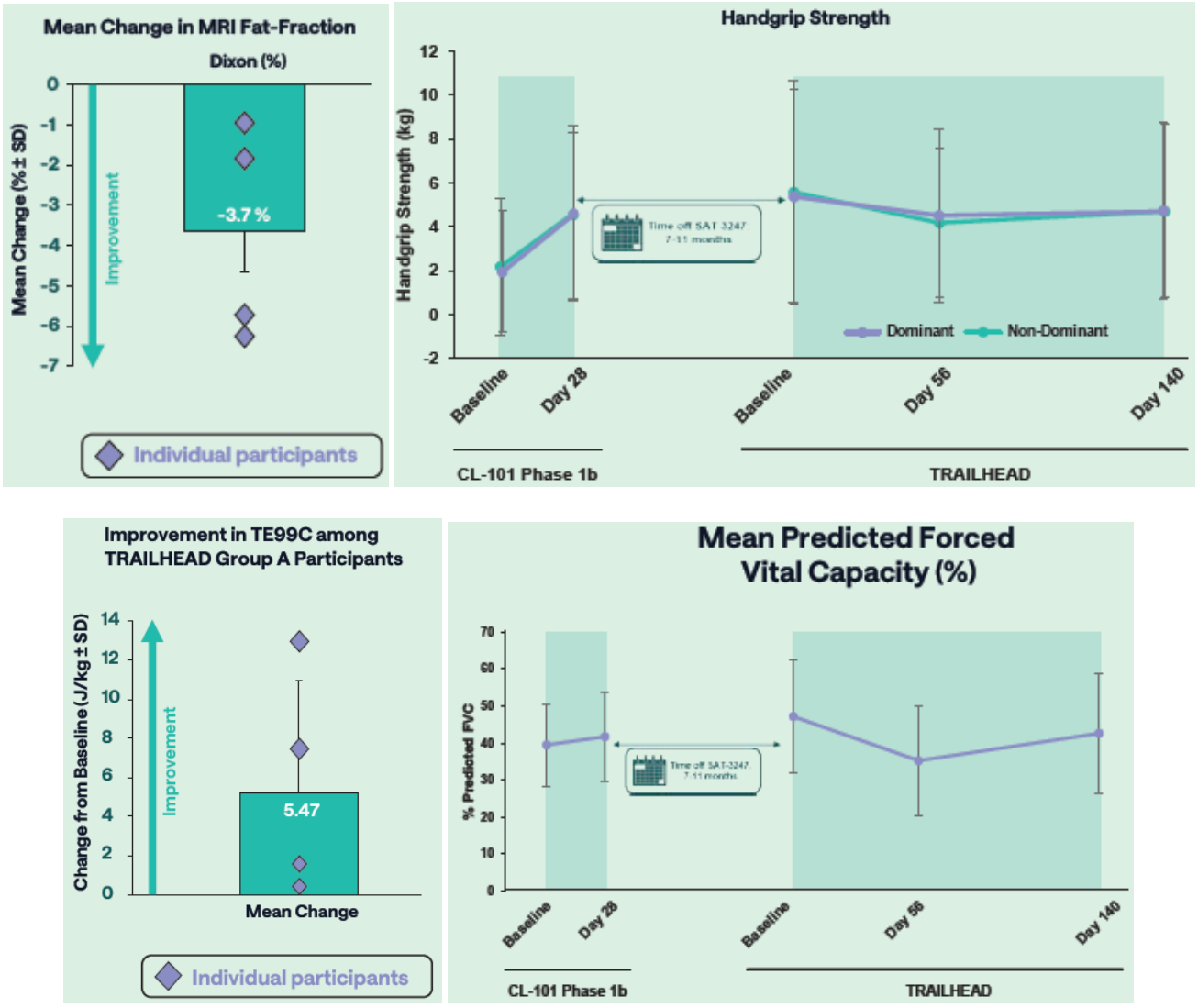
- A decrease in fat fraction across all four participants is therefore directionally opposite to the natural history of DMD, where fat accumulation progresses with age (see Exhibit 2), & is more consistent with muscle regeneration than with deceleration of damage alone. The 38% decline in serum CK from CL-101 baseline through TRAILHEAD Month 6 corroborates reduced ongoing muscle-membrane damage.

Exhibit 2. Satellos Demonstrated Strong Impact From SAT-3247 Dosing On MR-Confirmed Fat Fraction Reversal & On Various Measures Of Muscle Function Recovery



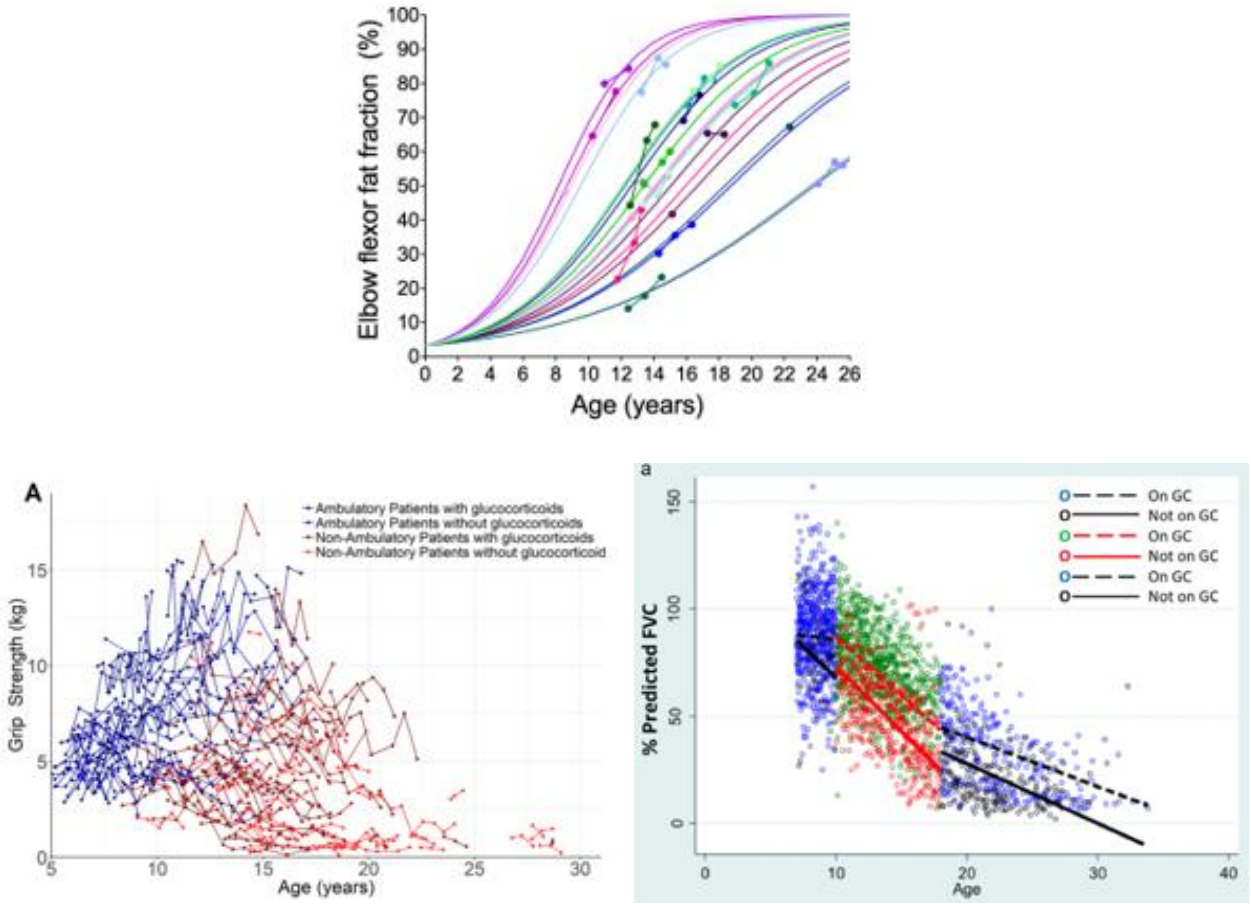
Source: Adapted from Satellos poster presentation at the *19th International Congress on Neuromuscular Diseases (Jul/26)*

- **Functional measures, including FVC & grip strength, are even more encouraging viewed against the correct natural-history benchmarks for this population.** Non-ambulatory DMD adults in their third decade sit at the poor-prognosis end of the disease. Longitudinal data from the CINRG Duchenne Natural History Study (McDonald et al., *Neuromuscul Disord* 2018) show adult FVC%p declining roughly 2–3% per year in the 18+ age band, with progression toward an absolute FVC <1 L associated with a 4.1× mortality hazard ratio. In this context, maintenance of FVC over the observation period is a meaningful outcome, not a neutral one.

- On grip strength, the appropriate benchmark is adult non-ambulatory natural history, not a flat line. Longitudinal MyoGrip data from the largest published natural-history dataset (Hogrel et al., *J Neurol* 2020; n=202) show non-ambulatory patients declining −0.34 kg/yr in absolute grip, with glucocorticoid-treated patients (which TRAILHEAD's subjects are) starting higher & losing more normalized strength (−2.84 percentage-points/yr, p<0.001), reflecting a "more to lose"

dynamic off a higher baseline. Empirically, at age 20–27, Hogrel's data show non-ambulatory grip clustered near the floor at ~0.5–2 kg. TRAILHEAD's ~4 kg plots well above that cluster. The natural-history comparison for these patients is modest continued decline, making the maintained near-doubling from CL-101 a upward divergence from the appropriate (& harder, GC-matched) benchmark.

Exhibit 3. Normal Trajectory of Fat Fraction, Forced Expiratory Volume, Grip Strength In Duchenne Muscular Dystrophy Patients



Source: Adapted from *Naarding, KJ (2023). Outcome Measures in Duchenne Muscular Dystrophy, Universiteit Leiden (Publisher); McDonald & coworkers in Neuromuscular Disorders (2018). Vol. 28, pp. 897-909; Hogrel & coworkers in Journal of Neurology (2020). Vol. 267, pp. 2022-20028.*

- **Age-dependent depletion of the satellite-cell pool in DMD, more advanced in adults & better preserved in children, frames BASECAMP as the mechanistically-favored test of SAT-3247.** SAT-3247 restores satellite-cell asymmetric division & progenitor output by inhibiting AAK1, independent of dystrophin expression. A critical question is whether sufficient regenerative substrate remains in these late-stage adults for the drug to act on. The published literature suggests that the satellite-cell pool is progressively depleted & senescent with disease advancement. In the mdx mouse, initial muscle damage activates & expands the satellite-cell pool in young animals, but this is followed by age-dependent depletion driven by impaired self-renewal & Notch-signaling deficiency (*Jiang & coworkers*, as published in *Disease Model & Mechanism* in 2014).
- In DMD rats & patient tissue, senescence (p16/CDKN2A-driven cell-cycle arrest) is induced in both satellite cells & mesenchymal progenitors, with impaired myogenic commitment (decreased MyoD+ cells) evident even before numerical depletion of the Pax7+ pool (*Yamanouchi & coworkers* as published in *Scientific Reports* in 2020). Adults in their 20s represent the substrate-poorest population SAT-3247 will treat since they present with depleted pool, senescent cells, fibro-fatty dominant structure. Considering an imaging & functional signal appears *despite* these constraints is thesis-supporting for the mechanism. But it also supports the perspective that the drug's real domain of

maximum effect is in younger patients, where the satellite-cell pool is still preserved or hyperplastic & the regenerative niche remains permissive. Satellos's own in-human data support this directly: in CL-101, grip-strength gains correlated with both drug exposure (Cmax) & baseline muscle mass (Spearman 0.9 dominant, 0.7 non-dominant), & the company itself highlights that the pediatric age group is expected to have more muscle mass than adults.

