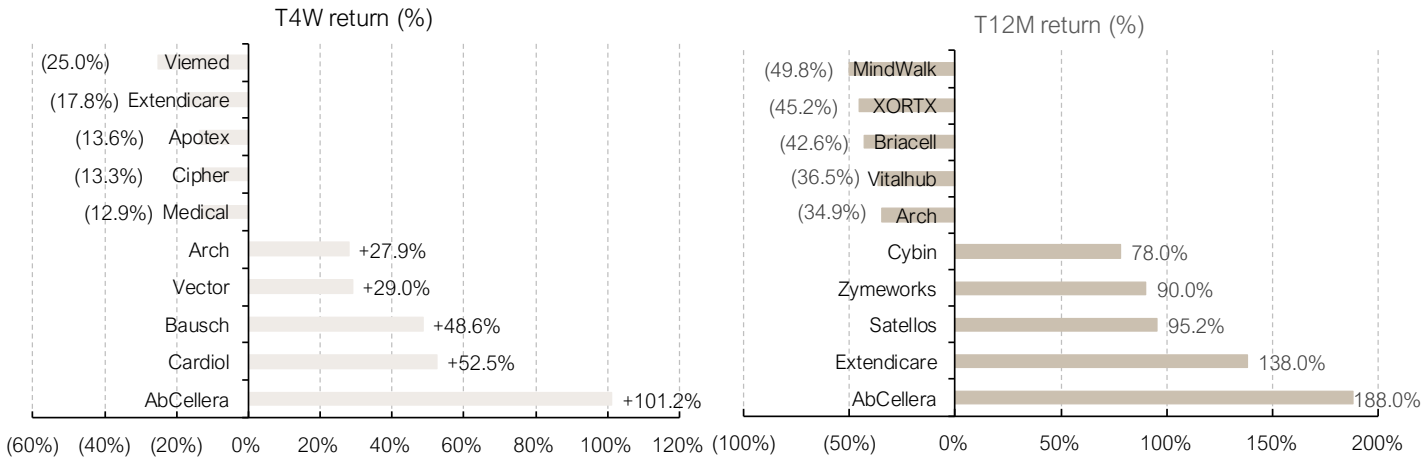
Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Updates From Our Healthcare Coverage Universe

- **Satellos identifies a secondary degenerative muscle disorder for SAT-3247 to target.** ON-based musculoskeletal disease-targeted small-molecule developer Satellos Bioscience's (MSCL-TSX/MSLE-Q, Spec Buy, PT: US$16.00) announced its plan to move forward with a secondary Phase II program for its AAK1-targeted small-molecule SAT-3247, in this case focusing on a muscle pathology called facioscapulohumeral muscular dystrophy (FSHD). The biochemical rationale for doing so is that FSHD like Satellos' lead indication Duchenne muscular dystrophy (DMD) is a muscle function disorder for which restoration of dystrophin expression & the stem cell differentiation into functioning myocytes/muscle tissue that dystrophin expression regulates, could be relevant in this disease as well.

    - We mention FSHD in our last Healthcare Weekly within the context of our FQ226 update on the firm & we gave the indication some profile in our original Satellos report, but we did not conduct a deep dive into FSHD's foundational pathology – or SAT3247's potential to mitigate its symptoms – in any substantive way in that prior analysis. What follows is our revisitation of that indication. While we are maintaining our PT/rating on MSCL for now & in parallel maintaining our revenue/EBITDA/EPS forecasts driven exclusively by our expectations for SAT-3247 in DMD, we are encouraged by Satellos' willingness to explore the drug's broader relevance in muscle regeneration & thus its relevance in other musculoskeletal conditions where muscle malfunctioning is core to disease pathology. But that said, we believe that the mechanistic bridge from DMD to FSHD is not straightforward & we provide some justification for that statement based on medical literature sources in our analysis below.

    - As we described comprehensively in our original MSCL report last year, SAT-3247 is a first-in-class oral small molecule AAK1 inhibitor (AAK1 is short for adaptor-associated kinase-1, an enzyme that attaches phosphate groups to a specific subunit contained within a protein combination called adapter complex-2 [AP-2] that may have relevance to other CNS disorders) designed to restore muscle stem cell regenerative capacity in Duchenne muscular dystrophy (DMD). The

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foundational research underpinning the program established that dystrophin, beyond its well-characterized structural role in myofibers, is expressed in activated satellite cells where it scaffolds the polarity effector Mark2, enabling asymmetric cell division & production of committed myogenic progenitors (described by Dumont & coworkers in a famous *Nature Medicine* paper published in 2015 that we have cited many times in our Satellos research). For added clarity, the term 'asymmetric' cell division means that instead of a stem cell dividing into two identical versions of itself during a normal mitotic cell division cycle, it divides into one version of itself & a version of a muscle precursor that can go on to differentiate further into functioning muscle cells/tissues. That AAK1/dystrophin & SAT-3247 could collectively be core to the DMD pharmacopeia is core to our MSCL investment thesis & SAT-3247-based financial forecasts.

Exhibit 2. Income Statement & Financial Forecast Data for Satellos Bioscience, F2027E-to-F2036E

Year-end December 31 *(US$000, exc share data)*	*2027E*	*2028E*	*2029E*	*2030E*	*2031E*	*2032E*	*2033E*	*2034E*	*2035E*	*2036E*
SAT-3247 royalty revenue, US	$0	$0	$0	$31,455	$63,287	$84,889	$106,748	$128,866	$151,246	$163,021
SAT-3247 royalty revenue, EU	$0	$0	$0	$0	$39,635	$80,063	$107,818	$136,120	$164,978	$194,399
Total SAT-3247 revenue	**$0**	**$0**	**$0**	**$31,455**	**$102,922**	**$164,952**	**$214,566**	**$264,986**	**$316,223**	**$357,420**
Revenue growth (%)	*NA*	*NA*	*NA*	*NA*	*227%*	*60%*	*30%*	*23%*	*19%*	*13%*
R&D, clinical expenses	$22,500	$22,500	$15,000	$14,155	$12,351	$8,248	$7,510	$7,420	$7,906	$7,148
G&A, marketing expenses	$5,250	$5,500	$6,000	$8,176	$9,547	$10,287	$10,112	$11,194	$11,705	$12,322
Other expenses	$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**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*788%*	*81%*	*35%*	*25%*	*20%*	*14%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*29%*	*79%*	*89%*	*92%*	*93%*	*94%*	*95%*
Non-operating expenses	$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**
Other non-oper expenses	($1,538)	($1,576)	($1,615)	($1,656)	($1,697)	($1,740)	($1,783)	($1,828)	($1,873)	($1,920)
EBT	**($27,473)**	**($27,684)**	**($20,645)**	**$9,519**	**$81,462**	**$146,897**	**$197,467**	**$246,940**	**$297,226**	**$338,609**
Tax expense, other	$0	$0	$0	$2,380	$20,365	$36,724	$49,367	$61,735	$74,306	$84,652
Net income, fully-taxed	**($27,473)**	**($27,684)**	**($20,645)**	**$7,140**	**$61,096**	**$110,173**	**$148,100**	**$185,205**	**$222,919**	**$253,957**
Fully-taxed EPS (basic)	($1.32)	($1.28)	($0.95)	$0.33	$2.82	$5.09	$6.84	$8.55	$10.29	$11.72
Fully-taxed EPS (fd)	**($1.19)**	**($1.16)**	**($0.87)**	**$0.30**	**$2.56**	**$4.62**	**$6.21**	**$7.76**	**$9.34**	**$10.64**
P/E (basic)	*NA*	*NA*	*NA*	*24.4x*	*2.9x*	*1.6x*	*1.2x*	*0.9x*	*0.8x*	*0.7x*
EV/EBITDA	*NA*	*NA*	*NA*	*5.6x*	*0.6x*	*0.3x*	*0.3x*	*0.2x*	*0.2x*	*0.2x*
S/O, basic (M)	*20,831*	*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*

Source: Satellos Bioscience financial filings, Leede Financial

- In healthy muscle, approximately 10% of satellite cell divisions are asymmetric, producing one self-renewing stem cell & one committed progenitor; the remaining ~90% are symmetric planar divisions that expand the stem cell pool without producing precursor cells for forming body tissues, including muscle (these percentages are as cited in Kuang's 2007 paper in the journal *Cell* & by Webster & coworkers in the same journal in 2016). In dystrophin-deficient satellite cells residing in DMD patients, asymmetric divisions are reduced approximately 5-fold, down to only 2% of total cell divisions, leading to stem cell accumulation simultaneous to muscle progenitor cell depletion & an intrinsic inability by DMD patients to rectify that imbalance (the aforementioned 2015 *Nature Medicine* paper describes this imbalance in detail).
- Importantly, the rate at which stem cells divide in DMD patients (more symmetrically than asymmetrically, unfortunately) is not itself actually impaired – satellite cells from either healthy or DMD patients present with similar proportions of proliferating cells to stem cells (about 64%), but DMD stem cells shift proliferation toward stem cell self-renewal & away from progenitor generation (Satellos' scientific founder Michael Rudnicki published this insight in a now-famous 2025 *Nature Communications* paper that we also cite frequently in our Satellos research). Shifting back to AAK1's role in this cell division process, the kinase is known to be a regulator of a cell signalling pathway called Notch (many cell signalling pathways retain names that are relevant to their impact on fruit fly [Drosophila] physiology, the organism in which foundational biochemistry/genetics is often conducted & the name Notch is no different), a pathway that attaches a phosphate group to another protein called Numb & in so doing regulating its activity & thus its ability to impact the Notch pathway in ways that are relevant to stem cell differentiation (also described in the 2025 *Nature Communications* paper).

- So the reason that all of these pathways are relevant to Satellos is that we now know that in DMD muscle stem cells for which the gene encoding AAK1 is deleted, expression of the Numb protein is restored & in so doing, the proportion of stem cells that can now be guided toward producing muscle precursor cells increased dramatically, by about 2.4x according to the 2025 Nature Communications paper cited above. Of course, deleting an entire AAK1 gene & doing so only in stem cell populations is at minimum technically challenging, so a pharmacologic approach to manipulating AAK1 function pharmacologically with an orally-active pharmacologic agent like SAT-3247 is a more prudent approach being pursued by Satellos. The mechanism that Satellos/SAT-3247 is seeking to influence is thus best understood as correction of a fate-allocation defect in dividing stem cells, without influencing the pace at which stem cell division actually occurs. Two Phase II trials are underway in DMD (the 51-patient pediatric DMD BASECAMP trial & the –patient adult DMD TRAILHEAD trial), with interim data expected from both trials by end-of-FQ426.

Exhibit 3. Valuation Scenarios for Satellos Bioscience

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]		$9.83	$12.80	**$15.77**	$18.74	$21.72
One-year MSCL target price (US$)[1,2]				**$16.08**		

[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 warrants)*

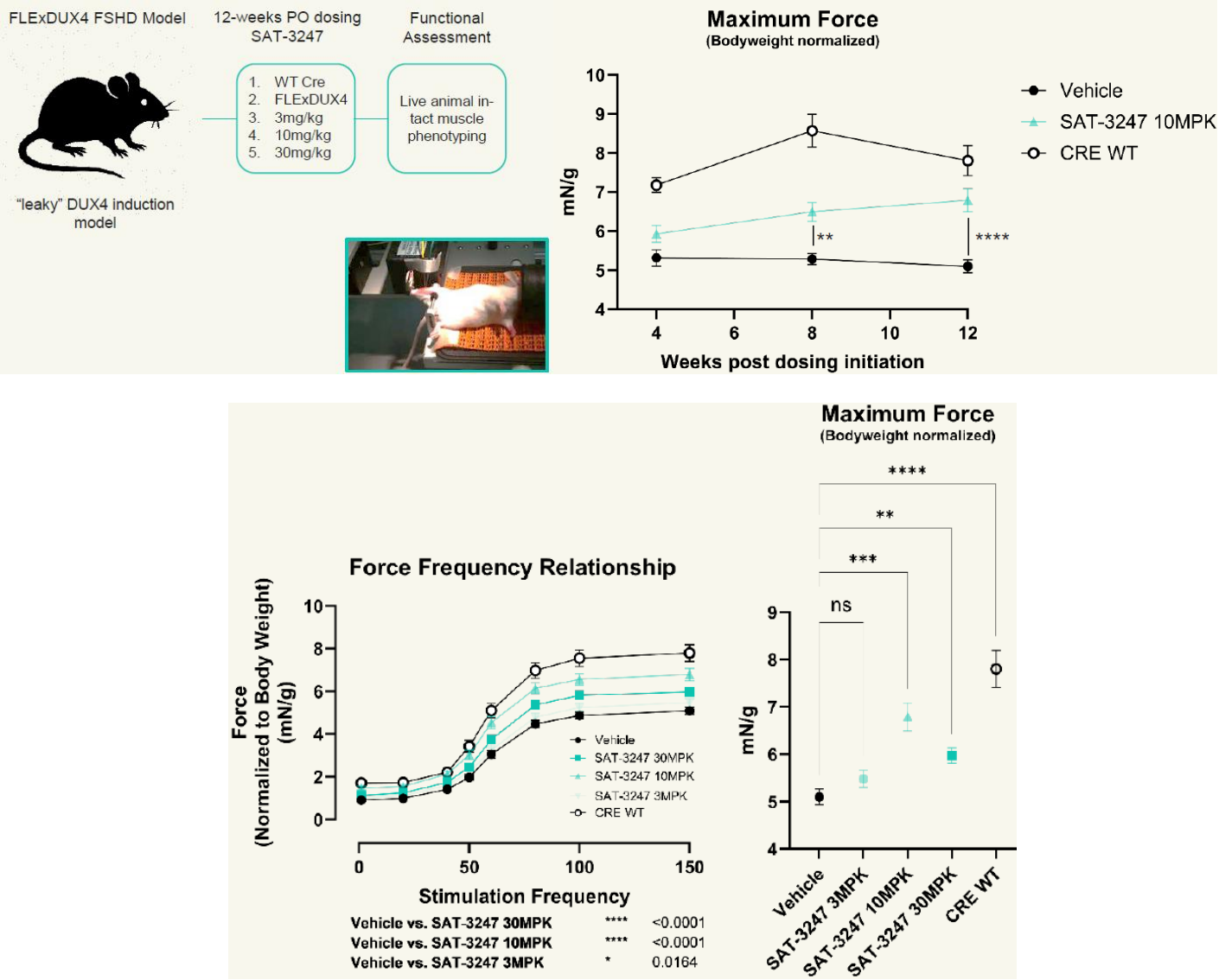
[2] *Enterprise value based on notional fd S/O of 23.9M (assumes supplemental equity capital raise during our forecast period); FQ226 cash of US$61.8M, no LT debt*

Source: Satellos Bioscience financial filings, Leede Financial

- **Satellos signaled interest in FSHD before, a secondary indication characterized by progressive muscle wasting to which Satellos has formally allocated capital for IND-enabling studies.** On reviewing Satellos' Feb/26 prospectus, we see that the firm allocated a substantial proportion of new equity capital (a highly-specific US$18.7M) to funding IND-enabling studies expected to conclude in the next quarter or two, followed by IND filing by end-of-year & then commencement of a 50-patient Phase II FSHD trial shortly thereafter.
  - Our model does not yet ascribe value to this program but we are not prevented from doing so if new preclinical FSHD-relevant data are published by Satellos & its collaborators in pending quarters – for context, we do ascribe value to Eupraxia Pharmaceuticals' (EPRX-Q, Buy, PT US$15.50) DiffuSphere-based fluticasone propionate formulation EP-104GI in esophageal strictures despite the status of that project not yet advancing into formal clinical testing (the drug's published pharmacology & clinical activity in eosinophilic esophagitis are highly suggestive of notional anti-fibrotic activity in mitigating strictures in the same organ).
  - Thus an FSHD clinical program is not yet active & as we will justify below, we believe that the mechanistic rationale connecting AAK1 inhibition to FSHD pathophysiology is not as compelling as is the connection between AAK1 inhibition & muscle cell regeneration in DMD, as documented by Satellos & its scientific founders. The decision to flag FSHD as a secondary SAT-3247 is however not without merit in our view, notwithstanding the suite of key & unique questions that Phase II FSHD testing should address.
  - **FSHD is the most prevalent form of adult-onset muscular dystrophy, affecting one in 8,000-to-20,000 individuals, with no approved disease-modifying therapy.** FSHD prevalence data, as cited in a 2005 review by Leiden University researchers in the *American Journal of Human Genetics* (that itself cites data from 1982), provide abundant justification for exploring SAT-3247's utility for the indication in that it would greatly expand the drug's pharmacologic footprint if Satellos can successfully navigate Phase III FSHD/SAT-3247 testing & regulatory review.

