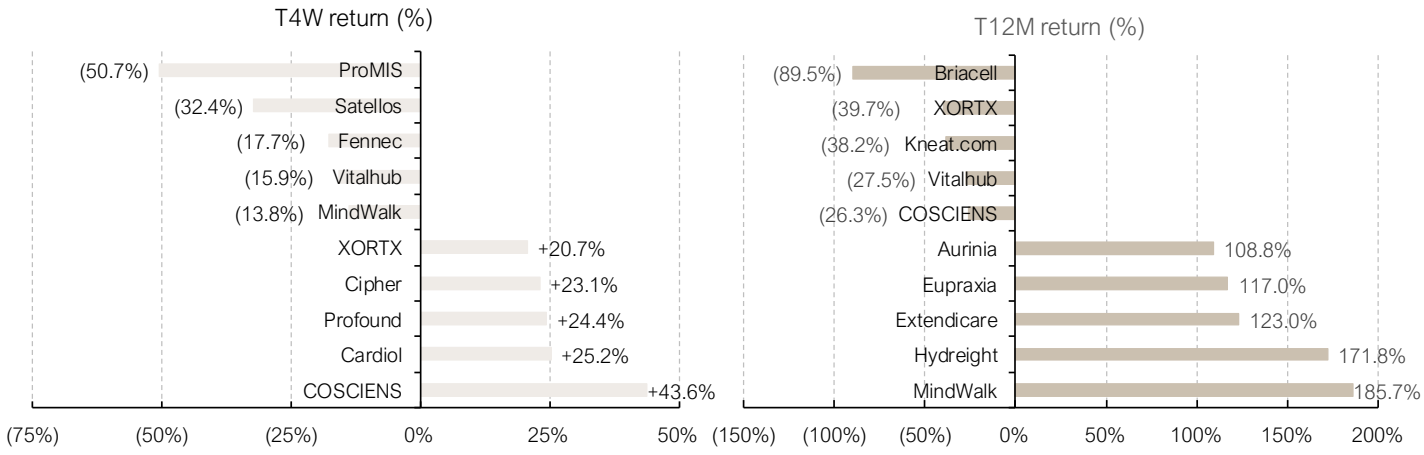
Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Updates From Our Healthcare Universe

- **Cipher explores new strategic avenues to enhance Natroba US sales.** ON-based dermatology-focused specialty pharmaceutical firm Cipher Pharmaceuticals (CPH-T, Buy, C$19.00) entered into a new alliance with Washington-based digital health firm CaryHealth (private) to provide a supplemental marketing channel through which it can distribute its anti-head lice/scabies pediculicide topical Spinosad formulation Natroba. Recall that the firm acquired global rights to this therapy through acquiring IN-based peer ParaPro back in Jul/24.
  - CaryHealth was not previously relevant to our coverage universe at least overtly, so as background, the firm has an AI-based platform (what company does not have an AI platform in 2026!) for determining prescribing patterns & to use that information to track prescription needs & timing of supplemental prescription deliveries on a per-patient basis. The firm's foundational AI model is branded as Clair, only one letter away from being the same brand as Perimeter Medical Imaging's (PINK-V, Spec Buy, PT C$3.00) recently-FDA-approved AI-enabled optical coherence tomography-based breast tumor margin-assessing B-Series platform recently rebranded as Claire. The two technologies are clearly distinct of course, though presumably with the same agenda to incorporate the letters AI into the brand.
  - Our Natroba revenue forecasts are not overtly stratified by distribution channel or by geography, at least not yet, so the CaryHealth alliance is for now embedded into our overall annual US revenue growth trajectory. But in summary, our Natroba global revenue forecasts are expected to grow based on multiple factors that when collectively considered motivated us to endorse the ParaPro/Natroba acquisition when announced just as enthusiastically as we do now. Key drivers include the following:
    - Gaining favorable regulatory regard in international markets while in parallel gaining regional marketing partners in geographies where Cipher does not currently have marketing infrastructure (so everywhere but the US & Canada,

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where the firm just submitted its NDS to Health Canada in Jan/26). We have reviewed the Phase III clinical data on which Natroba/Spinosad was originally FDA-approved back in 2011, data that showed unambiguously superior anti-heat lice/scabies infestation not just in comparison to placebo but also to an alternative drug permethrin (GlaxoSmithKline's [GSK-LN, NR] Nix) as well. Based on published data alone & independent of any manufacturing nuances that occasionally can delay regulatory review, we see no impediments to timely Canadian approval/launch by FQ127 if not earlier.

Exhibit 2. Income Statement & Financial Forecast Data For Cipher Pharmaceuticals, F2018A-to-F2028E

Fiscal year-end Dec 31 (US$000, except EPS)	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
US/RoW, royalty revenue											
Royalty rev, ConZip (US)	552	600	500	430	152	138	33	154	188	188	188
Royalty rev, Lipofen (US)	2,378	2,312	2,400	2,331	2,850	2,175	2,045	1,600	1,813	1,887	1,963
Royalty rev, Absorica (US)	12,942	11,300	9,929	7,648	5,143	6,148	4,545	1,800	2,185	2,185	2,185
Royalty rev, Natroba (RoW)	0	0	0	0	0	0	0	0	1,052	1,650	1,815
Canada/US, direct Rx sales											
Revenue, Epuris (Cda)	5,813	7,300	8,100	10,885	11,330	10,848	12,980	14,700	15,803	15,921	16,039
Revenue, Vaniqa/Actikerall/ Beteflam/other (Cda)	1,064	939	678	650	1,200	1,753	1,780	2,200	2,703	2,926	3,167
Revenue, Natroba (US)	0	0	0	0	0	0	11,980	29,997	32,997	36,296	39,926
Revenue, Natroba (Cda)	0	0	0	0	0	0	0	0	370	1,815	1,996
Total revenue	**$22,749**	**$22,451**	**$21,607**	**$21,944**	**$20,675**	**$21,162**	**$33,363**	**$50,451**	**$57,111**	**$62,869**	**$67,281**
Revenue growth (%)	*(43.6%)*	*(1.3%)*	*(3.8%)*	*1.6%*	*(5.8%)*	*2.4%*	*57.7%*	*51.2%*	*13.2%*	*10.1%*	*7.0%*
Operational expenses	15,984	9,822	8,116	9,294	8,233	8,712	18,237	24,968	29,403	32,532	35,009
EBITDA	**$6,765**	**$12,629**	**$13,491**	**$12,650**	**$12,442**	**$12,450**	**$15,126**	**$25,483**	**$27,708**	**$30,337**	**$32,271**
EBITDA growth (%)	*(74.5%)*	*86.7%*	*6.8%*	*(6.2%)*	*(1.6%)*	*0.1%*	*21.5%*	*68.5%*	*8.7%*	*9.5%*	*6.4%*
EBITDA margin (%)	*29.7%*	*56.3%*	*62.4%*	*57.6%*	*60.2%*	*58.8%*	*45.3%*	*50.5%*	*48.5%*	*48.3%*	*48.0%*
Non-operating expenses	$3,379	$4,570	$6,598	$1,593	$1,392	$2,417	$9,992	$7,285	$10,040	$10,040	$10,040
Net interest exp (income)	$712	$786	$291	$80	($464)	($1,870)	($330)	$1,165	$350	$350	$350
Tax expense, exc tax loss carry-forward	$1,922	$3,071	$3,554	$3,413	($847)	($4,965)	$54	$12	$4,330	$4,987	$5,470
Net income, fully-taxed	**$1,201**	**$2,639**	**$4,386**	**$7,759**	**$26,636**	**$20,383**	**$11,546**	**$27,329**	**$17,318**	**$19,947**	**$21,881**
Fully-taxed EPS (basic)	$0.04	$0.10	$0.16	$0.29	$1.06	$0.81	$0.45	$1.08	$0.69	$0.79	$0.87
Fully-taxed EPS (fd)	**$0.04**	**$0.10**	**$0.16**	**$0.28**	**$1.01**	**$0.78**	**$0.43**	**$1.03**	**$0.66**	**$0.76**	**$0.83**
P/E (basic)	*303.5x*	*138.8x*	*83.9x*	*46.5x*	*12.9x*	*16.9x*	*29.9x*	*12.7x*	*19.9x*	*17.3x*	*15.7x*
EV/EBITDA	*51.2x*	*27.4x*	*25.7x*	*27.4x*	*27.8x*	*27.8x*	*22.9x*	*13.6x*	*12.5x*	*11.4x*	*10.7x*

Source: Cipher Pharmaceuticals financial filings, Leede Financial

- Cipher has been slow to consummate any royalty-bearing international distribution alliances for Natroba but we are optimistic that regional alliances in RoW markets are advancing at a measured pace based on deal terms & not on the underlying partnerability of the drug itself (it is after all selling well & above historic pace in the US under Cipher's stewardship).

- Secondly, we are optimistic that Natroba/Spinosad can capture market share from permethrin/Nix based on the widely-published observation that mutant head lice/scabies strains are emerging worldwide that are refractory to permethrin's antibiotic activity, & this factor is independent of the documented superiority of Spinosad vs permethrin as originally demonstrated in Phase III studies described in Natroba/Spinosad prescribing information. Accordingly, we believe that Natroba/Spinosad can grow Rx volumes without any specific regard for any growth in head lice/scabies infestation prevalence.

- And thirdly, we believe that Cipher can grow market share through consummating supplemental Preferred Status relationships with state-sponsored Medicaid programs, as it did in IL back in Apr/25. Even without the full weight of any of these Natroba revenue drivers, Cipher was able to lift quarterly Natroba sales from US$5.5M in FQ324 (admittedly not a full-quarter of revenue contribution with the ParaPro acquisition consummated early in that quarter) to US$6.5m in FQ424 to US$6.7M in FQ125 to US$7.8M in FQ225 to US$8.1M in FQ325, before experiencing some seasonal softness in FQ425 when sales were US$7.4M (still up 14.1% y/y).

- **Summary & valuation.** For now, we are maintaining our PT/rating on CPH as indicated above, with our valuation still based on multiples of our F2027 adjusted EBITDA & fd EPS forecasts of US$30.3M & US$0.76/shr, respectively. Importantly, our EPS forecasts do not overtly assume timing or magnitude of recognition of the tax loss carryforwards that Cipher acquired from BC-based cardiovascular disease-focused drug developer Correvio back in May/18, carryforwards that dramatically impacted many prior quarters & specifically FQ425 when as-reported tax recovery-affected fd EPS just in that quarter alone was US$0.53/shr, not hugely dissimilar from the full-year F2027 fd EPS forecast indicated above on which our CPH valuation is partially based. Our EV calculation incorporates FQ425 cash of US$7.5M & total debt of US$5.0M, with the latter metric sharply reduced with operating cash flow since FQ324 when debt levels were augmented (to US$40.0M) to fund the ParaPro transaction. We calculate that year-end fd S/) were 26.3M.

Exhibit 3. Valuation Scenarios For Cipher Pharmaceuticals

Price/earnings multiple, F2027	5x	10x	15x	20x	25x	30x	35x
Implied share price [1,2]	$3.80	$7.60	$11.40	**$15.20**	$19.00	$22.80	$26.60
EV/EBITDA multiple, F2027	**5x**	**7x**	**9x**	**10x**	**11x**	**13x**	**15x**
Implied share price [1,2]	$6.10	$8.50	$10.90	**$12.10**	$13.30	$15.70	$18.10
One-year Cipher target price (US$)				**$13.65**			
One-year Cipher target price (C$) [3]				**$18.96**			

[1] *Based on F2027 adj EBITDA forecast of US$30.3M, F2027 adj fd EPS of US$0.76, basic S/O 25.3M; fd S/O 26.3M*

[2] *Based on 20x EPS, 10x EV/EBITDA (F2027); FQ425 cash of US$7.5M/C$10.2M, LT debt of US$5.0M/C$6.8M*

[3] *PT in C$ assumes USD:CAD exchange rate of 1.39x*

Source: Cipher Pharmaceuticals financial filings, Leede Financial

- Cipher's Canadian sales for its super-bioavailable CIP-isotretinoin cystic acne formulation Epuris continues to be a stable cash flow-generating dermatology product for the firm, giving us confidence that Cipher can outperform current sales traction for this drug in US Rx markets where it is sold as Absorica by increasingly-apathetic partner Sun Pharma (524715-INR, NR). We are counting the minutes until end-of-FQ426 when Cipher assumes independent US marketing rights for the drug & can invoke strategies to grow Absorica's US market share through some combination of competitive pricing in comparison to alternative isotretinoin brands & more focused promotional efforts to feature Absorica's bioavailability superiority compared to other generic brands, probably even when compared to other generic formulations of Absorica itself as sold by Teva/Actavis (TEVA-NY, NR) & Upsher Smith Laboratories LLC (private).

- **Nanalysis reported FQ425 financial results.** AB-based analytical instrumentation & secondary services firm Nanalysis Scientific (NSCI-V, Spec Buy, PT C$0.50) reported FQ425 financial data for the December-end period that were certainly strong at least by recent standards if not quite as compared to historically strong FQ424, with adjusted EBITDA solidly into positive territory for the first time since FQ125 (& barely positive in that quarter as well) & thus putting Nanalysis back on a trajectory to achieve steady-stage quarterly EBITDA margin in the low-20% range as our model assumes in F2027-to-F2028.