Exhibit 4. Income Statement & Financial Forecast Data for Satellos Biosciences

Year-end December 31 (US$000, exc share data)	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
SAT-3247 royalty revenue, US	$0	$0	$0	$31,455	$63,287	$84,889	$106,748	$128,866	$151,246	$163,021	$174,933	$186,981
SAT-3247 royalty revenue, EU	$0	$0	$0	$0	$39,635	$80,063	$107,818	$136,120	$164,978	$194,399	$210,367	$226,635
Total SAT-3247 revenue	**$0**	**$0**	**$0**	**$31,455**	**$102,922**	**$164,952**	**$214,566**	**$264,986**	**$316,223**	**$357,420**	**$385,300**	**$413,616**
Revenue growth (%)	*NA*	*NA*	*NA*	*NA*	*227%*	*60%*	*30%*	*23%*	*19%*	*13%*	*8%*	*7%*
R&D, clinical expenses	$22,500	$22,500	$15,000	$14,155	$12,351	$8,248	$7,510	$7,420	$7,906	$7,148	$6,935	$6,204
G&A, marketing expenses	$5,250	$5,500	$6,000	$8,176	$9,547	$10,287	$10,112	$11,194	$11,705	$12,322	$12,611	$12,803
Other expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EBITDA	**($27,750)**	**($28,000)**	**($21,000)**	**$9,124**	**$81,025**	**$146,417**	**$196,944**	**$246,372**	**$296,612**	**$337,949**	**$365,753**	**$394,609**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*788%*	*81%*	*35%*	*25%*	*20%*	*14%*	*8%*	*8%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*29%*	*79%*	*89%*	*92%*	*93%*	*94%*	*95%*	*95%*	*95%*
Non-operating expenses	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260	$1,260
EBIT	**($29,010)**	**($29,260)**	**($22,260)**	**$7,864**	**$79,765**	**$145,157**	**$195,684**	**$245,112**	**$295,352**	**$336,689**	**$364,493**	**$393,349**
Other non-oper expenses	($1,538)	($1,576)	($1,615)	($1,656)	($1,697)	($1,740)	($1,783)	($1,828)	($1,873)	($1,920)	($1,968)	($2,017)
EBT	**($27,473)**	**($27,684)**	**($20,645)**	**$9,519**	**$81,462**	**$146,897**	**$197,467**	**$246,940**	**$297,226**	**$338,609**	**$366,462**	**$395,367**
Tax expense, other	$0	$0	$0	$2,380	$20,365	$36,724	$49,367	$61,735	$74,306	$84,652	$91,615	$98,842
Net income, fully-taxed	**($27,473)**	**($27,684)**	**($20,645)**	**$7,140**	**$61,096**	**$110,173**	**$148,100**	**$185,205**	**$222,919**	**$253,957**	**$274,846**	**$296,525**
Fully-taxed EPS (basic)	($1.32)	($1.28)	($0.95)	$0.33	$2.82	$5.09	$6.84	$8.55	$10.29	$11.72	$12.69	$13.69
Fully-taxed EPS (fd)	**($1.19)**	**($1.16)**	**($0.87)**	**$0.30**	**$2.56**	**$4.62**	**$6.21**	**$7.76**	**$9.34**	**$10.64**	**$11.52**	**$12.43**
P/E (basic)	*NA*	*NA*	*NA*	*21.7x*	*2.5x*	*1.4x*	*1.0x*	*0.8x*	*0.7x*	*0.6x*	*0.6x*	*0.5x*
EV/EBITDA	*NA*	*NA*	*NA*	*3.3x*	*0.4x*	*0.2x*	*0.2x*	*0.1x*	*0.1x*	*0.1x*	*0.1x*	*0.1x*
S/O, basic (M)	*20,831*	*21,665*	*21,665*	*21,665*	*21,665*	*21,665*	*21,665*	*21,665*	*21,665*	*21,665*	*21,665*	*21,665*
S/O, fd (M)	*23,026*	*23,859*	*23,859*	*23,859*	*23,859*	*23,859*	*23,859*	*23,859*	*23,859*	*23,859*	*23,859*	*23,859*

Source: Leede Financial

- BASECAMP (ages 7–9, N=51) remains a key catalyst. It tests SAT-3247 in the mechanistically favored population with a 12-week placebo-controlled period providing the concurrent control TRAILHEAD lacks. Full enrollment is expected Q3 2026, with topline data expected Q4 2026. TRAILHEAD one-year data is also expected Q4 2026. The company is well-capitalized (US$69.9M cash at Q1 2026, runway through 2027). Obvious caveats remain, TRAILHEAD is a n=4, single-arm, open-label, with grip measured off a low floor & TE99C an emerging non-FDA-recognized endpoint, & that >20-year natural-history comparator data is thin. The strength of this interim is the cross-modality consistency & its coherence with the regeneration mechanism.

Exhibit 5. Valuation Scenarios for Satellos Biosciences

NPV, discount rate		**20%**	**25%**	**30%**	**35%**	**40%**
Implied value per share		$35.77	$22.70	**$14.55**	$9.04	$5.46
Price/earnings multiple, 2031E		**20%**	**25%**	**30%**	**35%**	**40%**
Implied share price[1,2]	**10**	$12.35	$10.49	$8.97	$7.71	$6.67
	20	$24.70	$20.98	**$17.93**	$15.42	$13.33
	30	$37.05	$31.47	$26.90	$23.13	$20.00
EV/EBITDA multiple, 2031E		**7.5x**	**10x**	**12.5x**	**15x**	**17.5x**
Implied share price[1,2]		$9.94	$12.92	**$15.89**	$18.86	$21.83
One-year MSCL target price (US$)[1,2]				**$16.12**		

[1] *Based on F2031 fd fully-taxed EPS of US$2.56; EBITDA of US$81.0M, discounted at 30%, current basic S/O post-consol, post Feb/26 equity offering of 20.8M, FD S/O of 23.0M (excluding pre-funded*

[2] *Enterprise value based on notional fd S/O of 23.9M (assumes supplemental equity capital raise during our forecast period); FQ126 cash of US$69.9M, no LT debt*

Source: Satellos Biosciences financial filings, Leede Financial

Other Significant Clinical Trial Updates With Relevance To Our Coverage Universe

- **Providing a few qualifying details on M&A activity in the biotech/medtech sector this year.** As inspired by a recent article published in the biotechnology news organization Biospace, we thought it useful to summarize in tabular form all of the mergers & acquisition activity on which we have been commenting in our Healthcare Weeklies this year, as shown in Exhibitx 6-to-8. As always, we feature acquisitions of clinical-stage technology developers in our sector reviews for a few reasons – first of all, such transactions provide foundational support (or refutation in some cases) of the valuation metrics we ascribe to our formal coverage stocks. Secondly, acquisition activity provides equally foundational activity in support of what value could be ascribed to our coverage universe by well-capitalized strategic partners, usually at a premium to the value ascribed by generalist capital markets. And thirdly, acquisitions provide us with insights into just where all of the key innovations are transpiring, as viewed by strategic drug/biologics/medical technology developers that often (if not always) have greater insights into trends & patterns in future drug development. In fact, acquisition activity establishes the trends & patterns for which singular acquisitions themselves serve as singular data points on such trends.

  - Shifting to the tables themselves, we have a few high-level observations. First of all, just focusing on acquisitions of drug/biologics developers, cumulative value ascribed to the forty-four transactions we summarize in Exhibits 6 & 7 is US$126.5B as of this writing, thirty of which were consummated at valuations at/above US$1B & cumulative capital deployed to those larger transactions collectively considered was US$118.5B, or 94% of the total. In the Biospace article this week to which we refer above, seven other smaller transactions totalling US$334M in cumulative deal value were included. We will reserve analysis of those transactions for another forthcoming Healthcare Weekly. Our tabulation of year-to-date acquisitions includes acquisitions announced just within the last few days (Vertex's [VRTX-Q, NR] acquisition of Crinetics Pharmaceuticals [CRNX-Q, NR], Ipsen SA's [IPN-FR, NR] acquisition of Memo Therapeutics [private], both of which we describe below in this document).

  - Secondly & consistent with our preconceptions, acquired firms were predominantly focused on a few high-profile therapy development categories – fifteen transactions (34% of the total) were mostly focused on acquiring clinical-stage or approved oncology assets, with comparatively fewer transactions focused on cardiometabolic/cardiopulmonary or infectious disease or neurology pipelines. Of note, there were nine transactions where the acquired asset was valued at/above US$6.7B, four of which were unsurprisingly oncology-focused & with two of these (Gilead-Arcellx, Eli Lilly-Kelonia; Exhibit 6) focused on novel CAR-T platforms & two others focused on small molecules that inhibit kinase-mediated signalling pathways that become unregulated in emerging tumors (GSK-Nuvalent, Merke-Terns; Exhibit 6). One of the higher-value transactions was Sun Pharma's acquisition of commercial-stage Organon, which stands out from the other feature acquisitions for likely being more focused on acquiring existing revenue/EBITDA & not notional revenue/EBITDA as ascribed to pre-revenue clinical-risk drug developers.

  - But two of the other higher-value acquisitions include AbbVie's (ABBV-Q, NR) acquisition of atopic dermatitis-focused anti-interleukin-13 mAb developer Apogee (APGE-Q, NR) that is to us a clear effort to enter dermatology/inflammatory disease medical markets currently dominated by Sanofi's (SNY-NY, NR) multi-blockbuster anti-interleukin-4/interleukin-13 mAb dupilumab/Dupixent. And the other unicorn in the list of higher-value acquisitions is the aforementioned acquisition of Crinetics by Vertex, a transaction that seems focused on acquiring novel endocrinology assets paltusotine/palsonify (an SST2 receptor agonist targeting acromegaly, an indication not often relevant to our coverage universe) & Phase III-stage ACTH agonist atumelnant, targeting congenital adrenal hyperphasia that is correspondingly uncommon in the suite of indications that our historic coverage universe ever addressed.

  - Unsurprisingly, many acquisitions focus on acquiring antibody-based assets & specifically in oncology, acquiring antibody-drug conjugates or acquiring methods for creating such therapies. Thirteen transactions ascribed at least partial value to antibody-based pipeline assets. But more surprising to us, just from the viewpoint of acknowledging the historic context of how the biotechnology sector was driven by innovations in recombinant DNA technology that made production or protein/antibody/nucleic acid-based therapeutics possible, many of the acquired pipeline assets were small molecules, just as they have been throughout the nearly two-century-long history of the pharmaceutical industry in North America & western Europe. Sixteen acquisitions ascribed at least partial transaction value to lead clinical programs that were focused on small-molecule drugs.

