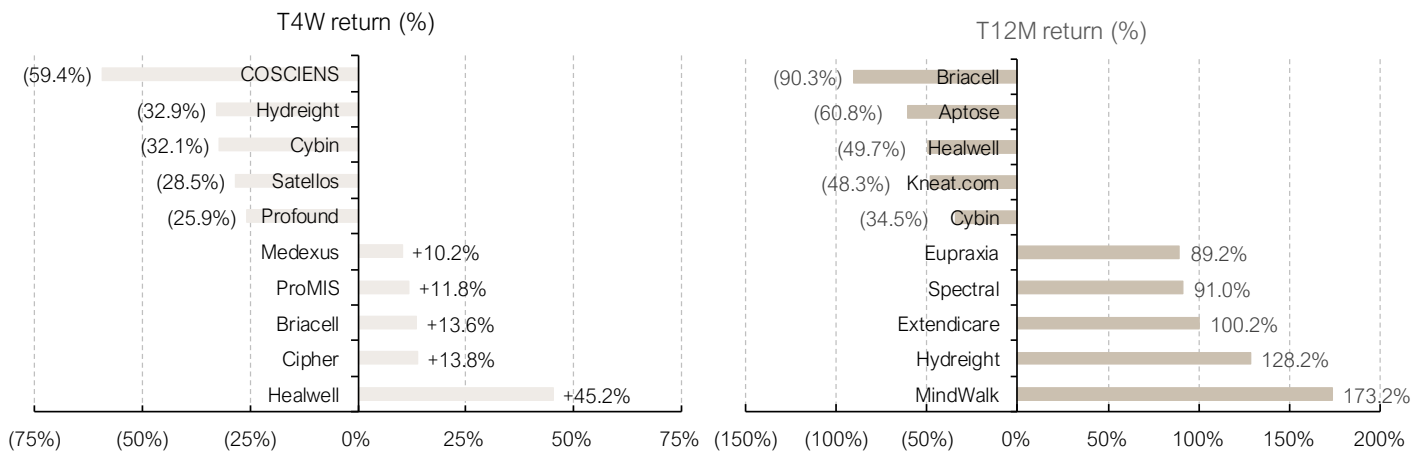


Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Updates From Our Healthcare Universe

- Eupraxia provides positive update on its Phase II RESOLVE trial – PT increase in parallel on mounting evidence supporting EP-104GI medical prospects, specifically but not exclusively in eosinophilic esophagitis (EoE).** Earlier this week, we published a coverage-specific report on BC-based inflammatory disease-focused drug delivery platform developer Eupraxia Pharmaceuticals (EPRX-Q, Buy, PT US\$12.75) in which we provided commentary on updated efficacy data from the firm’s Phase II RESOLVE trial, testing Eupraxia’s long-acting injectable DiffuSphere-based fluticasone propionate formulation EP-104GI as a disease-mitigating therapy for the inflammatory gastro-esophageal disorder eosinophilic esophagitis (EoE).

 - As we described in our report, Eupraxia reported six-month EoE clinical remission data for one of its high-dose cohorts that is likely in our view to form the basis for EoE dosing regimens in future Phase III EoE testing. Data from three patients in that cohort, who all received twenty distinct EP-104GI injections of 8-mg dosage strength into diseased esophageal tissue, showed a mean 4.0-point reduction in magnitude of the Straumann Dysphagia Index (SDI) at six-month follow-up, thus exceeding the >3.0-point threshold by which true clinical remission is defined.
 - Independently, we provided commentary on Eupraxia’s FQ425 financial update, indicating that cumulative F2025 operating cash loss of (US\$28.6M) & R&D expense of US\$21.3M were both up sequentially from F2024 data (excluding a US\$5.0M payment last year to DiffuSphere innovator Auritec that on an as-reported basis did lift operating cash loss last year up to [US\$30.0M]) & are likely to intensify in scale going forward as Eupraxia contemplated further EP-104GI testing in EoE & other gastro-esophageal indications for which its Feb/26 capital raise was intended.

Please see end of report for important disclosures.

- Excluding a bolus of cash that is virtually certain to be generated later in Apr/26 through the exercise of 3.4M soon-to-expire warrants (strike price of US\$3.00 is well below current share value), we calculated that pro forma cash is currently US\$149.4M, based on adding FQ425 cash balance of US\$80.6M to net proceeds from the firm's Feb/26 equity offering (US\$59.4M) & then adding US\$9.2M in post-quarter-end warrant exercise. The firm has no LT debt & obviously no imminent need to change that reality with considerable equity capital now on the balance sheet.

Exhibit 2. Income Statement and Financial Forecast Summary for Eupraxia Pharmaceuticals, F2025A-to-F2034E

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

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

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

- We separately delved into the justification for expanding the suite of target indications for EP-104GI into esophageal strictures & eventually into inflammatory bowel diseases such as Crohn's disease, targeting the fibrotic scarring that accompanies such indications. Focusing on esophageal strictures in our report, we observed that current standard of care is topical mitomycin C or intralesional injection of an alternative steroid to fluticasone propionate, triamcinolone.
- Mitomycin C was specifically shown in a meta-analysis we reviewed to impede fibroblast proliferation & collagen synthesis when applied topically to strictures, but as with injectable triamcinolone in most of its approved formulations other than perhaps Pacira's (PCRX-Q, NR) PLGA microsphere-formulated ZINRETTA, it must be repeatedly applied to strictures to sustain anti-fibrotic activity, a limitation to which a longer-acting DiffuSphere fluticasone propionate formulation would not be subjected.
- Our model does not yet ascribe market value to DiffuSphere formulations for which Phase II data are either already available or about to be (EP-104IAR targeting knee osteoarthritis pain; EP-104GI targeting eosinophilic esophagitis) but that dynamic could shift in coming quarters once Eupraxia garners formal feedback from the US FDA on a clinical/regulatory path forward for assessing EP-104GI efficacy in other gastro-esophageal indications.
- We concluded our Eupraxia update by revising our valuation for the firm, ostensibly through reducing the discount rate we ascribe to our valuation methodology from 25% to 20%, an arithmetic adjustment that we believe is justified based on mounting evidence that EP-104GI is imminently approvable as a long-acting clinical remission-conferring EoE therapy, independent of its prospects in the form of EP-104IAR in the knee osteoarthritis pain market, a market where

intra-articularly injected steroid formulations (specifically the triamcinolone formulation ZINRETTA) have shown themselves to be able to capture market share in an admittedly crowded joint pain market. We expect to revisit the impact of novel EP-104GI gastro-esophageal medical markets as clinical details evolve. Our revised US\$12.75 PT is based as before on NPV (now incorporating a 20% discount rate) & multiples of our F2031 EBITDA/fd EPS forecasts of US\$137.3M (minimally revised after incorporating FQ425 financial data into our model) & US\$1.17/shr (revised downward from US\$1.27/shr previously, based on impact from capital structure revision as summarized above). At the time of publication earlier this week, our revised PT corresponded to a one-year return of 72.5%. A summary of our financial forecasts & valuation scenarios/methodologies are as indicated in Exhibits 1 & 2.

Exhibit 3. Valuation Summary of Eupraxia Pharmaceuticals

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

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

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

Source: Leede Financial

- **Profound Medical – further reflection on CAPTAIN data & its impact on near-term TULSA-PRO unit sales adoption & associated prostate ultrasound ablation procedure growth.** Last week, ON-based prostate disease-targeted ultrasound ablation technology developer Profound Medical (PRN-T/PROF-Q, Buy, PT US\$11.50) provided an update on clinical performance of its MR-guided ultrasound ablation platform TULSA-PRO as compared to da Vinci surgical robot-facilitated radical prostatectomy in the 211-patient CAPTAIN trial.
 - Interim data previously shared by Profound both during its quarterly financial results updates last year & in independent disclosures were uniformly positive on various side effect profile & quality-of-life metrics & final analysis was no different, as shared by Profound's clinical collaborators & as presented over the weekend at the London UK-based European Association of Urology annual meeting.
 - As we described in our last Healthcare Weekly, final CAPTAIN analysis confirmed interim analysis on multiple measures, with patients presenting with localized prostate cancer at enrollment that underwent MR-guided TULSA-PRO ablation performed better on various outcome measures than similarly-randomized patients undergoing radical prostatectomy. Strictly speaking, the trial is not officially concluded since cancer recurrence incidence is still being monitored for up to ten years post-procedure & so cancer recurrence endpoints are still on the horizon probably in F2028 & annually thereafter.
 - **As stated in our last Healthcare Weekly, TULSA-PRO outperformed on virtually all measures of post-procedure outcomes that were formally assessed in the CAPTAIN trial, other than cancer recurrence rate that will take years of follow-up to accurately ascertain.** Such data will be interesting to know but it is unlikely that TULSA-PRO could outperform radical prostatectomy on localized prostate cancer recurrence rate – there is no prostate gland left behind in prostatectomy patients for which localized tumors could recur, except in circumstances where residual prostate gland tissue was left behind, which would be an artifact of how the prostatectomy was undertaken & not an inherent limitation in prostatectomy as a concept.