Exhibit 4. Valuation Scenarios For Nanalysis Scientific

Price/earnings multiple, F2027	5x	10x	15x	20x	25x	30x
Implied share price [1]	$0.17	$0.34	**$0.52**	$0.69	$0.86	$1.03
EV/EBITDA multiple, F2027	**5x**	**7x**	**8x**	**9x**	**10x**	**12x**
Implied share price [1]	$0.25	$0.39	**$0.46**	$0.52	$0.59	$0.73
One-year NSCI target price (C$) [1]			**$0.49**			

[1] *Based on adjusted F2027 EBITDA of $10.4M, F2027 EPS of $0.034, discounted by 10.0%; EV incorporates FQ425 cash of $3.2M, LT debt of $16.0M, and fd S/O of 153.8M*

Source: Nanalysis Scientific financial filings, Leede Financial

- Gross margin for the firm's securities services division continues to compress EBITDA however & will be a recurring risk factor in our investment thesis until resolved. Starting with FQ425 headline data, Nanalysis generated revenue/gross margin/EBITDA in the quarter of $10.7M/$2.9M/$1.1M, substantially above FQ325 data on all metrics at $9.3M/$2.0M/($0.2M) when EBITDA margin was negative but incrementally below FQ424 data on all of those same metrics at $12.3M/$4.2M/$1.6M. Consolidated gross margin of 27.1% while strong by recent standard was not up to FQ424 level of 34.1% or indeed anywhere close to the 65%-to-80% range that the firm routinely achieved during FQ218-to-FQ221 when Nanalysis was exclusively a benchtop low-field NMR system developer/marketer.

Exhibit 5. Historic Revenue Data & Projected Revenue Forecasts for Nanalysis Scientific, F2018A-to-F2028E

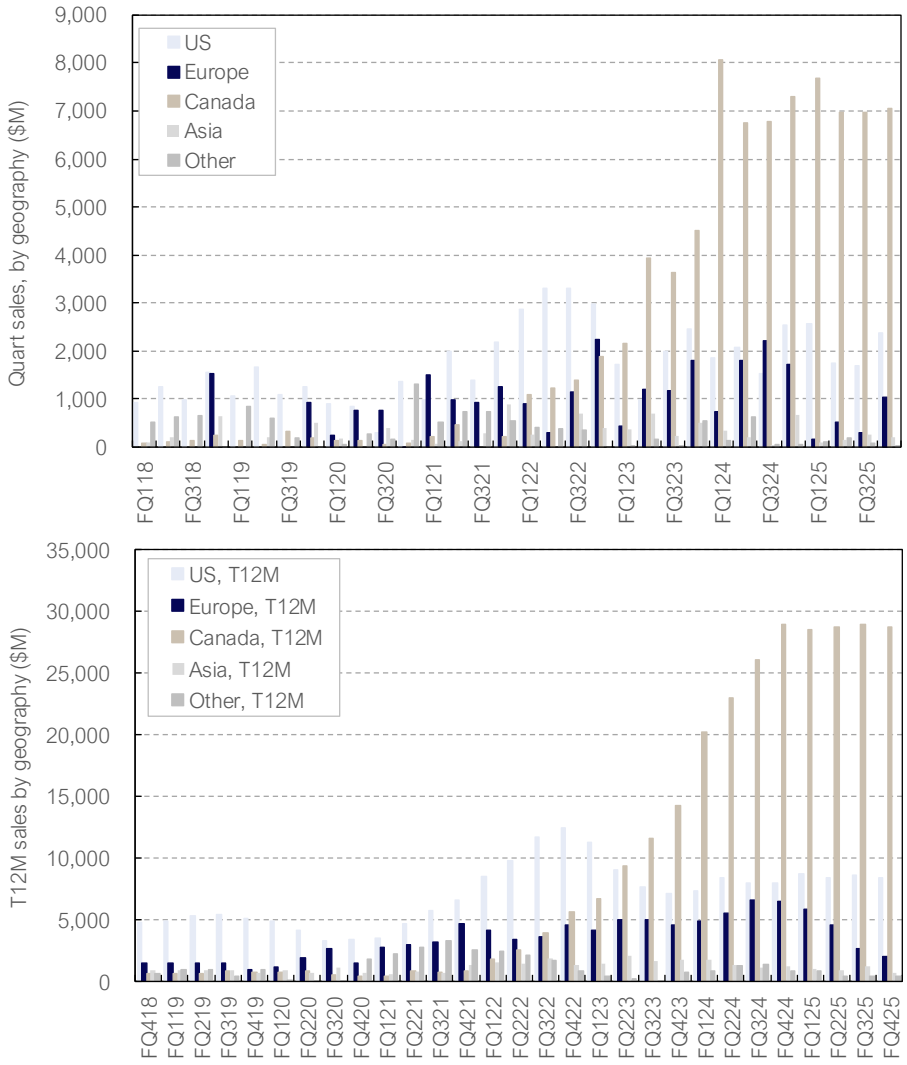
Year-end Dec 31 (C$000, except EPS)	F2018A	F2019A	F2020A	F2021A	F2022A	F2023A	F2024A	F2025A	F2026E	F2027E	F2028E
Revenue, categorized by acquisition history (F2018-to-F2022)											
Nanalysis, Quad Sys, One Moon	*8,381*	*8,364*	*5,731*	*10,590*	*15,042*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
RS2D SAS	*0*	*0*	*2,143*	*5,453*	*2,655*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
K'Prime Technol (CATSA)	*0*	*0*	*0*	*0*	*7,124*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Revenue, categorized by business segment (F2018A-to-F2028E)											
Scientific instruments	8,381	8,364	7,874	16,043	21,588	16,342	19,396	13,441	15,028	15,779	16,764
Security services	0	0	0	0	3,233	10,481	21,010	22,769	26,625	28,759	30,892
Total revenue	**$8,381**	**$8,364**	**$7,874**	**$16,043**	**$24,821**	**$28,466**	**$45,495**	**$40,131**	**$41,653**	**$44,538**	**$47,656**
Revenue growth (%)	*NA*	*(0.2%)*	*(5.9%)*	*103.7%*	*54.7%*	*14.7%*	*59.8%*	*(11.8%)*	*3.8%*	*6.9%*	*7.0%*
Direct costs	2,983	2,304	2,707	5,803	11,079	9,609	9,188	5,743	6,562	6,035	6,077
Gross margin	5,398	6,060	5,167	10,240	10,469	3,971	12,746	9,964	14,010	17,653	19,182
Gross margin (%)	*64.4%*	*72.5%*	*65.6%*	*63.8%*	*42.2%*	*13.9%*	*28.0%*	*24.8%*	*33.6%*	*39.6%*	*40.3%*
Operating expenses	4,480	5,015	6,811	8,335	15,074	12,045	10,810	9,282	7,908	7,261	7,328
EBITDA	**$918**	**$1,045**	**($1,644)**	**$1,905**	**($4,605)**	**($8,074)**	**$1,936**	**$682**	**$6,102**	**$10,392**	**$11,854**
EBITDA margin (%)	*11.0%*	*12.5%*	*NA*	*11.9%*	*NA*	*NA*	*4.3%*	*1.7%*	*14.6%*	*23.3%*	*24.9%*
EBITDA growth (%)	*NA*	*13.8%*	*NA*	*NA*	*NA*	*NA*	*NA*	*(64.8%)*	*794.7%*	*70.3%*	*14.1%*
Loss (income) on Quad Systems	0	0	0	0	0	527	1,085	0	0	0	0
Non-operating expenses	$630	$2,290	$2,365	$3,641	$6,224	$4,494	$5,381	$4,954	$2,848	$2,848	$2,848
EBIT	**$288**	**($1,245)**	**($4,009)**	**($1,736)**	**($10,829)**	**($12,568)**	**($3,445)**	**($4,272)**	**$3,254**	**$7,544**	**$9,006**
Int exp (income), curr exch	$152	$154	($34)	$36	$240	$3,700	$1,779	$1,367	$1,667	$1,563	$1,459
Tax expense	$62	$261	($297)	$0	($484)	($11)	($22)	$19	$446	$1,495	$1,887
Net income, fully-taxed	$74	($1,660)	($3,463)	($1,822)	($9,781)	($16,839)	($13,421)	($5,658)	$1,146	$4,485	$5,660
Fully-taxed EPS (basic)	**$0.001**	**($0.024)**	**($0.053)**	**($0.025)**	**($0.104)**	**($0.169)**	**($0.119)**	**($0.050)**	**$0.010**	**$0.040**	**$0.050**
Fully-taxed EPS (fd)	$0.001	($0.022)	($0.047)	($0.023)	($0.092)	($0.144)	($0.103)	($0.043)	$0.009	$0.034	$0.043
P/E (basic)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*13.8x*	*3.5x*	*2.8x*
EV/EBITDA	*34.2x*	*30.0x*	*NA*	*16.5x*	*NA*	*NA*	*16.2x*	*46.0x*	*5.1x*	*3.0x*	*2.6x*

Source: Nanalysis Scientific financial filings, Leede Financial

- Nanalysis' securities services operations as driven predominantly by the firm's long-term contract with the Canadian Air Transport Security Authority (CATSA) has long been an anchor on the firm's profitability, generating reasonable gross margin of 33%-to-40% during the first two quarters of contract implementation in FH122 & then generating five consecutive quarters of negative gross margin contribution before lifting gross margin back into positive territory, if barely, in FQ124 & sustaining average quarterly gross margin over the T8Q period of 11.0%, essentially at FQ425 security services gross margin of 10.7%. Our model still assumes that gross margin for this services division could/should achieve stable levels at or above the high-20%-to-low-30% range with focused cost containment.

- As we show in Exhibit 6, Nanalysis' quarterly revenue is now substantially derived from Canadian customers, of which CATSA is the largest by far, with benchtop NMR capital equipment sales in US/EU academic & corporate institutions still comprising sizable if lower quarterly revenue contribution. Nanalysis does not stratify its NMR equipment sales by model, so we do not know with certainty what the relative proportion of lower-priced 60MHz vs higher-priced 100MHz instrument sales was in the period. None of Nanalysis' benchtop NMR peers provide product specific financial data either, including NZ-based Magritek (private) with its SpinSolve NMR platforms, CO-based Q Magnetics (private) with its QM-125 platform, UK-based Oxford Instruments (OXIG-LN, NR) with its X-Pulse 90 NMR platform, & diversified spectroscopy instrument manufacturer/marketer Bruker (BRKR-Q, NR) which does not provide any category-specific sales data for any of its analytical instruments, including for its Fourier 80 benchtop NMR platform.

Exhibit 6. Historic Quarterly & T12M Revenue For Nanalysis Scientific, Stratified By Geography Of Customer, FQ118-to-FQ425



Source: Nanalysis Scientific financial filings ; Leede Financial

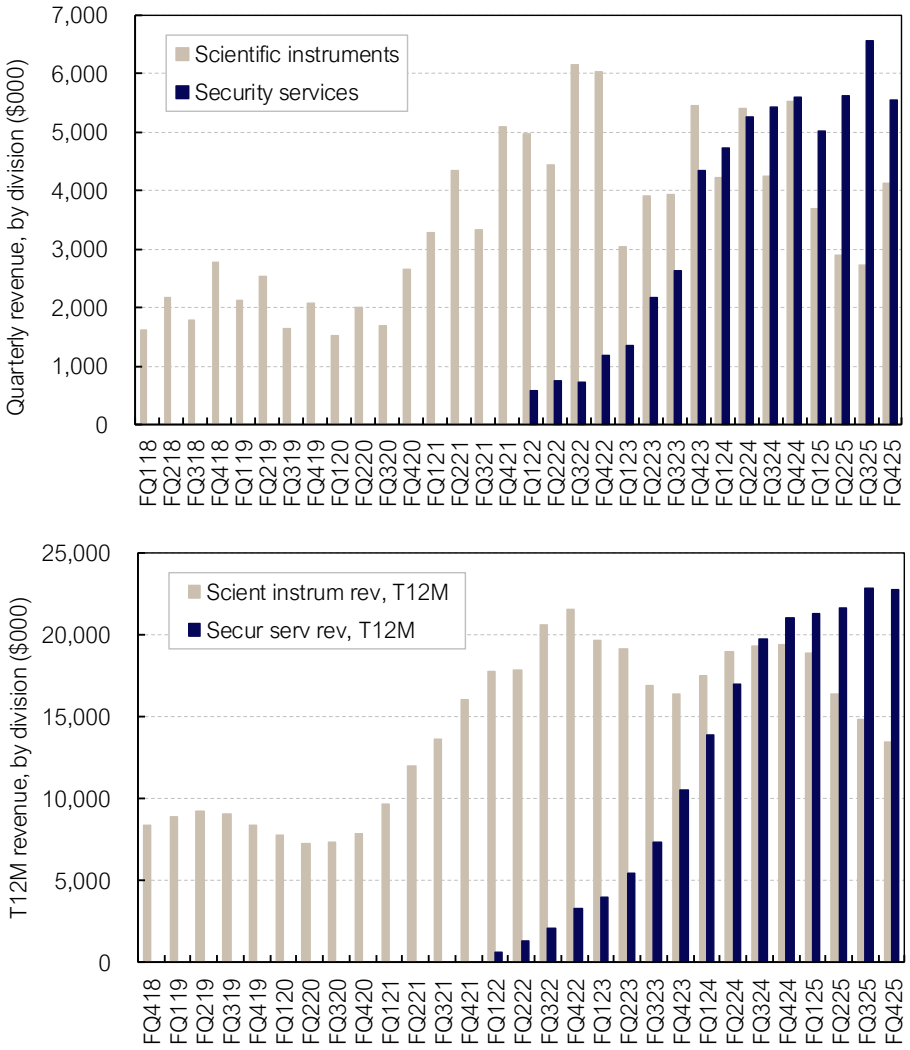
- Shifting to cash flow, FQ425 pure operating cash flow of $0.7M was predictably lower than EBITDA by the magnitude of cash interest expense incurred in the period & like EBITDA, it reversed the trailing two-quarter trend of negative operating cash flow that until now had enhanced business risk for the firm. Virtually all working capital metrics, or at least the seminal working capital elements of receivables-inventory-payables, were all into surplus territory in the quarter, so the cumulative surplus of $2.0M in the quarter lifted FQ425 consolidated operating cash flow to $2.65M & in so doing, facilitating sequential lift in quarter-end cash to $3.16M, up from $0.41M in the prior quarter.