Exhibit 6. Acquisition History In Global Biotechnology/Drug Development Space, Year-To-Date F2026

Acquired firm	Ticker	Acquirer	Ticker	Deal value (US$M)	Transaction driver or lead product	Development status	Date of transaction	Therapeutic indication	Platform technology
Drug/Biologics/Cell Therapy Developers - Blockbuster Deal Terms									
Organon	OGN-NY	Sun Pharma-ceuticals	SUN.NS	$12,558	Women's health, biosimilars, cardiorespiratory	Approved (multiple products)	26/Apr/26	Diversified, commercial	NA
Apogee Thera-peutics	APGE-Q	AbbVie	ABBV-Q	$10,670	zumilokibart/APG777 (anti-IL-13 mAb)	Phase II (atopic dermatitis)	22/Jun/26	Inflammation-immunology	Antibody
Nuvalent	NUVL-Q	GSK	GSK-LN	$10,629	zidesamtinib (ROS1 inhibitor), neladalkib (ALK inhibitor)	Phase I/II (non-small cell lung cancer)	9/Jun/26	Oncology	Small molecule
Crinetics Pharma-ceuticals	CRNX-Q	Vertex Pharma-ceuticals	VRTX-Q	$10,000	paltusotine/Palsonify (SST2 agonist), atumelnant (ACTH agonist)	Approved (acromegaly), Phase III (congenital adrenal hyperplasia)	6/Jul/26	Rare diseases	Small molecule
Centessa Pharma-ceuticals	CNTA-Q	Eli Lilly	LLY-NY	$8,137	cleminorexton (orexin receptor 2 inhibitor)	Phase II (narcolepsy)	31/Mar/26	Neurology	Small molecule
Arcellx	ACLX-Q	Gilead Sciences	GILD-Q	$7,593	Anitocabtagene autoleucel (BCMA-targeted CAR-T)	Phase I/II (relapsed multiple myeloma)	23/Feb/26	Oncology	Cell therapy (CAR-T)
Kelonia Thera-peutics	Private	Eli Lilly	LLY-NY	$7,000	KLN-1010 (lentiviral CAR-T)	Phase I/II (relapsed multiple myeloma)	20/Apr/26	Oncology	Cell therapy (CAR-T)
Terns Pharma-ceuticals	TERN-Q	Merck	MRK-NY	$6,865	TERN-701 (BCR-ABL tyrosine kinase inhibitor)	Phase I/II (chronic myeloid leukemia)	25/Mar/26	Oncology	Small molecule
Apellis Pharma-ceuticals	APLS-Q	Biogen	BIIB-Q	$6,763	Empaveli/felzartamab, Syfovre/pegcetacoplan	Approved (PNH, geographic atrophy)	31/Mar/26	Ophthalmology/ rare disease/ endocrinology	Protein/peptide (modified)
Soleno Thera-peutics	SLNO-Q	Neurocrine Biosciences	NBIX-Q	$2,647	Vykat XR (diazoxide choline)	Approved (hyperphagia Prader-Willi syndrome)	6/Apr/26	Cardiometabolic/ rare disease	Small molecule
Day One Bio-Pharma-ceuticals	DAWN-Q	Servier Pharma-ceuticals	Private	$2,510	Ojemda/tovorafenib, emiltatug ledadotin	Approved (pediatric glioma), Phase II (solid tumors)	6/Mar/26	Oncology	Antibody, small molecule
Perfuse Thera-peutics	Private	Bayer	BAYG-DE	$2,450	PER-001 (implantable endothelin receptor antagonist)	Phase II (glaucoma, diabetic retinopathy)	6/May/26	Ophthalmology	Intravitreal drug delivery
Orna Thera-peutics	Private	Eli Lilly	LLY-NY	$2,400	ORN-252 (autologous CD19-based CAR-T)	Phase I	9/Feb/26	Oncology	Cell therapy (CAR-T)
Ajax Thera-peutics	Private	Eli Lilly	LLY-NY	$2,300	AJ1-11095 (JAK2 inhibitor, conformation-dependent)	Phase I/II (myelofibrosis)	27/Apr/26	Oncology/ hematology	Small molecule
Candid Thera-peutics	Private	UCB SA	UCB-BR	$2,200	cizutamig/CND-106 (BCMA/CD3-based T-cell engager/mAb)	Phase I (lupus, myasthenia gravis, thyroid eye disease)	3/May/26	Immunology/ autoimmune disease	Antibody
Ouro Medicines	Private	Gilead Sciences	GILD-Q	$2,175	OM336/gamgertamig (BCMA/CD3-based T-cell engager/mAb)	Phase I/II (hemolytic anemia, thrombo-cytopenia)	23/Mar/26	Immunology/ autoimmune disease	Antibody
Vega Thera-peutics	Private	Incyte Corporation	INCY-Q	$2,000	VGA039 (anti-Protein S mAb)	Phase III (von Willebrand disease)	8/Jun/26	Hematology	Antibody
Excellergy	Private	Novartis	NVS-NY	$2,000	Exl-111 (anti-IgE mAb)	Phase I (allergy, asthma)	26/Mar/26	Immunology/ respiratory	Antibody
RAPT Thera-peutics	RAPT-Q	GSK	GSK-LN	$2,874	ozureprubart (anti-IgE mAb)	Phase III (allergy, asthma)	20/Jan/26	Immunology/ respiratory	Antibody
KalVista Pharma-ceuticals	KALV-Q	Chiesi Farmaceutici SpA	Private	$1,823	sebetralstat/Ekterly (plasma kallikrein inhibitor)	Approved (hereditary angioedema)	29/Apr/26	Rare diseases	Small molecule
Kartos Thera-peutics	Private	Ipsen SA	IPN-PA	$1,750	navtemadlin (MDM2 inhibitor)	Phase III (myelofibrosis)	29/Jun/26	Oncology/ hematology	Small molecule
Vaccine Company	Private	Eli Lilly	LLY-NY	$1,550	VXCO-102 (mRNA-based anti-EBV vaccine)	Phase I (EBV)	26/May/26	Infectious disease	*In vivo* nanoparticle delivery
Esperion Thera-peutics	ESPR-Q	ArchiMed Health Ventures LLC	Private	$1,543	bempedoic acid/Nexletol (ATP citrate lyase inhibitor), bumetanide/Enbumyst (loop diuretic)	Approved (LDL-C reduction, heart failure-associated edema)	1/May/26	Cardiovascular	Small molecule
Curevo	Private	Eli Lilly	LLY-NY	$1,500	amezosvatein (herpes zoster subunit vaccine)	Phase II (shingles vs Shingrix)	26/May/26	Infectious disease	Vaccine development
Transcend Thera-peutics	TSND-Q	Otsuka America	4578-JP	$1,225	TSND-201 (rapid-acting neuroplastogen analog, promotes neural regrowth)	Phase III (regulatory review pending)	27/Mar/26	Neurology (neuro-psychiatric, PTSD)	MOA transporter specificity w/o CNS side effects (5-HT2A receptor binding
Neurona Thera-peutics	Private	UCB SA	UCB-BR	$1,150	NRTX-1001 (GABA-ergic neuronal iPSC-derived cell therapy)	Phase III-pending (mesial temporal lobe epilepsy)	17/Apr/26	Neurology	Cell therapy
Ventyx Biosci-ences (acquired Zomagen Biosci in Apr/23)	VTYX-Q	Eli Lilly	LLY-NY	$1,101	VTX2735 (peripherally-restricted NLRP3 inhibitor), VTX3232 (CNS penetrant NLRP3 inhibitor)	Phase II (recurrent pericarditis)	7/Jan/26	Cardiometabolic/ neurology/ inflammatory	Small molecule
XOMA Royalty Corporation	XOMA-Q	Ligand Pharma-ceuticals	LGND-Q	$1,044	Ojemda/tovorafenib, Vabysmo/faricimab, Miplyffa/arimoclomol	Approved, royalty revenue	27/Apr/26	Oncology/ ophthalmology/ neurology	Small molecule, antibody
RayThera	Private	Biogen	BIIB-Q	$1,000	NA	Preclinical	17/Jun/26	Inflammation	NA
Firefly Bio	Private	Johnson & Johnson	JNJ-NY	$1,000	Firelink degrader Ab platform (Kras-targeted)	Preclinical	8/Jun/26	Oncology	Antibody (drug-conjugated)

Source: Adapted from Biospace, company reports

- The other element in our acquisition tables that stands out is the aggressive M&A activity that IN-based Eli Lilly (LLY-NY, NR) specifically has undertaken since the beginning of F2026, transacting on nine separate acquisitions with total deal value of US$25.1B. Interestingly, this endocrinology-focused global pharma firm (it generated 79.6% of its FQ126 Rx sales of US$19.8B from its cardiometabolic division & of those division-specific sales, US$13.7B or 69.4%, was derived from the firm's GLP-1 portfolio of Mounjaro-Zepbound-Trulicity) consummated acquisitions across multiple therapeutic indications, predictably with none focused on blood glucose modulation/type II diabetes to any significant degree since diversification from that dominant revenue category would seem like a prudent objective that acquisitive growth can more rapidly navigate. At the top of the valuation list is the firm's late FQ126 acquisition of narcolepsy-focused Centessa Pharmaceuticals (CNTA-Q, NR) but with substantial deal value also ascribed to the FQ226 acquisition of lentivirus-based CAR-T (KLN-1010) developer multiple myeloma-focused Ketonia Therapeutics (private). We described both transactions in detail in prior Healthcare Weeklies.

Exhibit 7. Acquisition History In Global Biotechnology/Drug Development Space, Year-To-Date F2026

Acquired firm	Ticker	Acquirer	Ticker	Deal value (US$M)	Transaction driver or lead product	Development status	Date of transaction	Therapeutic indication	Platform technology
Drug/Biologics/Cell Therapy Developers - Sub-Blockbuster Deal Terms									
Theravance Biopharma	TBPH-Q	Zymeworks	ZYME-Q	$965	Yupelri/revefenacin, Trelegy-based milestone payments	Approved (COPD)	29/Jun/26	Respiratory	Small molecule
35Pharma	Private	GSK	GSK-LN	$950	HS235 (activin-growth differentiation factor [GDF] ligand trap)	Phase I (pulmonary arterial	25/Feb/26	Cardiopulmonary	Protein/peptide (modified)
AiCuris Anti-infective Cures AG	Private	Veloxis Pharma-ceuticals	Private	$920	Prevymis/pritelivir (anti-herpes simplex virus)	Phase III	26/Feb/26	Infectious disease	Small molecule
Emalex Biosciences	Private	Teva Pharma-ceuticals	TEVA-NY	$900	Ecopipam (dopamine D1 receptor antagonist)	Phase III (NDA pending, Tour-ette syndrome)	29/Apr/26	Rare diseases	Small molecule
Dark Blue Thera-peutics	Private	Amgen	AMGN-Q	$840	DBT3757 (MLLT1/3-targeted transcription inhibition)	Preclinical (acute myeloid leukemia)	5/Jan/26	Oncology	Small molecule
Memo Thera-peutics AG	Private	Ipsen SA	IPN-FR	$800	Potravitug (BK polyomavirus VP1 capsid-targeted mAb)	Phase III (BKPyV nephropathy	1/Jul/26	Infectious disease/ transplantation/ immunology	Antibody (Dropzylla platform for Ab
LimmaTech Biologics AG	Private	Eli Lilly	LLY-NY	$780	LTB-SA7 (*S.aureus* vaccine)	Phase I (*S. aureus* surgical infection)	26/May/26	Infectious disease	Vaccine development
Surf Bio	Private	Halozyme Therapeutics	HALO-Q	$400	Surface tension-lowering polymer technology for improving protein stability	NA	28/Jan/26	NA	Drug delivery (proteins, mAbs)
CrossBridge Bio	Private	Eli Lilly	LLY-NY	$300	CBB-120 (Trop2-targeted mAb-drug conjugate)	Phase I (solid tumors)	14/Apr/26	Oncology	Antibody
Cullgen	Private	Gyre Therapeutics	GYRN-Q	$300	CG001419 (tropomyosin receptor kinase [TRK]-degrading drug)	Phase II (solid tumors)	2/Mar/26	Oncology	Antibody
InnocsAI	Private	Liminatus Pharma	LIMN-Q	$288	IBC101 (autologous CD19-CD22-based CAR-T)	Phase I/II (B-cell malignancies)	20/May/26	Oncology	Cell Therapy
Cyclerion Thera-peutics	CYCN-Q	Korsana Biosciences	KRSA-Q	$268	RTO (lead Korsana AD drug is anti-amyloid beta mAb KRSA-028)	Preclinical (Phase I AD trial imminent)	1/Apr/26	Neurology	Antibody (THETA, transferrin receptor-brain translocation)
Passage Bio	PASG-Q	Remix Therapeutics	Private	$226	RTO (lead Remix drug is MYB-targeted mRNA degrader REM-422)	Phase II (adenoid cystic carcinoma)	24/Jun/26	Oncology	Small molecule
InMed Pharma-ceuticals	IMN-Q	Mentari Therapeutics	Private	$125	RTO (Mentari mAbs are anti-PACAP MT-001 & anti-CGRP/PACAP MT-002)	Phase I	19/May/26	Endocrinology/ pain	Antibody

Source: Adapted from Biospace, company reports, Leede Financial

- There have been fewer acquisitions in the medical technology space in recent months & cumulative deal economics of US$15.0B is heavily weighted toward the Merck KGaA (private) acquisition of diversified analytical instrumentation & consumables developer/marketer Bio-Techne (TECH-Q, NR; US$11.3B deal value). But as a high-level observation, almost without exception, medical technology firms tend not to be acquired until tangible income statement metrics are generated, to which conventional valuation multiples can be applied. Indeed, the average price-to-sales multiple

ascribed to the seven medteh transactions we highlight in Exhibit 8 was 7.0x, which is actually quite close to the multiple specifically ascribed to molecular diagnostics/analytical equipment manufacturer acquisitions that transpired in recent years & which we have summarized before in prior Healthcare Weeklies. We only have EBITDA data available for the Bio-Techne-Merck KGaA & Riverpoint Medical-Novantra , but those two transactions were valued by their acquirers at an average price-to-EBITDA multiple of 16.7x. The relevant revenue/EBITDA multiples ascribed to Organon on its acquisition by Sun Pharma, for comparison, were 2.2x & 8.5x, respectively.