FSHD is characterized by a form of muscle weakness that is often asymmetric & progresses from the upper to lower body. Weakness typically begins in the facial muscles & muscles that stabilize the shoulder blades, before progressing to the upper arms, trunk, & lower limbs. Symptoms often first appear during adolescence, with most affected individuals showing signs of disease by age twenty.

Exhibit 4. Encouraging Preclinical Data Are Already Generated That Show SAT-3247's Impact On Muscle Function In A Mouse Model For FSHD



Source: Satellos Biosciences & FSHD Canada Foundation investor presentation (August/26)

- Like DMD, FSHD has genetic underpinnings in that it results from activation of the transcription factor DUX4 (short for double Homeobox-4) in skeletal muscle. In FSHD1 (which is most cases, about 95% of patients), this occurs because the number of so-called D4Z4 repeat sequences that can be visualized on chromosome 4 are reduced. In the less prevalent FSHD2 form of disease, mutations in genes that regulate the chromosome-associated protein chromatin produce a similar effect on muscle function. In both forms of disease, these two chromosomal abnormalities that would otherwise silence activity of the DUX4 gene are not present, allowing DUX4 to be expressed & be active in muscle tissue in ways that exacerbate FSDH symptoms. DUX4 is silent & inactive in healthy adults (our source for the DUX4-specific details above is Lemmers & coworkers as published in 2010 in the journal *Science*).

- **Aberrant DUX4 expression damages skeletal muscle at multiple levels of the muscle regeneration process.** DUX4 shares homeodomain similarity with PAX7 (short for paired box-7), a master transcription factor governing muscle stem cell function, & functionally antagonizes PAX7-dependent transcription, resulting in global repression of PAX7 target genes in FSHD muscle (described in two papers we reviewed - Bosnakovski & coworkers in 2008 in *EMBO Journal* & Banerji & coworkers in 2017 in *Nature Communications*). Importantly, this repression does not appear to eliminate proliferative capacity in humans, despite suggestions otherwise from PAX7 knockout models, where satellite cells skip the proliferative phase & proceed directly toward terminal differentiation without first amplifying their numbers (von Maltzahn & coworkers described this in 2013 in the journal *PNAS*).

- PAX7-positive satellite cell numbers in FSHD patient biopsies are not actually that different from healthy patients (Statland & coworkers in 2015 in *Journal of Neuromuscular Diseases*) & even more interesting to us is that muscle-producing myoblasts isolated from FSHD actually preserve their ability to grow & divide in tissue culture thereafter (Vilquin & coworkers in 2005 in *Gene Therapy* & Barro & coworkers in 2010 in the *Journal of Cellular & Molecular Medicine* both make this observation). Moreover, a simple physiotherapy intervention like exercise training can expand the satellite cell pool in symptomatic FSHD muscle. Muscle regeneration is similarly not completely eliminated; actively-regenerating fibers are present in the majority of FSHD biopsies (76% of quadriceps, 91% of calf muscles [tibialis anterior]), although the regenerative response appears insufficient to maintain muscle mass & function (Banerji & coworkers, *Human Molecular Genetics*, 2020).

- **The regenerative defect therefore does not appear to reflect a simple failure of satellite cells to activate or proliferate; substantial constraints emerge as activated progenitors progress through myogenesis.** Even at low expression levels, DUX4 suppresses MyoD, the transcription factor required for myoblast commitment, & represses glutathione redox pathway components, impairing the cellular capacity to buffer oxidative stress (Bosnakovski & coworkers, *EMBO Journal*, 2008). At higher DUX4 levels, proliferating myoblasts, the population responsible for generating the cells that ultimately fuse to repair or replace damaged fibers, are acutely vulnerable:

- Bosnakovski & coworkers demonstrated rapid p21 upregulation, caspase activation, & >80% loss of viability within 24 hours at high induction levels, while notably demonstrating that mature, terminally differentiated myotubes were comparatively resistant. Among cells that survive these stresses, differentiation & fusion into functional myotubes can themselves be impaired. The net effect is a disease that degrades the quality & efficiency of the regeneration pipeline at the stages downstream of stem cell activation rather than producing a collapse of satellite cell proliferation, consistent with the slow, progressive pattern of clinical muscle wasting observed in FSHD.

- **Satellos frames the FSHD rationale against DMD as "two diseases, different triggers, same outcome" (as cited by Satellos representative Phil Lambert at the *MDA Clinical & Scientific Conference* hosted in Mar/26).** The proposed convergence point between DMD & FSHD is inadequate muscle regeneration & it is certainly plausible to assume that SAT-3247's mechanism of action (for which Phase II clinical risk in DMD is still measurable, by the way) could be relevant to both indications. Dystrophin loss in DMD disrupts satellite cell polarity & progenitor generation – Satellos & its University of Ottawa collaborators have has demonstrated this to our satisfaction (see our multiple references above) - while DUX4 expression in FSHD interferes with the ability of the regenerative system to maintain muscle over time.

- Importantly, Satellos does not necessarily need FSHD to reproduce the same underlying polarity defect observed in DMD if AAK1 inhibition can increase progenitor output above the normal baseline, even if it does not directly impact the malfunctioning biochemical pathways through which FSHD transpires. Satellos already presented preclinical data on this theme at a conference called *MDA 2024*, showing statistically significant improvement in muscle force in a wild-type mouse injury model treated with SAT-3247 (press-released in Mar/24), providing some support for the possibility that there is regenerative headroom even where dystrophin-dependent polarity is intact.

- **Satellos' FLExDUX4 data provide limited yet encouraging functional evidence that SAT-3247 can have disease-mitigating activity in FSHD where unregulated DUX4 activity is the primary cause.** Satellos has already published SAT-3247-relevant preclinical evidence for activity in FSHD mitigation & what follows is our summary of that evidence. For example, Satellos showed in published abstracts that it can produce significant improvements in muscle force in the FLExDUX4 mouse model at SAT-3247 dosage strengths that are relevant to clinical doses it is deploying in TRAILHEAD & BASECAMP (10 mg/kg & 30 mg/kg over three-week duration in the study presented at

MDA 2024; same doses but over three-months in a study presented at the MDA 2026 conference). The drug was administered orally at an intermittent frequency & muscle force was measured by ankle plantar flexion in intact hindlimbs. Interestingly, both of these relatively high dosage strengths achieved impact on muscle force but without a clear dose-dependency on muscle force, indicating to us that the lower of these two SAT-3247 doses may be sufficient & at the top end of a plausible range for the drug to confer clinical benefit in restoring muscle function. Pending Phase II testing will address that parameter directly.

Exhibit 5. Comparable Publicly-Traded Drug Developers For Satellos Biosciences

Company	Curr	Sym	Shares out (M)	Share price 20-Aug	Mkt Cap ($M) (curr)	Mkt Cap ($M) (C$)	Ent Val ($M) (curr)	Ent Val ($M) (C$)	Company description
Duchenne Muscular Dystrophy-focused therapy developers - Exon-Skipping Or RNA/Antisense Technologies									
BioMarin Pharmaceutical Inc.	USD	BMRN	193.6	$69.33	$13,420	$18,528	$23,101	$31,893	CA-based rare disease-focused drug developer; lead DMD anti-sense drug BMN 351 in Italy-based 18-patient Phase II testing, data expected by H127
Sarepta Therapeutics, Inc.	USD	SRPT	105.6	$19.73	$2,084	$2,877	$2,959	$4,085	Three approved antisense therapies targeting genetic variants of DMD (Exondys 51, Vyondys 53, Amondys 45), Roche-partnered approved adenovirus-based gene therapy (Elevidys); FQ226 sales US$328.7M
Wave Life Sciences Ltd.	USD	WVE	197.0	$5.42	$1,067	$1,473	$796	$1,099	Exon 53-skipping antisense therapy WVE-N531; 48-week Phase II (Forward-53 trial) data in Mar/25; dystrophin express up 7.8%, 88% of pts over threshold of 5%; final data in H127
Duchenne Muscular Dystrophy-focused therapy developers - Adenovirus (AAV)-Based Gene Delivery Technologies									
Hansa Biopharma AB	SEK	HNSA	101.8	SEK 40.64	SEK 4,136	$5,710	SEK 676	$933	SRP-9001-104 trial; Sarepta-partnered pre-treatment with imlifidase/ Ideferix (cleaves IgG, mitigates immune response to adenovirus vectors) prior to gene therapy with SRP-9001/Elevidys; Phase I testing is ongoing
REGENXBIO Inc.	USD	RGNX	66.0	$12.02	$793	$1,095	$1,200	$1,657	AAV-based gene therapy RGX-202 encodes C-terminal domain of micro-dystrophin; Phase I/II data from five patients (Nov/24) in 15-patient AFFINITY DUCHENNE trial, data by mid-2028
Solid Biosciences Inc	USD	SLDB	107.2	$9.74	$1,044	$1,442	$920	$1,271	AAV-based gene therapy SGT-003 in 43-patient Phase I/II INSPIRE DUCHENNE trial, data by mid-2027, microdystrophin expression observed in mdx mouse, targets cardiac & skeletal muscle with minimal liver targeting; proprietary capsid AAV-SLB101 is vector
Average						**$5,188**		**$6,823**	
Duchenne Muscular Dystrophy-focused therapy developers - Small Molecule Or Other Technologies									
Capricor Therapeutics, Inc.	USD	CAPR	58.1	$7.98	$464	$641	$312	$431	Deramiocel (CAP-1002; exosome-secreting allogeneic cardio-sphere-derived cell therapy); 106-patient Phase III HOPE-3 trial (*Lancet, Jul/26*), negative FDA advisory committee vote in Jul/26
Dyne Therapeutics, Inc.	USD	DYN	186.7	$26.78	$5,001	$6,904	$5,962	$8,231	DYNE-251 (z-rostudirsen) in 86-patient Phase II (DELIVER) trial, projects early BLA filing by Q226
Edgewise Therapeutics, Inc.	USD	EWTX	108.6	$46.44	$5,044	$6,963	$6,327	$8,735	CO-based sevasemten (EDG-5506) developer, in Phase II testing for Becker/Duchenne muscular dystrophy; Phase II LYNX trial, data in early F2027
PTC Therapeutics, Inc.	USD	PTCT	83.5	$73.67	$6,149	$8,489	$9,440	$13,033	Emflaza/deflazacort (corticosteroid; FQ226 sales US$24.6M vs US$36.4M last year), Translarna/ataluren (RNA therapy; FQ226 sales US$42.2M vs US$59.5M last year)
Santhera Pharmaceuticals	CHF	SANN	15.9	CHF 16.52	CHF 262	$455	CHF 500	$867	Developed corticosteroid vamorolone/Agamree (Catalyst holds US rights, Kye Pharma holds Cdn rights)
Rare Disease Drug Developers									
BridgeBio Pharma, Inc.	USD	BBIO	195.5	$83.95	$16,412	$22,658	$26,308	$36,321	Rare diseases; Nulibry (2021; molybdenum cofactor deficiency Type A), Attruby (2024; ATTR-cardiac amyloidosis)
Travere Therapeutics, Inc.	USD	TVTX	94.3	$65.96	$6,217	$8,584	$8,741	$12,067	Filspari/sparesentan FDA-approved in Sept/24 for kidney disease (IgA Nephropathy); endothelin-angiotensin II receptor antagonist
Ultragenyx Pharmaceutical Inc.	USD	RARE	98.6	$26.24	$2,587	$3,572	$4,753	$6,562	Five product approvals in rare diseases, including Dojolvi (triheptanoin; long-chain fatty acid oxidation disorders), Mepsevii (recombinant beta-glucuronidase/vestronidase; mucopolysaccharidosis VII)
Average						**$4,265**		**$6,354**	
Satellos Bioscience Inc.	**CAD**	**MSCL**	**20.8**	**$13.82**	**$288**	**$288**	**$201**	**$201**	**Lead AAK1 inhibitor drug SAT-3247 in Phase I/II testing for Duchenne muscular dystrophy (DMD)**
Amicus Therapeutics	USD	FOLD	Targets Fabry disease (Galafold/migalastat; chaperones alpha-galactosidase A to lysosomes; approved in 2018) & Pompe disease (Pombiliti-Opfolda/ miglustat; recombinant glucosidase alpha enzyme stabilizer; approved in 2023); acquired by BioMarin for US$4.8B in Dec/25						
Apellis Pharmaceuticals	USD	APLS	Empaveli/pegcetacoplan (PEGylated pentadecapeptide); complement C3 inhibitor, targets paroxysmal nocturan hemoglobulinuria (PNH); acquired by Biogen for US$5.6B in May/26						

Source: Refinitiv

- Sample sizes per treatment arm were not disclosed in any publicly available source, & absolute effect magnitudes were not reported, making it difficult to characterize the dose-response relationship or the clinical meaningfulness of the observed improvements with confidence. The FLExDUX4 model itself uses a so-called "leaky" DUX4 induction system that may not be as representative of clinical disease as we would like in a preclinical model. Accordingly, the preclinical studies presented by Satellos so far primarily establish outcome rather than mechanism. Satellos has not disclosed whether treatment alters satellite cell polarity, asymmetric division ratios, NUMB polarization, progenitor output, or PAX7+ cell abundance in the FLExDUX4 model, all of which are biochemical parameters that SAT-3247 influence to some degree in DMD. These are the measurements that would establish whether the functional benefit reflects the same AAK1-mediated fate-allocation mechanism proposed in DMD or another effect of AAK1 inhibition on muscle biology.

- **The central mechanistic question remains whether muscle progenitor cell supply is sufficiently rate-limiting in FSHD for enhanced asymmetric division to influence muscle regeneration.** In DMD, the mechanistic fit is direct. Dystrophin loss produces a demonstrated fate-allocation defect in dividing satellite cells, with asymmetric divisions falling from approximately 10% to 2% & AAK1 inhibition restores the processes that allow satellite cells to divide into another satellite cell & a cell destined to become a muscle cell. These processes as described above include polarization controlled by the Numb pathway & then committed muscle progenitor cell production from an unchanged pool of PAX7-positive cells (all described in the *Nature Communications* paper we cite above). In FSHD, dystrophin remains functional & so satellite cells retain proliferative capacity, unlike in DMS. Our review of the medical literature finds no published study that documents abnormal symmetric-to-asymmetric division ratio or defect in NUMB polarization in FSHD's clinical profile. AAK1 inhibition therefore need not correct the underlying pathology that causes FSHD directly. Rather, the therapeutic hypothesis is that increasing muscle progenitor cell output to any degree above baseline can compensate for regenerative inefficiencies in other pathways in the disease cascade.