- When considering FQ425 EBITDA of $1.13M (Nanalysis' own calculation is a bit higher), interest expense of $0.43M & quarter-end total debt of $16.0M, we calculate that Nanalysis' debt-based financial ratios are dramatically improved from the trailing two quarters during which the ratios were incalculable due to negative EBITDA contribution. FQ425 debt-to-FQ425 EBITDA run-rate ratio was 3.5x, still at cautionary levels but less so than during FQ125-to-FQ325, & FQ425 EBITDA-to-interest coverage ratio was 2.6x, also still cautionary but still approaching the 3x threshold that we like to see before mitigating our assessment of operating risk for any coverage stock.

- **Summary & valuation.** In conclusion, we are unambiguously positive about the EBITDA ricochet that Nanalysis achieved from trough levels in FQ225-FQ325 but the firm will clearly need to build on FQ425 performance & establish FQ425 data as a floor & not a ceiling for achievable profitability. Notwithstanding overall FQ425 profitability, security services

gross margin actually declined sequentially & it is integral to our NSCI investment thesis that gross margin for this division lift sequentially up to the high-20%-to-low-30% level, as we would expect for any other service operation in our coverage universe. Gross margin for NMR capital sales was near the 60%-to-65% level that Nanalysis was able to achieve in prior quarters but still below that threshold perhaps through some combination of lower unit pricing & higher component costs (Nanalysis specifically mentioned supply chain logistics for rare earth element-based components for creating superconducting wires & magnet components, both of which are primarily sourced from international markets) that could continue for the next few quarters.

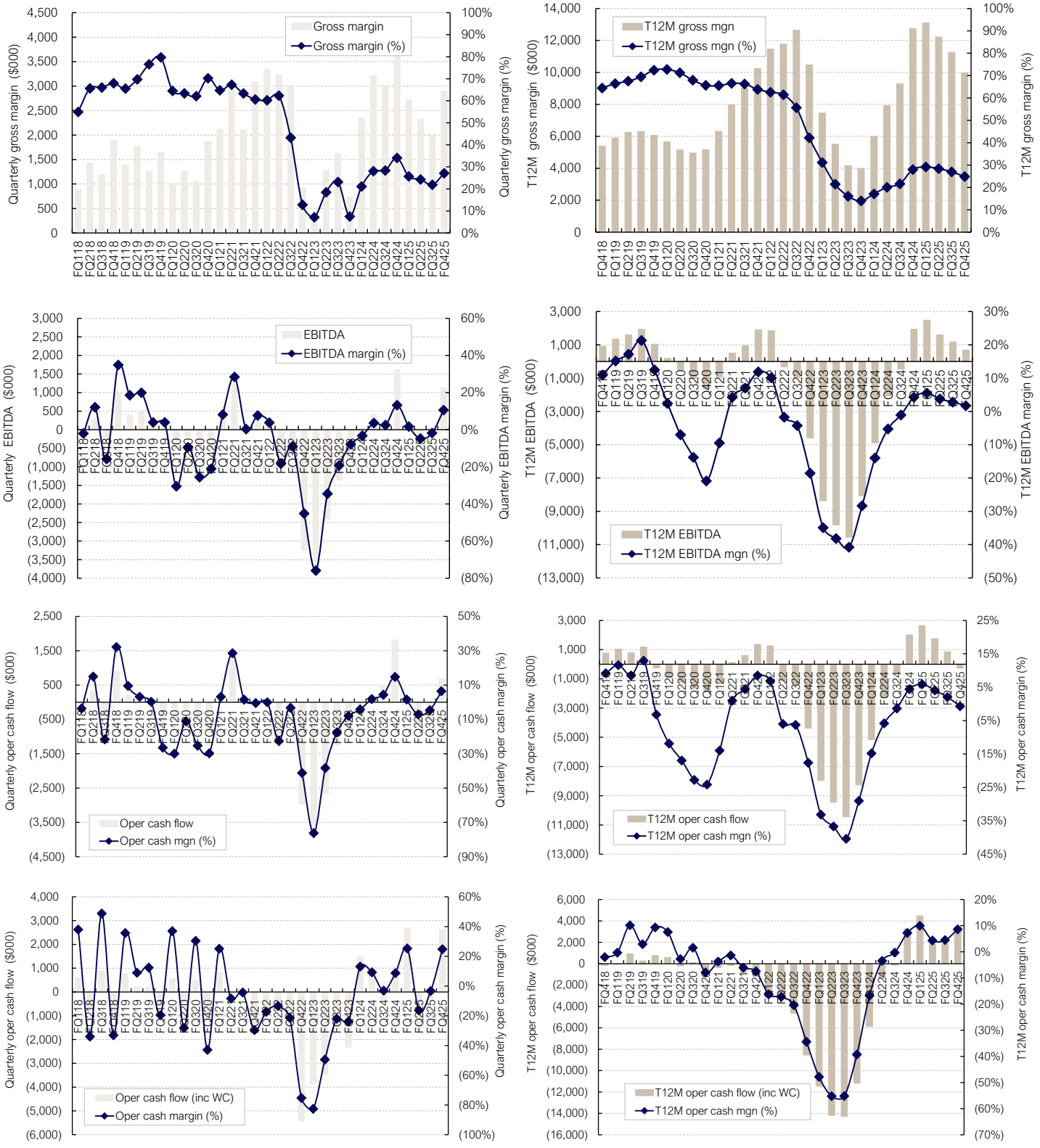
Exhibit 7. Historic Quarterly & T12M Revenue For Nanalysis Scientific, Stratified By Category, FQ118-to-FQ425



Source: Nanalysis Scientific financial filings ; Leede Financial

- But based on our sustainably positive view on the upward trajectory on demand for lower-cost, lower-field benchtop NMR functionality in analytical & commercial laboratories, we are maintaining our Spec Buy rating & one-year PT of C$0.50 on NSCI, with our valuation still based on multiples of our F2027 adjusted EBITDA/fd EPS forecasts of C$10.4M & C$0.034/shr, respectively & as shown in Exhibits 4 & 5. Our EV is for now based on FQ425 cash of C$3.2M & total debt of C$16.0M, with our fd S/O calculation of 153.8M embedded into our F2026-to-F2028 forecasts & valuation. There is no denying that Nanalysis is capital-constrained & overly debt-burdened at present but we are optimistic that the firm can be properly capitalized through a combination of NMR system sales ramp & gross margin improvements in its CATSA contract-based services/maintenance operations.

Exhibit 8. Historic Quarterly & T12M Gross Margin-EBITDA-Cash Flow Data For Nanalysis Scientific, FQ118-to-FQ425



Source: Nanalysis financial filings; Leede Financial

- **Oncolytics Biotech reported FQ425 financial data.** AB/CA-based oncology-focused reovirus developer Oncolytics Biotech (ONCY-Q, Spec Buy, PT US$3.00) reported financial data for the December-end quarter that was in line with our expectations, exiting FQ425 with US$5.2M but with trailing T12M operating cash loss of (US$20.1M) & with new Phase II clinical priorities on the horizon for the firm's proprietary anti-tumor reovirus formulation pelareorep on the horizon (even before considering sustained capital obligations for its 120-patient Phase II gastrointestinal cancer-focused GOBLET trial), capitalization initiatives either through engaging with capital markets or pharma partners will be a near-term priority.

Exhibit 9. Valuation Scenarios for Oncolytics Biotech

NPV, discount rate		20%	25%	30%	35%	40%	50%
Implied value per share		$8.96	$5.49	**$3.36**	$2.01	$1.15	$0.21
				Discounted share price end-of-2026			
Price/earnings multiple, F2031	**P/E**	**20%**	**25%**	**30%**	**35%**	**40%**	**50%**
Implied share price[1]	10	$2.61	$2.04	$1.61	$1.29	$1.03	$0.68
	20	$5.22	$4.08	**$3.23**	$2.58	$2.06	$1.36
	30	$7.83	$6.12	$4.83	$3.87	$3.09	$2.04
EV/EBITDA multiple, F2031		**5x**	**7.5x**	**10x**	**12.5x**	**15x**	**17.5x**
Implied share price[1,2]		$1.11	$1.67	$2.22	$2.77	$3.32	$3.88
One-year ONC target price (US$)				**$2.93**			

[1] *Based on F2033 fd fully-taxed EPS forecast of $0.78; EBITDA of $141.8M; 30% discount rate*

[2] *EV based on FQ425 cash of US$5.2, no LT debt, S/O (fd) of 132.9M (basic S/O 108.0M)*

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

Source: Oncolytics Biotech financial filings, Leede Financial

- Our sustained PT/rating for the stock is based on our positive view on how pelareorep could be relevant in standard-of-care in many solid tumor forms in which mutations in the Kras gene are relevant to disease etiology. Separately, though we are maintaining our rating/PT as indicated above, we are revising our projected clinical priorities for pelareorep to de-emphasize metastatic breast cancer as a seminal indication (Phase II survival data for this indication are now as originally reported still strong, but shifting sands underneath pelareorep's feet makes this indication less attractive for competitive reasons; see below) while placing heightened emphasis on selected gastro-intestinal cancer forms for which mutated Ras is a core component of cancer progression.

Exhibit 10. Income Statement & Financial Forecast Data For Oncolytics Biotech, F2025A-to-F2036E

Year-end December 31 *(US$M, except per share data)*	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Pelareorep royalty revenue, by indication												
Breast cancer	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$19.6	$63.1	$86.9	$111.5
Pancreatic cancer	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5.4	$25.9	$51.1	$67.5	$84.6
Colorect cancer, second-line	$0.0	$0.0	$0.0	$0.0	$0.0	$6.7	$38.3	$82.2	$109.4	$137.7	$167.1	$197.5
Squamous cell anal cancer	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.5	$2.3	$4.9	$7.0	$8.5	$10.0
Royalty rev, pelareorep	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$6.7**	**$38.8**	**$89.9**	**$159.8**	**$258.9**	**$329.9**	**$403.7**
Revenue growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*478%*	*132%*	*78%*	*62%*	*27%*	*22%*
Payments from future partners	$0.0	$0.0	$5.0	$7.5	$7.5	$7.5	$7.5	$7.5	$7.5	$7.5	$7.5	$7.5
SG&A expense (amortization-adj)	$13.3	$25.0	$25.0	$25.0	$25.0	$20.0	$15.0	$12.5	$10.0	$7.5	$5.0	$5.0
R&D expense	$12.2	$12.2	$12.2	$12.2	$12.8	$13.4	$14.1	$14.8	$15.5	$16.3	$17.1	$18.0
EBITDA	**($25.6)**	**($37.2)**	**($32.2)**	**($29.7)**	**($30.3)**	**($19.2)**	**$17.2**	**$70.1**	**$141.8**	**$242.6**	**$315.3**	**$388.2**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*407.3%*	*202.2%*	*171.1%*	*130.0%*	*123.1%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*44.4%*	*78.0%*	*88.7%*	*93.7%*	*95.6%*	*96.2%*
Cumulative non-cash expenses	$3.2	$2.7	$2.7	$2.7	$2.7	$2.7	$7.0	$20.2	$38.1	$63.3	$81.5	$99.8
Net Income, fully-taxed	($28.9)	($40.0)	($35.0)	($32.5)	($33.1)	($22.0)	$10.1	$49.8	$103.5	$179.1	$233.6	$288.3
EPS (fully-taxed, basic)	($0.27)	($0.37)	($0.32)	($0.30)	($0.31)	($0.20)	$0.09	$0.46	$0.96	$1.66	$2.16	$2.67
EPS (fully-taxed, fd)	**($0.22)**	**($0.30)**	**($0.26)**	**($0.24)**	**($0.25)**	**($0.17)**	**$0.08**	**$0.37**	**$0.78**	**$1.35**	**$1.76**	**$2.17**
S/O (basic, M)	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*	*108.0*
S/O (fully-diluted, M)	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*	*132.9*
P/E	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*13.7x*	*2.8x*	*1.3x*	*0.8x*	*0.6x*	*0.5x*
EV/EBITDA	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*6.3x*	*1.5x*	*0.8x*	*0.4x*	*0.3x*	*0.3x*

Source: Oncolytics Biotech financial filings, Leede Financial

- As announced earlier this week & in prior clinical updates, Oncolytics is recalibrating its pipeline priorities for pelarepreo away from metastatic breast cancer & advanced pancreatic cancer & toward more gastrointestinal cancer-focused indications, specifically second-line metastatic colorectal cancer & squamous cell anal cancer, presumably for a combination of clinical & commercial/competitive reasons. As described by us in prior Oncolytics-focused reports, the clinical justification for targeting HER2-negative/hormone receptor-positive metastatic breast cancer with a combination of pelareorep & paclitaxel is strong based on legacy Phase II data that demonstrated strong survival benefit in comparison to paclitaxel alone & that data is not getting any worse with age.