Exhibit 8. Acquisition History In Global Medical Technology Development Space, Year-To-Date F2026

Acquired firm	Ticker	Acquirer	Ticker	Deal value (US$M)	Transaction driver or lead product	Development status	Date of transaction	Therapeutic indication	Platform technology
Medical Technology Developers									
Bio-Techne	TECH-Q	Merck KgaA	Private	$11,300	Protein detection platform (ProteinSimple), RNAscope (*in situ* hybridization)	Commercial	25/Jun/26	NA	Proteomic instruments, immunoassays, spatial biol
Riverpoint Medical	Private	Novanta	NOVT-Q	$1,450	Minimally-invasive surgical consumables	Commercial	9/Jun/26	Cardiovascular, trauma	Surgical fibers, implants, coatings
Biocare Medical	Private	Agilent	A-NY	$950	Neopath Pro, Oncore Pro, Intellipath	NA	9/Mar/26	Oncology	Histopathology technologies
Corium Therapeutics (asset purchase only)	Private	Collegium Pharmaceuticals	COLL-Q	$650	serexmethylphenidate-dexmethylphenidate combination (Azstarys)	Approved	19/Mar/26	Neurology (ADHD)	Deal includes US$135M in revenue milestones
Ayumi Pharmaceutical	Private	GNI Group	2160-JP	$278	Calonal (acetaminophen)	Commercial	1/Jul/26	Rheumatology (pain), orthopedics	NA
CareDx (Lab Products operations)	CDNA-Q	Eurobio Scientific	ALERS-FR	$170	Suite of IVD, genome typing, transplantation diagnostics	Commercial	1/Jul/26	Transplantation medicine	NA
Naveris	Private	CareDx	CDNA-Q	$160	NavDx test portfolio (minimal residual disease/HPV-positive H&N/anal cancer)	Commercial	30/Apr/26	Oncology	Deal includes US$100M in revenue milestones

Source: Company reports, Leede Financial

- **Caris launches a new AI-based cancer blood test.** TX-based Caris Life Sciences (CAI-Q, NR) recently launched a new AI-based blood-based multi-cancer diagnostics platform, generated by using the firm's whole genome sequencing Caris Detect molecular profiling platform. The launch was motivated by positive clinical data that the firm generated from its ACHIEVE 1 study reported in late Mar/26. In that analysis, the molecular profiling assay was highly sensitive for detecting Stage IV cancers of various types (tumors were accurately diagnosed 98.6% of the time, with specificity that was just as high). Predictably the test's ability to detect earlier-stage tumors was less substantial, but still strong by oncology standards at 56.8% for detecting Stage I disease & 67.7%/79.0% for detecting Stage II/III cancers of various types. Analysis was based on analysing 141-to-343 patients for each staging category.

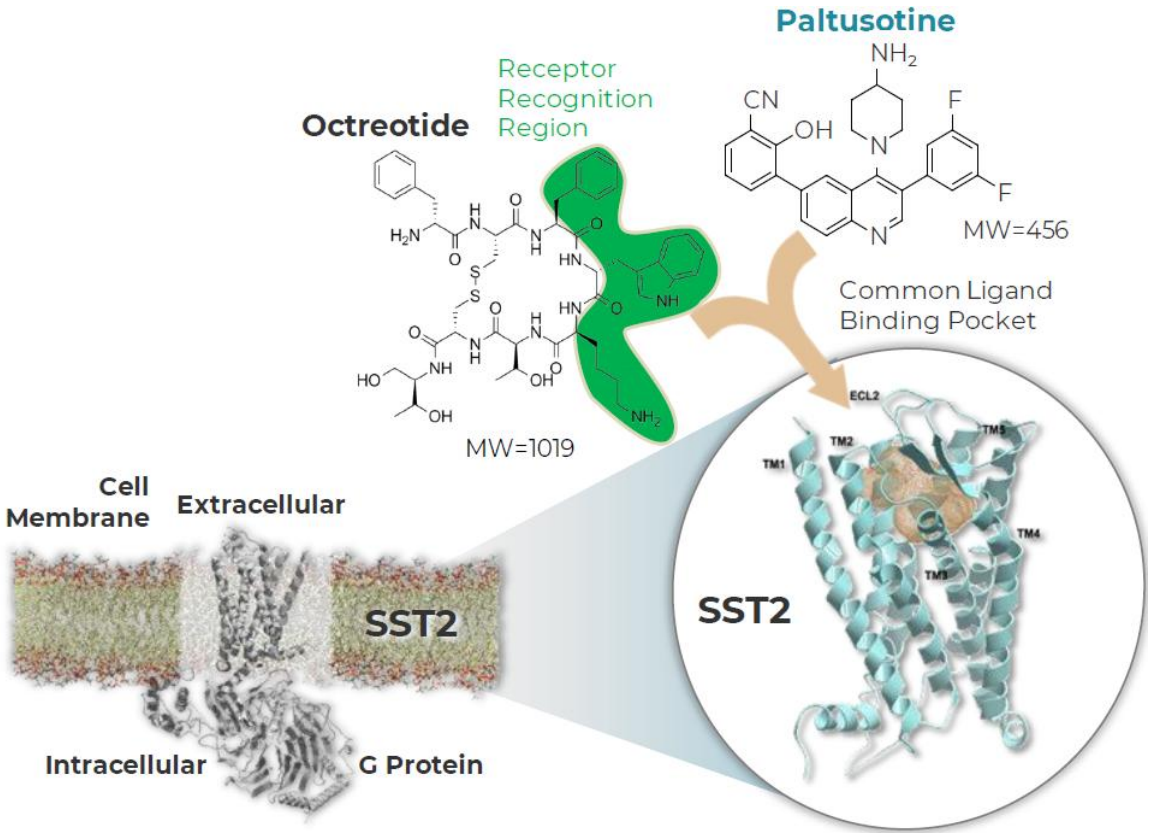
  - Focusing solely on Stage I/II sensitivity, the test was least impressive for identifying early-stage breast tumors (53.7% sensitivity) but was far more sensitive for detecting early-stage head-&-neck tumors with 81.3% sensitivity. All other common solid tumor types were detected with levels of sensitivity that fell within this range, usually in the 60%-to-75% range. We consider this sensitivity level for solid tumor detection to be reasonably solid by oncology standards.

  - Caris was already partnered with Roche/Genentech (ROG-SW, NR) in a US$1.1B alliance announced back in Dec/25, focused at the time on leveraging the AI platform Caris Discovery to identify novel cancer drug targets, with the platform at the time of the announced alliance already archiving >500,000 solid tumor samples from which it could correlate expression of plausible cancer markers with clinical outcomes. The firm has separate alliances also in place with German pharma giant Merck KGaA (MRCG-DE, NR, US$1.4B deal announced in Apr/24) & with MD-based RNA-based immune therapy developer Moderna (MRNA-Q, NR; as announced in Oct/23 but with no economic details shared).

  - Caris is well-capitalized, with US$821M in FQ126 balance sheet cash & only US$382M in total debt. Molecular profiling services revenue in the quarter was US$210.8M, thus already showing itself to be relevant to facilitating AI functionality in molecular profiling both for drug & diagnostic developers, independent of its own product offering in the oncology space.

- **Vertex makes a transformational acquisition with its Crinetics transaction.** MA-based specialty pharma giant Vertex Pharmaceuticals (VRTX-Q, NR) bid to acquire CA-based Crinetics Pharmaceuticals (CRNX-Q, NR) in a deal valuing the rare diseases-targeted acquired firm at US$10B. Crinetics is a hybrid Phase III-stage & commercial-stage drug developer, with its once-daily acromegaly-targeted somatostatin receptor type 2 (SST2) agonist drug paltusotine/Palsonify already launched & with its once-daily adrenocorticotropic hormone (ACTH) receptor antagonist drug atumelnant/CRN04894 advancing well in a Phase III congenital adrenal hyperplasia/Cushing's syndrome trial. Vertex projects in its acquisition announcement that peak Palsonify/atumelnant sales could reach US$5B, obviously corresponding to a price-to-notional peak sales multiple of 2x but with a price-to-actual Palsonify sales multiple almost incalculably high & not really relevant to what is still a clinical-risk investment anyway.

Exhibit 9. Paltusotine Is A Once-Daily, Orally-Active, Selectively-Targeted Somatostatin Receptor Type 2 (SST2) Agonist



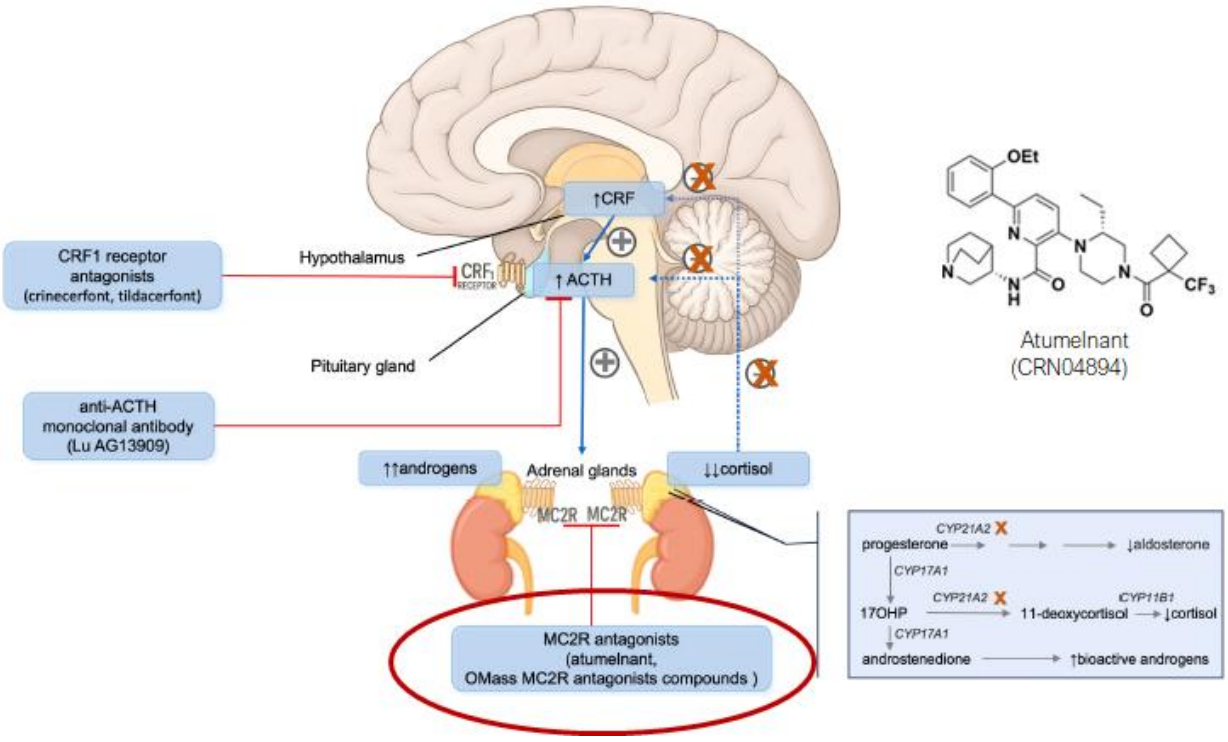
Source: Adapted from abstract presented at the *Endocrine Society Annual Meeting (2023)*

- Vertex may also have one eye (or both eyes!) on Crinetics' earlier-stage endocrinology pipeline that includes a Phase I-stage neuroendocrine tumor-targeted monomethyl auristatin E (MMAE)-conjugated non-peptide drug CRN09682, as well as preclinical-stage drugs targeting hyperparathyroidism/hypercalcemia (with an unnamed parathyroid hormone antagonist), Graves' disease (with an also-unnamed thyroid-stimulating hormone antagonist), polycystic kidney disease (with an SST3 agonist) & non-peptide analogs of glucagon-like peptide-1 (GLP-1) & glucose-dependent insulinotropic polypeptide (GIP).
- Returning to paltusotine/Palsonify, the drug performed well in the 111-patient Phase III Pathfndr-2 acromegaly trial, showing measurable reduction in insulin-like growth factor-1 (IGF-1) expression level (elevated levels are what causes acromegaly) in paltusotine-treated patients as compared to placebo patients. In one analysis, data showed that 66.7% of paltusotine-treated patients achieved IGF-1 levels below a defined threshold as compared to only 14% of placebo patients, & as a secondary efficacy measure, growth hormone (whose expression levels are directly impacted by IGF-1) levels were reduced below a distinct threshold level in 57.4% of treated patients at twenty-two week follow-up (an odd timeline but obviously close to six-month follow-up that is more conventionally assessed in clinical trials testing for efficacy in chronic conditions) as compared to 17.5% of placebo patients. Data from a predecessor 58-patient Phase

III trial (predictably called the Pathfndr-1 trial) that were published in 2025 in the Journal of Clinical Endocrinology & Metabolism showed similar IGF-1-reducing/stabilizing performance for paltusotine vs placebo patients.