Exhibit 4. Quarterly Income Statement & Financial Forecast Data for Profound, FQ126E-to-FQ428E

<i>Fiscal year-end Dec 31 (US\$000, exc share data)</i>	FQ126	FQ226	FQ326	FQ426	FQ127	FQ227	FQ327	FQ427	FQ128	FQ228	FQ328	FQ428
Revenue												
TULSA-PRO, cumulative	84	92	102	115	126	140	155	171	185	202	220	239
TULSA-PRO, procedures per unit per quarter or year	5	6	7	7	7	7	8	8	9	9	10	10
Reimbursement to Profound per procedure	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
TULSA-PRO, procedure-based revenue	\$2,310	\$3,036	\$3,927	\$4,428	\$4,851	\$5,390	\$6,820	\$7,524	\$9,158	\$9,999	\$12,100	\$13,145
TULSA-PRO, unit sales	6	8	10	13	11	14	15	16	14	17	18	19
TULSA-PRO, price per unit	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
TULSA-PRO, capital sales	\$2,400	\$3,200	\$4,000	\$5,200	\$4,400	\$5,600	\$6,000	\$6,400	\$5,600	\$6,800	\$7,200	\$7,600
TULSA-PRO, maintenance-service leasing revenue	\$150	\$150	\$150	\$150	\$164	\$183	\$202	\$223	\$241	\$263	\$287	\$312
Total revenue (US\$000)	\$4,860	\$6,386	\$8,077	\$9,778	\$9,415	\$11,173	\$13,022	\$14,147	\$14,999	\$17,062	\$19,587	\$21,057
Direct costs, TULSA-PRO	1,677	2,171	2,706	3,227	3,060	3,575	4,102	4,386	4,575	5,119	5,876	6,317
Gross margin (US\$000)	3,183	4,215	5,371	6,551	6,355	7,597	8,920	9,761	10,424	11,944	13,711	14,740
<i>Gross margin (%)</i>	65.5%	66.0%	66.5%	67.0%	67.5%	68.0%	68.5%	69.0%	69.5%	70.0%	70.0%	70.0%
Operating Expenses												
Sales/market expense	3,402	3,832	4,442	4,889	4,143	4,469	4,558	4,527	4,200	4,095	3,917	3,580
General/administ expense	2,187	2,235	2,423	2,444	1,883	1,676	1,563	1,415	1,500	1,706	1,959	2,106
Research & devel expense	3,645	3,832	4,039	3,911	3,295	2,235	1,953	1,415	1,275	1,365	1,371	1,263
Total Oper Exp (US\$000)	\$9,234	\$9,898	\$10,904	\$11,244	\$9,321	\$8,379	\$8,074	\$7,356	\$6,974	\$7,166	\$7,247	\$6,949
EBITDA	(\$6,051)	(\$5,684)	(\$5,533)	(\$4,693)	(\$2,966)	(\$782)	\$846	\$2,405	\$3,450	\$4,777	\$6,464	\$7,791
<i>EBITDA margin (%)</i>	NA	NA	NA	NA	NA	NA	6.5%	17.0%	23.0%	28.0%	33.0%	37.0%
Non-Operating Expenses												
Interest expense	112	112	112	112	112	112	112	112	112	112	112	112
<i>Effective Interest Rate (%)</i>	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Amortization Expense	109	109	109	109	109	109	109	109	109	109	109	109
Stock option expense	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381	1,381
Interest income	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
Accretion expense	0	0	0	0	0	0	0	0	0	0	0	0
Impair expense, goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Loss (gain) on currency	939	939	939	939	939	939	939	939	939	939	939	939
Total non-operating exp	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481	\$2,481
Adjusted EBT	(\$8,532)	(\$8,165)	(\$8,014)	(\$7,175)	(\$5,447)	(\$3,264)	(\$1,635)	(\$76)	\$968	\$2,296	\$3,982	\$5,310
<i>Adjusted EBT margin (%)</i>	NA	NA	NA	NA	NA	NA	NA	NA	6.5%	13.5%	20.3%	25.2%
Tax expense	0	0	0	0	0	0	0	0	242	574	996	1,327
<i>Effective tax rate (%)</i>	NA	NA	NA	NA	NA	NA	NA	NA	25.0%	25.0%	25.0%	25.0%
Currency translation	0	0	0	0	0	0	0	0	0	0	0	0
Tax-affected net income	(\$8,532)	(\$8,165)	(\$8,014)	(\$7,175)	(\$5,447)	(\$3,264)	(\$1,635)	(\$76)	\$726	\$1,722	\$2,987	\$3,982
<i>Adjusted net margin (%)</i>	NA	NA	NA	NA	NA	NA	NA	NA	4.8%	10.1%	15.2%	18.9%
EPS (basic)	(\$0.24)	(\$0.22)	(\$0.22)	(\$0.20)	(\$0.15)	(\$0.09)	(\$0.05)	(\$0.00)	\$0.02	\$0.05	\$0.08	\$0.11
Adj fully-taxed EPS (fd)	(\$0.22)	(\$0.21)	(\$0.20)	(\$0.18)	(\$0.14)	(\$0.08)	(\$0.04)	(\$0.00)	\$0.02	\$0.04	\$0.08	\$0.10
<i>Shares out (basic)</i>	36,294	36,294	36,294	36,294	36,294	36,294	36,294	36,294	36,294	36,294	36,294	36,294
<i>Shares out (fd)</i>	39,431	39,431	39,431	39,431	39,431	39,431	39,431	39,431	39,431	39,431	39,431	39,431
<i>Direct costs (%)</i>	34.5%	34.0%	33.5%	33.0%	32.5%	32.0%	31.5%	31.0%	30.5%	30.0%	30.0%	30.0%
<i>Sales/market expense (%)</i>	70.0%	60.0%	55.0%	50.0%	44.0%	40.0%	35.0%	32.0%	28.0%	24.0%	20.0%	17.0%
<i>G&A expense (%)</i>	45.0%	35.0%	30.0%	25.0%	20.0%	15.0%	12.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<i>R&D expense (%)</i>	75.0%	60.0%	50.0%	40.0%	35.0%	20.0%	15.0%	10.0%	8.5%	8.0%	7.0%	6.0%

Source: Leede Financial

- By the way, this would be a plausible application of Perimeter Medical Imaging's [PINK-V, Spec Buy, PT C\$3.00] for which FDA approval of the firm's optical coherence tomography [OCT]-based AI-enabled CLAIRE platform could be useful for assessing prostate gland tumor margins, independent of assessing breast tumor margins as formed the basis for the device's approval last month. That said, we will admit to being surprised by the frequency with which positive surgical margins in prostatectomized tissue were detected in the trial, 33% in the 63-evaluable prostatectomy patients. Undoubtedly, surgeons are cautious when removing the prostate gland so as to preserve urological function where possible but this caution comes at the risk of leaving some prostate gland tissue behind, tissue that could in a sizable proportion of cases harbor residual disease.

- But shifting back to CAPTAIN, the trial conclusively showed that TULSA-PRO patients experienced superior outcomes on blood loss after treatment (virtually none for TULSA-PRO, about 100mL-to-200mL on average for prostatectomy patients), on perioperative length of stay (measured in hours for TULSA-PRO patients, measured in tens of hours for prostatectomy patients), on hospital re-admission rate (6.3% of prostatectomy patients vs 0.7% of TULSA-PRO patients), on days away from work post-procedure (ten days on average for TULSA-PRO patients, nineteen days for prostatectomy patients on average but with many patients missing paid employment for far longer than that) & on post-operative pain that was far higher for prostatectomy patients at least during the first week or so post-procedure (as measured by the ten-point Numeric Rating Scale with which we are familiar through its use as a primary endpoint measure in Cardiol Therapeutics' [CRDL-T, Spec Buy, PT C\$7.00] 27-patient Phase II MAVERIC-PILOT trial testing its orally-active cannabidiol formulation CardiolRx in recurrent pericarditis). Urological side effect profile (urinary incontinence rate & erectile function preservation at six-month follow-up) both favored TULSA-PRO.

Exhibit 5. Annual Income Statement & Financial Forecast Data for Profound, F2025A-to-F2036E

<i>Year-end December 31</i> <i>(US\$000, exc share data)</i>	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
TULSA-PRO, capital equipment	6,368	14,800	22,400	27,200	32,000	34,000	36,000	36,000	36,000	36,000	36,000	36,000
TULSA-PRO, consumables/ procedure-based revenue	8,990	13,701	24,585	44,402	72,842	114,521	144,837	178,673	197,588	214,088	230,588	247,088
Service, maintenance	740	600	772	1,103	1,497	1,685	1,873	2,061	2,248	2,436	2,624	2,812
Total prod revenue	16,098	29,101	47,757	72,705	106,339	150,206	182,710	216,734	235,836	252,524	269,211	285,899
<i>Revenue growth, y/y (%)</i>	51%	81%	64%	52%	46%	41%	22%	19%	9%	7%	7%	6%
Gross margin	11,393	19,320	32,634	50,818	74,438	105,144	127,897	151,714	165,085	176,767	188,448	200,129
<i>Gross margin (%)</i>	70.8%	66.4%	68.3%	69.9%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%
Sales & marketing expense	16,001	16,565	17,697	15,792	18,078	19,527	21,925	23,841	23,584	22,727	22,883	22,872
Gen & administrative expense	10,000	9,290	6,536	7,270	10,634	16,973	20,098	21,673	21,225	21,465	22,075	22,872
Research & develop expense	20,596	15,426	8,898	5,274	6,380	6,008	6,395	6,502	5,896	5,050	5,115	5,146
EBITDA	(35,204)	(21,960)	(496)	22,482	39,346	62,636	79,479	99,697	114,380	127,524	138,375	149,239
<i>EBITDA margin (%)</i>	NA	NA	NA	31%	37%	42%	44%	46%	49%	51%	51%	52%
<i>EBITDA growth, y/y (%)</i>	NA	NA	NA	NA	75%	59%	27%	25%	15%	11%	9%	8%
Cumul non-operating exp (amort exp, stock option, interest, F/X)	7,114	9,926	9,926	9,926	9,926	9,926	9,926	9,926	9,926	9,926	9,926	9,926
Tax expense	252	0	0	3,139	7,355	13,178	17,388	22,443	26,114	29,400	32,112	34,828
Net Income, fully-taxed	(42,570)	(31,886)	(10,422)	9,417	22,065	39,533	52,165	67,329	78,341	88,199	96,337	104,485
EPS (basic)	(\$1.33)	(\$0.88)	(\$0.29)	\$0.26	\$0.61	\$1.09	\$1.44	\$1.86	\$2.16	\$2.43	\$2.65	\$2.88
EPS (fd)	(\$1.23)	(\$0.81)	(\$0.26)	\$0.24	\$0.56	\$1.00	\$1.32	\$1.71	\$1.99	\$2.24	\$2.44	\$2.65
<i>P/E</i>	NA	NA	NA	24.5x	10.5x	5.8x	4.4x	3.4x	2.9x	2.6x	2.4x	2.2x
<i>EV/EBITDA (basic S/O)</i>	NA	NA	NA	0.6x	0.4x	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x	0.1x