Exhibit 11. Pelareorep Royalty Revenue Forecasts For Oncolytics Biotech, Breast & Pancreatic Cancer, F2028E-to-F2038E

Fiscal year-end December 31 (currency as indicated)	*2028E*	*2029E*	*2030E*	*2031E*	*2032E*	*2033E*	*2034E*	*2035E*	*2036E*	*2037E*	*2038E*
Breast cancer, metastatic, HER2(-)/HR(+)											
Breast cancer annual incidence, US	294,663	300,557	306,568	312,699	318,953	325,332	331,839	338,476	345,245	352,150	359,193
Proportion with ER(+)/PR(+) disease	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*
Proportion with HER2(-) disease	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*
Total incidence of ER/PR/HER2(-) disease)	*154,698*	*157,792*	*160,948*	*164,167*	*167,450*	*170,799*	*174,215*	*177,700*	*181,254*	*184,879*	*188,576*
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*2.5%*	*3.5%*	*4.5%*	*5.5%*	*6.5%*	*7.5%*
Price per treatment per year (US$)	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000
Pela gross sales by partner (US$000)	$0	$0	$0	$0	$0	$85,400	$121,951	$159,930	$199,379	$240,342	$282,864
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pela roy rev, breast canc, US (US$000)	$0	$0	$0	$0	$0	$19,642	$28,049	$36,784	$45,857	$55,279	$65,059
Breast cancer annual incidence, Europe	588,211	599,975	611,974	624,214	636,698	649,432	662,421	675,669	689,182	702,966	717,025
Proportion with ER(+)/PR(+) disease	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*	*70.0%*
Proportion with HER2(-) disease	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*
Total incidence of ER/PR/HER2(-) disease)	*308,811*	*314,987*	*321,286*	*327,712*	*334,266*	*340,952*	*347,771*	*354,726*	*361,821*	*369,057*	*376,438*
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*2.5%*	*3.5%*	*4.5%*	*5.5%*	*6.5%*
Price per treatment per year (€)	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000
Pelareorep gross sales by partner (US$000)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 0	€ 130,414	€ 186,231	€ 244,229	€ 304,472	€ 367,027
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pela roy rev, breast canc, Eur (€000)	$0	$0	$0	$0	$0	$0	$29,995	$42,833	$56,173	$70,029	$84,416
Pela roy rev, breast canc, Eur (US$000)	$0	$0	$0	$0	$0	$0	$35,074	$50,086	$65,684	$81,886	$98,710
Total Pela roy rev, breast (US$000)	**$0**	**$0**	**$0**	**$0**	**$0**	**$19,642**	**$63,123**	**$86,870**	**$111,541**	**$137,165**	**$163,769**
Pancreatic cancer											
Pancreatic cancer annual incidence, U.S.	66,732	68,067	69,428	70,816	72,233	73,677	75,151	76,654	78,187	79,751	81,346
Proportion harboring K-ras mutations	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*2.5%*	*7.5%*	*10.0%*	*12.5%*	*15.0%*	*17.5%*	*20.0%*
Price per treatment per year (in US$)	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000
Pelareorep gross sales by partner (US$000)	$0	$0	$0	$0	$23,476	$71,835	$97,696	$124,563	$152,465	$181,433	$211,499
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pelareorep roy rev, panc canc, US (US$000)	$0	$0	$0	$0	$5,399	$16,522	$22,470	$28,649	$35,067	$41,730	$48,645
Pancreatic cancer, Europe	129,062	131,643	134,276	136,962	139,701	142,495	145,345	148,252	151,217	154,241	157,326
Proportion harboring K-ras mutations	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*	*65%*
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*2.5%*	*7.5%*	*10.0%*	*12.5%*	*15.0%*	*17.5%*
Price per treatment per year (€)	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000
Pelareorep gross sales by partner (US$000)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 34,733	€ 106,284	€ 144,546	€ 184,296	€ 225,578	€ 268,438
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pela roy rev, panc canc, Eur (€000)	€ 0	€ 0	€ 0	€ 0	€ 0	€ 7,989	€ 24,445	€ 33,246	€ 42,388	€ 51,883	€ 61,741
Pela roy rev, breast canc, Eur (US$000)	$0	$0	$0	$0	$0	$9,341	$28,584	$38,875	$49,565	$60,668	$72,195
Total Pelareorep roy rev, panc canc	**$0**	**$0**	**$0**	**$0**	**$5,399**	**$25,863**	**$51,054**	**$67,524**	**$84,632**	**$102,397**	**$120,839**

Source: Oncolytics Biotech financial filings, Leede Financial

- But competitive landscape has clearly shifted since then with the introduction of multiple cyclin-dependent kinase inhibitors now targeting the indication & achieving blockbuster or near-blockbuster annual sales already (we will not summarize the entire list of drugs in this category but Pfizer's [PFE-NY, NR] palbociclib/Ibrance is among the more recognizable brands) & so Phase III patient enrollment even before considering post-approval adoption are increasingly challenging for new therapies in this realm, including pelareorep in our & Oncolytics' view. Advanced pancreatic cancer, while also showing some encouraging pelareorep-associated tumor response/survival data as previously described by us, is a challenging indication based on typical stage of disease at diagnosis & tumor heterogeneity; we will continue to ascribe value to this indication based on our view that competitive landscape remains attractive even while clinical risk

does not. The only FDA-approved therapies that constitute standard of care are the nucleoside analog drug gemcitabine/Gemzar & the albumin-nanoparticle-formulated paclitaxel brand Abraxane.

Exhibit 12. Pelareorep Royalty Revenue Forecasts For Oncolytics Biotech, Colorectal & Anal Cancer, F2028E-to-F2038E

Fiscal year-end December 31 (currency as indicated)	*2028E*	*2029E*	*2030E*	*2031E*	*2032E*	*2033E*	*2034E*	*2035E*	*2036E*	*2037E*	*2038E*
Colorectal cancer (metastatic, second-line)											
Colorectal cancer prevalence, U.S.	1,503,200	1,533,264	1,563,929	1,595,208	1,627,112	1,659,654	1,692,847	1,726,704	1,761,238	1,796,463	1,832,392
Colorectal cancer annual incidence, U.S.	163,713	166,987	170,327	173,733	177,208	180,752	184,367	188,054	191,815	195,652	199,565
Annual deaths (measure of metastatic disease), US	56,138	57,261	58,406	59,574	60,765	61,981	63,220	64,485	65,775	67,090	68,432
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*2.5%*	*7.5%*	*10.0%*	*12.5%*	*15.0%*	*17.5%*	*20.0%*	*22.5%*	*25.0%*
Price per treatment per year (in US$)	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000
Pela gross sales by partner (US$000)	$0	$0	$29,203	$89,361	$121,531	$154,952	$189,661	$225,697	$263,098	$301,905	$342,159
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pela roy rev, colorect, US (US$000)	$0	$0	$6,717	$20,553	$27,952	$35,639	$43,622	$51,910	$60,513	$69,438	$78,697
Colorectal cancer prevalence, Europe	2,044,012	2,084,892	2,126,590	2,169,122	2,212,504	2,256,754	2,301,889	2,347,927	2,394,886	2,442,783	2,491,639
Colorectal cancer annual incid, Europe	362,317	369,563	376,954	384,493	392,183	400,027	408,027	416,188	424,512	433,002	441,662
Annual deaths (measure of metastatic disease), Europe	165,660	168,973	172,353	175,800	179,316	182,902	186,560	190,291	194,097	197,979	201,938
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*0.0%*	*2.5%*	*7.5%*	*10.0%*	*12.5%*	*15.0%*	*17.5%*	*20.0%*	*22.5%*
Price per treatment per year (€)	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000
Pelareorep gross sales by ptnr (€000)	$0	$0	$0	$65,925	$201,730	$274,353	$349,800	$428,155	$509,504	$593,937	$681,542
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pela roy rev, colorect, Eur (€000)	$0	$0	$0	$15,163	$46,398	$63,101	$80,454	$98,476	$117,186	$136,605	$156,755
Pela roy rev, colorect, Eur (US$000)	$0	$0	$0	$17,730	$54,254	$73,785	$94,077	$115,150	$137,028	$159,736	$183,297
Total Pelar roy rev, colorect (US$000)	**$0**	**$0**	**$6,717**	**$38,283**	**$82,206**	**$109,424**	**$137,699**	**$167,060**	**$197,541**	**$229,174**	**$261,993**
Squamous cell anal cancer											
Anal cancer prevalence, U.S.	90,984	92,803	94,659	96,553	98,484	100,453	102,462	104,512	106,602	108,734	110,909
Anal cancer annual incidence, U.S.	11,599	11,831	12,068	12,309	12,555	12,806	13,062	13,324	13,590	13,862	14,139
Annual deaths (measure of metastatic disease), US	2,154	2,197	2,241	2,286	2,332	2,378	2,426	2,475	2,524	2,575	2,626
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*0.0%*	*5.0%*	*15.0%*	*25.0%*	*30.0%*	*35.0%*	*40.0%*	*45.0%*	*50.0%*
Price per treatment per year (in US$)	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000
Pela gross sales by partner (US$000)	$0	$0	$0	$2,286	$6,995	$11,892	$14,556	$17,322	$20,192	$23,171	$26,260
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pela roy rev, anal canc, US (US$000)	$0	$0	$0	$526	$1,609	$2,735	$3,348	$3,984	$4,644	$5,329	$6,040
Anal cancer prevalence, Europe	136,476	139,205	141,989	144,829	147,726	150,680	153,694	156,768	159,903	163,101	166,363
Anal cancer annual incid, Europe	17,399	17,746	18,101	18,463	18,833	19,209	19,594	19,985	20,385	20,793	21,209
Annual deaths (measure of metastatic disease), Europe	3,231	3,296	3,362	3,429	3,498	3,568	3,639	3,712	3,786	3,862	3,939
Pelareorep market penetration (%)	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*5.0%*	*15.0%*	*25.0%*	*30.0%*	*35.0%*	*40.0%*	*45.0%*
Price per treatment per year (€)	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000	€ 15,000
Pelareorep gross sales by ptnr (€000)	$0	$0	$0	$0	$2,623	$8,027	$13,646	$16,703	$19,877	$23,171	$26,588
Effective Royalty rate (%)	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*	*23.0%*
Pela roy rev, anal canc, Eur (€000)	$0	$0	$0	$0	$603	$1,846	$3,139	$3,842	$4,572	$5,329	$6,115
Pela roy rev, anal canc, Eur (US$000)	$0	$0	$0	$0	$706	$2,159	$3,670	$4,492	$5,346	$6,232	$7,151
Total Pelar roy rev, colorect (US$000)	**$0**	**$0**	**$0**	**$526**	**$2,314**	**$4,894**	**$7,018**	**$8,476**	**$9,990**	**$11,561**	**$13,191**
Total Pelareorep royalty revenue, all indications (US$000)	**$0**	**$0**	**$6,717**	**$38,809**	**$89,920**	**$159,824**	**$258,894**	**$329,930**	**$403,704**	**$480,297**	**$559,792**
Pelareorep royalty revenue, stratified by geography											
Total Pela royalty revenue, US (US$000)	**$0**	**$0**	**$6,717**	**$21,079**	**$34,960**	**$74,538**	**$97,489**	**$121,328**	**$146,081**	**$171,776**	**$198,440**
Total Pela royalty revenue, Eur (US$000)	**$0**	**$0**	**$0**	**$17,730**	**$54,960**	**$85,286**	**$161,405**	**$208,602**	**$257,623**	**$308,521**	**$361,352**

Source: Oncolytics Biotech financial filings, Leede Financial

- The main Phase III-stage corporately-sponsored advanced pancreatic ductal adenocarcinoma (PDAC) trials that we were previously monitoring & will probably continue to monitor include the four advanced-stage biologics described below. In most cases, the indicated experimental therapy is combined with gemcitabine/albumin nanoparticle-formulated paclitaxel & then compared to control patients treated with these approved PDAC therapies in combination:
  - Pfizer's 982-patient trial testing growth differentiation factor 15 (GDF-15)-targeted mAb ponsegromab (actually is being tested not as a pancreatic cancer drug as such but as a mediator of the muscle wasting [cachexia] often associated with the disease; data in late H229). But more focused on PDAC eradication itself is AbbVie's (ABBV-

NY, NR) 900-patient trial testing c-Met-targeted, DNA-topoisomerase I inhibitor-conjugated ADC telisotuzumab adizutecan/ABBV-400 (survival data by mid-F2031).

- Revolution Medicines (RVMD-Q, NR) mutant Ras-targeted daraxonrasib/RMC-6236 for which three distinct Phase II/III studies in first-line, second-line, & adjuvant-based PDAC are all simultaneously ongoing (the 900-patient first-line PDAC/RASolute 303 trial should generate five-year survival data by early F2029 & the 500-patient post-resection PDAC/RASolute 304 trial should generate five-year survival data by H230). The drug's documented focus on PDAC tumors harboring Kras mutations (specifically at position #12 in the Kras amino acid chain where a glycine is substituted for any other amino acid) is notable to us because of pelareorep's documented anti-tumor activity in targeting Kras-mutated cancer forms, a theme that is also relevant to the Phase III-stage drug BMS-986504 (see below). The drug was granted Breakthrough Status by the US FDA in PDAC in Jun/25.