- First-line treatment of acromegaly is not actually pharmacologically-based, instead involving some form of non-invasive surgery to remove parts of the pituitary gland that appear to be cyst-like or tumor-like (so-called micro- or macro-adenomas) & to remove them by a procedure called transsphenoidal surgery. But 20%-to-40% of patients are not cured by surgical intervention, leading physicians to explore pharmacologic alternatives. For many years, the approved pharmacopeia for targeting acromegaly was limited to the SST2-targeted peptide-based octreotide as sold in extended-release forms by Novartis (NVS-NY, NR; Sandostatin LAR), Chiesi Farmaceutici SpA (private; Mycapssa) or Ipsen Pharma SA (IPN-FR, NR; Somatuline Depot/Lanreotide) or in an orally-active twice-daily form by Camurus AB (CAMX-ST, NR; Oczyesa/ CAM2029) – we assume that Crinetics/Vertex's paltusotine/Palsonify competes more directly with Oxzyesa/CAM2029 by being orally-active but more conveniently dosed once-daily. Alternative acromegaly therapies include Recordati's (RECI-MI, NR) pasireotide/Signifor LAR, Pfizer's (PFE-NY, NR) PEGylated growth hormone receptor antagonist pegvisomant/Somavert & its dopamine receptor agonist cabergoline/Dostinex, with the latter drug representing the only FDA-approved acromegaly therapy that does not intercede at the level of the somatostatin receptor.

Exhibit 10. The Hypothalamus-Pituitary-Adrenal Axis & The Role That Melanocortin Type 2 Receptor Antagonists Can Play In Mitigating Dysfunctional Pathways Leading To Androgen Dysregulation



Source: Adapted from *Frontiers in Endocrinology (2025). Vol. 16, pp. 1693063-1693073 & ACS Medicinal Chemistry Letters (2024). Vol. 15, pp. 468-475.*

- Paltusotine's utility in treating neuroendocrine tumors is being actively explored in the 141-patient Phase III Carefndr trial, for which primary efficacy on three-month GI function should be available by early F2030, with these data presumably factored probabilistically into Vertex's valuation of Crinetics as well. Shifting to the firm's ACTH receptor antagonist atumelnant, which is actually described in the pharmacology literature as being a melanocortin type 2 receptor antagonist, but that is the ACTH receptor by another name. The receptor is found in the adrenal gland, hence the name of the condition that atumelnant targets, & is relevant to the pathway through which the drug impacts cortisol production (congenital adrenal hyperplasia, or Cushing's disease, which is caused by a deficiency of the enzyme 21-hydroxylase that is required for cortisol metabolism), resulting in constitutively low cortisol levels & thus leading to an

accumulation of androgen-related cortisol precursors like 11-deoxycortisol or 11-deoxycorticosterone, either of which lead over time to endocrinologic imbalance, the consequences of which are chronic hypertension, joint pain, dizziness, headaches & other forms of pain, to name a few of many symptoms that, because the enzyme deficiency is genetically-linked, usually appear initially in early childhood. The treatment until recently was to administer other glucocorticoids to displace cortisol from its biological receptor-ligand activity.

- We expect atumelnant/CRN04894 if approved to compete with the corticotropin-releasing factor type 1 receptor antagonist crinecerfont/Crenessity, developed by CA-based Neurocrine Biosciences (NBIX-Q, NR) & FDA-approved in Dec/24. The drug is already performing well commercially, generating FQ126 sales of US$153.3M. It clearly performed to FDA-approvable standard in pivotal Phase III testing, but as evidence of this, we indicate here that in one of its pivotal studies, a 182-patient adult congenital adrenal hyperplasia trial for which primary endpoint was percent reduction in the dose of daily glucocorticoids (usually hydrocortisone) required to stabilize disease symptoms.

- A baseline level of androstenedione was maintained in both crinecerfont-treated & placebo-treated patients & was thus not an efficacy measure in the trial. On a placebo-adjusted basid, crinecerfont reduced daily hydrocortisone required in adult patients by 17% at six-month follow-up. With regard to Crinetics/Vertex's atumelnant clinical program, four distinct trials are ongoing, including a 153-patient Phase III pediatric congenital adrenal hyperplasia trial (the Balance-CAH trial) & a 150-patient Phase III adult trial (the Calm-CAH trial), both of which will quantify the proportion of patients requiring glucocorticoid supplementation below a threshold level at thirty-two week follow-up (data in early F2030 for the pediatric trial & by mid-F2027 for the adult trial).

- **Ipsen acquires its second rare diseases drug innovator in as many weeks, this time by acquiring Memo Therapeutics.** Within days (& only two days at that!) of announcing its acquisition of myelofibrosis-targeted CA-based small-molecule (the MDM-2 inhibitor navtemadlin) developer Kartos Therapeutics (for US$450M upfront & up to US$1.3B in downstream milestones), France-based pharma firm Ipsen SA (IPN-FR, NR) bid to acquire another early-stage therapy developer in Switzerland-based private firm Memo Therapeutics AG in a deal valuing the acquired firm at up to €700M/US$800M, but with virtually all of the transaction economics denominated in performance-based payments & not on any upfront cash (€200M due at closing in what Ipsen characterized as a cash-free, debt-free payment is presumably either shares or derivative securities in Ipsen itself but details should be available in Ipsen's forthcoming financial filings).

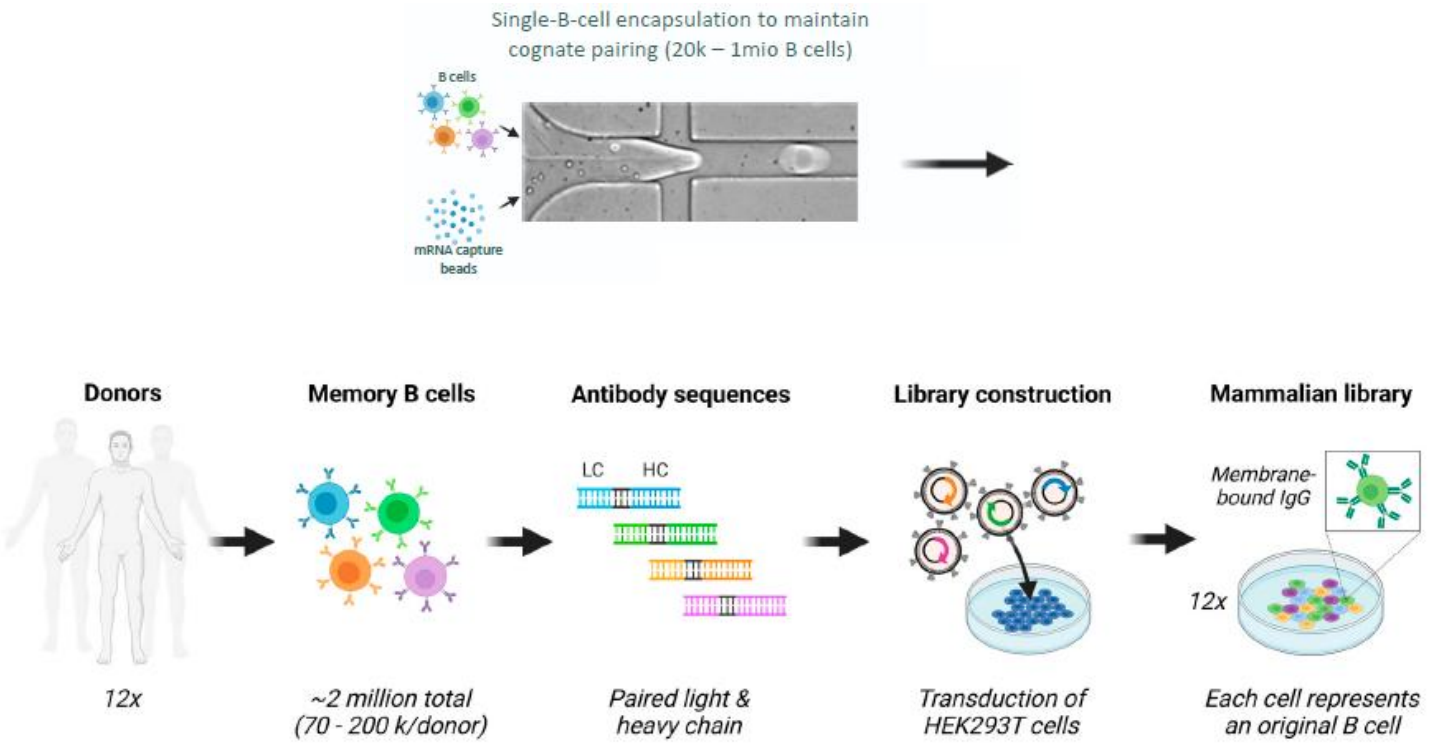
  - Congratulations if you were familiar with the disease indication that Memo is targeting – BKPyV-associated nephropathy (BKPyVAN) - with its Phase II-stage BK polyomavirus-targeted mAb potravitug (we were not). The mAb targets the VP1 capsid protein in the BK virus, which binds to sialic acid incorporated into glycosylated proteins or lipids on the surface of target cells in the body. The indication is a well-recognized complication of kidney transplantation surgery, leading if not treated to organ failure or organ rejection or both. Details of the indication were comprehensively described in an Apr/24 review published in the journal *Transplantation*, indicating therein that since 2005, BKPyVAN has become a common complication of kidney transplantation for which standard-of-care is still fairly rudimentary, with initial strategy focused on reducing the amount of systemic immunosuppression with Sandimmune/cyclosporin A, mycophenolate/CellCept, tacrolimus/Prograf or belatacept/Nulojix to whatever extent possible (obviously without enhancing the probability of immune organ rejection) &/or to administer intravenous immune globulin (IVIG) therapy, available from multiple sources but notably from Australian plasma products developer CSL Behring AG (CSL-ASX, NR; Privagen), South Korea-based GC Biopharma (006280-KS, NR; Alyglo), Spain-based Grifols SA (GRFS-Q, NR; Gamunex) or IL-based Baxter (BAX-NY, NR; GammaGuard).