Source: Leede Financial

- Taking all of those quality-of-life measures into consideration, it is no surprise that TULSA-PRO patients also outperformed prostatectomy patients on a self-reporting measure of general well-being post-procedure (using the semi-quantitative 100-point EQ visual analog scale as the measure of 'how do you feel today'), at least during the first month post-procedure. We find this measure to be incrementally useful for comparing overall patient experience with TULSA-PRO vs da Vinci surgical robot-facilitated radical prostatectomy even though it is clearly a bit esoteric when considering the more quantifiable patient outcomes described above. The objective of either procedure is of course to mitigate prostate cancer-related mortality/morbidity, but still, it is positive in our view that TULSA-PRO patients did out-perform on this scale.
- **Subtle revision to our F2026-to-F2028 TULSA-PRO unit sales & procedure volume growth – all arrows still pointing upward throughout our forecast period, just with slightly more modest near-term ramp on both metrics as CAPTAIN data permeates the US urology/oncology community.** Our key reason for re-summarizing CAPTAIN data though is to reflect further on how we believe it could impact Profound's TULSA-PRO adoption trajectory, a trajectory that we expect to scale upward on a quarter-over-quarter basis throughout our forecast period, but perhaps on reflection with a moderately slower pace of influence (at least this year) than we previously envisioned.

Exhibit 6. Valuation Scenarios For Profound Medical

NPV, discount rate		5%	10%	15%	20%	25%	30%
Implied value per share		\$38.93	\$26.39	\$18.42	\$13.04	\$9.70	\$7.29
Price/earnings multiple, F2029	P/E	5%	10%	15%	20%	25%	30%
Implied share price ¹	10	\$8.65	\$7.52	\$6.58	\$5.79	\$5.13	\$4.56
	20	\$17.30	\$15.04	\$13.16	\$11.60	\$10.26	\$9.12
	30	\$25.95	\$22.56	\$19.74	\$17.37	\$15.39	\$13.68
EV/EBITDA multiple, F2029		4x	6x	8x	10x	12x	14x
Implied share price ^{1,2}		\$4.49	\$6.33	\$8.16	\$10.00	\$11.84	\$13.68
One-year Profound Medical target price (US\$) ^{1,2}				\$11.55			

¹ F2030 fully-diluted fully-taxed EPS forecast \$1.00/shr; EBITDA \$62.6M; NPV discounted at 20%; fd S/O 39.4M incorporates new equity offering consummated in Dec/25

² Balance sheet includes FQ425 cash of US\$59.7M (includes net proceeds from Dec/25 equity offering; FQ425 LT debt of US\$4.5M)

Source: Profound Medical financial filings, Leede Financial

- Our long-standing positive view on TULSA-PRO's utility in the localized prostate cancer standard-of-care continuum is sustained, already supported by pivotal TACT data & now on CAPTAIN data that we already knew to be positive for all of the reasons interim data were when reported last year. Accordingly, we are infusing a slightly slower pace of TULSA-PRO unit sales & procedure volume growth for F2026/27, but without any material impact on our expectations for steady-stage TULSA-PRO sales traction & procedure volumes per TULSA-PRO system in later periods, periods that are far more germane to our Profound valuation & PT derivation anyway. Our F2026/27 revenue/EBITDA forecasts are as shown in Exhibit 4.

Exhibit 7. Financial Forecast Summary for K-Bro Linen

Year-end December 31												
(C\$000, except EPS)	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Healthcare revenue	\$116,948	\$128,933	\$132,620	\$144,715	\$159,938	\$167,239	\$177,838	\$189,400	\$199,722	\$203,716	\$207,791	\$211,947
Hospitality revenue	\$48,883	\$50,956	\$54,004	\$21,967	\$23,135	\$44,796	\$63,291	\$75,022	\$79,089	\$81,462	\$83,906	\$86,423
International revenue (UK)	\$4,728	\$59,645	\$65,786	\$29,909	\$40,919	\$64,588	\$79,755	\$109,187	\$227,965	\$303,406	\$309,474	\$315,664
Total revenue	\$170,559	\$239,534	\$252,410	\$196,591	\$223,992	\$276,623	\$320,884	\$373,609	\$506,776	\$588,584	\$601,171	\$614,033
Revenue growth (%)	7.2%	40.4%	5.4%	(22.1%)	13.9%	23.5%	16.0%	16.4%	35.6%	16.1%	2.1%	2.1%
EBITDA	\$24,021	\$29,517	\$47,565	\$43,755	\$42,791	\$36,492	\$56,806	\$69,020	\$90,934	\$101,241	\$104,954	\$109,305
EBITDA growth (%)	(14.9%)	22.9%	61.1%	(8.0%)	(2.2%)	(14.7%)	55.7%	21.5%	31.8%	11.3%	3.7%	4.1%
EBITDA margin (%)	14.1%	12.3%	18.8%	22.3%	19.1%	13.2%	17.7%	18.5%	17.9%	17.2%	17.5%	17.8%
Net income, operations	\$5,718	\$6,169	\$10,906	\$3,782	\$8,692	\$3,906	\$17,607	\$18,708	\$17,990	\$20,548	\$29,746	\$38,827
Net income, adjusted	\$5,754	\$6,105	\$10,898	\$9,293	\$8,692	\$3,945	\$17,607	\$18,967	\$17,990	\$20,548	\$29,746	\$38,827
EPS, operations	\$0.61	\$0.59	\$1.04	\$0.36	\$0.81	\$0.36	\$1.64	\$1.77	\$1.45	\$1.58	\$2.29	\$2.99
EPS, adjusted	\$0.61	\$0.58	\$1.04	\$0.88	\$0.81	\$0.37	\$1.64	\$1.79	\$1.45	\$1.58	\$2.29	\$2.99
Distribution	\$11,310	\$12,610	\$12,612	\$12,702	\$12,851	\$12,878	\$12,872	\$12,692	\$14,865	\$15,589	\$15,589	\$15,589
Distribution per share	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20
Distributable cash	\$20,047	\$24,765	\$29,607	\$31,249	\$27,475	\$19,572	\$32,370	\$39,611	\$47,353	\$55,653	\$56,670	\$63,719
Oper cash flow (ex W/C)	\$22,702	\$28,934	\$42,050	\$39,924	\$37,585	\$31,751	\$47,118	\$54,356	\$70,783	\$86,447	\$90,268	\$94,767
AFFO/free cash flow	\$20,047	\$24,765	\$29,607	\$31,249	\$27,475	\$19,572	\$32,370	\$39,611	\$47,353	\$55,653	\$56,670	\$63,719
Cash flow per share	\$1.99	\$1.67	\$4.18	\$4.01	\$2.98	\$2.43	\$3.82	\$4.72	\$5.06	\$5.68	\$6.90	\$7.41
AFFO (FCF) per share	\$2.13	\$2.36	\$2.82	\$2.95	\$2.57	\$1.82	\$3.02	\$3.75	\$3.82	\$4.28	\$4.36	\$4.91
Payout ratio (%)	56.4%	50.9%	42.6%	40.6%	46.8%	65.8%	39.8%	32.0%	31.4%	28.0%	27.5%	24.5%
FCF yield (%)	6.1%	6.8%	8.1%	8.5%	7.4%	5.2%	8.6%	10.7%	11.0%	12.3%	12.5%	14.1%
P/E	57.2x	60.1x	33.7x	39.8x	43.0x	94.9x	21.3x	19.5x	24.0x	22.1x	15.2x	11.7x
EV/EBITDA	24.1x	19.6x	12.2x	13.2x	13.5x	15.9x	10.2x	8.4x	6.4x	5.7x	5.5x	5.3x

Source: Historic data – K-Bro Linen financial filings; Forecasts/Estimates – Leede Financial Inc.

- K-Bro Linen reported FQ425 financial results – maintaining PT/rating.** AB-based hospital & hospitality-focused linen & laundry services provider K-Bro Linen (KBL-T, Buy, PT C\$46.00) reported FQ425 financial results for the December-end quarter that were in line with our expectations for a sequentially softer quarter, as is always the case for K-Bro's hospitality industry-focused linen/laundry-processing operations just based on seasonality of that industry, but results were still strong in absolute terms in our view, well-supported by the firm's UK acquisition of Stellar Mayan (was originally called STAR Mayan when acquired) last year.

Exhibit 8. Valuation Summary for K-Bro Linen

EPS multiple, F2027	5x	10x	15x	20x	25x	30x	35x
Implied unit price ^{1,2}	\$11.45	\$22.90	\$34.35	\$45.80	\$57.25	\$68.70	\$80.14
AFFO multiple, F2027	2.5x	5x	7.5x	10x	12.5x	15x	17.5x
Implied unit price ^{1,2}	\$10.91	\$21.81	\$32.72	\$43.62	\$54.53	\$65.44	\$76.34
EV/EBITDA multiple, F2027	3x	5x	7x	8x	9x	11x	13x
Implied share price (\$) ^{1,2}	\$8.40	\$24.55	\$40.71	\$48.79	\$56.87	\$73.03	\$89.19
One-year K-Bro Linen target price (C\$)	\$46.07						

¹ Based on F2027 forecasts (Adjusted EPS \$2.29, EBITDA \$105.0M, AFFO \$4.36/shr)

² EV incorporates FQ425 cash of \$23.4M, total debt of \$229.2M, basic S/O of 13.0M

Source: Leede Financial Inc.