- Bristol-Myers Squibb's (BMY-NY, NR) protein arginine methyltransferase 5 (PRMT5)-targeted inhibitor drug BMS-986504/MRTX1719 that specifically targets PDAC patients harboring deletion mutations in the methylthioadenosine phosphorylase (MTAP; relevant to a salvage pathway for the amino acid methionine) gene & for which the 470-patient Phase III MountainTAP-30 trial is on pace to generate three-year response rate/survival data by mid-F2029. MTAP deletions are more common in tumor types harboring mutations in the Kras oncogene, for which pelareorep exhibited showed targeted anti-tumor activity in the original 1998 *Science* paper on which the firm was founded. The drug was originally developed by CA-based Mirati Therapeutics, which BMS acquired in Interim Phase II data from a 336-patient trial were presented at the 2025 ASCO meeting & published in abstract form in the *Journal of Clinical Oncology*, showing therein from 152 evaluable solid tumor patients (of which 41 were PDAC patients) that at the time of analysis, response rate was 23% across all tumor types & median duration of response was 10.5 months.

- There are a multiplicity of colorectal cancer therapies in various stages of clinical development & we will not summarize those here, other than to state that there is a niche for Oncolytics to target second-line metastatic patients who have already relapsed after one prior course of first-line therapy, probably one of the small-molecule combination therapies like FOLFOX (folinic acid, 5-fluorouracil, oxaliplatin) or FOLFIRI (folinic acid, 5-fluorouracil, irinotecan) in combination with the VEGF-targeted anti-angiogenic mAb bevacizumab/Avastin. Either or both of these first-line therapies may be combined with pelareorep as a second-line therapy in pending Phase II testing.

- For anal cancer, the clinical-stage competitive landscape is not as densely populated with alternative therapies, with few publicly-traded drug developers overtly targeting the indication. Indeed, Oncolytics itself with its ongoing 122-patient GOBLET trial is one of those drug developers. But other programs that we are monitoring include Singapore-based SCG Cell Therapy's (private) T-cell receptor-modified T-cell therapy SCG142 for which a 66-patient Phase II HPV16-positive carcinoma trial (of which anal cancer is one) is expected to generate two-year response rate/survival data by end-of-F2028, LigaChemBio's (141080-KS, NR) Trop2-targeted monomethyl auristatin E-conjugated ADC LCB84 for which a 300-patient Phase II solid tumor trial (which is expected to enroll some anal cancer patients) is expected to generate two-year response rate/survival data in H227, & Japan-based pharma giant Sumitomo Pharma (8053-JP, NR) is testing its liposome-formulated checkpoint kinase 1 (chk1)-targeted DNA damage response-inhibiting SMP3124LP in a 120-patient Phase II solid tumor trial (again with anal cancer comprising some but not all of the enrolled patients) for which six-month response rate data are expected by mid-F2029.

- Summary & valuation. We are maintaining our PT/rating on ONCY while revising our projected clinical priorities for pelareorep & associated EBITDA/fd EPS forecasts as shown in Exhibits 9-to-12. Our revised forecasts are not exclusively in USD. Our valuation methodologies are unchanged & are still based on NPV (30% discount rate that we believe is suitable for a Phase II-stage oncology drug developer, especially when considering the abundant Phase II clinical data on which we base our positive view of pelareorep's foundational pharmacology) & multiples of our F2033 adjusted EBITDA/fd EPS forecasts of US$141.8M & US$0.78/shr, respectively. Our EV calculation incorporates FQ425 balance sheet data (cash of US$5.2M, no LT debt) & fd S/O of 132.9M.

- There is no denying that Oncolytics' re-prioritization of pelareorep clinical activities infuses supplemental clinical risk into its development & thus into our investment thesis for the firm, we are optimistic that a critical path to approval in GI cancer broadly defined can be identified imminently & that pivotal testing in a seminal registration trial, probably in second line colorectal cancer or advanced pancreatic cancer, can commence during F2027/28 time horizon. On the

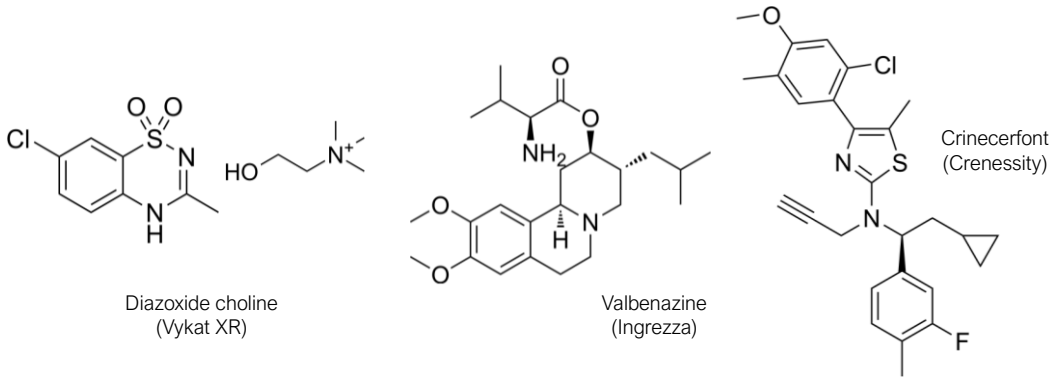
milestone watch, we expect Phase II testing in second-line colorectal cancer (probably in combination with first-line standard-of-care as described above) & second-line anal cancer (co-administered therapies still to be determined but paclitaxel seems like a plausible co-administered therapy based on its complementary activity shown in metastatic breast cancer) to commence later this quarter or perhaps in FQ326. Interim data analysis from the 120-patient GOBLET trial, especially for cohorts testing pancreatic & anal cancer patients, are separately expected throughout F2026.

Other Significant Clinical Trial Updates With Relevance To Our Coverage Universe

- **Neurocrine acquires rare disease-focused peer on attractive terms.** CA-based drug developer Neurocrine Biosciences (NBIX-Q, NR) acquired one of its CA-based peers in Soleno Therapeutics (SLNO-Q, NR) in a deal valuing Soleno at US$2.9B, representing a 51% premium to Soleno's T4W average market value but a sizable discount to where SLNO shares were trading during most of the FQ225-FQ325 period. As we describe below, deal value corresponds to a 7.9x FQ425 Rx revenue run-rate that is based on only the third quarter of sales since US launch for the firm's lead small-molecule drug diazoxide choline/Vykat XR (often abbreviated as DCCR, short for diazoxide choline controlled release).

  - Long ago, we were focused on Neurocrine's drug development activities in multiple sclerosis (MS), specifically back in the early 2000s when the firm was testing an altered myelin basic protein (MBP)-adapted oligopeptide called NBI-5788, based on the amino acid sequence between positions #83-to-#99 (MBP83-99) & on the assumption that this peptide is an immune-dominant epitope within full-length MBP could induce helper T-cell responses to mitigate the autoimmune attack against myelin sheath components surrounding motor neurons in MS patients. The firm's foundational pharmacologic characterization of this peptide was described in peer-reviewed papers that we still have on our hard drive, including two studies published in 2000 in the journals *Nature Medicine* & *Annals of Neurology* & then later in a 2005 review in *Current Opinion in Investigational Drugs*.

Exhibit 13. Molecular Structure For ATP-Dependent Potassium Channel Antagonist Drug Diazoxide Choline/Vykat XR, As Well As For Neurocrine Biosciences' Existing Rx Portfolio Drugs In Valbenazine/Ingrezza & Crinecerfont/Crenessity



Source: MedChemExpress

- The inspiration for the immunological approach to MS therapy using mimics of the main epitope in the myelin sheath to which MS patients mount an immunological attack was not unique to Neurocrine & was based at least in part on the pharmacology ascribed to still-marketed (by Israel-based pharma giant Teva Pharmaceuticals [TEVA-NY, NR] glatiramer acetate formulation Copaxone. In addition to an AB-based former coverage stock of ours called BioMS that was developing a highly-similar oligopeptide called MDP8298/dirucotide – which tangentially we observe is still being actively tested at least in biochemical research as published by Greece-based researchers in 2018 in the journal *Brain Science* - other firms that were exploiting the immunogenicity of this specific oligopeptide region of MBP included Alexion Pharmaceuticals (now part of AstraZeneca [AZN-LN, NR]) with the recombinant fusion MBP-proteolipid protein Apogen/MP-4 (which reduced MS-like symptoms in preclinical models of disease).

- Also, Bayhill Therapeutics (private) was once developing a recombinant full-length MBP-based tolerized DNA vaccine formulation BHT-3009 (a 267-patient Phase II relapsing remitting MS trial concluded in 2007 & published in May/08 in *Annals of Neurology* – reduction in MRI-confirmed lesions was observed, just not quite to a statistically-significant degree; also described in an Aug/09 review in *Current Opinion in Molecular Therapeutics*) & another analogous MBP-based formulation was the solubilized HLA-DR2-MBP84-102 peptide complex AG284 as developed by Anergen/Corixa

(acquired for US$300M by GlaxoSmithKline [GSK-LN, NR] in Apr/05) for which data from a 33-patient Phase I trial were published in Apr/00 in the journal *Neurology*. But each of these programs, including BioMS' MBP8298/dirucotide & Neurocrine's NBI-5788, fell away either in Phase III testing (which was the stage of development for MBP8298/dirucotide in the 612-patient MAESTRO-01 trial that at conclusion did not show any impact on time-to-EDSS-confirmed progression, eventually published in 2011 in the journal *Neurology*) or earlier as described.

- All were shots on goal worth taking in our view, especially since the target indication was a distinct form of disease called secondary progress MS for which the pharmacopeia is still limited. Earlier-stage relapsing remitting MS is still targeted effectively, if not curatively, not just by Copaxone but also by the polyethylene glycol (PEG)-derivatized interferon β1a formulations branded as Avonex or as Plegridy by MA-based Biogen (BIIB-Q, NR; combined F2025 sales US$945.6M) or branded as Rebif (F2025 sales €465M) by private Swiss pharma firm EMD Serono. Newer MS-directed therapies include Biogen's suite of FDA-approved therapies - dimethylfumarate formulation Tecfidera (F2025 sales US$679.7M, now genericized), its analog diroximel fumarate/Vumerity (F2025 sales US$746.8M) & its integrin receptor antagonist mAb natalizumab Tysabri (F2025 sales US$1.67B) – as well as Novartis' (NVS-NY, NR) ofatumumab/ Kesimpta (F2025 sales US$2.94B) & its sphingosine 1-phosphate antagonist drug Gilenya (F2024 sales of US$552M but declining from new generic competition) & EMD Serono's cladribine/Mavenclad (F2025 sales €1.2B).

- But getting back to Neurocrine in its current form, the firm no longer has any exposure either in its clinical pipeline or commercial portfolio in multiple sclerosis (the indication through which we initially became familiar with Neurocrine) but it does have four FDA-approved therapies that predominantly target endocrinology/women's health in endometriosis-targeted elagolix formulation Orilissa & uterine fibroid-targeted elagolix-estradiol-norethindrone formulation Oriahnn (both licensed from AbbVie [ABBV-NY, NR] & generated modest collective sales of US$19.0M last year), plus the congenital adrenal hyperplasia (underproduction of cortisol by the adrenal gland)-targeted crinecerfont formulation Crenessity (F2025 sales US$301.2M) & the tardive dyskinesia (involuntary movement)-targeted vesicular monoamine transporter-2 (VMAT2, which transports monoamine-based neurotransmitters like dopamine or serotonin to synaptic vesicles in neurons) inhibitor valbenazine formulation Ingrezza (F2025 sales US$2.51B). We calculate that Neurocrine's F2025 Rx revenue/EBITDA/margin were US$2.86B/US$863.0M/30.2%, a margin level that positions Neurocrine well in comparison to its specialty pharmaceutical peers. Excluding the cash outlay from the pending Soleno transaction, Neurocrine is trading at an EV-to-F2027 consensus EBITDA forecast ratio of 17.9x, above its peer group average as we have frequently described in our Cipher Pharmaceuticals (CPH-T, Buy, PT C$19.00) & Medexus Pharmaceuticals (MDP-T, Buy, PT C$8.00) coverage.

- The Rx therapies that Neurocrine is acquiring in the Soleno transaction are the hyperphagia/Prader-Willi Syndrome drug diazoxide (choline salt)/Vykat XR (FQ425 sales were US$92M, up from US$66.0M in FQ325 & from US$32.78M in FQ225; FQ425 annualized revenue run-rate of US$368M is undoubtedly a floor & not a ceiling for the drug's annual sales prospects just in the US alone). Prader-Willi syndrome is a rare genetic disorder caused by mutations in chromosome 15 (specifically within regions q11-q13 that is near the centromere of the chromosome during cell division/mitosis), of which the symptoms are many but one of the most overt manifestations of disease is uncontrollable hunger (hyperphagia) that diazoxide choline specifically targets.

- The disease according to statistics cited by Soleno in its Feb/26 investor presentation has annual incidence of one case per 15,000 live births, though we have seen other incidence data published elsewhere (one in 20,000 live births & 400,000 worldwide prevalence were published in a 2023 review in *International Journal of Molecular Sciences*). The active drug itself was originally FDA-approved over fifty-three years ago & is sold under two alternative brands in the US in capsule or suspension form (Proglycem as sold by Teva Pharmaceuticals [TEVA-NY, NR] & Hyperstat injectable as sold by Merck/Schering Plough [MRK-NY, NR]) but in its current extended-release form was FDA-approved by Soleno in Mar/25. The drug works by inhibiting ATP-dependent potassium channels in the hypothalamus in the brain & in so doing, reducing release of the hormone neuropeptide Y & Agouti-related peptide, both of which stimulate hunger if either over-expressed or over-released within the brain. It also is proposed to inhibit similar potassium channels in the vagus nerve to impact release of leptin, insulin & melanocortin-stimulating hormone, all of which could impact appetite by reducing hyperinsulinemia.