  - Memo's value to Ipsen may not be singularly focused on potravitug actually since the firm has a proprietary human B-cell single-cell microfluidic processing technology that it brands as Dropzylla, & from a library of such cells, it believes it can identify & purify disease-specific mAbs, initially with a focus on infectious disease & cancer. Like so many infectious disease drug developers in recent years, Memo characterized an anti-SARS-CoV2 spike protein mAb in the early days of the pandemic era, never commercializing the mAb but the initiative serves as a sort of validating exercise for Dropzylla & so foundational screening data were published in 2024 in the journal *Viruses.*

  - Standard-of-care also involves routine monitoring of systemic BK polyomavirus load. Interestingly, treatment with already-approved small-molecule antiviral or anti-inflammatory drugs like dihydroorotate dehydrogenase inhibitor leflunomide/Arava or cytomegalovirus-targeted cidofovir/Vistide is not indication, thus making it even more imperative for drug innovators to develop virus-specific agents, which potravitug is. The mAb already has all of the usual bells-and-

whistles ascribed by the US FDA to novel therapies targeting low-prevalence indications (which renal transplantation certainly is, though it is far more commonly conducted than other organ transplantation procedures with 22,916 dialysis patients in the US alone undergoing kidney transplantation in 2024 according to the US National Institute of independent of Diabetes & Digestive & Kidney Diseases' 2025 annual report), with Fast Track Status (in May/23) & Orphan Drug Status (in Dec/25) already granted. In data cited in the 2021 annual data report for the Organ Procurement & Transplantation Network, annual global kidney transplantation procedure volume exceeded 100,000, thus implying that RoW transplantation volumes are somewhere between 70-000-to-78,000, making the global market for potravitug as compelling (pricing considerations notwithstanding) as US markets are.

Exhibit 11. Conceptualization Of How Memo's Dropzylla mAb Generating Platform Selects For Antigen Selectivity



Source: Adapted from *Viruses (2024). Vol. 16, pp. 339-355; Memo poster presentation at CICON23 conference*

- Memo already generated Phase II data from its 95-patient Phase II SAFE Kidney II trial showed that potravitug reduced polyomavirus load to below detectable levels at various durations of follow-up in more treated patients than placebo patients. In one interpretation of data, reduction in viral load of at least 2-log10 levels transpiring in 40.3% of treated patients vs 24.7% of placebo patients at 38-week follow-up experiencing a two-log reduction in viral load. In another version of responsiveness, potravitub-treated patients on average experienced a decline in histopathology-confirmed disease severity from 51.2% to 31.6% at twenty-week follow-up, with no change observed over that timeframe in placebo patients.

- BK virus itself was first identified in a kidney transplantation patient in 1971 but it was not until 1993 when the first histologically-confirmed case of BKPyVAN was fully-characterized, probably driven as much by the nascent availability of FDA-approved immunosuppressive agents at the time, driving procedure volumes upward & thus driving up the probability that more cases of BK virus infection could transpire. Kidney rejection post-procedure from BK virus nephropathy now occurs in less than 15% of procedures but that still implies a global target market for anti-BK virus therapies of at/near 15,000. Our source for this historic perspective is a 2022 review in the journal *Viruses*, which Ipsen cited in its press release announcing the Memo acquisition. Ipsen claimed in its press release that about 30% of kidney transplant patients test positive for BKPyV serotype within the first-year post-transplantation & the infected population is probably the target market for potravitug, not just patients with overt symptoms of advanced graft rejection or organ failure.

- There are few other ongoing clinical studies targeting polyomavirus infection, including one of unknown status in Germany that is testing how altering levels of immunosuppression can mitigate BK virus infection (which is effectively already part of standard-of-care anyway) & one targeting BKPyV-associated nephropathy post-transplantation that we expect to follow in coming quarters. The latter trial is not actually testing a novel anti-viral therapy as such but is a 75-patient Paris Hospital-based observational study (the NEPHRO-BK trial) to assess the emergence (or lack thereof) of natural immune responses to BK virus; one-year data on T- & B-cell production & one-month impact on natural killer (NK) cell production are expected by mid-F2028 but regardless of outcome, we generally do not see much impact on adoption of approved therapies from clinician-sponsored observational studies & our expectations are the same in this circumstance. This indication thus seems to us at initial inspection to be well-primed for embracing any virus-specific therapy that mitigates viral load & probability of organ rejection, presumably in that order.

- **BMS (BMY-N, NR) posts confirmatory-trial failure of adagrasib plus cetuximab in KRAS G12C-mutant colorectal cancer, extending the difficulty of direct RAS-pathway inhibition in this tumor; Oncolytics Biotech (ONCY-Q, Spec Buy, PT US$3.00) pelareorep remains mechanistically distinct: it does not inhibit RAS but is preferentially active in RAS-activated cancers.** At the ESMO Gastrointestinal Cancers Congress 2026, the Phase III KRYSTAL-10 trial reported that second-line adagrasib plus cetuximab missed both co-primary endpoints versus chemotherapy in previously treated KRAS G12C-mutant mCRC, with median PFS of 7.5 versus 8.1 months (HR 0.89; 95% CI 0.71–1.13; p=0.3241) and median OS of 21.6 versus 21.7 months (HR 0.83; 95% CI 0.67–1.03; p=0.0938), despite a markedly higher ORR of 47% versus 16% (Tabernero et al., ESMO GI 2026).

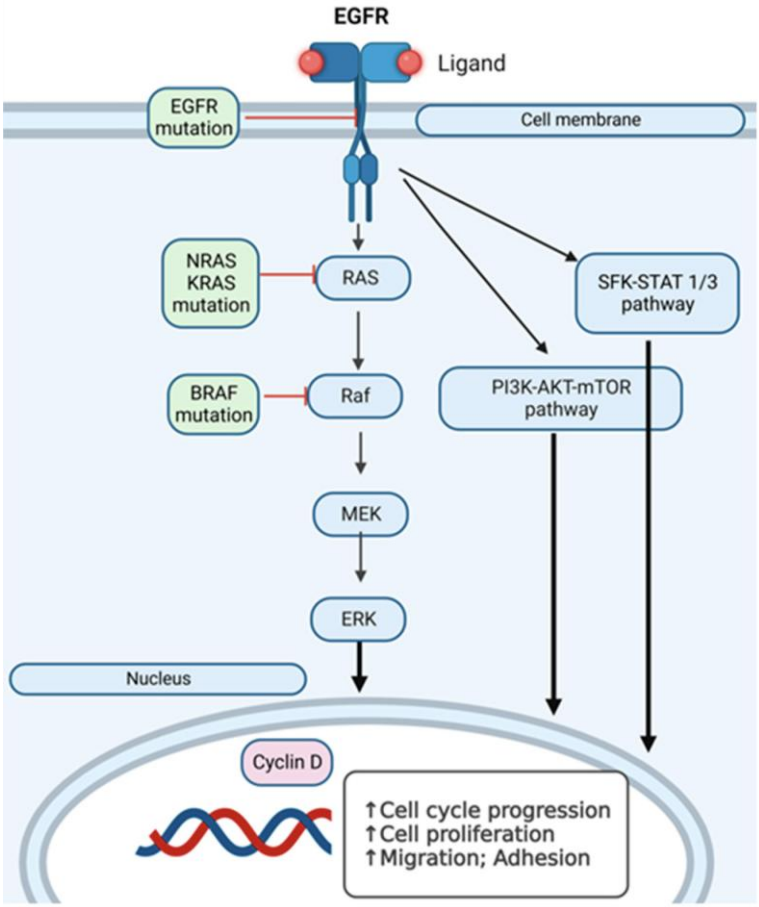
  - KRYSTAL-10 is the designated confirmatory trial for the combination's June 2024 accelerated approval, which is held in the later-line, chemotherapy-refractory setting after fluoropyrimidine, oxaliplatin, and irinotecan (FDA, 21 June 2024), so the trial evaluated the regimen one line earlier than its label, the negative result may place that accelerated approval at risk of withdrawal. The failure reads as comparator-driven rather than a demonstration of inactivity: the response endpoint separated clearly, but the chemotherapy control arm delivered an OS of 21.7 months against a historically expected 12 to 14 months for this genotype, and a higher share of control patients crossed to a subsequent KRAS G12C inhibitor (30% versus 4%), both of which favor the control arm on survival without diminishing the combination's activity on the response axis.

  - Direct RAS-pathway inhibition in colorectal cancer remains biologically rational, but KRYSTAL-10 reinforces the difficultly of converting this into survival benefit for this tumor type. CRC has a history of capacity for adaptive RAS-pathway reactivation through upstream EGFR signaling, a resistance mechanism first shown in BRAF-positive CRC, where vemurafenib monotherapy was blunted by rapid EGFR feedback activation despite strong activity in melanoma, which expresses lower EGFR (*Prahallad* as published in the journal *Nature* in 2012). That biology explains why both KRAS G12C strategies in CRC have been developed as vertical blockade regimens with EGFR antibodies, rather than as KRAS inhibitor monotherapy.

  - It does not, however, explain the KRYSTAL-10 miss directly: EGFR was already targeted with cetuximab, ORR clearly favored adagrasib plus cetuximab at 47% versus 16%, & the more likely issue was insufficient durability & survival separation against a chemotherapy arm that delivered unexpectedly strong outcomes, including median OS of 21.7 months & higher subsequent KRAS G12C inhibitor use at 30% versus 4%. The broader story here is that mutant-selective KRAS G12C inhibition has validated activity in CRC but has not yet shown a clean OS win.

  - Sotorasib plus panitumumab was approved in chemorefractory KRAS G12C mCRC on CodeBreaK 300 based on PFS of 5.6 versus 2.0 months & ORR of 26% versus 0%, while final OS was not statistically significant; adagrasib plus cetuximab received accelerated approval in Jun/24 based on KRYSTAL-1 ORR of 34% & median DOR of 5.8 months, but KRYSTAL-10 now places that accelerated approval under regulatory pressure. KRYSTAL-10 extends rather than resolves the difficulty of direct RAS-pathway inhibition in colorectal cancer, though keep in mind this is a narrow KRAS ~G12C~ population, which accounts for roughly 3 to 4% of colorectal tumors. The broader KRAS-mutant population is 40 to 45% of mCRC (Cancer Genome Atlas, Nature, 2012), & the RAS-mutant MSS segment pelareorep addresses has no approved targeted therapy at any line & no established role for checkpoint blockade.

Exhibit 12. Intracellular Signaling Pathways RAS-RAF-MAPK Activation Drives Oncogenesis In Multiple Cancer Forms



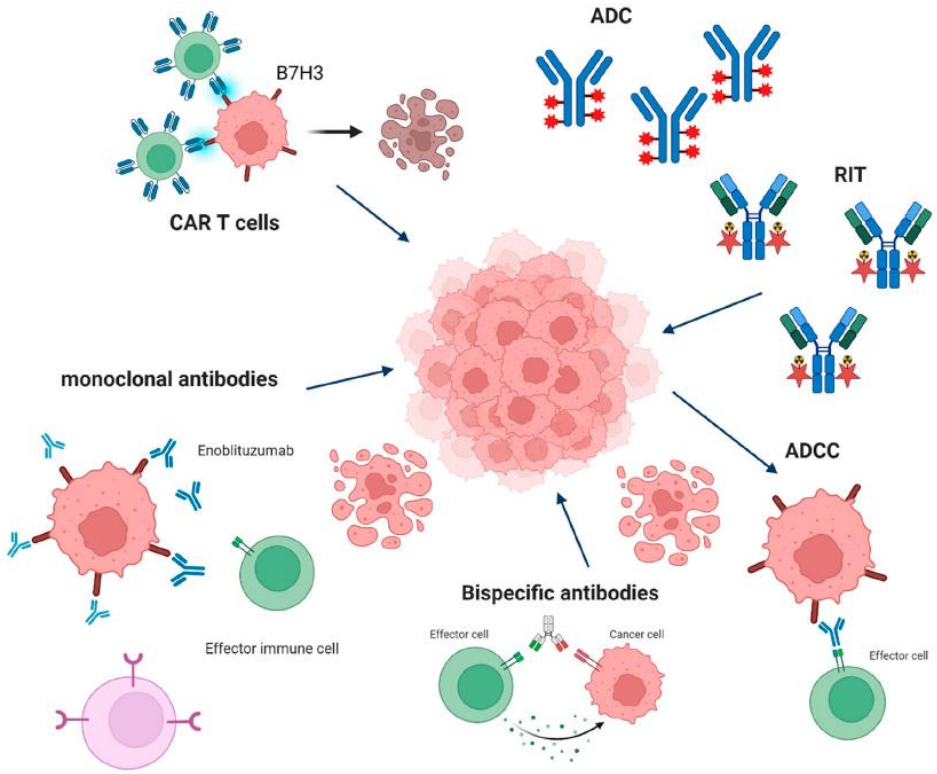
Source: Adapted from *International Journal of Molecular Sciences (2024). Vol. 25, pp; 2308-2333*