- **Whether those additional progenitors can become productive muscle remains unresolved.** Commitment itself depends on a PAX7-regulated program in our view. Following asymmetric division, methylation of another protein in the PAX7 pathway called CARM1 (short for co-activator associated arginine methyltransferase-1) recruits yet another protein mass called the MLL1/2 complex to activate yet another signalling factor called MYF5 (short for myogenic factor-5), an early step in the differentiation of satellite cells into muscle cells (two of our sources for the biochemistry of CARM1-MLL1/2-MYF5 were Kawabe & coworkers, *Cell Stem Cell*, 2012; Soleimani & coworkers, *Genes & Development*, 2012). Because DUX4 antagonizes PAX7-dependent transcription, progenitors generated through enhanced asymmetric division could theoretically be compromised from the point of commitment, before encountering the additional DUX4-mediated barriers to survival, differentiation, & fusion described above. The critical question is therefore not whether SAT-3247 can generate more progenitors, but whether doing so increases the number of new muscle cells to a degree that can reverse the level of compromised muscle function that FSHD patients endure.

- **This makes the mechanistic bridge from DMD materially less direct without eliminating a plausible biological rationale for SAT-3247 in FSHD.** In DMD, the drug corrects an identified bottleneck in progenitor generation; in FSHD, it may need to increase regenerative throughput enough to overcome defects occurring elsewhere in the cascade. The positive FLExDUX4 force data suggest this may be possible, but without pathway-level biomarker data it remains unclear whether progenitor generation is the relevant bottleneck or whether the functional benefit arises through the proposed AAK1–NUMB fate-allocation mechanism.

- **For now, we prefer caution over aggression in evaluating FSHD as a target market for SAT-3247 in our valuation & forecasts, even though the rationale for flagging FSHD as a secondary indication is strong.** The preclinical evidence is supportive at the level of functional outcome, but the mechanistic rationale rests on downstream convergence rather than correction of the same molecular defect as in DMD. We acknowledge that AAK1 biology in muscle stem cells may extend beyond the currently characterized NUMB/polarity mechanism & that the FLExDUX4 data provide evidence of pharmacological activity in a DUX4-driven context. We will revisit our assessment following BASECAMP readout in Q4 2026, which should provide the first human proof of concept for AAK1 inhibition, & as the FSHD program generates clinical & biopsy data. Particularly informative endpoints would include PAX7+ satellite cell abundance, markers of committed progenitor generation & active regeneration, &, if technically feasible, measures

of NUMB polarization or satellite cell fate allocation. Together, these could establish whether SAT-3247 is increasing productive regenerative output & whether the mechanism observed in DMD extends to FSHD.

- **More broadly, the ~90/10 baseline ratio of symmetric to asymmetric satellite cell division in healthy muscle raises an intriguing longer-term question.** If AAK1 inhibition can modulate fate allocation in dividing cells, even a modest shift in the asymmetric fraction could in principle augment progenitor output in settings where regenerative capacity is rate-limiting: acute muscle injury, post-surgical recovery, disuse atrophy, or age-related sarcopenia. The wild-type injury model data referenced above suggest there may be headroom above the normal baseline, though whether this reflects a genuine increase in asymmetric division rate or an alternative effect of AAK1 inhibition on muscle biology is unknown. Satellos has given no outward indication of interest in pursuing indications beyond DMD & FSHD, & this remains entirely speculative, but a clinical validation of AAK1-mediated fate correction in BASECAMP would inevitably invite the question of how far the platform extends.

- **Summary & valuation.** We thought it useful for MSCL followers to review some of the underlying scientific rationale for deploying resources into a FSHD program when share value is so clearly focused on a different if overlapping indication in DMD on which our valuation is based & for which an ongoing Phase II DMD program will be integral to shareholder value in coming quarters. We expect to revisit FSHD as a value-influencing program as clinical data emerges, probably during FH227-to-FH128 as a guess.

  - We are maintaining our Speculative Buy rating & one-year PT of US$16.00 on MSCL, with our valuation still based on NPV (30% discount rate consistent with our bias toward ascribing this rate to Phase II-stage clinical risk drug developers) & multiples of our F2031 EBITDA/fd EPS forecasts of US$81.0M & US$2.56/shr, respectively. The firm exited FQ226 with cash of US$61.8M (no LT debt) & fd S/O of 23.0M, though we base our forecasts & valuation on notional fd S/O of 23.9M that assumes supplemental equity offerings could be consummated to fund SAT-3247 to FDA approval, initially in DMD but perhaps in FHSD as well. The latter indication if clinical momentum ensues would compel us to revisit its impact on our valuation. At current share price levels, our PT corresponds to a one-year return of 57.1%.

Exhibit 6. Income Statement & Financial Forecast Data for Perimeter Medical Imaging

Year-end December 31 *(US$000, exc per share data)*	2024A [1]	2025A [1]	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
OCT, capital equipment, US	0	1,050	3,188	4,148	5,286	6,608	8,439	10,635	11,251	11,881	12,692
OCT, capital equipment, EU	0	0	0	1,467	2,969	3,863	4,995	6,374	6,673	6,528	5,923
OCT, consumables, US	487	672	2,270	5,855	13,825	28,359	60,068	86,719	114,133	144,685	177,261
OCT, consumables, EU	0	0	52	773	3,256	7,705	15,357	23,036	32,937	45,615	61,494
Service/maintenance, US/EU	0	420	1,151	2,351	4,061	6,335	9,370	13,387	17,680	22,138	26,668
Operating leases	359	162	500	500	500	500	500	500	500	500	500
Total revenue	**846**	**2,304**	**7,161**	**15,092**	**29,897**	**53,370**	**98,729**	**140,651**	**183,174**	**231,347**	**284,538**
Revenue growth, y/y (%)	*110%*	*172%*	*211%*	*111%*	*98%*	*79%*	*85%*	*42%*	*30%*	*26%*	*23%*
Gross margin	**754**	**1,467**	**4,574**	**9,916**	**20,359**	**37,410**	**70,688**	**101,236**	**132,899**	**168,908**	**208,750**
Gross margin, capital equipment	*NA*	*NA*	*47.7%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*	*50.0%*
Gross margin, serv/maint, OCT (%)	*86.6%*	*89.2%*	*77.1%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*	*75.0%*
Operating costs, grant income	16,826	13,212	14,459	16,465	16,331	16,252	16,025	16,352	16,485	16,621	17,178
EBITDA	**(16,072)**	**(11,744)**	**(9,885)**	**(6,549)**	**4,028**	**21,158**	**54,663**	**84,884**	**116,414**	**152,288**	**191,572**
EBITDA margin (%)	*NA*	*NA*	*NA*	*NA*	*13%*	*40%*	*55%*	*60%*	*64%*	*66%*	*67%*
EBITDA growth, y/y (%)	*NA*	*NA*	*NA*	*NA*	*(162%)*	*425%*	*158%*	*55%*	*37%*	*31%*	*26%*
Net Income, fully-taxed	(13,394)	(12,915)	(9,135)	(5,799)	3,583	16,431	41,560	64,225	87,873	114,778	144,241
EPS (basic)	($0.14)	($0.10)	($0.06)	($0.04)	$0.02	$0.11	$0.27	$0.42	$0.58	$0.75	$0.95
EPS (fd)	**($0.11)**	**($0.07)**	**($0.04)**	**($0.03)**	**$0.02**	**$0.07**	**$0.19**	**$0.29**	**$0.39**	**$0.51**	**$0.64**
S/O (basic)	*93,514*	*131,121*	*152,610*	*152,610*	*152,610*	*152,610*	*152,610*	*152,610*	*152,610*	*152,610*	*152,610*
S/O (fd)	*118,442*	*193,655*	*224,256*	*224,256*	*224,256*	*224,256*	*224,256*	*224,256*	*224,256*	*224,256*	*224,256*
Units placed or sold, US/EU	*8*	*17*	*46*	*71*	*98*	*128*	*168*	*219*	*229*	*234*	*235*
Cumulative installed base	*11*	*28*	*74*	*145*	*243*	*371*	*539*	*758*	*987*	*1,221*	*1,456*
P/E	*NA*	*NA*	*NA*	*NA*	*22.5x*	*4.9x*	*1.9x*	*1.3x*	*0.9x*	*0.7x*	*0.6x*
EV/EBITDA (basic S/O)	*NA*	*NA*	*NA*	*NA*	*8.0x*	*1.5x*	*0.6x*	*0.4x*	*0.3x*	*0.2x*	*0.2x*

[1] *Revenue stratification is as projected by Leede Financial; consolidated revenue is as reported by Perimeter Medical Imaging*

Source: Perimeter Medical financial filings, Leede Financial

- **Perimeter Medical reports FQ226 financial results.** TX-based oncology-focused medical imaging innovator Perimeter Medical (PINK-V, Speculative Buy, PT C$2.75) reported FQ226 financial data for the June-end period that were still modest in comparison to our eventual expectations for the firm's recently-FDA-approved AI-equipped optical coherence tomography (OCT)-based breast tumor margin imaging platform B-Series/Claire, with FQ226 revenue of US$0.5M actually ascribed not to Claire capital sales just yet but rather to procedure volume-based consumables sales for the firm's AI-devoid first-generation S-Series platform.
    - FQ126 revenue, ostensibly from S-Series consumables as well (Claire was not FDA-approved until late in the quarter) was US$0.39M & so sequential trendline was certainly positive, but Perimeter has perpetually recorded quarterly revenue at/near US$0.5M for several quarters now (FQ125 revenue for example, was US$0.55M) & regardless, we do not wish to dwell on small differences like this when our valuation assumes far more aggressive capital sales & procedure volume-based recurring revenue for the now-approved AI-driven B-Series/Claire platform.

Exhibit 7. Valuation Scenarios for Perimeter Medical Imaging

NPV, discount rate		10%	15%	20%	25%	30%	40%
Implied value per share		$10.35	$6.54	$4.21	**$2.13**	$1.83	$0.81
Price/earnings multiple, F2030	**P/E**	**10%**	**15%**	**20%**	**25%**	**30%**	**40%**
Implied share price[1]	10	$2.06	$1.72	$1.45	$1.23	$1.05	$0.78
	20	$4.12	$3.44	$2.90	**$2.37**	$2.10	$1.56
	30	$6.18	$5.16	$4.35	$3.69	$3.15	$2.34
EV/EBITDA multiple, F2030		**5x**	**7.5x**	**10x**	**12.5x**	**15x**	**17.5x**
Implied share price[1,2]		$0.62	$0.94	$1.25	**$1.56**	$1.87	$2.18
One-year Perimeter Medical target price	[1,2]				**$2.02**		
One-year Perimeter Medical target price	[1,2,3]				**$2.79**		

[1] *F2030 fully-taxed EPS (fd) forecast US$0.19, EBITDA US$54.7M; NPV discounted at 25%; pro forma basic S/O 152.6M & fd S/O 224.3M incorporate new shares & derivative securities from May/26 equity offering*

[2] *Balance sheet data includes FQ226 cash of US$6.4M (includes net proceeds from Apr/26 debenture offering & May/26 equity offering), LT debt of US$6.0M from Apr/26 debenture offering*

[3] *Price target converted to USD using exchange rate of 1.38x*

Source: Perimeter Medical Imaging financial filings, Leede Financial

- Accordingly, we believe it is far too early to be projecting revenue trends from an early launch quarter for B-Series/Claire & next quarter could be similarly soft as well. That said, we expect more commentary on how B-Series/Claire prospect list & backlog are evolving, bearing in mind that prospects & backlog often do not translate into tangible sales. That said, our expectation is that in the near-term, Perimeter should be able to generate capital sales from upgrading its S-Series installed base (about twenty-two systems according to conference call commentary) over the next quarter or two, & upgraded systems should be able to drive procedure volumes/recurring revenue at an accelerated pace once AI capabilities are featured on the platform.
- It is a reality for firms seeking to create value in medical technology development that share value in the early days of commercialization, once clinical/regulatory risk declines to nil, that capital markets regard for such firms is more aspirational than tangible since medtech capital sales & pace of adoption tend to have a shallow growth trajectory at least initially. But we stand by our view that Perimeter's clinical data that supported B-Series/Claire FDA-approval was strong on its ability to identify breast tumor margins to a superior degree to standard-of-care biopsy or visual inspection (& the FDA agreed with the approval granted in Mar/26) in the 206-patient pivotal trial that Perimeter described back in Nov/25.
- We believe that surgical oncology markets will come to embrace that unambiguously-positive data (88.1% accuracy on identifying tumor margins that extend beyond the borders of the excised tumor mass; 19.9% of tumors required additional tissue shaving, mitigating the possibility that such patients could require lumpectomy re-operations somewhere down the road) in coming quarters. The benefits from the ability to assess tumor margins post-lumpectomy in real time, & thus reduce re-operation rates in the process, are compelling to us & our PINK investment thesis believes that B-Series/Claire can grow in status not just in comparison to standard-of-care but also in comparison to other

imaging modalities to which it is invariably compared in the medical literature (we summarize several of these alternative imaging modalities in Exhibit 9, reproduced from a 2026 paper in the *European Journal of Surgical Oncology* that we can send to interested readers, as we are mindful that exhibit resolution in this document is low).

- It does still surprise us that surgical oncologists, even including Baylor University researcher & Perimeter collaborator AM Thompson (we cited a Sept/25 Thompson/Baylor paper in the *European Journal of Surgical Oncology* in a recent Perimeter Medical note that we published in Mar/26 that ascribed no special significance to any one tumor margin imaging technology), still regard optical coherence tomography (OCT)-based tumor margin imaging as just being one of several spectroscopic or biophysical imaging modalities for which clinical utility is still under investigation. Our model assumes that B-Series/Claire has transitioned from speculative to clinically-useful & that this reality will be commercially recognized in coming quarters, albeit at a measured pace of adoption that typically accompanies medical technology launches.