- Headline consolidated FQ425 revenue/EBITDA/margin werw \$146.8M/\$25.1M/17.1% as compared to FQ325 data of \$155.9M/\$32.0M/20.5% & to FQ424 data of \$95.4M/\$14.8M/15.5%, with the y/y comparison having minimal interpretative capacity on K-Bro's growth trajectory or seasonality since it does not incorporate any revenue/EBITDA contribution from Stellar Mayan, a far less hospitality-dependent UK operation than K-Bro's legacy UK acquisitions were (specifically the Fishers Topco acquisition in Nov/17 & the Shortridge acquisition in Apr/24). Just on a y/y comparison of EBITDA margin (17.1% in FQ425, 15.5% in FQ424), it is clear that Stellar Mayan's balanced operations in healthcare vs hospitality clients is positively impacting EBITDA margin in a FQ4 period that could have experienced more dramatic EBITDA margin downdraft, particularly from hospitality-dominant Fishers Topco/Shortridge UK operations.

Exhibit 9. F2026E-to-F2028E Quarterly AFFO Forecasts for K-Bro Linen

Year-end December 31 (C\$000, except share-based data)	1Q-26E	2Q-26E	3Q-26E	4Q-26E	1Q-27E	2Q-27E	3Q-27E	4Q-27E	1Q-28E	2Q-28E	3Q-28E	4Q-28E	2026E	2027E	2028E
Operating cash flow	14,301	24,634	23,880	10,993	27,471	24,902	25,936	11,348	29,383	26,060	27,684	13,188	73,809	86,978	96,315
Deduct (add):															
Working capital surplus (deficit)	(2,168)	11	(1,319)	(9,164)	10,101	(449)	(420)	(9,844)	11,037	(472)	93	(9,110)	(12,638)	(612)	1,548
Stock option expense	813	813	813	813	813	813	813	813	813	813	813	813	3,252	3,252	3,252
Payments on lease liabilities	5,414	5,414	5,414	5,414	5,414	5,414	5,414	5,414	5,414	5,414	5,414	5,414	21,656	21,656	21,656
Funds from operations (FFO)	10,242	18,395	18,972	13,930	11,142	19,125	20,129	14,964	12,118	20,305	21,364	16,071	61,539	62,682	69,859
FFO per share	\$0.79	\$1.42	\$1.46	\$1.07	\$0.86	\$1.47	\$1.55	\$1.15	\$0.93	\$1.56	\$1.64	\$1.24	\$4.74	\$4.83	\$5.38
Deduct (add):															
Maintenance capex	(1,293)	(1,501)	(1,593)	(1,499)	(1,321)	(1,533)	(1,627)	(1,531)	(1,349)	(1,565)	(1,662)	(1,564)	(5,886)	(6,012)	(6,140)
Adjusted funds from oper (AFFO)	8,949	16,895	17,379	12,431	9,821	17,592	18,502	13,433	10,769	18,740	19,702	14,508	55,653	56,670	63,719
AFFO per share	\$0.69	\$1.30	\$1.34	\$0.96	\$0.76	\$1.35	\$1.42	\$1.03	\$0.83	\$1.44	\$1.52	\$1.12	\$4.28	\$4.36	\$4.91
Distribution	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	15,589	15,589	15,589
Distribution per share	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$0.300	\$1.200	\$1.200	\$1.200
Payout ratio (%)	43.6%	23.1%	22.4%	31.4%	39.7%	22.2%	21.1%	29.0%	36.2%	20.8%	19.8%	26.9%	28.0%	27.5%	24.5%
T12M dividend/FCF ratio (%)	27.4%	20.2%	19.8%	23.0%	19.2%	19.2%	18.7%	18.6%	17.9%	17.5%	17.0%	16.5%	23.0%	18.6%	16.5%
Shares (units) out (basic, 000)	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991
Shares (units) out (fd, 000)	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121

Source: K-Bro financial filings; Leede Financial

- There are two ways to stratify K-Bro's operations, one is by geography (domestic Canadian operations & UK operations now comprised of three distinct legacy acquisitions) & the other is by customer category (healthcare & hospitality, with both categories making meaningful contributions to revenue/EBITDA in both geographies). So on a geographic breakdown, K-Bro's Canadian operations generated FQ425 revenue/EBITDA/margin of \$70.1M/\$14.3M/20.4% as compared to FQ325 data of \$72.7M/\$16.6M/22.8% & to FQ424 data of \$67.4M/\$12.1M/18.0%.

- The y/y comparison is predominantly organic & not encumbered by recent acquisitive growth as UK operations were. K-Bro's UK operations generated FQ425 revenue/EBITDA/margin of \$76.7M/\$12.1M/15.8% as compared to FQ325 UK data of \$83.2M/\$16.9M/20.3% that clearly exhibited a more substantial sequential decline than Canadian operations based solely on proportion of hospitality revenue decline in the quarter (to \$42.6M in UK hospitality revenue in FQ425 from \$50.4M in FQ325); comparisons to FQ424 UK data are minimally informative because they do not include 46.00 Mayan but for the record, FQ424 UK consolidated revenue/EBITDA/margin were \$28.0M/\$5.3M/18.9%, interestingly with superior EBITDA margin than generated in FQ425 despite more robust healthcare-based revenue contribution (FQ425 UK healthcare revenue was \$34.1M & was virtually non-existent in FQ424 at \$1.6M).

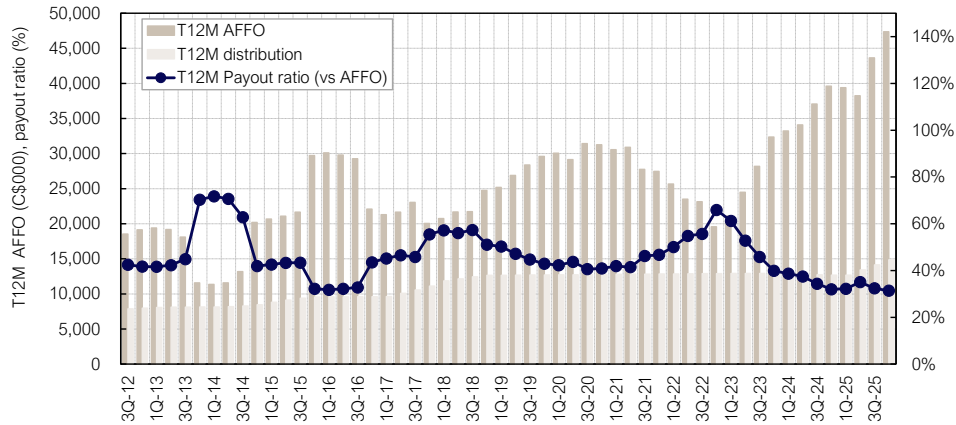
Exhibit 10. F2026E-to-F2028E Quarterly Income Statement Forecasts for K-Bro Linen