- As background, Pelareorep's mechanism of action sits in a related but orthogonal lane. It is not a RAS inhibitor & does not need to bind or suppress mutant RAS. The reovirus exploits RAS-pathway activation as a permissive tumor-cell state: in normal cells, viral double-stranded RNA activates PKR, leading to eIF2α phosphorylation & translational shutdown; in RAS-activated cells with active MEK/ERK signaling, PKR signaling is impaired, viral protein synthesis can proceed, & replication can drive tumor lysis & immune priming (*Gong & Mita* as published in 2014 in *Frontiers in Oncology* & by *Goel & coworkers* as published in 2020 in *Molecular Cancer Therapeutics*). RAS mutation enriches viral permissiveness rather than strictly gating it, so the mechanism is best framed as a bias toward RAS-activated epithelium rather than an absolute on/off switch.
- The first basis of clinical evidence for pelareorep in colorectal cancer is a Phase I dose-escalation study. *Goel & coworkers* in the 2020 published study cited above tested FOLFIRI & bevacizumab with pelareorep in oxaliplatin-refractory or intolerant KRAS-mutant mCRC. The primary objectives were dose-limiting toxicity & dose-finding; efficacy was captured as secondary measures. Across 30 RECIST-evaluable patients, 6 (20%) had a partial response & 22 (73.3%) stable disease, while the recommended Phase II dose cohort (n=6) showed 3 responses (50%), median PFS of 65.6 weeks, & median OS of 25.1 months, against all-patient figures of 22.2 weeks & 11.7 months. Separately, the company has described updated REO 022 figures of 33% ORR, 16.6-month PFS, & 27-month OS in support of the Fast Track designation awarded earlier this year.
- The read-through for Oncolytics remains that pelareorep occupies a mechanistically distinct lane & targets the population where both mutant-selective inhibition & checkpoint blockade have failed to deliver survival benefit. The pelareorep, bevacizumab, & FOLFIRI regimen received FDA Fast Track designation in February 2026 in second-line KRAS-mutant MSS mCRC, & the company has launched REO 033, a randomized Phase II in second-line RAS-mutant

MSS mCRC comparing bevacizumab & FOLFIRI against pelareorep, bevacizumab, & FOLFIRI, powered at roughly 30 patients per arm with ORR as the primary endpoint, preliminary data guided to year-end 2026.

- **Novartis acquires antibody-drug conjugate developer Myrics Bio.** Swiss pharma giant Novartis (NVS-NY, NR) bid to acquire the private UK-based antibody-drug conjugate developer Myrics Bio in a deal valuing the oncology-focused firm at up to US$1.5B, with US$1.1B of deal value denominated in upfront cash & the US$400M balance ascribed to downstream milestone payments.
  - Myrics's suite of valuation-relevant conjugated antibody therapies target a novel cancer-relevant enzyme called N-myristoyltransferase that as its name implies attaches the medium-chain fatty acid myristic acid to macromolecules inside cancer cells – usually by covalent attachment of the fatty acid to a terminal glycine residue in target proteins - influencing their ability to function within signalling pathways that are germane to conversion of normal cells into cancerous cells. The enzyme is known to be overexpressed in multiple cancer forms & Novartis in its press release announcing the transaction indicated that it perceives Myrics Bio's most attractive antibody candidates to be those that target the B7-H3/CD276 & HER2 surface antigens, both relevant to several solid tumor sub-types. At present, we do not see any ongoing cancer studies for which Myrics is the main sponsor.
  - Accordingly, Novartis' blockbuster bid for Myrics Bio & its pipeline of transferase-targeted antibody-drug conjugates appears to be based on preclinical potential & not yet on any clinical efficacy, thus showing us that in the current M&A environment on which we commented above, well-capitalized pharma firms are actively seeking novel targets or novel drug therapies or both that can augment pipeline initiatives over a longer-term time horizon, with a willingness to ascribe higher valuations to earlier-stage developers than we conventionally see in our coverage universe.

Exhibit 13. Therapeutic Modalities Aimed At B7-H3 Inhibition



Source: Adapted from *Cells (2025). Vol. 14, pp. 1209-1251.*

- **AstraZeneca partners with CSPC Pharmaceutical Group in yet another high-profile, high-value chronic renal disease alliance.** EU-based pharma giant AstraZeneca (AZN-LN, NR) extended its long-standing alliance with CSPC Pharmaceutical (1093-HKG, NR) this week, with new initiatives now focused on two siRNA candidates directed against undisclosed renal disease targets. The US$1.7B deal is built on CSPC's siRNA platform and its delivery technology for reaching tissues beyond

the liver. AstraZeneca can take exclusive rights globally or outside China, and CSPC keeps rights to one asset in China. The upfront payment is $30M, with $540M in development milestones and $1.2B in commercial milestones. The transaction is modest relative to AstraZeneca's prior CSPC deals, which have escalated from $100M upfront for a preclinical cardiovascular candidate in 2024 to $1.2B upfront for ex-China rights to eight weight-management programs earlier in 2026, and reads as an early option on a delivery platform rather than a committed late-stage asset.

- At a high level, siRNA therapies work by interfering with the middle step of the central dogma: DNA gets transcribed into messenger RNA (mRNA), and mRNA gets translated into protein. Almost every drug class acts at the protein end, where small molecules and antibodies bind a protein that has already been manufactured and block, degrade, or modulate it. siRNA acts one step upstream, at the mRNA level, destroying the message before the protein is ever built. The siRNA's guide strand loads into a protein complex called RISC, which uses it as a search template to find the matching mRNA and cleave it. Because RISC is catalytic, it recycles across many transcripts, so a single dose can silence a target for months. siRNA on its own, however, is fragile, enzymatically degraded and cleared from circulation before it can reach the right cell. That is where the proprietary value sits: in the delivery chemistry that protects the molecule and routes it into a specific tissue.

- Liver delivery is effectively solved through something called GalNAc conjugation to a hepatocyte-specific receptor, and the field's one validated extrahepatic route, Alnylam's (ALNY-Q, NR) C16 lipophilic conjugate for CNS indications, relies on intrathecal injection directly into the cerebrospinal fluid rather than systemic targeting (*Debacker & coworkers, Molecular Therapy, 2020; Brown & coworkers, Nature Biotechnology, 2022*). The kidney has neither a validated targeting receptor nor an easily accessed local compartment, so durable renal silencing remains largely unsolved across the industry. What AstraZeneca is optioning is CSPC's claim to solve that delivery step, and that capability is unproven in any disclosed clinical or preclinical data.

- Kidney disease is not overly represented in our coverage universe but we are tracking advances in acute kidney injury post-coronary artery bypass graft surgery as conducted by ON-based Arch Biopartners (ARCH-V, NR) with its LSALT-based dipeptidase-1-inhibiting Metablok (which the firm just calls the LSALT peptide in recent publications) advancing well in a 240-patient Phase II kidney injury trial. Efficacy data as assessed by the kidney disease improving global outcomes measure (KDIGO) are expected by H227. Separately, our interests in siRNA as a drug modality extend well back in our history of covering the Canadian biotechnology sector to when we formally covered BC-based Tekmira (now Arbutus Biopharma; ABUS-Q, NR), ostensibly for its suite of lipid nanoparticle-formulated Alnylam (ALNY-Q, NR)-partnered siRNA formulations. An Ebola-targeted formulation called TKM-Ebola generated strong interest at the time, at least until excessive upregulation of pro-inflammatory cytokines made TKM-Ebola's future clinical adoption unlikely based on that cytokine profile. Other siRNA formulations, usually but not exclusively developed by leader Alnylam, have been FDA-approved in recent years, including but not limited to that firm's TTR-amyloidosis-targeted patisiran/Onpattro.

- **Updates on Alzheimer's disease drug development – both Merck & GSK reprioritize their respective pipelines for the indication.** Two global pharma firms announced shifts in their drug development priorities in Alzheimer's disease, with NJ-based Merck (MRK-NY, NR) discontinued testing of its small-molecule MK-1167 – a modulator of the alpha-7 nicotinic acetylcholine receptor – after its 349-patient Phase II trial (the MK-1167-008 trial) did not meet its endpoint on improving cognition at six-month follow-up, at least not as compared to alternative orally-active acetylcholinesterase inhibitor therapies. The drug was brought into Merck's neurology pipeline through a legacy alliance with MA-based Neurophoria Therapeutics/Bionomics (BNOX-Q, NR) originally consummated back in 2014.

  - Drug therapies that engage with acetylcholinesterase by extending the pharmacologic activity of the neurotransmitter acetylcholine at synaptic junctions in the brain have long been standard-of-care in this indication, at least until Eisai's (4523-JP, NR) beta-amyloid fibril-targeted lecanemab & Eli Lilly's (LLY-NY, NR) also-amyloid fibril-targeted donanemab were FDA-approved in recent years. But the mechanism by which these small-molecule enzyme-targeted drugs confer benefit, however modest, in Alzheimer's disease cognitive impairment does not bear significantly on ProMIS Neurosciences (PMN-Q, Spec Buy, PT US$46.00) & its own Phase II initiatives with beta-amyloid oligomer-targeted PMN310, for which testing in the 110-patient Phase II PRECISE-AD trial is ongoing & for which six-month interim biomarker data are expected imminently.

  - In a thematically related update from UK-based GSK (GSK-LN, NR), the firm is discontinuing its US$2.2B collaboration with Alector (ALEC-Q, NR) after two Phase II/III partnered neurology assets – the frontotemporal dementia-targeted

anti-sortilin mAb latozinemab (in an update from the Phase III INFRONT-3 trial announced in Oct/25) & now the Phase II-stage anti-sortilin mAb nivisnebart (the 367-patient Alzheimer's diseae trial was discontinued in late Apr/26) – were removed from Alector's pipeline.

- The firm is now a preclinical-stage neurology drug developer, with its lead mAb assets AL037 & AL137 both targeting beta-amyloid as so many clinical-stage Alzheimer's disease therapies but with proposed mechanism of action intended to remove amyloid plaques from the brain, a mode of action that ProMIS' PMN310 is specifically designed not to do (at least not directly) through its specificity for binding to beta-amyloid oligomers. Oligomers have a distinctive toxicity profile to other beta-amyloid secondary structures, as we argues in our original PMN report, & population genetics studies published a few years ago on the Osaka mutation (reviewed in 2020 in the *International Journal of Molecular Science* by Tomiyama's group, based on mechanisms of synaptic failure originally proposed by DJ Selkoe in the journal *Science* back in 2002). We believe that Alector's pharmacologic rationale for targeting dementia in its various forms does not bear significantly on the oligomer hypothesis of disease to which PMN310 is relevant. PRECISE-AD data are expected to inform that thesis in coming months. Our PMN PT/rating are thus unchanged.