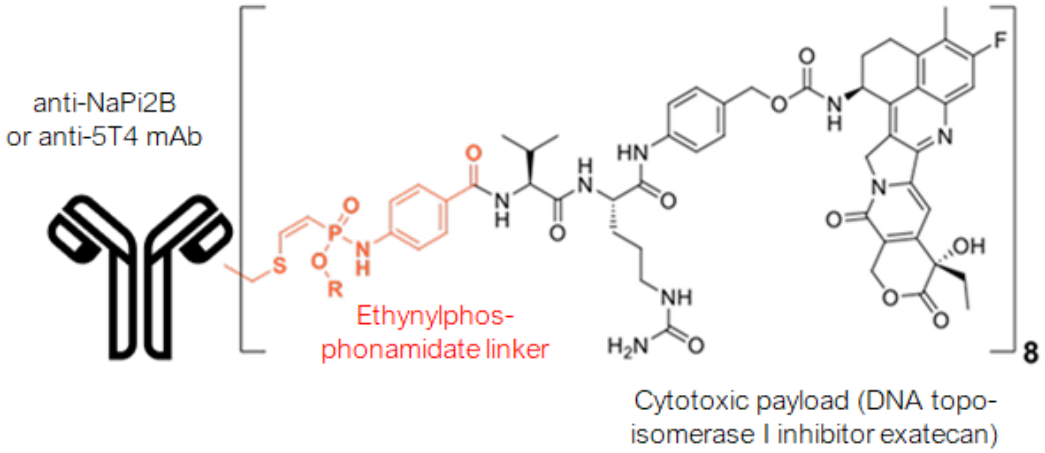
- Interestingly, data from the 127-patient Phase III thirteen-week DESTINY PWS trial as published in 2023 in the *Journal of Clinical Endocrinology & Metabolism* did not actually show significant improvement in hyperphagia symptoms on

average in the overall tested Prader-Willi syndrome patient population but it was more effective in patients with severe hyperphagia & was presumably FDA-approved on that basis. That said, one-year follow-up data derived from 125 Prader-Willi patients who chose to continue Vykat XR treatment beyond thirteen weeks actually did experience improvements in hyperphagia symptoms as well as on various secondary endpoints like leptin reduction & improvement in lean body mass.

- Though we do not currently have any coverage stocks that target Prader-Willi syndrome or any other indication targeted by Neurocrine's commercial portfolio, we thought it interesting to delve into the details of the transaction if only for the aggressive revenue-based valuation multiple ascribed to a single-product drug developer with only three quarters of US sales in its corporate history.

- **Acquisition momentum continues with Gilead's take-out of antibody-drug conjugate (ADC) developer Tubulis.** CA-based (mostly) infectious disease & (increasingly) oncology-focused drug developer/marketer Gilead Sciences (GILD-Q, NR) is acquiring Germany-based ADC developer Tubulis GmbH in a deal valuing the acquired entity at US$3.15B, with potential for another US$1.85B payable on future clinical/regulatory/commercial milestones for specific Tubulis ADCs in clinical development. The acquisition emerged just days after Gilead bid to acquire OM336/gamgertamig T-cell engager developer Ouro Medicines (private) for up-to-US$2.2B (as we described in a Mar/26 Healthcare Weekly) & weeks after Gilead separately bid to acquire the cancer-focused cell therapy developer Arcellx (ACLX-Q, NR) in Feb/26 in a deal valuing that multiple myeloma-targeted CAR-T anitocabtagene autoleucel developer at US$7.8B.

Exhibit 14. Structural Motif for Tubulis' Lead ADCs TUB-030 & TUB-040



Source: *Tubulis investor presentation*

- The two lead oncology assets that Gilead featured in its announcement of the acquisition are TUB-040, a sodium-dependent phosphate transport protein 2B (NaPi2B)-targeted mAb conjugated to the DNA topoisomerase I inhibitor drug tubutecan/exatecan, for which positive Phase I/II data were reported by Tubulis from the 67-patient NAPISTAR1-01 platinum-resistant ovarian cancer trial in Oct/25 (overall response rate was 50%). Tubulis' other main ADC that received second billing in the press release is a 5T4-targeted ADC called TUB-030, which performed well at interim analysis of the 250-patient Phase I/II 5-STAR 1-01 solid tumor trial as reported in May/25 at the ASCO meeting (5T4 is an oncofetal protein called trophoblast glycoprotein, overexpressed in many solid tumors & during fetal development but not in adult tissues).

- Tubulis' valuation is far above that which CA-based Day One Biopharmaceuticals (DAWN-Q, NR) ascribed to its acquisition of another ADC developer Mersana Therapeutics (ticker was MRSN-Q, NR) back in Jan/06 – deal value for the B7-H4-targeted adenoid cystic carcinoma ADC Emi-Le/emiltatug ledadotin developer was US$129M in upfront cash with potential to drive total deal value up to US$285M if ADC development milestones are met. Though we infer that Mersana was acquired predominantly for its Emi-Le/emiltatug ledadotin program, interestingly it was once developing a NaPi2b-targeted auristatin F hydroxypropylamide-conjugated ovarian cancer-targeted ADC called XMT-1536/ upifitamab rilsodotin.

- But during 2017-to-2023, this ADC was undergoing testing in a 523-patient Phase I/II ovarian cancer/non-small cell lung cancer trial (the UPLIFT trial) that missed its primary endpoint on response rate benefit back in Aug/23 & two other smaller Phase I/II ovarian cancer studies were similarly terminated a few years ago, according to the US NIH's clinical database. Clearly Gilead does not believe that NaPi2B is intrinsically limited in its relevance to solid tumor therapy & NAPISTAR1-01 data are clear evidence of this; we look forward to monitoring TUB-040's clinical progress under Gilead's stewardship.

- As we frequently state when featuring all of the ADC-relevant alliances & acquisitions we have seen in recent quarters, we continue to be fascinated by just how ardently this technology category has been embraced by global pharma firms, after so many years of unconjugated mAbs (Herceptin, Rituxan, Avastin, Keytruda, Opdivo, & multiple others – those are just off the top of our head & only in oncology) dominating the biologics landscape. The first wave of conjugated mAbs did not achieve much medical traction – we are thinking about Biogen/Idec's (BIIB-Q, NR) Y-90-conjugated CD20-targeted Zevalin, I-125-conjugated CD20-conjugated Bexxar & even Pfizer/Wyeth's (PFE-NY, NR) CD33-targeted acute myeloid leukemia conjugate gemtuzumab ozogamicin/Mylotarg that was conceptually strong by current ADC standards was withdrawn from the US market in 2010 after generating only US$20M in trailing annual sales (it was re-launched by Pfizer for the same indication in 2017). Our reason for emphasizing this & other drug developer acquisitions is mostly to highlight just how frequently global pharma firms augment pipeline through acquisition & not innovation (a dynamic that favors our clinical-risk coverage universe) & the upward valuation creep that we are observing in the current climate.

- **Sanofi's (SNY-NY, NR) Lunsekimig (anti-TSLP/IL-13 Bispecific) Posts Mixed Phase II Results: Wins in Respiratory Indications, Misses in Atopic Dermatitis.** Sanofi reported Phase II data this week for lunsekimig, a "nanobody" (or, antibody fragment) that simultaneously neutralizes TSLP & IL-13 ligands, across three indications. The AIRCULES Phase IIb study in moderate-to-severe asthma met its primary & key secondary endpoints, demonstrating statistically significant reductions in exacerbations & improvements in pre-bronchodilator FEV1 regardless of biomarker status. The DUET Phase IIa study in chronic rhinosinusitis with nasal polyps (CRSwNP) similarly met its primary endpoint of change in nasal polyp score, along with secondary endpoints in nasal congestion & Lund-Mackay CT scores at Week 24. However, the exploratory VELVET Phase IIb study in moderate-to-severe atopic dermatitis did not meet its primary endpoint of percent change from baseline in EASI score, though some secondary measures of skin clearance (EASI-75, vIGA-AD 0/1) did show improvement versus placebo. Safety was broadly acceptable across all three studies. Sanofi has not disclosed detailed efficacy data, with full results expected at upcoming medical congresses. The company's ongoing program for lunsekimig includes the Phase II AIRLYMPUS study in high-risk asthma & Phase III PERSEPHONE & THESEUS studies in COPD.

  - Mechanistically, lunsekimig is distinct from blockbuster Dupixent (dupilumab), which blocks the IL-4Rα receptor subunit shared by the Type I (IL-4Rα/γc) & Type II (IL-4Rα/IL-13Rα1) receptor complexes, thereby inhibiting both IL-4 & IL-13 signaling (Gandhi et al., Allergy, 2022). Lunsekimig instead targets the soluble cytokines directly, binding two epitopes each on IL-13 & TSLP, with a fifth domain binding albumin for half-life extension (Deiteren et al., Clin Transl Sci, 2024). The rationale for pairing TSLP with IL-13 is that TSLP acts upstream as an alarmin that triggers dendritic cell activation & Th2 polarization, while IL-13 drives downstream tissue-level effects such as mucus hypersecretion, airway remodeling, & eosinophil recruitment via eotaxin-3 induction. Sanofi's preclinical work presented at ERS 2024 suggested that combined TSLP & IL-13 stimulation produced synergistic inflammatory responses beyond what either cytokine induced alone, & that lunsekimig was more potent in suppressing key chemokines (TARC, eotaxin-3) than either anti-TSLP (tezepelumab) or anti-IL-13 (lebrikizumab) monotherapy in allergen-stimulated cell assays. This dual-targeting approach effectively trades off IL-4 blockade (which Dupixent retains) for upstream TSLP inhibition, a swap that appears better suited to respiratory pathology than to skin disease based on these results.

  - The divergence in lunsekimig's efficacy across indications adds to a growing body of evidence that Th2-mediated diseases, despite sharing core inflammatory machinery, differ meaningfully in which cytokines are rate-limiting for clinical outcomes. TSLP blockade alone (tezepelumab) is approved & effective in severe asthma, yet its Phase 2 in atopic dermatitis was terminated for futility. Anti-IL-5 agents (mepolizumab, benralizumab) similarly demonstrate efficacy in asthma but have failed in both AD & EoE symptom endpoints. AD appears to have a heavier dependence on IL-4-driven processes, including Th2 differentiation & IgE class switching, that are not addressed by the TSLP/IL-13 combination. This interpretation is reinforced by Pfizer's recent Phase II results for tilrekimig (PF-07275315), a trispecific antibody that neutralizes IL-4, IL-13, & TSLP simultaneously. Tilrekimig met its primary endpoint (EASI-75 at Week 16) in

moderate-to-severe AD in March, with placebo-adjusted response rates of roughly 39-52% depending on dose. Pfizer characterized the two highest dose levels as suggesting potentially meaningful improvements over currently approved biologics & is accelerating to a Phase III pivotal study in AD this year, alongside Phase 2 studies in asthma & COPD. The contrast is instructive: lunsekimig (IL-13 + TSLP, no IL-4) misses in AD, while tilrekimig (IL-4 + IL-13 + TSLP) hits, with the addition of IL-4 blockade being the key mechanistic differentiator. This logic extends further when considering eosinophilic esophagitis, where the dominant clinical pathology involves progressive fibrotic stricture formation, a symptom profile that is mechanistically distinct from both airway inflammation & skin barrier dysfunction. Sanofi has no registered clinical trials for lunsekimig in EoE. Whether TSLP blockade would add meaningful benefit over IL-13 inhibition alone in the esophageal context remains, in our view, a doubtful question.

- Anti-TSLP monotherapy (tezepelumab) is currently in Phase III EoE testing (the CROSSING study, with topline data expected mid-2026) without prior Phase 2 data in the indication. That said, different mechanisms of action can address different patient subtypes & non-responder populations. We have previously discussed BMS's decision to discontinue cendakimab (anti-IL-13) in EoE despite meeting Phase III co-primary endpoints, reflecting the commercial difficulty of competing against Dupixent's established profile. For our covered name Eupraxia Pharmaceuticals (EPRX-Q, PT: US$12.75), whose EP-104GI targets EoE via localized corticosteroid delivery rather than systemic cytokine modulation, the continued absence of a TSLP/IL-13 bispecific entrant in EoE does not materially alter the competitive landscape as we currently model it. We continue to view EP-104GI as positioned primarily as a first-line therapy rather than a salvage option for biologic non-responders.

- **Anthropic Acquires Stealth AI Biotech Coefficient Bio for ~$400M in Stock.** AI developer Anthropic (private), maker of the Claude large language model, acquired New York-based Coefficient Bio in an all-stock deal valued at approximately $400 million, per reporting from The Information & TechCrunch. Coefficient Bio was founded roughly eight months ago by Samuel Stanton & Nathan C. Frey, both formerly of Roche/Genentech's (ROG-SW, NR) Prescient Design computational drug discovery unit & had fewer than 10 employees. The company had been operating in stealth with no publicly disclosed platform, products, or revenue. Dimension, the VC firm that held roughly half the company, is reportedly booking an internal rate of return north of 38,000% on the investment.

  - The team will join Anthropic's healthcare & life sciences group, which launched its Claude for Life Sciences product in October 2025 & counts Sanofi, Novo Nordisk, & AbbVie among its pharma clients. The deal appears to be primarily a talent acquisition: the price tag, while headline-grabbing, amounts to roughly 0.1% dilution against Anthropic's $380B post-money valuation set in its $30B Series G (Feb/26). There is limited publicly available information to suggest Coefficient had developed proprietary assets, data, or platform technology beyond what its founders brought from their Genentech backgrounds.