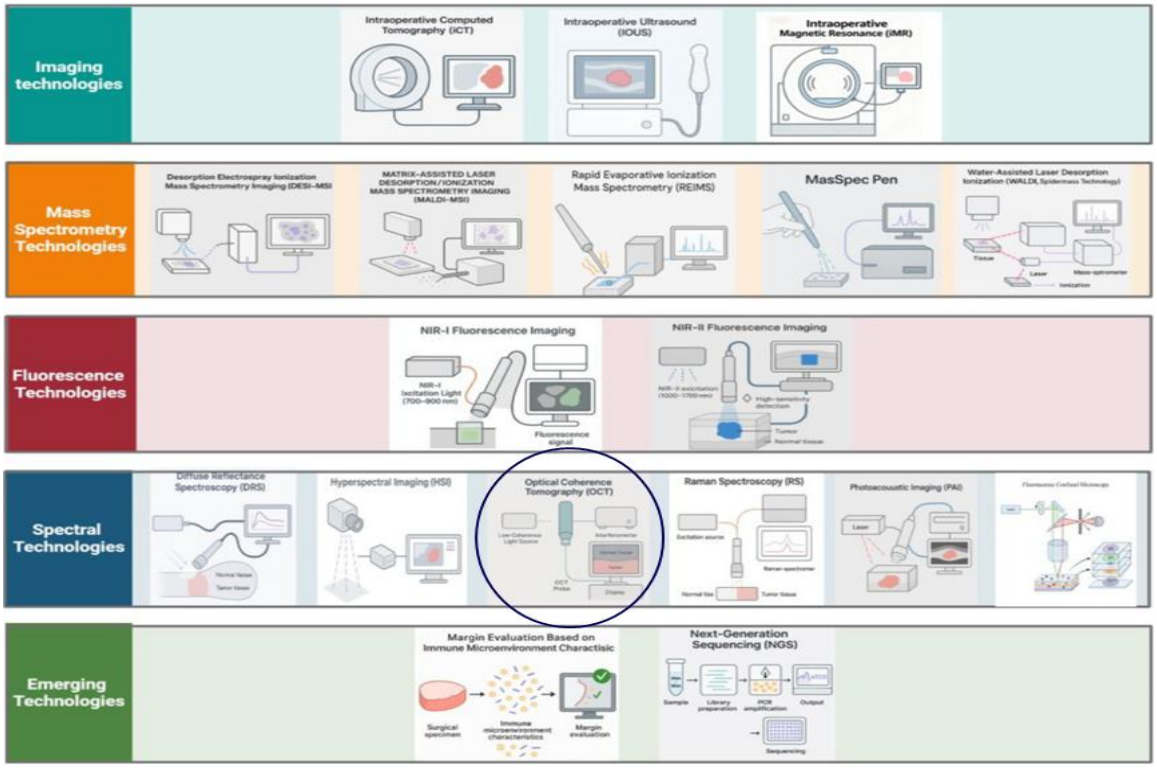
Exhibit 8. Comparable Medical Imaging Firms For Perimeter Medical Imaging

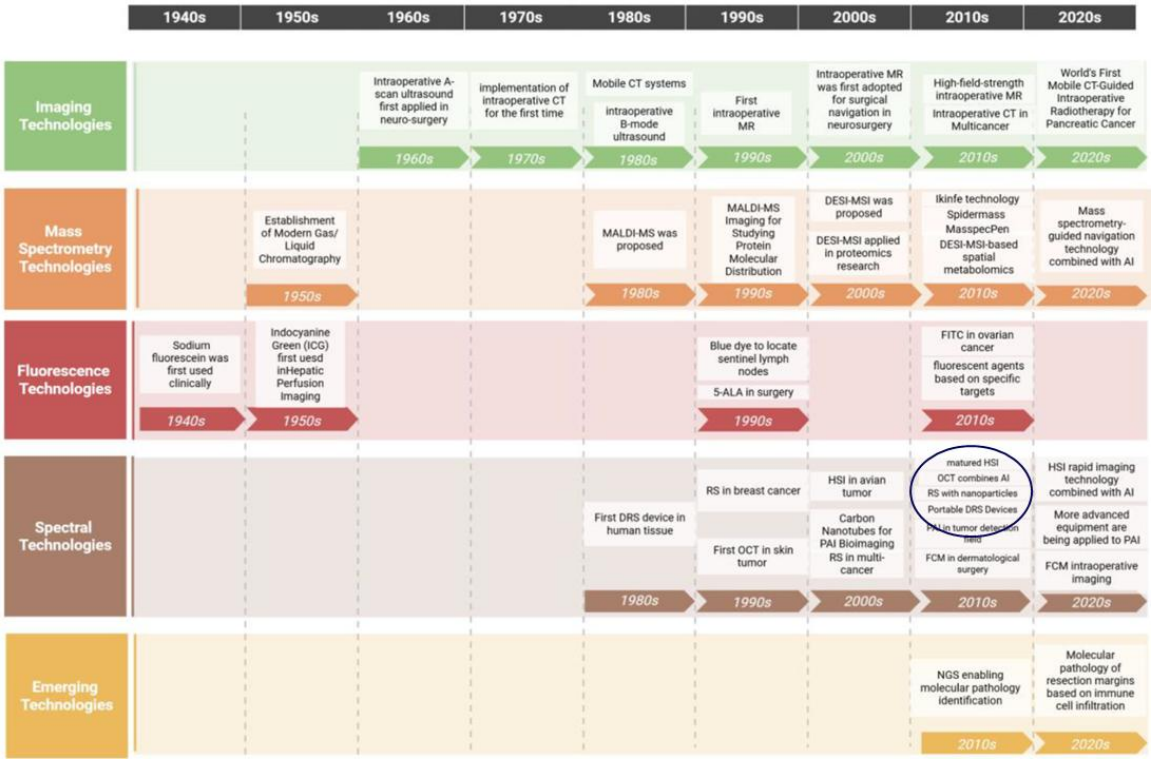
Company	Curr	Sym	Shares out (M)	Share price 21-Aug	Mkt cap ($M) (curr)	Mkt cap ($M) (C$)	Ent val ($M) (curr)	Ent val ($M) (C$)	Status of lead program
Small-to-Mid Cap Medical Technology Development Peers									
Butterfly Network	USD	BFLY	266.3	$9.17	2,442	$3,367	2,317	$3,195	Handheld, single-probe ultrasound system capable of scanning whole body and can plug into a smartphone
Conavi Medical	CAD	CNVI	103.5	$0.18	19	$19	32	$32	Intravascular optical/ultrasound imaging; Novasight Hybrid System
Nano-X Imaging	USD	NNOX	78.6	$0.89	70	$96	29	$40	Developer of the digital X-ray Nanox.ARC
Profound Medical	USD	PROF	36.3	$6.65	242	$333	206	$284	MR-guided ultrasound ablation platforms TULSA-PRO (prostate ablation), Sonalleve MR-HIFU (uterine fibroids)
Ventripoint	CAD	VPT	192.8	$0.10	20	$20	22	$22	AI-driven VMS 4.0 echocardiography platform; monitors right-side heart disease
Average						**$767**		**$715**	
Large Cap/Mature Medical Imaging Firms									
CANON INC.	JPY	7751	836.0	¥4,593	¥3,839,566	$33,281	¥6,724,152	$58,285	Acquired Toshiba's medical systems operation in 2016; name change to Canon Medical Systems Corp. in 2018
General Electric Company	USD	GE	1,037.6	$344.64	357,586	$493,075	367,625	$506,917	Medical imaging giant; sells handheld ultrasound devices for use in breast imaging
Integra LifeSciences Holdings	USD	IART	77.8	$16.59	1,290	$1,779	2,888	$3,983	Diversified surgical/medical equip manufacturer (neursurgery, orthopedics)
Intuitive Surgical Inc	USD	ISRG	353.3	$374.48	132,296	$182,422	127,107	$175,268	da Vinci robotic surgery platform has been tested in breast surgery
KONICA MINOLTA, INC.	JPY	4902	494.8	¥648	¥320,756	$2,780	¥617,058	$5,349	JP-based imaging/printing giant, has a healthcare division in NJ
Koninklijke Philips N.V.	EUR	PHG	977.4	€ 23.73	€ 23,194	$37,343	€ 29,029	$46,736	Netherlands-based imaging/diagnostics firm
Onex Corporation	USD	ONEX	76.2	$112.04	8,536	$11,770	6,522	$8,993	Onex's subsidiary Carestream Health is a provider of breast imaging equipment used for diagnostic use
Siemens AG	EUR	SIE	762.7	€ 276.00	€ 210,517	$338,933	€ 249,841	$402,244	Germany-based imaging/diagnostics firm; acquired Varian Medical for its TrueBeam RT platform in Aug/20
Siemens Healthineers AG	EUR	SHLG	1,119.2	€ 39.81	€ 44,555	$71,734	€ 57,212	$92,111	Germany-based MRI-PET-CT equipment manufacturer
Average						**$130,346**		**$144,432**	
Perimeter Medical Imaging	**CAD**	**PINK**	**153.0**	**$0.36**	**$55**	**$55**	**$53**	**$53**	**Optical coherence tomography (OCT) imaging platform (S-Series approved in Mar/21, AI-enabled B-Series approved in Mar/26)**

Source: Refinitiv

- In the aforementioned Mar/26 Perimeter Medical note, we described a few competing tumor margin imaging platforms that we expect to encounter during Perimeter's B-Series/Claire launch & these include:

Exhibit 9. OCT-Based Breast Tumor Margin Assessment Certainly Has Profile In The Medical Literature But Yet With No Unique Emphasis That We Believe B-Series/Claire FDA-Approval & Supportive AI Clinical Data Justify





Source: Adapted from *European Journal of Surgical Oncology (2026). Vol. 52, pp. 111976-11991*

- LUM Imaging System (fluoroscopy). MA-based Lumicell's [private] developed a fluorescence-based visualization system combining an enzymatically (cathepsin)-cleavable polyethylene glycol (PEG)-modified polymer called pegulicianine & branded as Lumilight) with a capital equipment-based Lumicell Direct Visualization System (DVS); the imaging agent-device combination (branded as LUM Imaging System) was approved in April/24 & launched in Jan/25. A distinct private MD-based firm called CRO Physical Sciences is developing a similar platform that exploits a different enzyme (urokinase) to convert a fluorescent prodrug into a tumor margin imaging agent; this platform is published (in 2021 in the journal *PLoS ONE*) & is still in active testing.

- VisionCT (X-ray). This high-resolution 2D specimen CT/mammography platform VisionCT was developed by AR-based Faxitron Bioptics (now part of MA-based Hologix [private], acquired for US$85M in 2018). VisionCT was FDA-approved through an expedited 510(k) pathway in May/18, but Hologic even during its public markets history provided no VisionCT-specific revenue in its financial filings, so we have no direct insight into its US installed base or pace of adoption in breast cancer surgery markets.

- ClearSight (magnetic resonance). The MRI-based ClearCoast MRI System was developed by Israel-based Clear-Cut Medical (private), with sensitivity/specificity of 0.80/0.84 published in press-release form by Clear-Cut in FQ221 & then published in peer-reviewed form in 2022 in the *Journal of Surgical Oncology*. Superior sensitivity/specificity data have been published by academic collaborators (91%/93%, in a 77-sample Phase I/II study reported in 2016 that we previously reviewed).

- MarginProbe (RF energy). Handheld radiofrequency (RF) energy-based MarginProbe is being developed by VA-based Dilon Technologies [private] & a next-generation MarginProbe II device was undergoing clinical testing by a consortium of NY-based hospitals when last we investigated this platform. A 398-patient trial commenced enrollment in Feb/24 & data were sufficiently positive for MarginProbe II to be FDA-approved in Dec/25.

- Summary & valuation. We are maintaining our Speculative Buy rating & one-year PT of C$2.75 on PINK, with our valuation still based on NPV (25% discount rate that we believe is reasonable during early days of B-Series/Claire commercialization even though clinical risk is not minimal for the platform) & multiples of our F2030 adjusted EBITDA & fd EPS forecasts of US$54.7M & US$0.19/shr, respectively.

  - Our EV incorporates FQ226 balance sheet data that we glean from Perimeter's press release yesterday (Exhibit 7; formal FQ226 financial documents are not yet available to us on Sedar) & fd S/O of 224.3M that assimilates all capital structure revisions consummated during FQ226 (convertible debt raise in Apr/26, equity raise in May/26). FQ226 financial data were clearly transitional to what our model assumes can be more substantial commercial traction for B-Series/Claire. While it seems plausible to assume that FQ326 financial data could be just as transitional, we are optimistic that foundational marketing activity & positive commentary from early-adopting surgical hospitals can drive B-Series/Claire unit sales & associated breast tumor margin-assessing procedures in coming quarters.

Significant Developments With Relevance To Our Coverage Universe

- BioSyent reports FQ226 financial results. ON-based specialty pharmaceutical firm BioSyent (RX-V, NR) reported FQ226 financial data for the June-end quarter that still generated strong EBITDA margin, at least in absolute terms if not quite to the firm's historic highs, in the first full quarter of revenue contribution from recently-acquired Oral Science (private at the time of acquisition; transaction cost of $25.5M in Mar/26 included $6.3M in working capital balance).

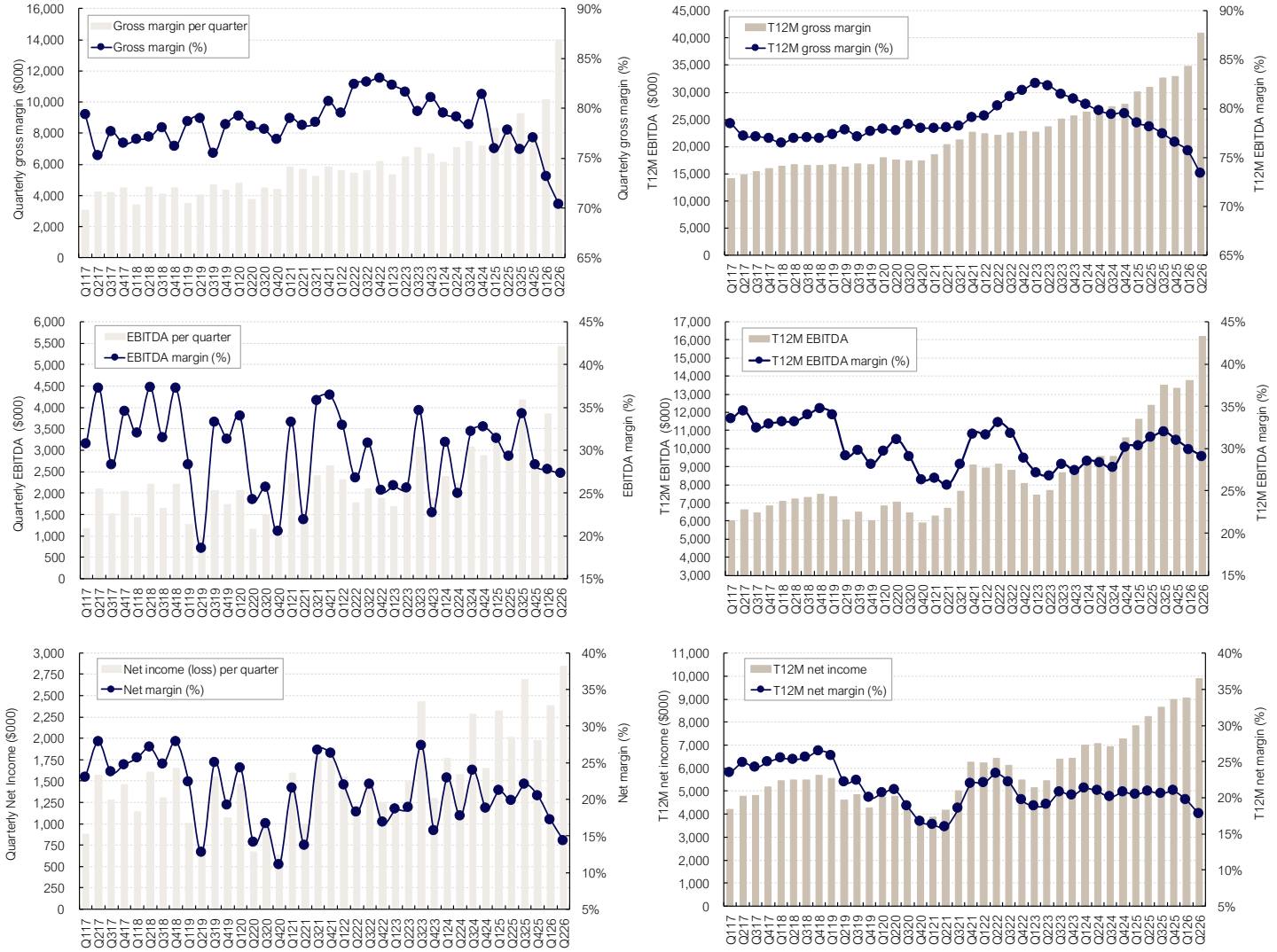
  - In the press release announcing the Oral Science transaction, the acquired firm generated T12M revenue/EBITDA of >$30M/$4.0M & so with FQ226 Oral Health revenue coming in at $8.2M & FQ226 EBITDA of $5.4M coming in above F2025 quarterly average of $4.3M, the firm is exceeding expectations on a quarterly revenue run-rate while essentially performing at expectations on a quarterly EBITDA run-rate, at least on initial inspection.