Year-end December 31 (C\$000) ¹	1Q-26E	2Q-26E	3Q-26E	4Q-26E	1Q-27E	2Q-27E	3Q-27E	4Q-27E	1Q-28E	2Q-28E	3Q-28E	4Q-28E	2026E	2027E	2028E
Revenue (by geography & category)															
Healthcare revenue, Canada	49,995	50,663	50,519	52,539	50,995	51,677	51,529	53,590	52,015	52,710	52,560	54,662	203,716	207,791	211,947
Hospitality revenue, Canada	18,084	20,309	23,895	19,174	18,626	20,918	24,612	19,750	19,185	21,545	25,350	20,342	81,462	83,906	86,423
Healthcare revenue, UK	30,245	27,488	33,528	34,762	30,849	28,037	34,199	35,457	31,466	28,598	34,883	36,166	126,022	128,543	131,114
Hospitality revenue, UK	30,994	51,601	51,357	43,432	31,614	52,633	52,384	44,300	32,247	53,686	53,432	45,186	177,384	180,932	184,550
Revenue	129,318	150,061	159,299	149,907	132,085	153,265	162,724	153,097	134,913	156,539	166,224	156,356	588,584	601,171	614,033
Adjusted EBITDA, Canada	10,023	13,582	16,743	11,783	10,110	13,375	17,132	12,118	10,506	19,044	19,247	12,917	52,130	52,735	61,713
EBITDA margin, Canada (%)	14.7%	19.1%	22.5%	16.4%	14.5%	19.1%	22.5%	16.5%	14.8%	25.6%	24.7%	17.2%	18.3%	18.1%	20.7%
Adjusted EBITDA, UK	8,543	15,784	17,847	11,469	9,339	16,626	18,728	12,141	9,856	12,127	13,225	12,384	53,644	56,834	47,592
EBITDA margin, UK (%)	14.0%	20.0%	21.0%	14.7%	15.0%	20.6%	21.6%	15.2%	15.5%	14.7%	15.0%	15.2%	17.7%	18.4%	15.1%
¹ Geography-specific EBITDA excludes corporate costs that are assimilated into K-Bro's consolidated EBITDA & our forecasts															
Revenue															
Healthcare revenue, Canada	49,995	50,663	50,519	52,539	50,995	51,677	51,529	53,590	52,015	52,710	52,560	54,662	203,716	207,791	211,947
Hospitality revenue, Canada	18,084	20,309	23,895	19,174	18,626	20,918	24,612	19,750	19,185	21,545	25,350	20,342	81,462	83,906	86,423
International revenue (Fishers Topco; Shortridge, STAR Mayan)	61,239	79,089	84,885	78,193	62,464	80,671	86,583	79,757	63,713	82,284	88,315	81,352	303,406	309,474	315,664
Revenue	129,318	150,061	159,299	149,907	132,085	153,265	162,724	153,097	134,913	156,539	166,224	156,356	588,584	601,171	614,033
YoY growth, healthcare revenue	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
YoY growth, hospitality revenue	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
YoY growth, UK	151.0%	81.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	33.1%	2.0%	2.0%
Operating expenses															
Salaries & benefits	47,823	52,618	56,009	55,976	48,780	53,741	57,137	57,099	49,756	54,815	58,288	58,244	212,427	216,757	221,103
Linen	13,052	14,510	15,566	15,097	13,261	14,819	15,823	15,344	13,473	15,059	16,084	15,595	58,225	59,247	60,211
Utilities	9,737	10,830	11,653	11,271	9,876	11,061	11,827	11,438	10,016	11,222	12,003	11,606	43,493	44,202	44,847
Delivery	19,384	21,465	22,995	22,268	19,726	21,917	23,406	22,663	20,073	22,304	23,823	23,065	86,113	87,712	89,265
Occupancy costs	4,227	4,375	4,821	4,561	4,246	4,465	4,845	4,582	4,264	4,483	4,868	4,601	17,984	18,138	18,215
Materials and supplies	5,977	6,130	6,672	6,212	6,035	6,259	6,737	6,269	6,092	6,317	6,802	6,326	24,990	25,300	25,537
Repairs and maintenance	4,721	4,339	4,741	4,815	4,755	4,433	4,769	4,847	4,788	4,456	4,796	4,877	18,616	18,804	18,916
Corporate G&A costs, other	5,830	6,427	6,784	6,455	5,958	6,569	6,935	6,596	6,089	6,714	7,090	6,741	25,495	26,058	26,634
EBITDA	18,566	29,366	30,057	23,252	19,449	30,001	31,245	24,259	20,362	31,171	32,472	25,301	101,241	104,954	109,305
EBITDA margin (%)	14.4%	19.6%	18.9%	15.5%	14.7%	19.6%	19.2%	15.8%	15.1%	19.9%	19.5%	16.2%	17.2%	17.5%	17.8%
Debt/EBITDA run-rate	3.0x	1.8x	1.7x	2.1x	2.4x	1.5x	1.3x	1.6x	1.8x	1.1x	1.0x	1.2x	1.9x	1.5x	NA
EBITDA/Interest	3.7x	6.2x	6.6x	5.3x	4.7x	7.6x	8.3x	6.8x	6.0x	9.8x	10.9x	9.1x	5.4x	6.8x	NA
Non-operating expenses															
Depreciation, tangible assets	11,729	11,458	11,197	10,947	10,706	10,474	10,251	10,036	9,830	9,631	9,440	9,257	45,330	41,466	38,159
Amortization, intangible assets	2,625	2,517	2,415	2,316	2,222	2,131	2,045	1,962	1,882	1,806	1,733	1,664	9,873	8,360	7,086
Interest expense (income)	4,958	4,759	4,561	4,363	4,164	3,966	3,767	3,569	3,371	3,172	2,974	2,775	18,640	15,466	12,292
Annualized interest rate (%)	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.6%	0	0
Loss (gain) on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other expenses, accretion expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total expenses unrelated to operations	19,311	18,734	18,173	17,625	17,091	16,571	16,063	15,567	15,083	14,610	14,148	13,696	73,843	65,292	57,536
Earnings before taxes (EBT)	(744)	10,631	11,884	5,626	2,357	13,430	15,182	8,692	5,279	16,561	18,324	11,605	27,398	39,662	51,769
EBT margin (%)	(0.6%)	7.1%	7.5%	3.8%	1.8%	8.8%	9.3%	5.7%	3.9%	10.6%	11.0%	7.4%	4.7%	6.6%	8.4%
Tax expense (recovery)	(186)	2,658	2,971	1,407	589	3,358	3,795	2,173	1,320	4,140	4,581	2,901	6,849	9,915	12,942
Tax rate (%)	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Net income	(558)	7,973	8,913	4,220	1,768	10,073	11,386	6,519	3,959	12,421	13,743	8,704	20,548	29,746	38,827
Net income (adjusted)	(558)	7,973	8,913	4,220	1,768	10,073	11,386	6,519	3,959	12,421	13,743	8,704	20,548	29,746	38,827
Net margin (%)	(0.4%)	5.3%	5.6%	2.8%	1.3%	6.6%	7.0%	4.3%	2.9%	7.9%	8.3%	5.6%	3.5%	4.9%	6.3%
EPS (consolidated operations)															
EPS (adjusted)	-\$0.04	\$0.61	\$0.69	\$0.32	\$0.14	\$0.78	\$0.88	\$0.50	\$0.30	\$0.96	\$1.06	\$0.67	\$1.58	\$2.29	\$2.99
Shares (units) outstanding (basic, 000)	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991	12,991
Shares (units) outstanding (fd, 000)	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121	13,121
Distribution	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	3,897	15,589	15,589	15,589
Distribution per share	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$0.30	\$1.20	\$1.20	\$1.20

Source: Historic financial data – K-Bro Linen; Projections - Leede Financial

- We would not expect to have client category-specific EBITDA/margin data & indeed we do not, but on a consolidated basis, K-Bro's healthcare client revenue in FQ425 was \$85.6M, fairly stable sequentially in comparison to FQ325 healthcare client revenue of \$82.4M but well above FQ424 healthcare client revenue of \$50.9M as driven by new healthcare laundry processing volumes in the UK through Stellar Mayan. Hospitality revenue on a consolidated geography-independent basis was \$61.2M in FQ425 & thus down sequentially from \$73.5M in FQ325 but up substantially from FQ424 hospitality revenue of \$44.5M for which there was of course no contribution from Stellar.

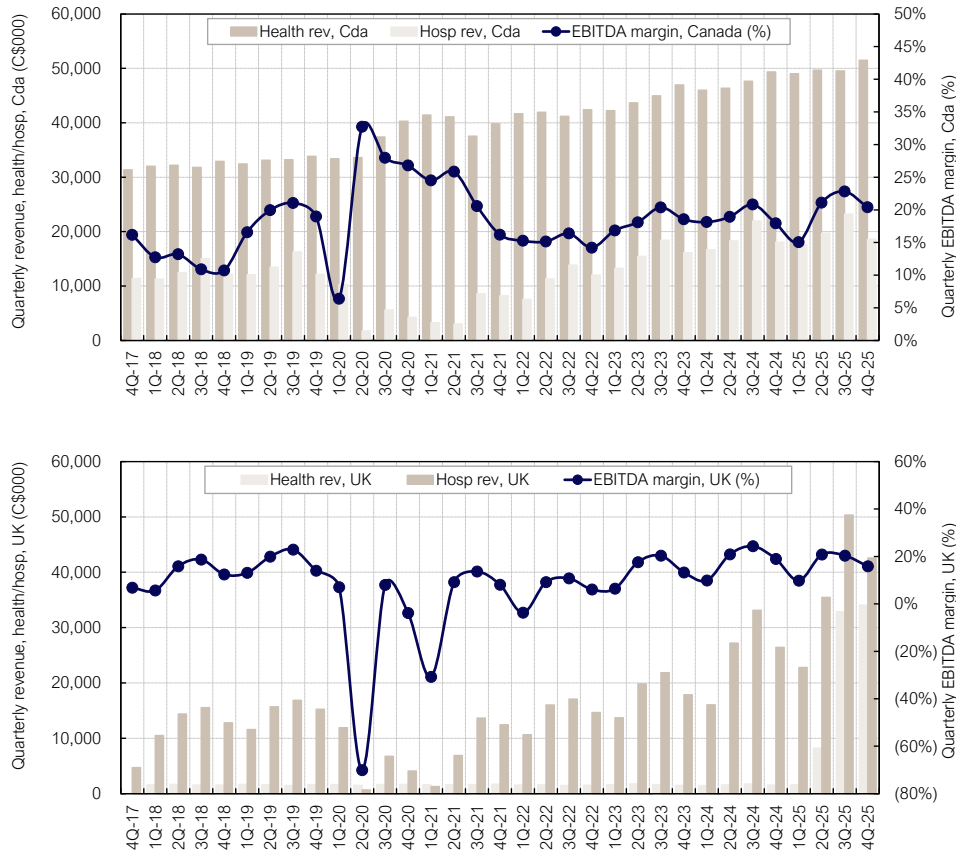
Exhibit 11. Historic T12M Distributable Cash and Payout Ratio for K-Bro Linen, FQ312-FQ425



Source: Leede Financial, Historical Data – Company Information (K-Bro Linen)

- K-Bro exited the quarter with \$23.4M in cash & \$229.2M in total debt, with the latter metric clearly high by K-Bro’s own historic standard but driven to that height by the need to raise debt capital to partially fund the Stellar Mayan acquisition last year. Regardless, debt-based financial ratios were still attractive by the standard of other healthcare services firms in our coverage universe – debt-to-FQ425 EBITDA run-rate ratio was 2.3x while FQ425 EBITDA-to-interest coverage ratio was 5.4x. Both ratios were well within safe territory in our view, particularly EBITDA-to-interest ratio that improves substantially during the FQ2-FQ3 period on hospitality strength.