  - The deal illustrates the continued premium that large technology companies are placing on computational biology talent. On a semi-related note, Vancouver-based Rakovina Therapeutics (RKV-TSXV, NR), which we have previously discussed in the context of AI-enabled drug discovery in the Canadian biotech space, has two poster presentations accepted at this year's AACR Annual Meeting (April 17-22, San Diego). One covers the development of a lipid nanoparticle formulation of its bifunctional PARP/HDAC inhibitor kt-3283 using the EnsaliX AI platform (in collaboration with NanoPalm), & a second relates to its AI-designed kt-5000 ATR inhibitor series. Both programs remain preclinical.

- **AC Immune (ACIU-Q, NR) Amends Morphomer Tau Collaboration with Eli Lilly (LLY-NY, NR); IND-Enabling Studies to Begin H1 2026.** AC Immune announced an amendment to its 2018 license & collaboration agreement with Eli Lilly for the development of Tau Morphomer small molecule aggregation inhibitors targeting intracellular tau for Alzheimer's disease & other tauopathies. Under the amended terms, AC Immune receives a $10M CHF ($12M USD) payment & a subsequent milestone tied to Phase 1 dosing, on top of milestones from a prior amendment. The total remaining milestone package exceeds CHF1.7 billion, with tiered low-double-digit royalties. AC Immune stated that IND-enabling studies will commence imminently.

  - The Morphomer candidates are orally bioavailable small molecules designed to cross the blood-brain barrier & selectively bind pathological conformations of intracellular tau, inhibiting aggregation & seeding. It is worth noting that this is not AC Immune's first Morphomer Tau candidate under this collaboration. A prior compound (ACI-3024) completed a Phase 1 trial in healthy volunteers in 2020, demonstrating brain penetration with dose-dependent CSF levels (*Congdon et al., Nat Rev Neurol, 2023*), but no further clinical data or development plans were subsequently

disclosed. The current amendment covers new lead candidates & back-up compounds, effectively restarting IND-enabling work with a molecule that does not yet have a public identifier. While AC Immune's press release references "strong preclinical data," no specific data were disclosed. The CHF10M upfront is modest, & the CHF1.7B milestone figure represents a theoretical maximum contingent on full clinical, regulatory, & commercial success across all candidates.

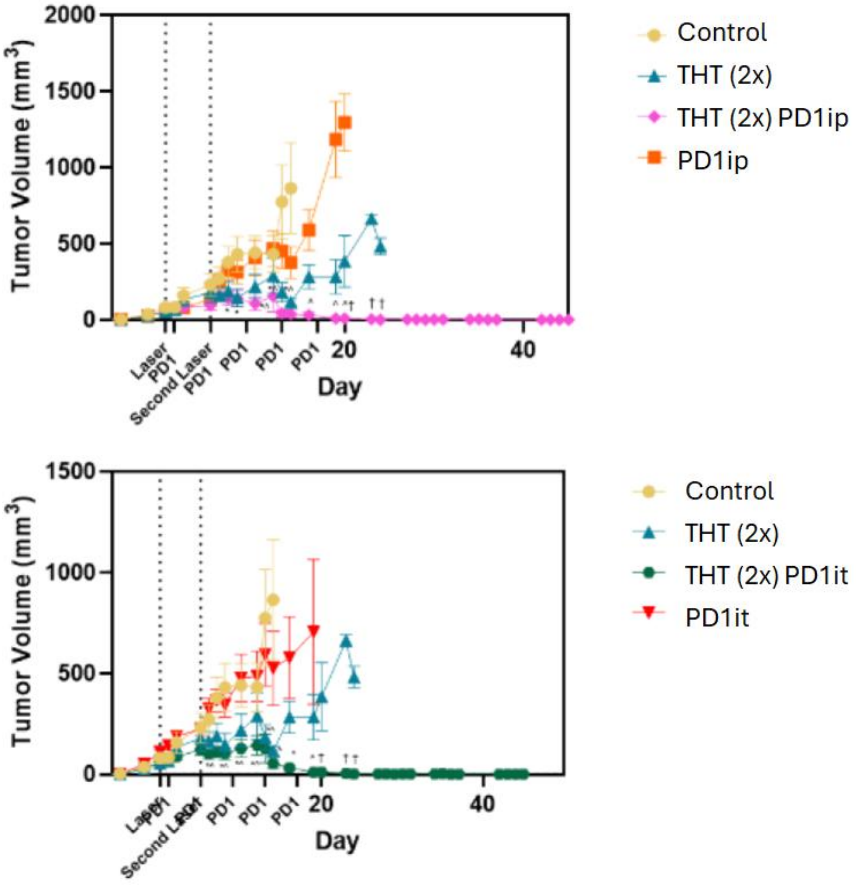
- The deal does, however, speak to a broader & increasingly important theme in the Alzheimer's space: interest in both tau & amyloid approaches. The recent approvals of amyloid-clearing antibodies lecanemab (Eisai [4523-JP, NR]/Biogen [BIIB-Q, NR]) & donanemab (Lilly) validated the amyloid hypothesis, but clinical effect sizes have been modest, with roughly 25-35% slowing of cognitive decline on CDR-SB. Mechanistically, lecanemab targets soluble amyloid protofibrils (an early aggregation form), whereas donanemab targets established, mature plaques (N3pG amyloid). Tau pathology, in the form of neurofibrillary tangles, has long been known to correlate more tightly with neuronal loss & cognitive decline than amyloid burden (*Nelson et al., Acta Neuropathol, 2012*). As we have discussed in our coverage of ProMIS Neurosciences (PMN-Q, Spec Buy, PT US$49.50), the emerging consensus is moving toward combination or sequential approaches: addressing amyloid pathology first, then preventing or halting tau propagation.
- Lilly's continued investment in an intracellular tau program alongside its marketed amyloid-clearing antibody donanemab is consistent with this dual-target thesis. That said, the tau therapeutic landscape has seen its own significant setbacks, with multiple anti-tau antibodies (semorinemab, tilavonemab, zagotenemab, gosuranemab) failing in Phase II, largely because antibody-based approaches struggle to access the intracellular compartment where much of tau pathology resides. AC Immune's small molecule approach is designed to address this limitation, but the clinical hypothesis remains unproven.
- For ProMIS, whose lead asset PMN310 selectively targets toxic soluble amyloid-beta oligomers & is currently in the 144-patient Phase 1b PRECISE-AD trial (blinded interim data expected mid-2026), the continued flow of big pharma capital into complementary tau programs reinforces the strategic landscape in which PMN310 operates. Our thesis has consistently held that beta-amyloid oligomers represent the most pathologically relevant form of amyloid in AD, & that the modest clinical effect sizes seen with plaque-clearing mAbs like lecanemab & donanemab reflect the limitations of targeting fibrils & plaques rather than the soluble oligomeric species that PMN310 was designed to neutralize. To the extent that Lilly is now layering tau inhibition on top of its amyloid program, this supports rather than undermines the case for more precise amyloid-targeting approaches like PMN310 as a foundational component of future combination regimens.

- **Sona Nanotech (SONA-CSE, NR) Publishes Preclinical Data Showing Targeted Hyperthermia Therapy Combined with Anti-PD-1 Achieves Complete Tumor Regression in Immunotherapy-Resistant Colorectal Cancer Model.** Sona announced publication of a preclinical study earlier this week in the *Journal of Nanobiotechnology* demonstrating that its gold nanorod-based Targeted Hyperthermia Therapy (THT), when combined with anti-PD-1 checkpoint inhibition, produced complete tumor regressions in a microsatellite-stable (MSS) CT26 colorectal cancer model that is otherwise refractory to checkpoint blockade. In the best-performing arm, 4 of 9 animals receiving dual THT plus systemic anti-PD-1 achieved complete regression & survived to the study endpoint at day 48, the highest survival rate of any group tested (Exhibit 15). A parallel arm using intratumoral anti-PD-1 delivery showed 5 of 17 complete regressions (Exhibit 15). Across all arms tested, the dual THT plus systemic anti-PD-1 group demonstrated the highest overall survival, with 4 of 9 animals alive at the day 48 study endpoint. Anti-PD-1 alone produced no meaningful tumor control regardless of delivery route, with survival patterns indistinguishable from untreated controls.
  - This certainly aligns with the CT26 cancer model choice. CT26 is a well-characterized, KRAS-driven MSS colorectal cancer line that is highly refractory to PD-1 & CTLA-4 blockade, mirroring the roughly 85% of human CRCs that retain proficient mismatch repair (pMMR) & respond poorly to checkpoint inhibitors (*Boland & Goel, published in 2010 in Gastroenterology*). By contrast, the minority of CRCs with microsatellite instability (MSI-H/dMMR) harbor high mutational burdens & pre-existing inflammation, accounting for their established sensitivity to pembrolizumab & nivolumab. The unmet need in MSS CRC remains substantial, with 5-year survival for metastatic patients historically around 14% (*Ilyas et al. published n 2023 in Clinical Colon & Rectal Surgery*).
  - This is the company's third preclinical tumor type studied, following earlier melanoma & breast cancer work published in *Frontiers in Immunology (Kennedy et al., 2025),* & builds on its October 2025 first-in-human feasibility study in

immunotherapy-resistant melanoma, which reported an 80% overall response rate (8/10 patients) with 60% complete responses as monotherapy within two weeks of treatment.

- Mechanistically, THT involves intratumoral injection of Sona's proprietary gold nanorods followed by near-infrared (NIR) laser activation at 860 nm. This produces controlled, sub-ablative heating within a 42-48 degrees C window for five minutes. The paper's thermal dosimetry was rigorous, using thermocouple-guided feedback with real-time temperature monitoring & CEM43 quantification. In the combination protocol, mice received two THT treatments spaced five days apart, followed by five doses of anti-PD-1. Critically, anti-PD-1 alone produced no meaningful tumor control in this model, consistent with CT26's known immune-excluded phenotype (Lechner et al., J Immunother, 2013).

Exhibit 15. Sona's Gold Nanorod-Enabled Thermal Therapy Exhibits Strong Anti-Tumor Activity When Combined With Intra-Peritoneal (Upper Panel) or Intra-Tumoral (Lower Panel) Anti-PD1 mAbs In Preclinical Models Of Colorectal Cancer

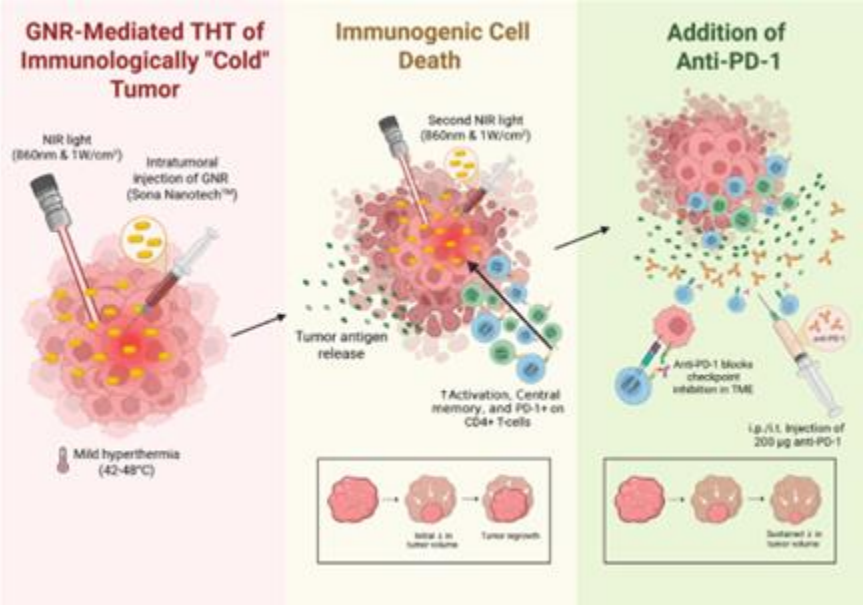


Source: *Journal of Nanobiotechnology (2026). In press*

- Flow cytometry showed that two sequential THT treatments significantly increased activated CD4+ T cells, central memory CD4+ T cells, & PD-1-expressing CD4+ T cells relative to single treatment or controls. Bulk RNA sequencing revealed dose-dependent upregulation of chemokine, complement, matrix remodeling, & antigen presentation pathways, with the strongest induction after two treatments. The in vitro component confirmed that THT induced calreticulin surface exposure & Annexin V positivity in CT26 cells, hallmarks of immunogenic cell death that provide a mechanistic link to the observed in vivo immune remodeling.
- The standard preclinical caveats apply: modest & slightly unbalanced group sizes, a subcutaneous model that does not recapitulate in-situ CRC, & the use of female mice only. Treg expansion was also observed after double THT, which the authors acknowledged could constrain durability, though it did not prevent complete regression when combined with anti-PD-1. That said, the data do extend a pattern established by the melanoma first-in-human results & represent a more mechanistically detailed characterization of THT's immune effects than the company had previously published.

- The broader concept of using localized energy deposition to convert immunologically cold tumors into hot ones & thereby sensitize them to checkpoint blockade is not unique to THT. Low dose Stereotactic Body Radiation Therapy (SBRT) combined with immunotherapy operates on a similar biological rationale: radiation induces immunogenic cell death, enhances antigen presentation, & can promote abscopal responses at distant sites. Clinical trials combining SBRT with anti-PD-1/PD-L1 in MSS CRC are ongoing (*Levy et al., published in 2024 in Molecular Cancer*), though results have been mixed. A pooled analysis of four phase II trials presented at ASCO found that low-dose SBRT plus ipilimumab/nivolumab did not significantly improve local failure rates over ablative SBRT alone in MSS CRC & pancreatic cancer.