  - On a consolidated basis, revenue comparison to trailing quarters is not overly meaningful since Oral Science has no direct impact on historic financial data other than through one-month of financial contribution to FQ126 data, but for the record, FQ226 revenue/EBITDA/margin of $19.9M/$5.4M/27.3% compared to $13.9M/$3.9M/27.7% in FQ126 & to $10.2M/$3.0M/29.3% in FQ225. EBITDA margin was expected to compress modestly just based on financial data that BioSyent provided in its Oral Science acquisition announcement, but modest is the appropriate adjective to describe

that compression in our view & BioSyent's EBITDA margin of 27.3% in the quarter compares favorably to several of its specialty pharmaceutical peers, higher than for Medexus Pharmaceuticals (MDP-T, Buy, PT C$8.00) & Knight Therapeutics (GUD-T, NR) in the corresponding quarter but lower than for HLS Therapeutics (HLS-T, NR), Bausch Health (BHC-NY, NR), Aurinia Pharmaceuticals (AUPH-Q, NR) or Cipher Pharmaceuticals (CPH-T, Buy, PT C$19.50) as we described for most of these firms in our recent Healthcare Weekly editions.

- BioSyent exited FQ226 with cash of $12.2M & transient debt of $2.0M, so its debt-based financial ratios barely merit commentary (EBITDA-to-interest coverage ratio in the quarter was >105x, debt-to-FQ226 EBITDA run-rate ratio was 0.1x) & dividend payout ratio using free cash flow of $2.5M in the quarter (working capital deficit of [$1.6M] was unusually high & should shift to neutrality in coming quarters) as the denominator in the ratio calculation was 24.7%, conferring virtually no financial risk to BioSyent's dividend policy.

Exhibit 10. Quarterly & T12M Gross Margin-EBITDA-Net Income Data for Biosyent, FQ117-to-FQ226



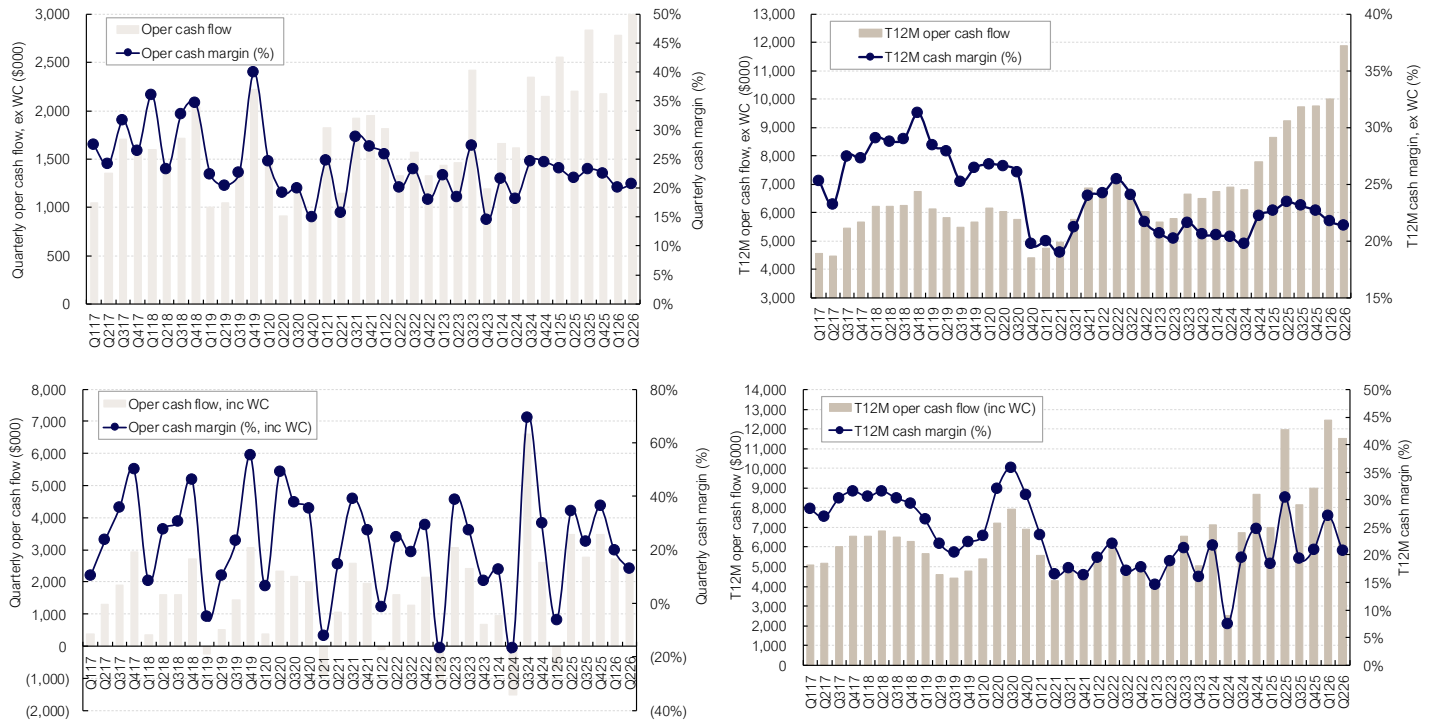
Source: BioSyent financial filings, Leede Financial

- Pure operating cash flow in FQ226, independent of working capital imbalance described above, was up by the proportion we would expect from Oral Science contribution at $4.1M or $0.36/shr, as compared to $2.8M in FQ126 ($0.24/shr) or to $2.8M ($0.25/shr) in FQ225. The magnitude of cash flow ascent in FQ226 thus seems to match the magnitude of EBITDA ascent in the quarter, both consistent with annualized EBITDA that Oral Science was generating prior to acquisition.

- BioSyent does not provide as much product-specific growth data as it did in prior quarters, but it did indicate that sales for its polysaccharide-based iron complex supplement FeraMAX were up 5% y/y, a bit lower than the average y/y growth rate of 9.2% that BioSyent reported for this drug since FQ122 when we started tracking its growth trajectory. We consider this mid-single-digit y/y growth for such a mature Rx therapy to be positive to its medical profile & its status within BioSyent's Rx portfolio. The other drug for which BioSyent provides growth data its hormone replacement/osteoporosis therapy tibolone/Tibella that separately grew 9% y/y in the quarter, down from the >22% y/y growth that it independently generated since FQ122 but still favorable to BioSyent's portfolio performance.

- We ourselves would not be overly aggressive on repurchasing RX shares unless the firm is truly seeing no acquirable Rx pipeline drugs on the horizon, but BioSyent did engage in modest activity on that theme in FQ226, deploying $1.6M in capital to reduce basic S/O to 11.5M from 11.7M at the end-of-FQ126. The firm still has abundant cash-on-hand to take dividend risk down to virtually nil while providing discretionary capital to consummate any tuck-in product in-licensing deals that conceivably could be consummated in coming quarters.

Exhibit 11. Quarterly & T12M Operating Cash Flow Data for BioSyent, FQ117-to-FQ226



Source: BioSyent financial filings, Leede Financial

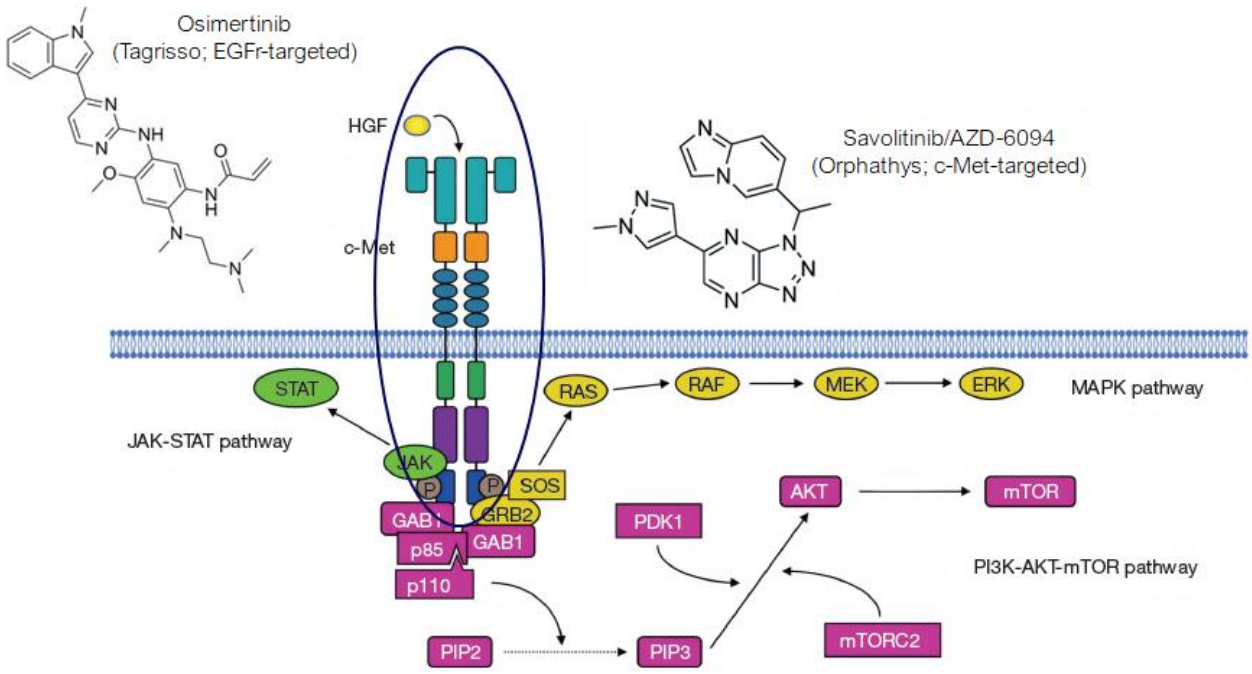
- **AstraZeneca reports positive Phase III lung cancer data for its already-approved multi-blockbuster tyrosine kinase inhibiting drug Tagrisso.** It is not uncommon for global pharmaceutical firms to expand its oncology franchise not by developing novel drugs/biologics targeting novel targets but instead to explore the breadth of oncology indications for which an existing FDA-approved therapy could be effective, beyond the initial indication or two for which it was initially tested & approved.

  - So we say upfront as our lead-in to UK-based pharma giant AstraZeneca's (AZP-LN, NR) newest clinical update for its already-approved tyrosine kinase-inhibiting small-molecule drug osimertinib/Tagrisso (FQ226 global sales were US$1.94B; US sales specifically were US$845M, ostensibly for targeting non-small cell lung cancer patients harboring various mutations in the epidermal growth factor receptor [EGFr], notably in exon 19 or exon 21), nicely showing that the drug when combined with a different tyrosine kinase inhibitor that is more specific for a particular kinase (the c-Met receptor; Met is short for mesenchymal-epithelial transition) called savolitinib/Orphathys conferred substantial progression-free survival & overall survival benefit in the 338-patient Phase III SAFFRON trial.

  - We do not have any c-Met-targeted small-molecule drugs in development by any of our coverage stocks at present, but our interest in c-Met lies with its growing relevance to cancer standards-of-care, both as a direct target for approved-

& clinical-stage therapies that we will describe below (not limited to savolitinib/Orphathys itself) & for its relevance to the cell signalling pathway that it influences, pathways that include other intermediary proteins/enzymes that are themselves targets for other approved drugs in lung cancer or in other indications. One of many examples of cancer-relevant drug targets is the Ras oncogene (Exhibit 12), previously thought to be an unattractive target just because it is not expressed on the cancer cell surface but for which CA-based Revolution Medicines (RVMD-Q, NR) recently generated positive overall survival data for daroxonrasib/RMC-6236 in a second-line pancreatic cancer trial (the RASolute 302 trial) back in April/26 (data published in the *New England Journal of Medicine* in May/26, NDA filed in July/26); Ras over-expression is relevant to the mechanism of action for Oncolytics Biotech's (ONCY-Q, Spec Buy, PT US$3.00) reovirus formulation pelareorep as we described in prior Healthcare Weeklies within the context of Revolution's Ras-relevant clinical success.

Exhibit 12. c-Met Is Part Of A More Comprehensive Cell Signalling Pathway That Includes Other Intermediary Proteins That Other Anti-Cancer Agents Target



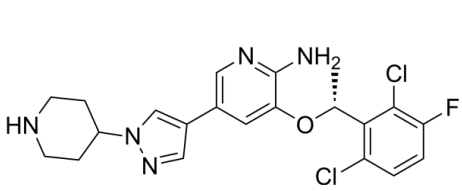
Source: *Journal of Thoracic Diseases (2026). Vol. 18, pp. 801-816; MedChemExpress; Researchgate*

- Since savolitinib/Orphathys was specifically designed to target the c-Met tyrosine kinase receptor, it is no surprise that the trial was designed to target non-small cell lung cancer patients presenting simultaneously with EGFr exon 19/exon 21 mutations while overexpressing c-Met (usually caused by its own mutations in one of its receptor-encoding exons, in this case in exon 14 of the *MET* gene (by skipping this exon in the resulting c-Met protein that is produced, it no longer has a regulatory domain that can control its action, leading to uncontrolled signalling & cell growth). Savolitinib/ Orphathys is already approved in China but not yet in the US.
- The level of c-Met overexpression above which patients needed to manifest in order to be enrolled in the trial was established by patient responsiveness in the 341-patient Phase II SAVANNAH trial (published by a global oncology research consortium in *Annals of Oncology*, Aug/25), in which c-Met expression was quantified using conventional immunohistochemical (to detect c-Met protein expression) or fluorescence *in situ* hybridization (to detect *MET* gene overexpression, which usually but does not necessarily correlates with over-expression of the gene that it encodes).
- Astra did not actually quantify the magnitude of the survival benefit generated in SAFFRON, only stating that survival benefit was both statistically-significant & clinically meaningful in non-small cell lung cancer patients who co-presented with EGFr & c-Met mutations & had already become refractory to osimertinib/Tagrisso's initial anticancer activity. We assume that tangible data on this theme is forthcoming in peer-reviewed form. Comparisons to the SAVANNAH trial

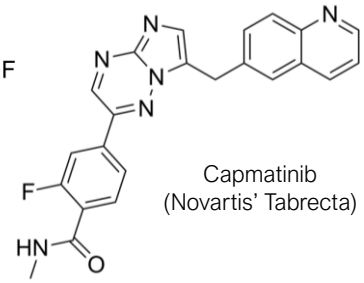
are informative but not overly so since that patient set was not already refractory to osimertinib/Tagrisso's mode of action, but for the record, Phase II objective response rate & progression-free survival for osimertinib/savolitinib-treated patients were 55.0% & 7.5 months, respectively, & with a median duration of response of 9.9 months.

- As with all clinical trials lacking a control arm or a placebo arm, these data on objective response rate & progression-free survival are thus lacking context but we do know that the one other alternative non-small cell lung cancer therapy that is approved for treating EGFr/c-Met mutation-harboring disease – a bispecific mAb targeting both of these receptor proteins called amivantamab/Rybrevant – that was developed by J&J/Janssen Pharmaceuticals (JNJ-NY, NR) & FDA-approved in May/21 (FQ226 sales were US$289M). An EGFr mutation-detecting circulating tumor DNA-based assay developed by Guardant called the Guardant 360 CDx assay was simultaneously FDA-approved as a way to identify amivantamab/Rybrevant-responsive patients.
- Amivantamab/Rybrevant is combined with the small-molecule drug Lazertinib/Lazcluze for its non-small cell lung cancer indication & in fact its quarterly revenue is lumped in with Rybrevant revenue in J&J's financial results summaries. Amivantamab/Rybrevant's positive FDA regard was supported by data from the 81-patient Phase I/II CHRYSALIS trial, showing at final analysis an objective response rate of 40%, a clinical benefit-rate (so including patients with stable disease only) of 74% & median duration of response of 11.1 months, as published in Aug/21 in the *Journal of Clinical Oncology*.