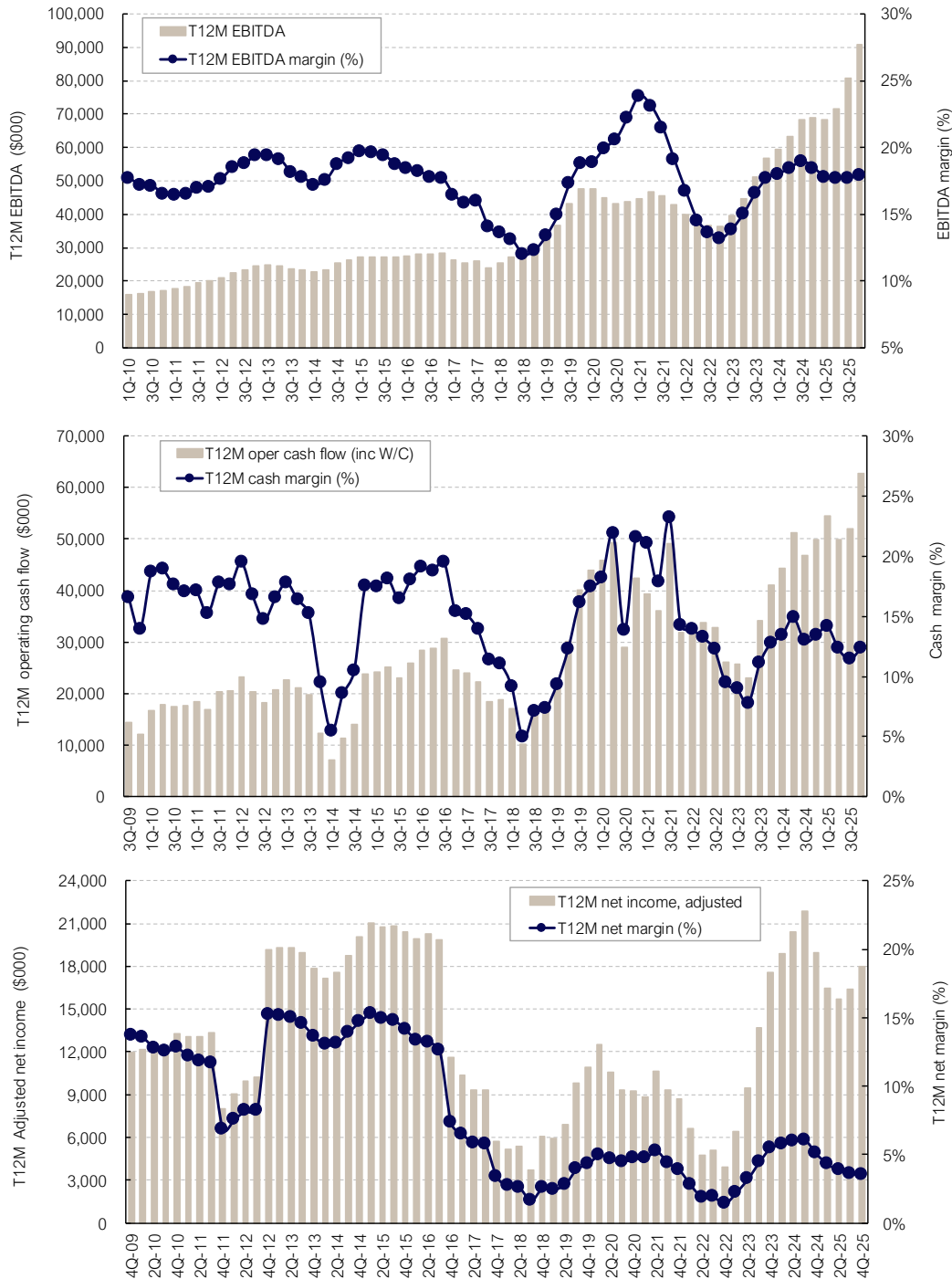
Exhibit 12. Historic Quarterly Revenue/EBITDA Margin for K-Bro Linen, Stratified By Division & Geography, FQ417-FQ425



Source: Historical Data – K-Bro Linen; Forecasts/Estimates – Leede Financial

- Shifting to AFFO & cash flow, K-Bro generated pure FQ425 operational cash flow of \$20.9M or \$1.61/shr, as compared to FQ325 cash flow of \$24.7M (\$1.90/shr) & predictably down from the Stellar-less performance in FQ424 of \$13.1M (\$1.24/shr). Transient working capital deficits in FQ325 of (\$4.1M) & in FQ424 of (\$2.1M) distort comparisons to FQ425 on a consolidated cash flow basis, but using AFFO as a surrogate measure of free cash flow (actually, K-Bro's calculation of AFFO is as close to free cash flow as any such calculation published by other healthcare equities that we routinely track), we calculate that FQ425 AFFO of \$13.5M (\$1.04/shr) was, as is routinely the case for K-Bro, well above actual dividend payout of \$3.9M (\$0.30/shr) & thus corresponding to an attractive pay-out ratio of 28.9%.

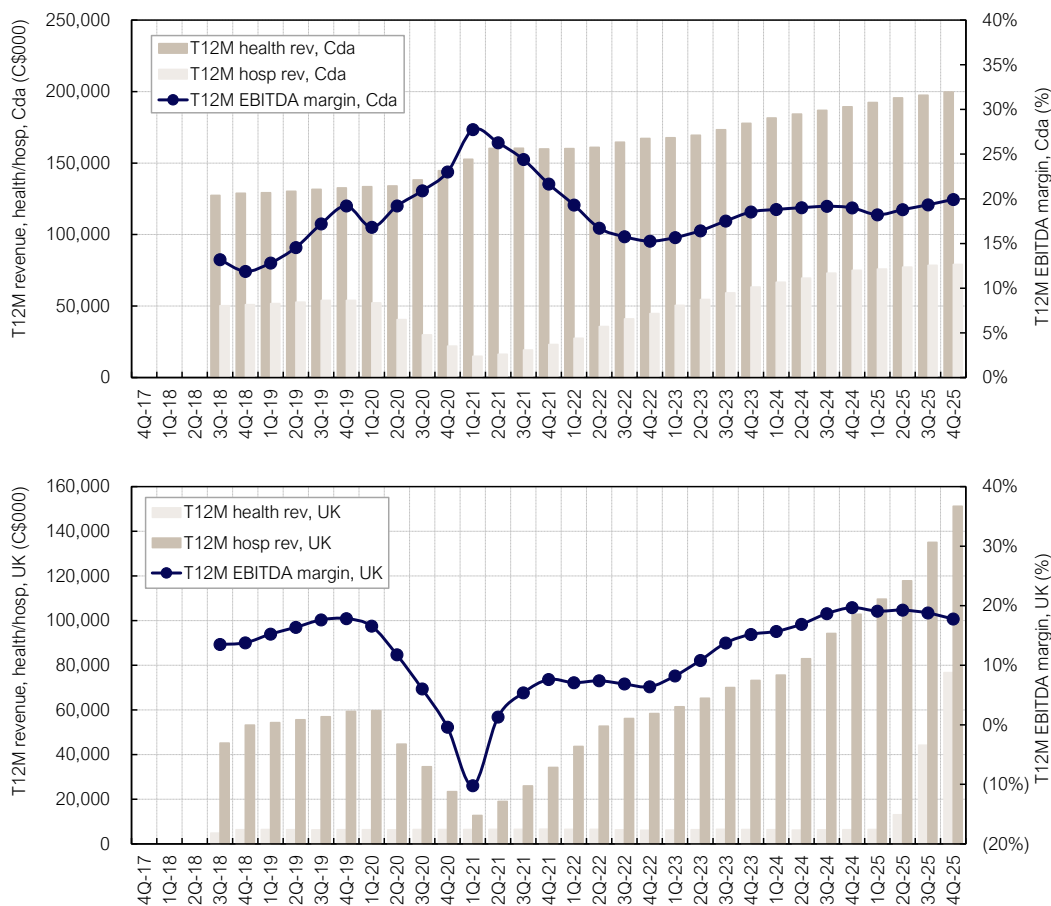
Exhibit 13. Historic T12M EBITDA, Operating Cash Flow, Net Income & Margin Data for K-Bro Linen, FQ309-FQ425



Source: Leede Financial, Historical Data – Company Information (K-Bro Linen)

- The firm has not revisited its dividend policy recently but in an environment where funding acquisitive growth may not be a near-term priority, the firm could certainly reflect on the magnitude of its quarterly dividend at its discretion. AFFO in the quarter, as with all profitability metrics we discussed above, was down sequentially from FQ325 AFFO of \$19.6M (\$1.51/shr, 19.9% pay-out ratio) but above FQ424 AFFO of \$9.8M (\$0.92/shr, 32.5% pay-out ratio).

Exhibit 14. Historic T12M Revenue-EBITDA-Margin Data for K-Bro Linen, Stratified By Division & Geography, FQ318-FQ325



Source: Historical Data – K-Bro Linen; Forecasts/Estimates – Leede Financial

- We are mindful of the cost pressure that K-Bro & all firms vulnerable to utility costs could incur in coming quarters, but for now we are optimistic that energy hedging contracts in place can mitigate impact on the firm’s F2026/27 EBITDA generation. We were encouraged to hear that key energy hedging relationships in the UK in particular are in place to end-of-F2026 (a diesel fuel hedging contract in the UK does expire imminently, though K-Bro indicated that diesel fuel [presumably relevant to linen/laundry transport from client to processing facility with diesel-fueled vehicles] is a minor component of the firm’s quarterly energy requirements. FQ226 will be our first evidence of this.
- K-Bro indicated that about 25% of achievable cost synergies through integration of Stellar Mayan into consolidated operations are now complete, which obviously means that 75% of planned synergies – presumably at the administrative level but perhaps also through more comprehensive automation – could still materialize over the next several quarters, partially offsetting any utility cost escalation that the firm endures imminently.
- Summary & valuation.** For now we are maintaining our Buy rating & PT of C\$46.00 on KBL, with our valuation as shown in Exhibit 8 still based on multiples of our F2027 EBITDA-fd EPS-AFFO forecasts of \$105.0M-\$2.29/shr-\$4.36/shr, respectively. At current price levels, our PT corresponds to a one-year total return, including 3.4% dividend yield, of 43.8%.