Exhibit 16. Proposed Mechanism Of THT-Mediated Immune Remodeling & Checkpoint Sensitization



Source: *Journal of Nanobiotechnology (2026). In press*

- THT's potential differentiators relative to SBRT include its sub-ablative temperature window (which may better preserve tumor antigen integrity versus ablative radiation doses), the absence of radiation-induced lymphopenia (a recognized limitation of SBRT that can impair checkpoint inhibitor efficacy), & the prospect of a lower-cost, more portable delivery system compared to linear accelerators. That said, THT requires intratumoral injection, limiting its applicability to accessible lesions, a constraint the authors acknowledge.
- For covered name Oncolytics Biotech (ONCY-Q, Spec Buy, PT US$3.00; see above), this publication reinforces the broader validation of cold-to-hot conversion strategies in MSS CRC, the same population where pelareorep holds Fast Track designation. While the mechanisms differ (oncolytic virus vs. nanoparticle-mediated hyperthermia), both approaches seek to remodel the tumor microenvironment & restore checkpoint inhibitor sensitivity in a population where anti-PD-1 monotherapy is essentially inert.

Capital Markets Summary

Exhibit 17. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 9-Apr	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	$16.84	926	926	1,536	1,536	7.3x	7.0x	6.6x	NA	7.4x	7.1x
Jamieson Wellness	CAD	JWEL	41.2	$34.36	1,417	1,417	1,866	1,866	11.8x	10.5x	9.4x	23.0x	16.2x	13.8x
K-Bro Linen	CAD	KBL	13.0	$34.67	450	450	747	747	7.2x	6.9x	6.5x	23.4x	17.0x	12.6x
Medical Facilities [1]	CAD	DR	17.6	$17.00	298	413	409	567	6.6x	7.2x	7.1x	29.9x	8.3x	25.4x
Microbix Biosystems	CAD	MBX	138.0	$0.24	33	33	31	31	NA	NA	10.7x	NA	NA	NA
Savaria	CAD	SIS	71.7	$28.64	2,054	2,054	2,242	2,242	12.3x	11.0x	10.2x	29.8x	20.7x	18.4x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales [2]														
Aurinia Pharma	USD	AUPH	133.0	$15.89	2,113	2,926	1,784	2,470	10.3x	8.1x	6.8x	7.3x	20.1x	15.2x
Bausch Health	USD	BHC	370.6	$5.35	1,983	2,745	31,082	43,036	6.7x	6.0x	6.0x	12.6x	1.2x	1.3x
BioSyent	CAD	RX	11.6	$14.63	170	170	142	142	11.7x	9.2x	7.8x	18.3x	15.6x	13.1x
Cipher Pharma [1]	CAD	CPH	25.3	$13.03	329	456	453	628	19.0x	16.1x	12.9x	12.2x	17.5x	13.7x
HLS Therapeutics [1]	CAD	HLS	31.3	$3.16	99	137	189	262	11.7x	9.5x	8.0x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.0	$7.53	738	738	702	702	10.4x	9.3x	8.7x	NA	44.3x	30.7x
Medexus Pharma [1]	CAD	MDP	32.3	$2.59	84	116	130	180	9.7x	8.3x	6.0x	NA	NA	8.1x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	62.9	$3.62	227	227	291	291	9.6x	7.8x	7.0x	8.7x	20.9x	12.1x
Chartwell Retirement	CAD	CSH.UN	324.0	$21.24	6,882	6,882	9,760	9,760	24.3x	19.4x	17.6x	NA	NA	55.9x
Extendicare	CAD	EXE	94.5	$28.81	2,721	2,721	2,704	2,704	15.4x	11.5x	10.1x	25.5x	23.8x	20.3x
Vital Infrastructure	CAD	VITL.UN	250.0	$5.52	1,380	1,380	2,656	2,656	10.3x	12.4x	12.6x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	$0.34	30	30	32	32	11.9x	NA	NA	NA	NA	NA
Sienna Senior Living	CAD	SIA	102.9	$22.78	2,345	2,345	3,650	3,650	24.3x	18.2x	16.5x	46.5x	38.0x	33.0x
Profitable Canadian healthcare firms - medical equipment distribution/sales [3]														
Covalon Technologies	CAD	COV	27.6	$1.97	54	54	39	39	26.8x	11.1x	7.2x	55.3x	28.1x	14.1x
Viemed Healthcare	USD	VMD	38.6	$9.80	378	378	525	727	7.7x	5.7x	5.0x	25.4x	20.4x	15.8x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms														
Healwell AI	CAD	AIDX	294.1	$0.82	241	241	309	309	NA	37.2x	18.9x	NA	NA	NA
Hydreight	CAD	NURS	53.4	$3.18	170	170	159	159	NA	7.0x	4.5x	NA	10.6x	6.5x
Kneat.com	CAD	KSI	95.8	$3.72	356	493	336	336	NA	19.3x	13.1x	NA	NA	NA
Vitalhub	CAD	VHI	63.2	$6.99	442	612	325	325	14.3x	9.6x	8.1x	NA	27.7x	22.1x
Well Health	CAD	WELL	255.5	$3.92	1,002	1,002	1,755	1,755	8.7x	9.7x	8.8x	NA	14.3x	10.4x
Average									**12.6x**	**11.6x**	**9.4x**	**24.5x**	**19.6x**	**17.5x**
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

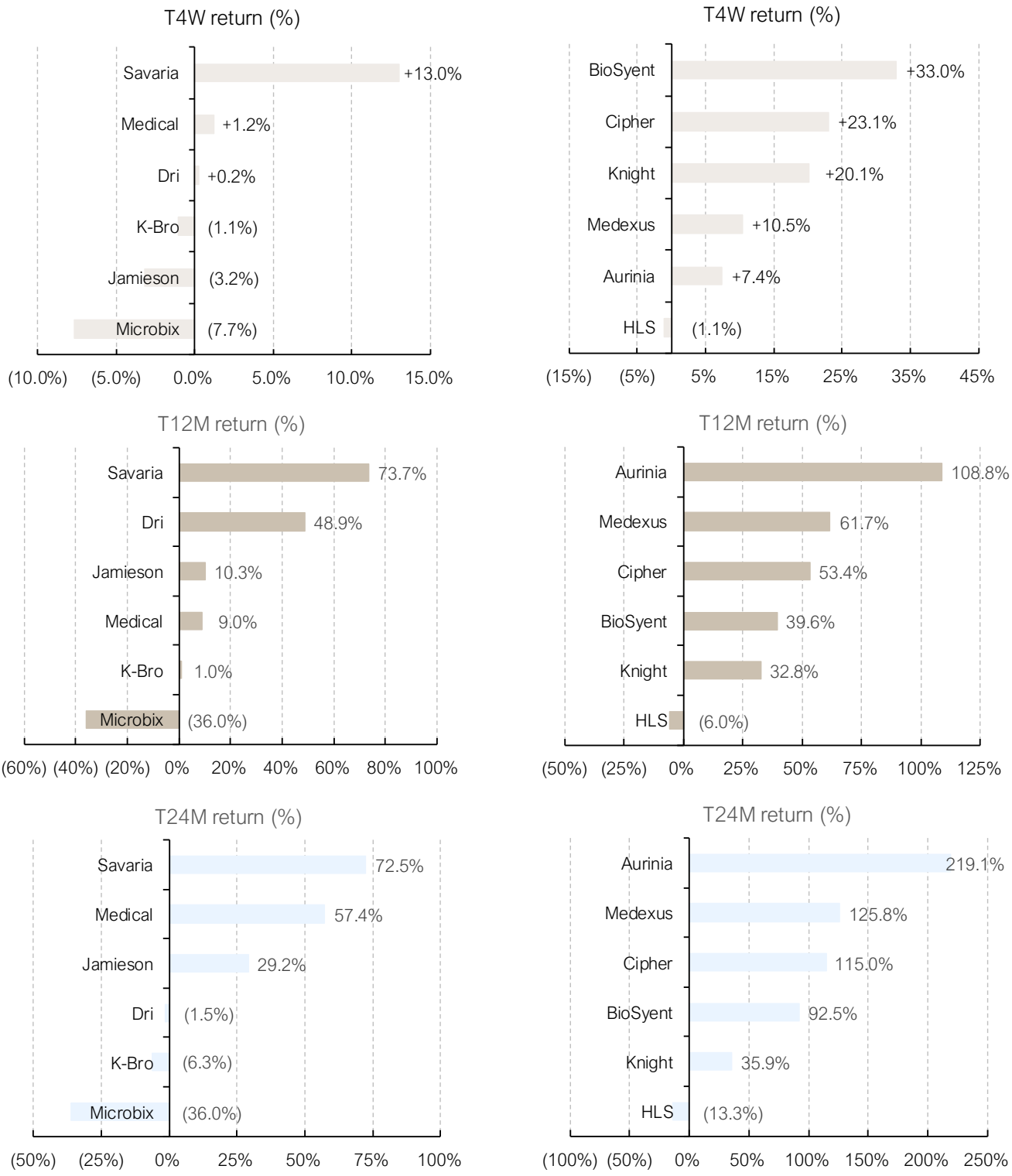
[2] Legacy specialty pharmaceutical firm & coverage stock Theratechnologies (TH-T, THTX-Q) was acquired in Sept/25 by CB Biotechnology/Future Pak for cumulative consideration of US$4.20/shr; Andlauer's acquisition by UPS (UPS-NY, NR) is closed as of Nov/25

[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

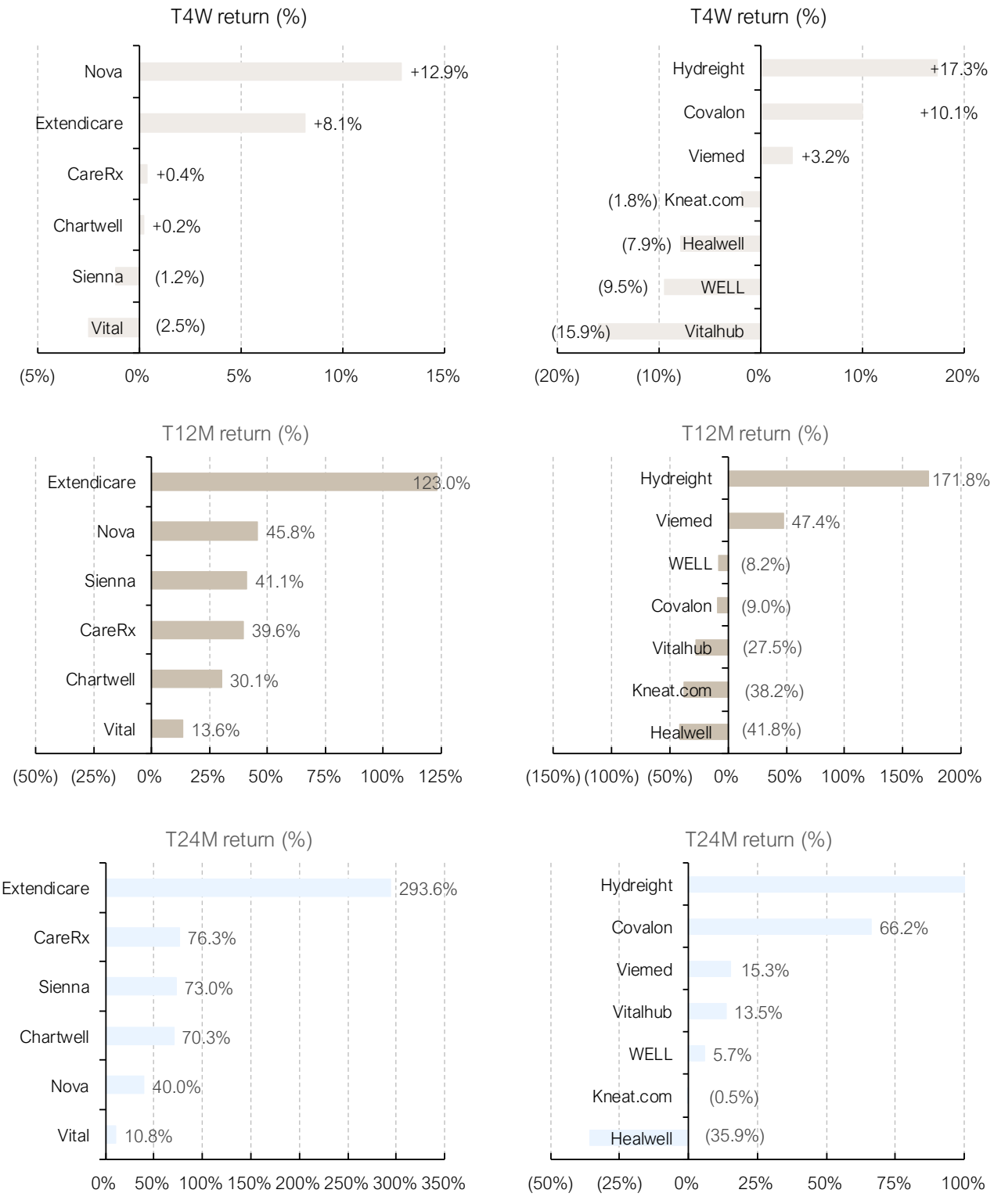
Source: Refinitiv, company reports, Leede Financial

Exhibit 18. 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 19. 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 1.078%)*

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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