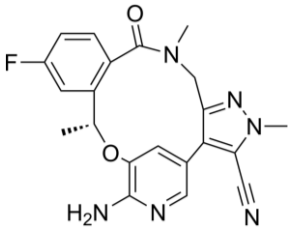
Exhibit 13. Other Small-Molecule Kinase Inhibitors That Are Relevant To Impeding c-Met-Regulated Cancer Cell Signalling, Even If They Do Not Bind To c-Met Directly



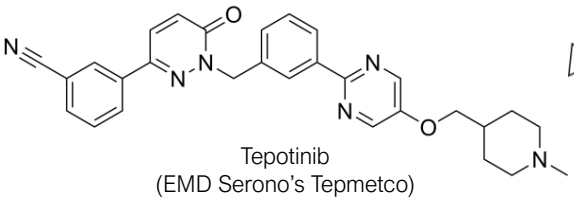
Crizotinib
(Pfizer's Xalkori)



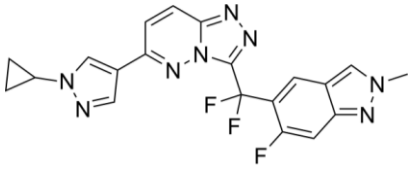
Capmatinib
(Novartis' Tabrecta)



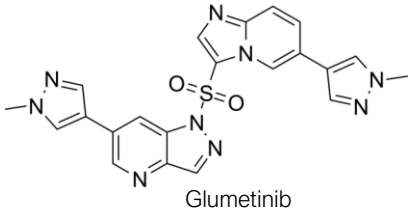
Lorlatinib
(Pfizer's Lorbrena)



Tepotinib
(EMD Serono's Tepmetco)



Bozitinib
(Beijing Avistone Biotechnology's Vebreltinib/PLB-1001)



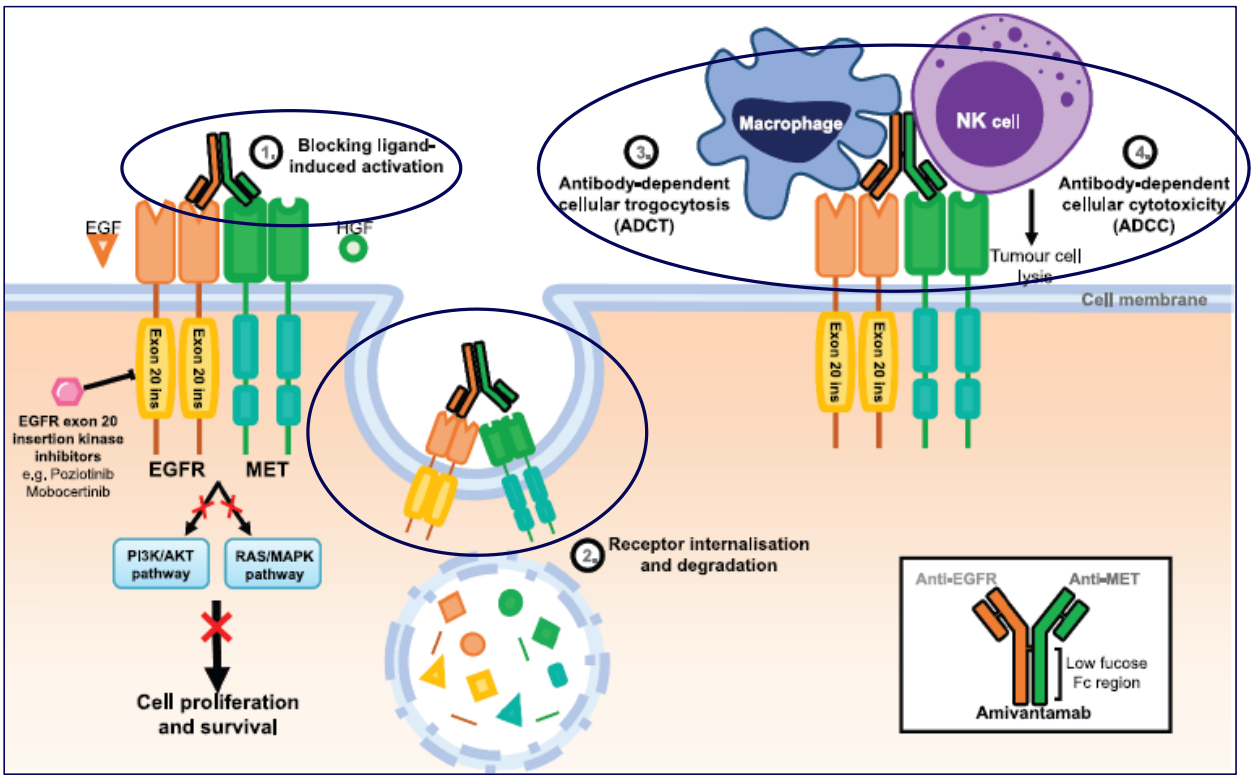
Glumetinib
(Haihi Biopharma's Gumarontinib)

Source: *MedChemExpress*

- There are quite a few other c-Met-targeted tyrosine kinase receptor-inhibiting agents in formal clinical testing in no-small cell lung cancer & they are categorized pharmacologically by their ability to bind to & inhibit specific c-Met mutated forms or by the site on membrane-bound c-Met to which they bind. There are three main categories of c-Met inhibitors, predictably called Type I, Type II & Type III. Type I inhibitors block the binding of adenosine triphosphate (ATP, the phosphorylated energy source that regulates c-Met signalling) while Type II inhibitors simultaneously block ATP binding while also blocking a nearby pocket on c-Met's three-dimensional folded structure & Type III inhibitors do not bind anywhere near the ATP binding site on c-Met but still impede its transmembrane signalling action. Any one of these approaches to c-Met inhibition could notionally work to impede c-Met's impact on cancer cell growth & must be assessed individually in their own formal clinical programs of course.

- Competitive c-Met-targeted clinical-stage or FDA-approved anti-cancer agents that either bind directly to c-Met or impede other proteins in its pathway include Pfizer's FDA-approved ALK- (short for anaplastic lymphoma kinase) & ROS1- (short for c-ros oncogene-1) targeted inhibitor crizotinib/Xalkori (recently displaced by a next-generation ALK-targeted drug lorlatinib/Lorbrena; FQ226 sales US$354M) that actually binds to several of the intermediary proteins in the c-Met signalling pathway (Exhibit 14) as well as Novartis' also-FDA-approved c-Met exon 14-skipping mutation-specific capmatinib/Tabrecta (no longer one of Novartis' top twenty products by quarterly sales), EMD Serono's (private) tepotinib/Tepmetco & Beijing Avistone Biotechnology's (private) PLB1001/bozitinib (also called velbreltinib; testing in 156-patient Phase II c-Met mutation-positive non-small cell lung cancer trial [KYLIN-1 trial] for which data are expected by end-of-FQ426, the 120-patient Phase II KLIN-2 trial for which data are expected during FH227, the 278-patient Phase II KYLIN-3 trial for which data are expected by end-of-FQ428 & the 300-patient Phase III KUNPENG-3 trial for which data are expected during FQ130). Bozitinib is comprehensively described in a 2025 paper published in Communications Biology that acknowledges c-Met's relevance to lung cancer in the preamble but focuses more on c-Met mutations that are relevant to gastric cancer progression.

Exhibit 14. Alternatives To Inhibiting c-Met's Kinase Activity, As Savolitinib/Orphathys Does, Is To Impede Binding Of Natural Ligands Or Accelerate c-Met's Internalization/Degradation Through mAb (Amivantamab/Rybrevant) Binding



Source: Adapted from *Expert Review of Anticancer Therapy (2022). Vol. 22, pp. 3-16*

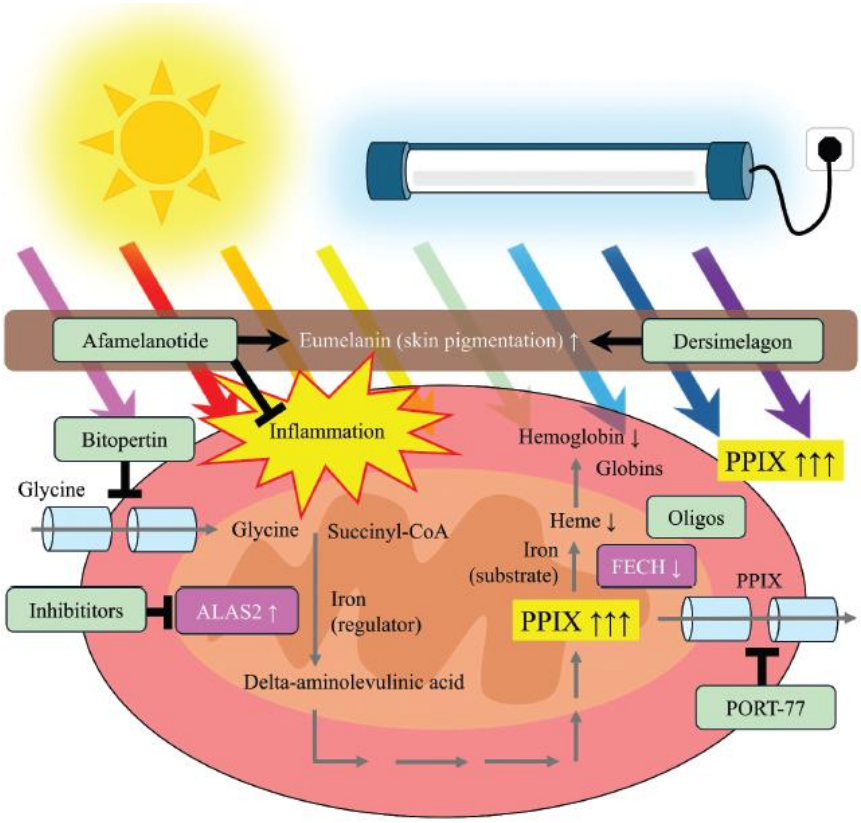
- Exelixis' (EXEL-Q, NR) cabozantinib formulation Cometriq is also c-Met-targeted but is FDA-approved for treating thyroid-kidney-liver-neuroendocrine tumors & not yet for non-small cell lung cancer, though an 86-patient Phase II lung cancer study for which one of the biomarkers is c-Met overexpression is being funded by the NY-based Memorial Sloan Kettering Cancer Center, with data expected during FH227 (two other lung cancer studies are ongoing – the 40-patient Phase II Cabatezo-1 trial & the 20-patient Phase II LUNG-IST-127 trial - but c-Met overexpression or mutation seem not to be patient inclusion criteria). Net FQ226 sales generated by Exelixis' Cometriq/Cabometyx marketing partners Ipsen (IPN-PA, NR) & Takeda (4502-JP, NR) were US$573M, just not for non-small cell lung cancer, at least not yet.

- **Tanabe Pharma transfers rights to MT-7117 to EU-based Leo Pharma on lucrative terms.** Japanese pharma giant Osaka-based Tanabe Pharma (4508-JP, NR) just transferred global development & commercialization rights to Denmark-based Leo Pharma AS (LEOP-CO, NR) for MT-7117/dersimelagon, a selective melanocortin-1 receptor-targeted small-molecule

agonist for treating a novel dermatology disorder that we have not preciously encountered in our coverage history called erythropoietic protoporphyria & X-linked protoporphyria with a history of photosensitivity/severe pain caused by sunlight exposure. The drug's underlying preclinical pharmacology was described in a 2022 paper in *Skin Health & Disease*.

- Economic terms required that Leo Pharma pay Tanabe Pharma US$435M in combined upfront & near-term milestone payments presumably connected to FDA & probably EMA regulatory review, plus tiered royalties on net sales as is invariably tied to such transactions. Leo Pharma is certainly ascribing strong economics to its dermatology-focused Rx in-licensing activities in recent quarters, with other recent transactions including its acquisition of anti-interleukin-36 receptor-binding mAb specolimab/Spevigo from private German pharma firm Boehringer Ingelheim for US$105M in upfront capital.

Exhibit 15. The Pathophysiology Of Erythropoietic Protoporphyria – MT-7117/Dersimelagon Or Afamelanotide/Scenesse Mitigate Sun Exposure By Increasing Melanin Production In The Skin



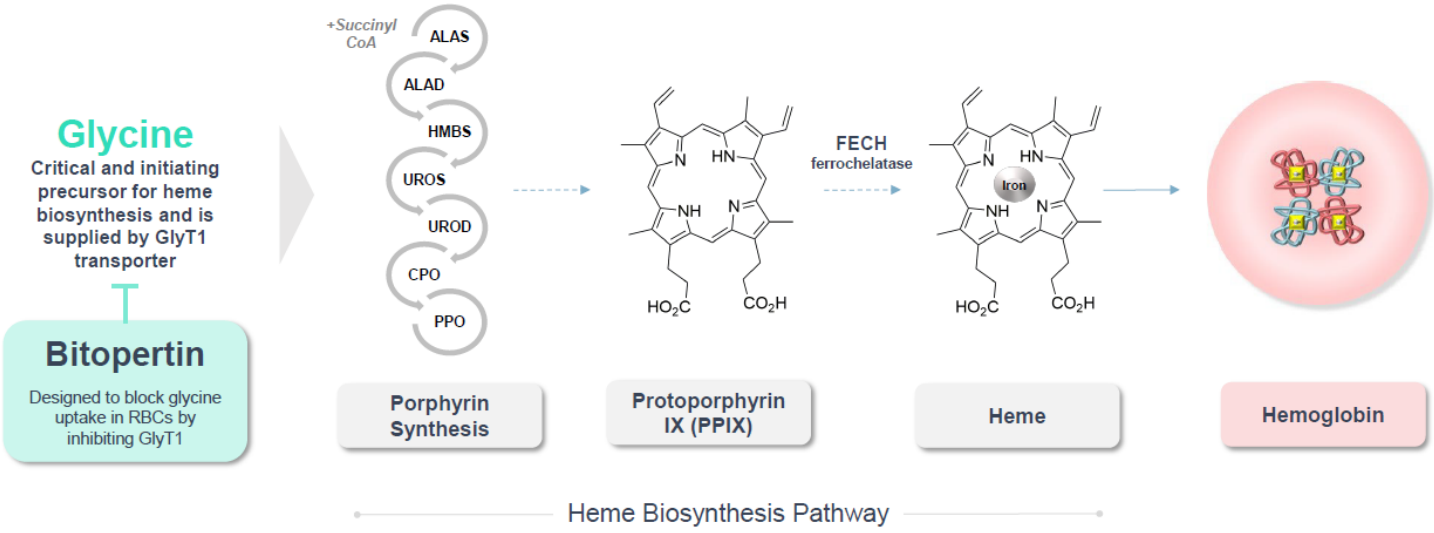
Source: Adapted from *Expert Opinion In Pharmacotherapy (2026). Vol. 27, pp. 331-346*

- The mAb was FDA-approved in Sept/22 for targeting an autoimmune inflammatory skin disorder called generalized pustular psoriasis (distinct from plaque psoriasis that so many other firms target with other interleukin-relevant therapies in that skin lesions are characterized by multiple white bumps/pustules, not patches of dry skin/plaques) & it is one of the leading dermatology Rx therapies in Leo Pharma's commercial portfolio along with small-molecule JAK-inhibiting eczema-targeted delgocitinib/Anzupgo & atopic dermatitis-directed anti-interleukin-13 mAb tralokinumab/Adtralza. An independent technology acquisition deal involving a US$50M upfront payment just a few months ago in Apr/26 was paid to CA-based Replay's (private) for its herpes simplex virus-based gene therapy platform, ostensibly for targeting rare dermatology disorders, notably dystrophic epidermolysis bullosa.
- Leo Pharma's FQ226 total Rx sales were DKK3.74B (US$598M), of which DKK3.07B (US$491M) were for dermatology-targeted therapies. Leo Pharma provides no product-specific sales as most other publicly-traded pharma firms do, but it did state in its FQ226 commentary published earlier this week that Anzupgo-Adtralza-Spevigo collectively exceeded DKK1B (US$160M) in the period. Accordingly, even without directly considering MT-7117/dersimelagon as we will

describe below, Leo Pharma's core Rx growth strategy certainly has read-through to ON-based Cipher Pharmaceuticals (CPH-T, Buy, PT C$19.50) that is itself highly dermatology-focused with its CIP-isotretinoin formulations Absorica/Epuris & topical head lice/scabies Spinosyn A & D combination therapy Natroba.