Exhibit 15. Comparable Companies for K-Bro Linen

Company	Curr.	Sym	Shares (M)	Share Price 20-Mar	Mkt Cap (\$M)	Ent. Value (\$M)	EV/EBITDA			Price/Earnings			Description
							(T12)	(FY1)	(FY2)	(T12)	(FY1)	(FY2)	
Linen/laundry services peers													
Cintas	USD	CTAS	398.7	\$181.83	\$99,586	\$103,400	34.7x	33.1x	30.3x	38.7x	37.3x	33.6x	OH-based uniform supply firm, pro-vides healthcare uniform rentals
Aramark	USD	ARMK	262.8	\$39.16	\$14,140	\$22,154	15.7x	14.4x	13.1x	32.5x	17.7x	15.1x	PA-based services firm. Healthcare division includes uniform services
Eco Lab	USD	ECL	282.0	\$258.70	\$100,213	\$110,686	NA	NA	23.4x	35.3x	30.4x	26.6x	Diversified services, with hospitality and healthcare laundry operations
Sodexo	EUR	SW	147.5	€ 42.52	\$9,981	\$15,192	9.6x	10.0x	9.4x	8.9x	9.4x	8.8x	French service-solutions company with laundry operations in Canada
Average							20.0x	19.2x	19.0x	28.9x	23.7x	21.0x	
Profitable Canadian healthcare firms													
Aurinia Pharmaceuticals	USD	AND	133.0	\$14.07	\$1,871	\$1,542	12.2x	9.7x	8.0x	6.5x	17.8x	13.4x	AB-based immune therapy developer. FDA-approved voclosporin for lupus
Bausch Health	CAD	BHC	370.6	\$6.92	\$2,564	\$22,340	6.6x	5.9x	6.0x	16.4x	1.5x	1.6x	QC-based specialty pharma firm, formerly Valeant/Biovail
Biosyent	CAD	RX	11.7	\$15.50	\$181	\$159	11.9x	12.6x	11.2x	19.9x	17.8x	16.3x	ON-based specialty pharma firm, sells acute care Rx therapies into hospital mkt
CareRx	CAD	CRRX	62.8	\$3.70	\$232	\$296	9.8x	8.0x	7.1x	8.9x	21.3x	12.3x	Long-term care Rx services provider
Chartwell REIT	CAD	CSH.UN	316.6	\$20.45	\$6,475	\$9,353	23.3x	18.6x	16.9x	NA	NA	53.8x	ON-based nursing home & retirement residence operator
Cipher Pharmaceuticals ¹	USD	CPH	25.3	\$12.16	\$307	\$312	12.3x	11.0x	8.8x	11.3x	16.3x	12.8x	ON-based specialty pharma firm; lead drug is isotretinoin drug Absorica
Covalon Technologies	CAD	COV	27.6	\$1.66	\$46	\$30	20.8x	8.7x	5.6x	46.6x	23.7x	11.9x	ON-based medical technology developer, focused on wound care
DRI Healthcare Trust	CAD	DHT	55.0	\$17.24	\$948	\$1,131	7.4x	7.0x	6.7x	NA	7.4x	7.2x	ON-based royalty revenue consolidator, ascribed to marketed Rx therapies
Extencare REIT	CAD	EXE	94.5	\$26.11	\$2,466	\$2,449	13.9x	11.1x	9.2x	23.1x	22.2x	18.2x	ON-based nursing home, homecare, and rehab therapy provider
Healwell AI	CAD	AIDX	294.1	\$0.90	\$265	\$342	NA	37.9x	23.6x	NA	NA	NA	ON-based healthcare AI software developer & marketer
HLS Therapeutics	CAD	HLS	31.3	\$4.40	\$138	\$138	8.5x	6.8x	5.7x	NA	NA	NA	ON-based specialty pharma firm, lead drugs are Vascepa & Clozaril
Jamieson Wellness	CAD	JWEL	41.2	\$33.54	\$1,383	\$1,832	11.6x	10.3x	9.3x	22.5x	15.8x	13.6x	ON-based vitamin & nutritional supplement distributor/manufacture
Kneat.com	CAD	KSI	95.8	\$3.45	\$331	\$310	NA	17.8x	12.1x	NA	NA	NA	ON-based software developer for pharma services management
Knight Therapeutics	CAD	GUD	98.0	\$6.30	\$618	\$606	9.7x	8.8x	7.5x	NA	NA	23.3x	QC-based specialty pharma firm, major operations in S.America
Medexus Pharmaceuticals ¹	USD	MDP	32.3	\$2.29	\$74	\$84	6.2x	5.3x	3.8x	NA	NA	7.1x	ON-based specialty pharma firm, new focus on oncology/immunology with Grafapex
Medical Facilities ¹	USD	DR	17.7	\$12.17	\$215	\$295	4.7x	5.3x	5.2x	21.4x	8.0x	13.4x	Physician-owned surgical hospital operator in SD-OK-AR-CA
Vital Infrastructure	CAD	VITL.UN	250.0	\$5.34	\$1,335	\$2,611	10.1x	12.2x	12.3x	NA	NA	NA	ON-based owner/operator of health-care properties (LifeLabs is major tenant)
Savaria	CAD	SIS	71.7	\$25.47	\$1,827	\$2,014	11.1x	9.9x	9.1x	26.5x	18.4x	16.4x	ON-based marketer of patient mobility assist devices
Sienna Senior	CAD	SIA	99.3	\$22.79	\$2,263	\$3,569	23.8x	18.0x	16.3x	46.5x	39.3x	33.5x	Canada-based nursing care provider
Viemed Healthcare	USD	VMS	38.6	\$9.22	\$356	\$357	7.2x	NA	NA	23.9x	NA	14.9x	US-based home respiratory care
Vitalhub	CAD	VHI	63.2	\$7.00	\$443	\$321	12.1x	9.4x	8.0x	NA	25.9x	21.1x	ON-based software developer, targeting hospital logistics/records management
WELL Health	CAD	WELL	255.5	\$4.19	\$1,071	\$1,767	8.8x	8.8x	8.1x	NA	11.6x	9.5x	BC-based virtual healthcare services
Average					\$1,155		11.6x	11.6x	9.5x	22.8x	17.6x	16.7x	
K-Bro Linen	CAD	KBL	13.0	\$34.90	\$453	\$570	6.4x	5.3x	5.0x	20.9x	15.3x	11.5x	Laundry/linen services for health & hospitality markets in Cda/UK

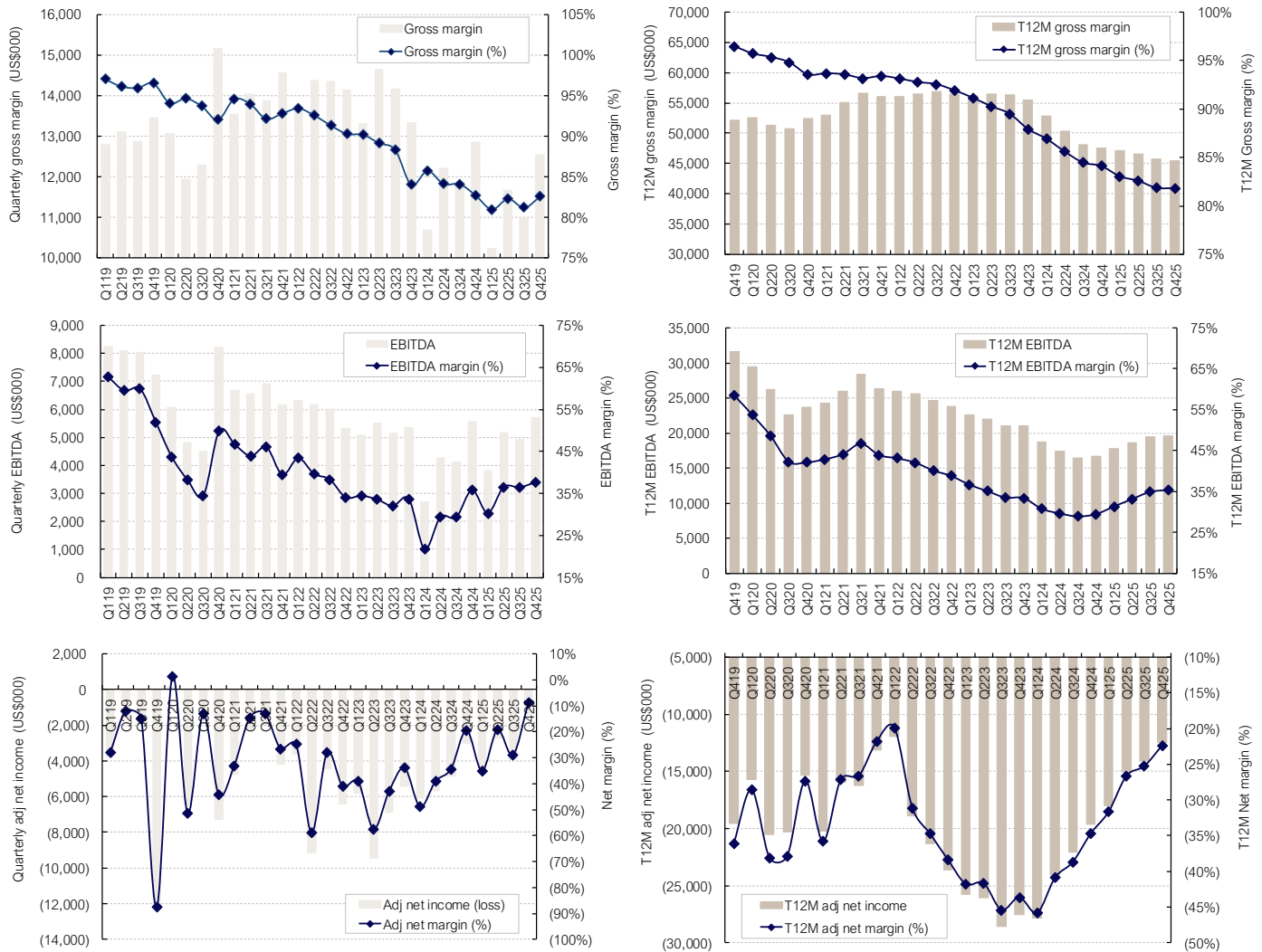
¹ Shares trade on TSX in C\$, market capitalization & EV converted to US\$ using current US\$:C\$ exchange rate of 1.37x

Source: Leede Financial, Consensus Data - Refinitiv

Other Significant Clinical Trial Updates With Relevance To Our Coverage Universe

- HLS Therapeutics reports FQ425 financial results.** ON-based specialty pharmaceutical firm HLS Therapeutics (HLS-T, NR) reported FQ425 financial results last week for the December-end quarter that featured stable sales traction for the firm’s two flagship Rx therapies, the serum triglyceride-lowering cardiovascular disease-relevant eicosapentaenoic acid ethyl ester formulation icosapent ethyl (originally developed by Ireland-based Amarin Pharmaceuticals’ [AMRN-Q, NR] & branded as Vascepa) & the schizophrenia-targeted atypical anti-psychotic drug clozapine (Clozaril, originally developed by Swiss pharma giant Novartis [NVS-NY, NR]).