Capital Markets Summary

Exhibit 14. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 9-Jul	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	$18.96	1,042	1,042	1,612	1,612	7.0x	6.8x	6.8x	NA	7.9x	7.5x
Jamieson Wellness	CAD	JWEL	41.5	$40.82	1,694	1,694	2,171	2,171	13.5x	12.2x	10.9x	23.1x	19.0x	16.3x
K-Bro Linen	CAD	KBL	13.0	$44.12	574	574	858	858	7.8x	7.9x	7.6x	27.8x	21.7x	18.0x
Medical Facilities [1]	CAD	DR	17.3	$12.77	221	314	347	492	5.9x	6.2x	6.2x	15.1x	6.3x	19.1x
Microbix Biosystems	CAD	MBX	137.5	$0.31	43	43	41	41	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.1	$30.91	2,228	2,228	2,398	2,398	12.7x	11.8x	10.8x	28.0x	22.4x	20.0x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales [2]														
Apotex	CAD	APTX	228.5	$38.17	8,722	8,722	#N/A	#N/A	NA	NA	NA	NA	NA	NA
Aurinia Pharma	USD	AUPH	128.6	$16.23	2,087	2,958	2,513	3,561	12.5x	NA	NA	7.2x	16.9x	13.1x
Bausch Health	USD	BHC	373.5	$4.91	1,834	2,599	31,607	44,790	6.3x	5.8x	5.9x	NA	1.1x	1.2x
BioSyent	CAD	RX	11.5	$14.64	169	169	163	163	12.6x	10.2x	8.7x	18.3x	16.4x	13.6x
Cipher Pharma [1]	CAD	CPH	25.4	$12.00	305	432	423	599	15.8x	14.2x	12.1x	9.9x	13.3x	11.4x
HLS Therapeutics [1]	CAD	HLS	31.3	$3.03	95	134	179	253	10.9x	9.2x	7.8x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	$10.00	982	982	906	906	10.3x	11.5x	11.0x	NA	52.6x	45.5x
Medexus Pharma [1]	CAD	MDP	32.0	$3.53	113	160	182	258	11.9x	11.7x	8.0x	47.6x	NA	11.6x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.5	$3.51	223	223	286	286	9.3x	7.9x	6.9x	8.2x	29.3x	15.5x
Chartwell Retirement	CAD	CSH.UN	325.2	$23.04	7,493	7,493	10,178	10,178	23.6x	19.9x	18.0x	NA	NA	56.2x
Extendicare	CAD	EXE	95.0	$36.85	3,502	3,502	3,499	3,499	18.1x	13.9x	12.2x	26.7x	26.5x	24.2x
Vital Infrastructure	CAD	VITL.UN	250.0	$5.62	1,405	1,405	2,762	2,762	12.1x	13.3x	13.0x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	$0.38	33	33	35	35	11.9x	NA	NA	NA	NA	NA
Sienna Senior Living	CAD	SIA	107.1	$22.83	2,445	2,445	3,693	3,693	23.8x	18.5x	16.2x	48.5x	40.1x	35.1x
Profitable Canadian healthcare firms - medical equipment distribution/sales [3]														
Covalon Technologies	CAD	COV	27.6	$2.20	61	61	46	46	49.5x	12.0x	9.4x	36.9x	24.4x	18.3x
Viemed Healthcare	USD	VMD	38.3	$12.14	465	465	661	937	8.9x	7.2x	6.3x	31.4x	26.7x	19.9x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms [5]														
Healwell AI	CAD	AIDX	303.0	$0.76	230	230	295	295	NA	42.0x	18.4x	NA	NA	NA
Hydreight	CAD	NURS	53.7	$4.65	250	250	233	233	47.6x	10.2x	6.4x	55.1x	15.5x	9.2x
Kneat.com [5]	CAD	KSI	96.3	$6.45	621	880	596	596	NA	35.7x	23.0x	NA	NA	NA
Vitalhub	CAD	VHI	63.3	$7.28	461	653	341	341	12.8x	9.8x	8.3x	NA	34.1x	24.0x
Well Health	CAD	WELL	255.4	$4.32	1,103	1,103	1,820	1,820	8.4x	9.9x	8.9x	41.0x	18.2x	21.5x
Average									**15.4x**	**13.4x**	**10.6x**	**28.3x**	**21.8x**	**20.1x**
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*

[2] *Theratechnologies (TH-T) acquired in Sept/25 by CB Biotechnology/Future Pak for US$4.20/shr; Andlauer's acquisition by UPS (UPS-NY, NR) closed in Nov/25*

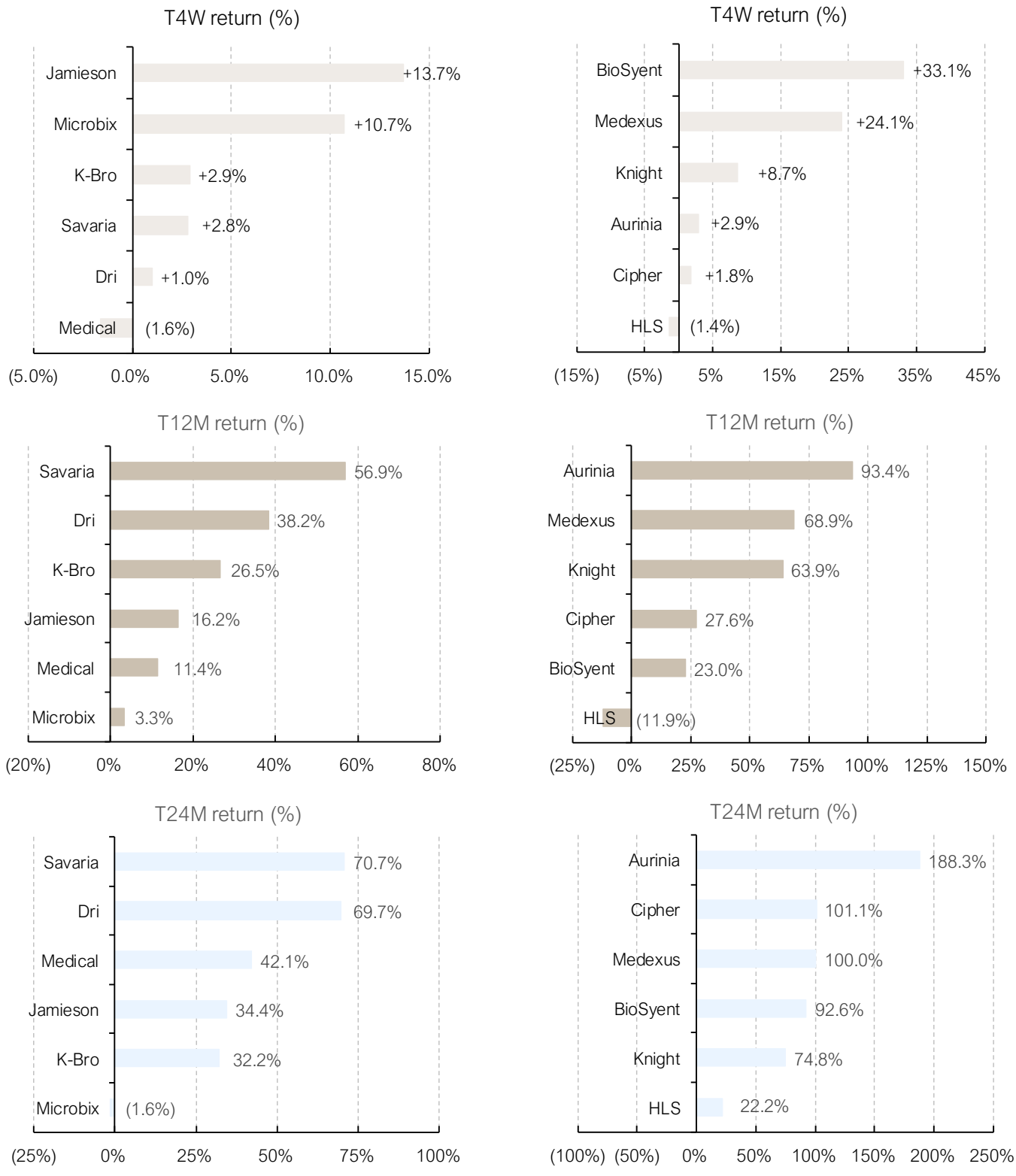
[3] *Quipt Home Medical was acquired by Kingswood Capital & Forager Capital for US$3.65/shr in Dec/25, transaction closed in Mar/26*

[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*

[5] *Kneat.com was bid to be acquired in Jun/26 by Thoma Bravo LP for C$650M; transaction close expected during FQ326*

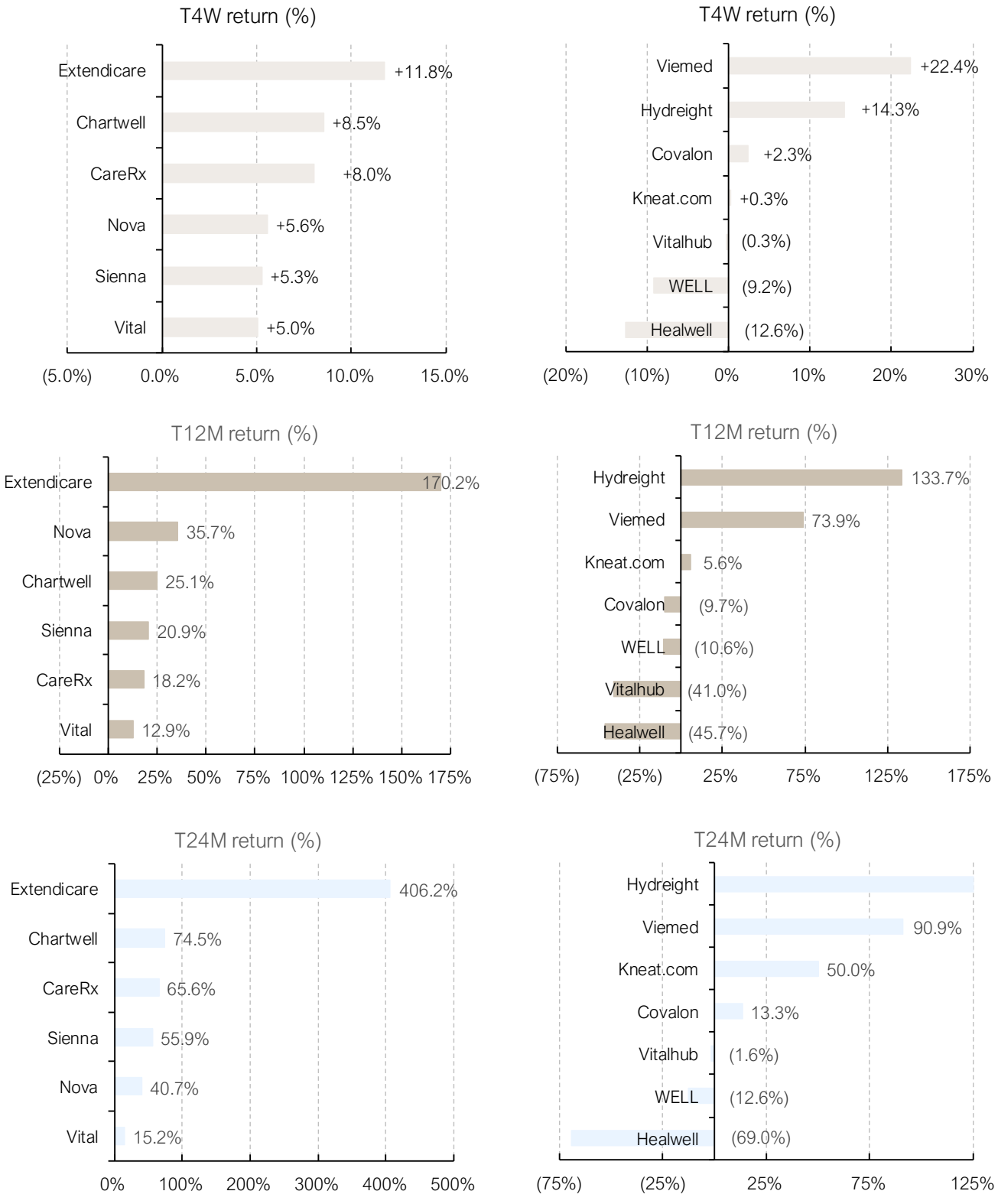
Source: Refinitiv, company reports, Leede Financial

Exhibit 15. Trailing Four-Week, One-Year & Two-Year Relative Share Price Performance For EBITDA/EPS-Positive Canadian Healthcare Equities – Specialty Services & Specialty Pharmaceutical Firms



Source: Refinitiv, company reports, Leede Financial

Exhibit 16. 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 1,400%)*

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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	5
Extendicare | EXE-TSX	None
K-Bro Linen | KBL-TSX	None
Medexus Pharmaceuticals | MDP-TSX	None
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