- The drug performed well in a 102-patient Phase II trial that was published in Apr/23 in the *New England Journal of Medicine*, showing therein that MT-7117/dersimelagon-treated patients experienced a much longer time to their first skin sensitivity/burning/itching/stinging/pain symptoms while undergoing a four-month treatment regimen with the drug, between 53.8-to-62.5 minutes longer (depending on dose level, 100-mg daily or 300-mg daily) than placebo patients after exposure to sunlight. As cited in the *NEJM* paper, X-linked protoporphyria & erythropoietic protoporphyria are quite rare, with estimated prevalence somewhere between one in 75,000-to-200,000 individuals in the Caucasian population most relevant to northern Europe where Leo Pharma is headquartered.

Exhibit 16. Mechanistic Nuances For Disc Medicine's Phase III-Stage Glycine Transport-Inhibiting Drug Bitopertin

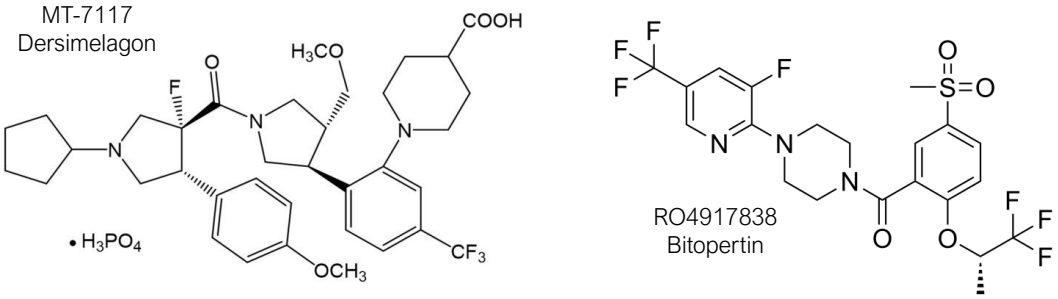


Source: Adapted from *Disc Medicine investor presentation (July/26)*

- But more recently, Tanabe Pharma itself submitted an NDA to the US FDA in Jun/26 for MT-7117/dersimelagon based on data from the 165-patient Phase III INSPIRE trial, showing in that study that duration of sunlight exposure after which skin sensitivity/pain symptoms emerged was shorter than in the Phase II study described above but was still superior to placebo patients at 23.2 minutes after three-month follow-up & by nearly 30 minutes by the four-month cut-off period. An intermediate MT-7117/dersimelagon dosing level of 200-mg once-daily was tested in the INSPIRE trial. Data were press-released by Tanabe Pharma in Jan/26. A 301-patient Phase III extension study is still ongoing, for which five-year safety data are expected by end-of-F2027 & presumably will remain on that timeline under Leo's stewardship.

- The underlying biochemical pathology is within the pathways that produce heme, the oxygen-carrying pyrrole molecule incorporated into hemoglobin that itself is incorporated into red blood cells/erythrocytes. Disruptions in heme production in diseased patients can arise from two malfunctioning enzymes, either reduced activity in the enzyme ferrochelatase (the enzyme that inserts a positive iron cation [Fe^{2+}] into the organic tetrapyrrole analog [four modified pyrrole groups in a circle, with a spot for an iron cation in the middle] part of heme once formed) caused by mutations in the *FECH* gene that encodes it, or heightened activity of a different enzyme called erythroid-specific δ-aminolevulinic acid synthase 2 (through mutation of the *ALAS2* gene that encodes it) that produces an abundance of the aforementioned tetrapyrrole molecule, so much that there is not enough iron cations to be snatched up by them & so modified tetrapyrrole molecules accumulate in peripheral organs & in red blood cells & the organs that produce/store them, specifically bone marrow. When exposed to sunlight, all of these accumulated tetrapyrrole molecules become photo-activated, resulting in localized inflammation & damage to the cells/tissues that contain them. This damage, & the pain that it causes, transpires rapidly upon sunlight exposure, within ten minutes in about 25% of diseased patients & within a half-hour for 60% of diseased patients.

Exhibit 17. Molecular Structures For Tanabe Pharma/Leo Pharma's MT-7117/Afamelanotide & Disc Medicine's Bitopertin



Source: Adapted from *Skin Health & Disease (2022). Vol. 2, pp. e78-e88; Chemical & Engineering News (Nov 24/25 edition);*

- The only FDA-approved therapy for the condition at present is afamelanotide, a subcutaneously-implanted synthetic form of alpha-melanocyte-stimulating hormone marketed as Scenesse by the Australian firm Clinuvel Pharmaceuticals (CUV-ASX, NR). Scenesse was FDA-approved back in Oct/19, with US patent exclusivity extending into early F2033. The other drug that garnered some attention in recent years is the glycine transport inhibitor bitopertin/RO4917838, for which testing in the 183-patient Phase III APOLLO trial & in the 230-patient HELIOS trial are still ongoing (APOLLO data expected by end-of-year, HELIOS data are expected by FH228).

- The sponsor for both trials is MA-based Disc Medicine (IRON-Q, NR) but as the 'RO' codename implies, it was originally developed by Swiss pharma giant Roche (ROG-SW, NR) as a schizophrenia drug until Disc acquired development rights in a US$200M transaction consummated back in May/21. Disc Medicine received a Priority Review Voucher for the drug in Oct/25 but unfortunately, bitopertin was not successful in receiving FDA approval when reviewed in Feb/26 (presumably based on data from the 26-patient Phase II BEACON trial & the 75-patient Phase II AURORA trial that were completed in 2024; a response to the FDA is pending for end-of-FQ426), so the aforementioned Phase III studies could be critical to its regulatory success. Bitopertin's clinical/regulatory history in erythropoietic protoporphyria is nicely described in a Nov/25 article in *Chemical & Engineering News* that we can make available to any interested investors.

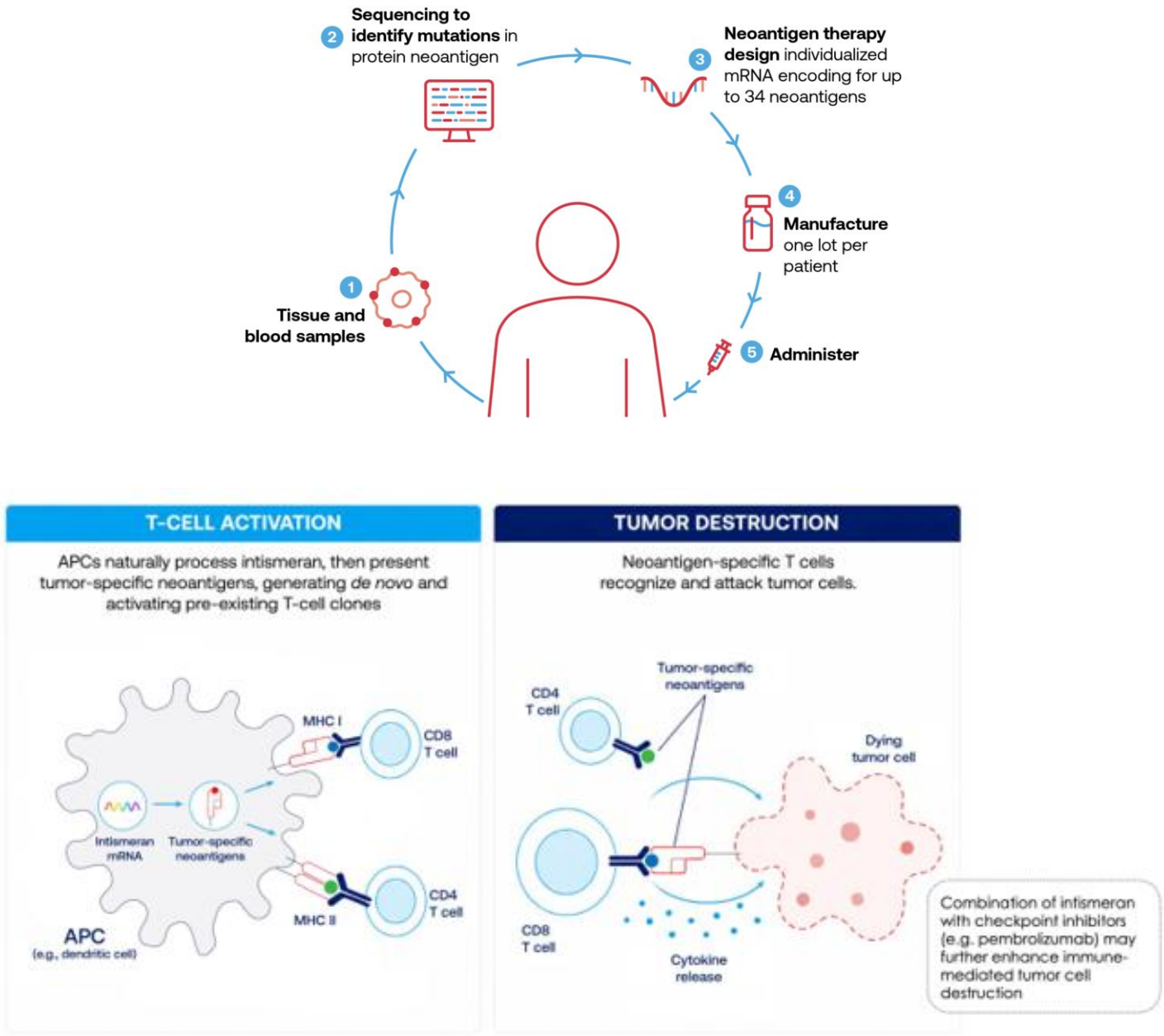
- **Moderna & Merck report positive Phase III melanoma data for an mRNA-based/anti-PD1-based chemotherapy regimen - & capital markets noticed.** MD-based RNA-vaccine technology developer Moderna (MRNA-Q, NR) and NJ-based global pharma giant Merck (MRK-NY, NR) reported positive top-line Phase III from the 1,137-patient INTerpath-001 trial, testing Moderna's individualized mRNA cancer vaccine intismeran autogene in combination with Merck's multi-blockbuster anti-PD1 mAb pembrolizumab/Keytruda for treating resected Stage IIB-IV melanoma, in so doing providing the evidence in a sizable Phase III study for the utility of individualized neoantigen therapy and for an mRNA-based treatment to be effective in a moderately-prevalent cancer indication.

  - The 1,137-patient trial randomized patients 2:1 following complete surgical resection to intismeran autogene (1 mg intramuscularly every three weeks for up to nine doses) plus pembrolizumab (400 mg intravenously every six weeks for up to nine cycles) or pembrolizumab alone for approximately one year. At a pre-specified interim analysis, the combination met the primary endpoint of recurrence-free survival (RFS) and key secondary endpoint of distant metastasis-free survival (DMFS), with both improvements described as statistically significant and clinically meaningful. Importantly, however, Moderna and Merck disclosed no hazard ratios, confidence intervals or absolute event rates, leaving the magnitude of benefit unknown until presentation at an upcoming medical meeting. Overall survival remains under follow-up and no new safety signals were observed. Accordingly, Moderna/Merck's feedback on therapy performance is at present more qualitative than quantitative (though supportive Phase II melanoma data for the combination are in the public domain already) but we will watch for data updates from this trial in coming months, likely at a melanoma-specific medical conference (the Society for Melanoma Research meeting is probably too far into the future [in Boston MA in Mar/27]; the Next Generation Cancer Therapeutics meeting in Houston TX in Oct/26 is another plausible time/venue).

  - The result builds on a durable signal from the relatively small (n=157, 2:1) Phase 2b KEYNOTE-942/mRNA-4157-P201 dataset presented at ASCO 2026. At median five-year follow-up, intismeran autogene plus pembrolizumab reduced the risk of recurrence or death by 49% versus pembrolizumab alone (HR=0.51; 95% CI, 0.294-0.887) and the risk of distant

metastasis or death by 59% (HR=0.411; 95% CI, 0.200-0.843) in patients with completely resected stage III/IV melanoma. Given the smaller Phase 2b dataset and expansion of Phase 3 into lower-risk stage IIB disease, some attenuation of the Phase 2b effect size would not be surprising. Top-line result established that the trial succeeded but does not yet establish *how large* the incremental benefit over pembrolizumab is.

Exhibit 18. Intismeran Autogene – Strategy For Conferring Anti-Cancer Activity With A Personalized Neoantigen Vaccine & Anti-PD1 mAb Combination, Leading To T-Cell Activation That Then Initiated Anti-Tumor Activity



Source: Adapted from Moderna Oncology Investor Presentation (Aug/26)

- Intismeran is manufactured individually from each patient's tumor, using tumor sequencing to identify somatic mutations and select up to 34 candidate neoantigens (mutated peptides absent from normal cells) for incorporation into a bespoke mRNA template. The mRNA is encapsulated within lipid nanoparticles (LNPs), which protects the otherwise vulnerable

RNA from degradation, facilitates cellular uptake and releases the payload from into the cytoplasm, where it translated into proteins containing the selected neoantigen sequences (Hou & coworkers, *Nature Reviews Materials*, 2021). The LNPs can be taken up by local cells and immune cells and can also drain to nearby lymph nodes. Professional antigen-presenting cells, particularly dendritic cells, present these translated neoantigen-derived peptides to CD4+ and CD8+ T cells and provide the additional signals needed to activate those cells.

- Once primed, specifically primed T cells can recognize the same mutated peptides naturally presented by residual melanoma cells, allowing them to target micro-metastatic disease remaining after surgery. Pembrolizumab complements this approach by removing PD-1-mediated suppression of those T cells and helping sustain the anti-tumor immune response. The underlying rationale is supported by work demonstrating that tumor-specific mutations can generate immunogenic peptides distinguishable from normal self-antigens (Schumacher & Schreiber, *Science*, 2015), while early individualized RNA vaccination studies demonstrated that computationally selected neoantigens can induce broad and durable CD4+ and CD8+ T-cell responses in patients with melanoma (Sahin & coworkers, *Nature*, 2017).

- At a high level, the result also reinforces the importance of lipid-particle engineering as an enabling technology for RNA therapeutics, providing a loose thematic read-through to platforms such as NanoPalm, which we have previously discussed in the context of Rakovina Therapeutics (RKV-V, NR). NanoPalm is developing patterned lipid nanoparticles (pLNPs) designed to alter particle structure, stability and tissue delivery relative to conventional LNPs, although the technology is mechanistically distinct from Moderna's formulation and remains preclinical (Alsudir & coworkers, *iScience*, 2022).

- The market's initial reaction appeared to have extended well beyond de-risking the melanoma indication. MRNA rose 177% on Aug 19/26 (adding US$44B to the company's market capitalization), the largest single-day percentage gain by an S&P 500 component stock in at least 25 years, while MRK gained 12.6%. The initial melanoma opportunity is meaningful but relatively limited since the indication's epidemiology data still defines it as an orphan indication, if a high-profile one. Approximately 20,000 U.S. patients are diagnosed annually with stage IIB-IV melanoma, including ~8,400 with stage IIB/IIC disease, although only a subset of the ~11,800 stage III-IV patients would be eligible following complete surgical resection (Rashdan & coworkers, *JAMA Dermatology*, 2024). Positioning likely amplified the move, with approximately 13.5%-13.7% of Moderna's free float sold short entering the readout.

- Some correction has already followed, with share price retracing by approximately US$112/shr in market value at market close on Aug 19/26, while remaining well above pre-readout levels (still up by >US$70/shr at end of trading yesterday) until further recalibration today is lifting MRNA share value up near peak levels. Interestingly, MRK shares were up US$19.0/shr on the date of data announcement, which itself corresponds to a cumulative market value ascent of a comparable magnitude of US$47.0B (Merck has 2.47B basic S/O). Merck's Keytruda already generates quarterly sales of >US$7.9M & thus on a FQ226 sales run-rate basis well on its way to exceeding US$32B even before new partnered melanoma data were in the public domain. It will be interesting to see if Keytruda's incremental revenue that may eventually be achieved in melanoma when combined with intismeran autogene will justify the cumulative Moderna-Merck market value ascent of about US$91B. The utility of PD1 inhibition in melanoma therapy was already well-known, as summarized in a review article published just last month by University of Athens researchers in the *Journal of Clinical Medicine*.

- INTerpath-001 meaningfully validates individualized neoantigen vaccination, but overall, the re-rating appears to price substantial success across the broader oncology platform before Phase 3 effect sizes or evidence of efficacy across additional tumor types have been disclosed. The INTerpath clinical development program extends well beyond melanoma, comprising nine total Phase 2 and Phase 3 trials across NSCLC, bladder cancer, renal cell carcinoma, and pancreatic and gastric cancers, including both adjuvant and perioperative settings.

- The INTerpath result also provides a broader thematic read-through for approaches seeking to generate or amplify tumor-specific T-cell immunity. Several Canadian-listed companies we have covered in previous weeklies are developing melanoma-focused programs that touch related biology. Sona Nanotech (SONA-CSE, NR) is advancing Targeted Hyperthermia Therapy, a photothermal approach using biocompatible gold nanorods to deliver localized heat to solid tumors; the heat-induced immunogenic cell death releases the tumor's endogenous neoantigen repertoire in situ, generating systemic anti-tumor immunity without requiring tumor sequencing or individualized mRNA manufacturing.

- Sona reported an 80% overall response rate and 60% complete response rate in a first-in-human feasibility study in immunotherapy-resistant melanoma and has announced two melanoma-focused clinical studies (IGNITE-THT and PRIME-THT). Medicenna Therapeutics (MDNA-T, NR) is developing MDNA11, a long-acting IL-2 superkine, with melanoma expansion cohorts in the Phase 1/2 ABILITY-1 trial (2L/3L post-checkpoint failure setting) and a separate randomized Phase 1b neoadjuvant melanoma study (NEO-CYT), though the mechanism of action and treatment setting are distinct from neoantigen-directed approaches. It should be noted that in both settings, the target population is different from Moderna's, targeting later stage unresectable patients with refractory disease.
- Consequently, neither name competes directly with intismeran; the relevance is therefore thematic rather than competitive. We are separately following developments in melanoma diagnosis that ON-based MedX Health (MDX-V, NR) is reporting in recent quarters with its AI-enabled DermSecure teledermatology platform. Availability of effective melanoma therapies should drive willingness by medical professionals to recommend more frequent screening that should directly benefit firms providing screening-enabling technologies, which MedX now does. We provided DermSecure-specific commentary in a recent Healthcare Weekly that we can resend on request, let us know.

Capital Markets Summary

Exhibit 19. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 20-Aug	Mkt Cap (M)	Mkt Cap (C$M)	Ent. Value (M)	Ent. Value (C$M)	EV/EBITDA (T12M)	EV/EBITDA FY1	EV/EBITDA FY2	Price/Earnings (T12M)	Price/Earnings FY1	Price/Earnings FY2
Profitable Canadian healthcare firms - specialty services [2,4]														
DRI Healthcare Trust	CAD	DHT.UN	55.0	$17.95	987	987	1,511	1,511	6.1x	6.4x	7.1x	NA	7.1x	7.5x
Jamieson Wellness	CAD	JWEL	41.5	$45.74	1,898	1,898	2,379	2,379	14.4x	13.2x	12.0x	24.3x	21.2x	18.8x
K-Bro Linen	CAD	KBL	13.0	$45.12	587	587	880	880	7.6x	8.0x	7.6x	26.7x	22.1x	18.0x
Medical Facilities [1]	CAD	DR	16.2	$11.39	185	255	317	437	5.5x	5.3x	12.7x	16.3x	6.2x	15.0x
Microbix Biosystems	CAD	MBX	137.2	$0.29	39	39	38	38	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.1	$28.25	2,038	2,038	2,193	2,193	11.3x	10.7x	9.7x	23.1x	20.4x	17.9x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales [2]														
Apotex	CAD	APTX	228.5	$34.28	7,833	7,833	11,940	11,940	NA	NA	11.7x	NA	NA	15.7x
Aurinia Pharma	USD	AUPH	133.1	$16.17	2,151	2,971	2,297	3,171	9.5x	NA	NA	6.8x	17.1x	13.7x
Bausch Health	USD	BHC	374.0	$6.89	2,577	3,558	31,187	43,057	5.6x	5.6x	6.0x	NA	1.5x	1.7x
BioSyent	CAD	RX	11.5	$14.75	170	170	172	172	13.3x	10.8x	9.2x	18.4x	16.6x	13.7x
Cipher Pharma [1]	CAD	CPH	25.4	$10.40	264	365	420	580	15.2x	14.1x	11.9x	9.1x	12.9x	10.8x
HLS Therapeutics [1]	CAD	HLS	30.9	$2.80	87	120	173	238	10.3x	8.7x	7.5x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	$9.82	965	965	836	836	8.5x	10.0x	9.5x	NA	NA	40.5x
Medexus Pharma [1]	CAD	MDP	32.0	$3.67	118	162	181	249	10.4x	11.3x	8.3x	48.8x	NA	13.4x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.5	$3.13	199	199	264	264	8.6x	7.7x	6.7x	7.3x	35.8x	15.4x
Chartwell Retirement	CAD	CSH.UN	328.3	$21.08	6,920	6,920	10,087	10,087	22.2x	19.8x	17.8x	NA	NA	NA
Extendicare	CAD	EXE	95.0	$31.39	2,984	2,984	3,516	3,516	15.9x	13.9x	12.2x	23.7x	22.9x	20.7x
Vital Infrastructure	CAD	VITL.UN	250.0	$5.50	1,375	1,375	2,569	2,569	12.8x	12.1x	12.1x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	$0.50	43	43	47	47	13.4x	NA	NA	32.1x	NA	NA
Sienna Senior Living	CAD	SIA	110.8	$21.78	2,413	2,413	3,599	3,599	21.5x	17.7x	15.6x	41.5x	40.3x	34.6x
Profitable Canadian healthcare firms - medical equipment distribution/sales [3]														
Covalon Technologies	CAD	COV	27.6	$2.05	57	57	47	47	50.7x	12.3x	9.7x	34.4x	22.8x	17.1x
Viemed Healthcare	USD	VMD	38.1	$11.88	452	452	468	646	6.0x	5.1x	4.4x	31.4x	28.0x	20.0x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms [5]														
Healwell AI	CAD	AIDX	303.5	$0.77	234	234	278	278	NA	37.5x	19.3x	NA	NA	NA
Hydreight	CAD	NURS	53.7	$3.91	210	210	194	194	39.6x	8.5x	5.3x	46.3x	13.0x	7.7x
Vitalhub	CAD	VHI	63.4	$7.91	502	693	368	368	12.5x	10.7x	8.9x	NA	42.1x	22.6x
Well Health	CAD	WELL	255.5	$4.51	1,152	1,152	2,022	2,022	9.6x	10.7x	9.8x	NA	17.8x	12.6x
Average									**14.4x**	**11.8x**	**10.2x**	**26.0x**	**20.5x**	**16.9x**
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***
Kneat.com	***CAD***	***KSI***	***96.7***	***$6.50***	***628***	***868***	***604***	***604***	***NA***	***34.1x***	***22.4x***	***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

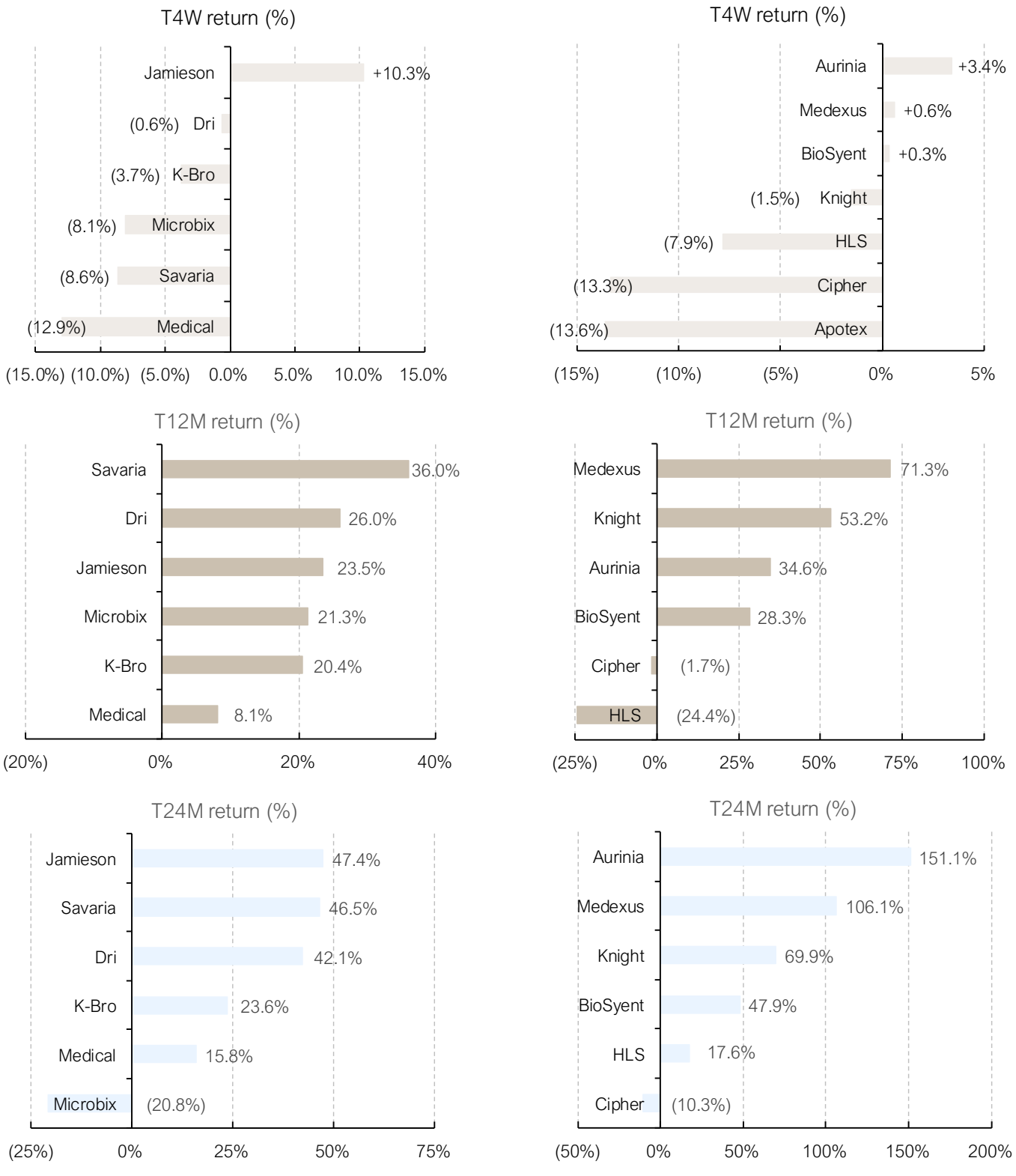
[3] Quipt Home Medical was acquired by Kingswood Capital & Forager Capital for US$3.65/shr in Dec/25, transaction closed in Mar/26

[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 closed in Aug/26

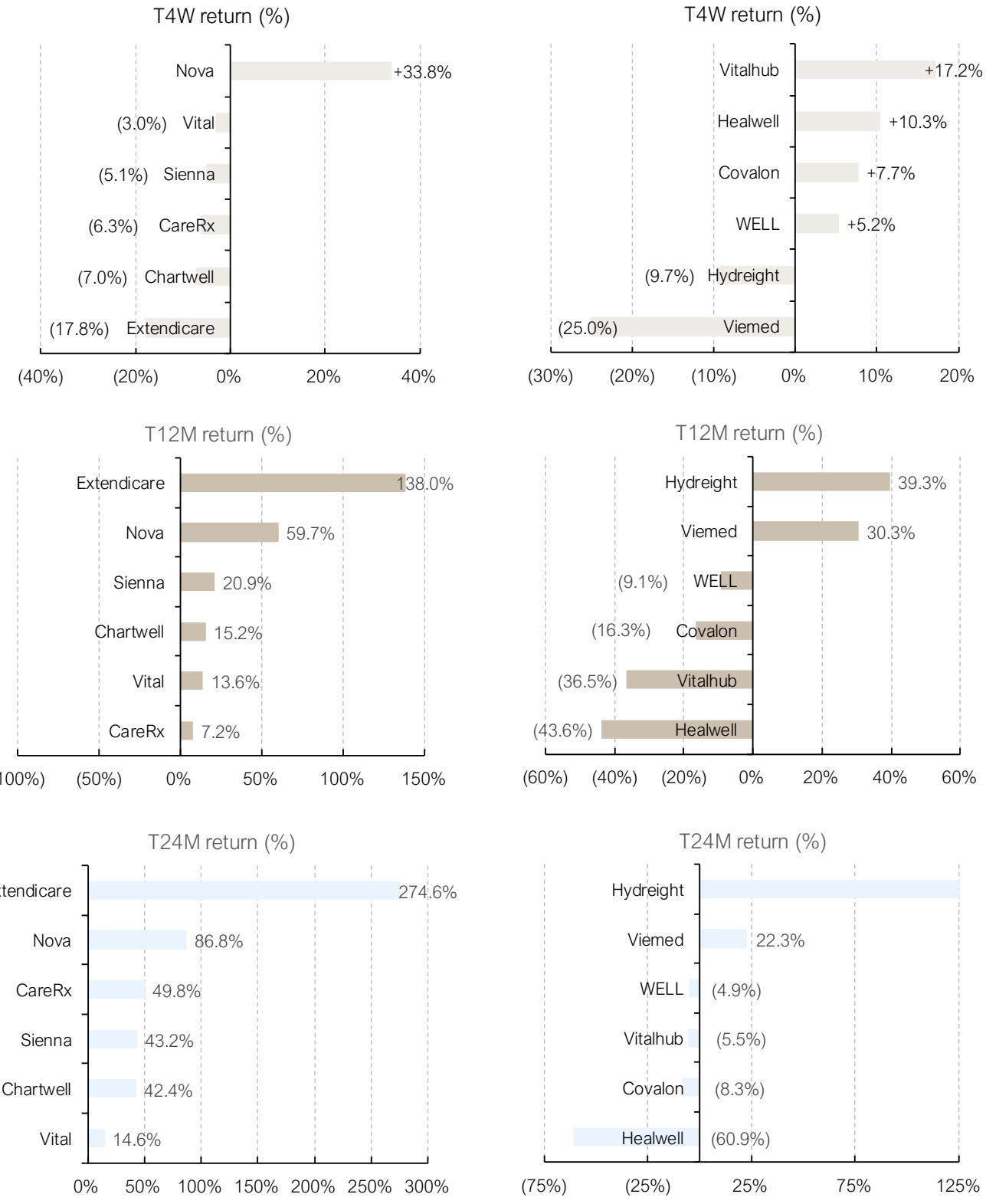
Source: Refinitiv, company reports, Leede Financial

Exhibit 20. 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 21. 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 1,317%)*

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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	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