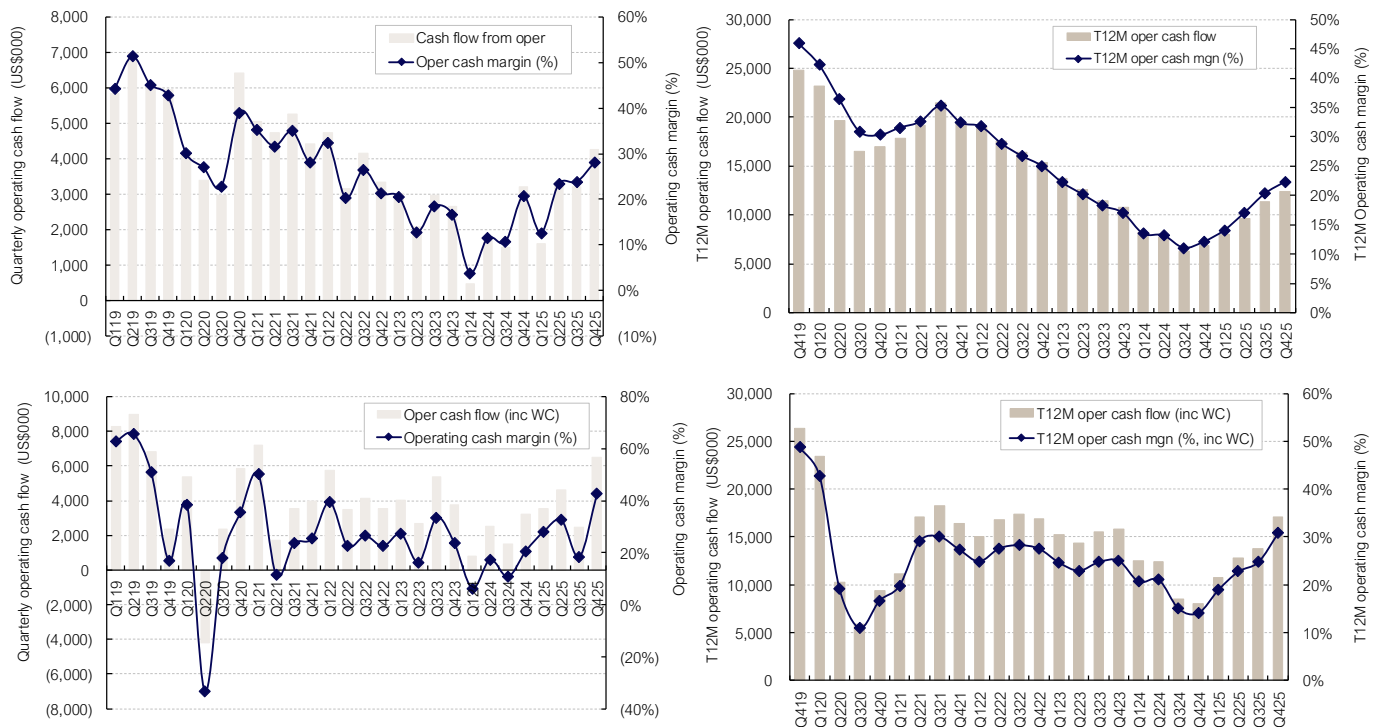
Exhibit 16. Historic Quarterly & T12M Gross Margin, EBITDA, & Net Income Data for HLS Therapeutics, FQ119-FQ425



Source: Leede Financial, HLS Therapeutics financial filings

- FQ425 consolidated revenue/EBITDA/margin were US\$15.2M/US\$5.7M/37.6%, not hugely dissimilar at least on margin from FQ325 data of US\$13.5M/US\$4.9M/36.4% & even more similar to FQ424 data of US\$15.5M/US\$5.6M/35.8%. On Rx revenue, Canadian sales mostly dominated by Vascepa & Clozaril were US\$11.6M as compared to US\$10.5M in FQ325 & to US\$11.7M in FQ424. US Clozaril sales in the quarter were US\$3.3M, up from US\$2.8M in FQ325 but down slightly from US\$3.7M in FQ424. Canadian Rx sales as denominated in CDN for Vascepa/Clozaril were C\$6.5M/C\$9.6M in the quarter, as compared to C\$6.2M/C\$8.2M in FQ325 & to C\$6.6M/C\$9.7M in FQ424, clearly stable for both drugs in domestic markets.

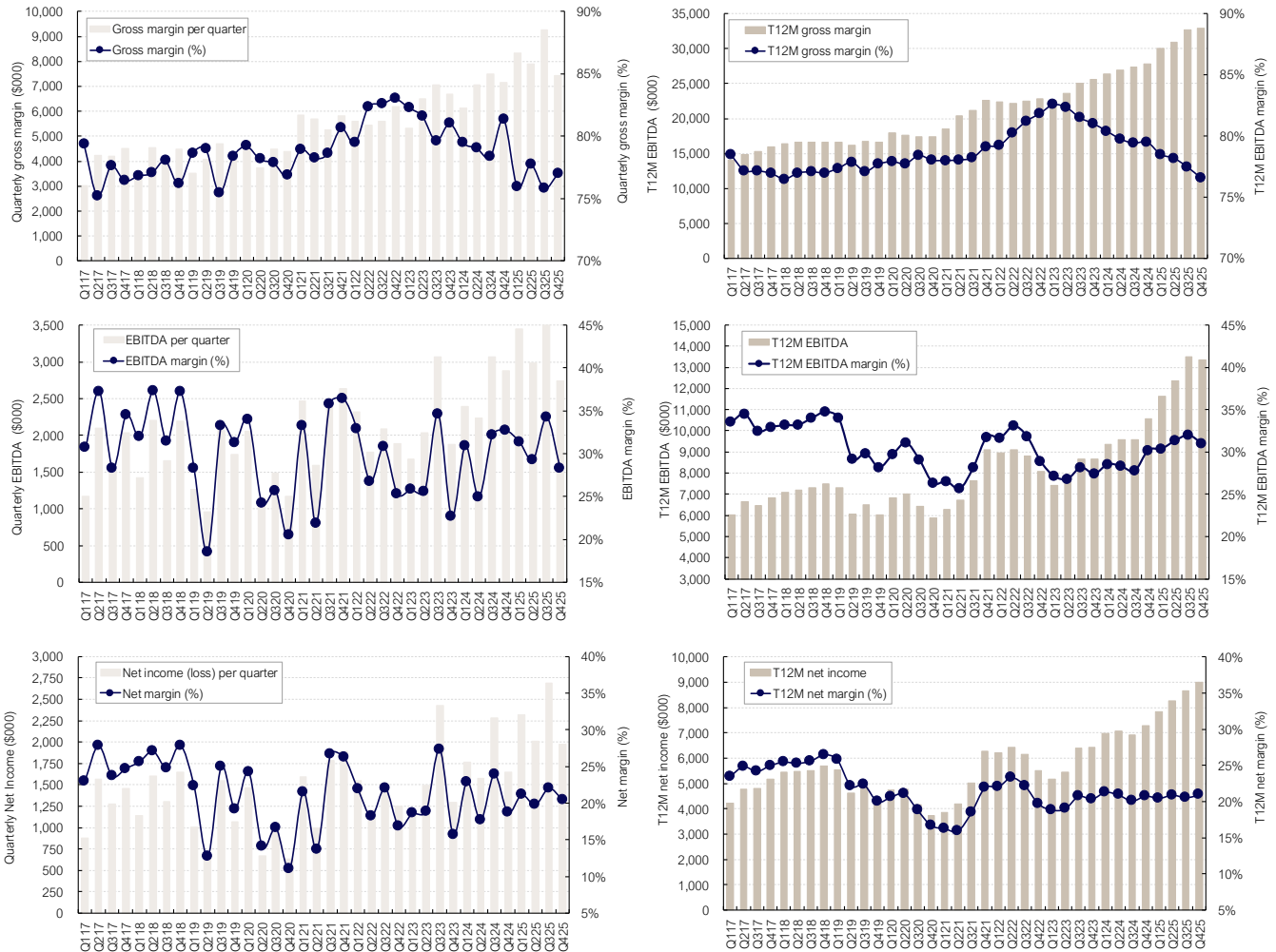
Exhibit 17. Historic Quarterly & T12M Cash Flow Data for HLS Therapeutics, FQ119-FQ425



Source: Leede Financial, HLS Therapeutics financial filings

- For comparison, Vascepa innovator Amarin generated FQ425 consolidated sales for the drug of US\$46.5M, of which US\$41.1M was sold in the US, with residual revenue of US\$2.3M sold in Europe & another US\$3.1M sold in RoW (excluding partnered geographies) markets. The firm's debt-based financial ratios were both strong, with debt-to-FQ425 EBITDA run-rate ratio of 2.1x & FQ425 EBITDA-to-interest coverage ratio of 7.3x both collectively conferring minimal financial risk for the firm, certainly while Vascepa & Clozaril quarterly sales remain stable at a FQ425 run-rate level. Quarter-end cash/debt were US\$11.7M & US\$48.8M, respectively.
- BioSyent reports FQ425 financial results.** ON-based specialty pharmaceutical firm BioSyent (RX-T, NR) reported FQ425 financial results last week for the December-end quarter that were sequentially down on top-line Rx sales & correspondingly down on EBITDA/margin, but all three metrics were strong in absolute terms & in comparison to peer-group average & contribution from newly-acquired QC-based peer Oral Science should on a T12M comparison basis contribute annualized revenue/EBITDA of C\$30.0M/C\$4.0M, substantially altering upward BioSyent's achievable performance on both metrics, though clearly with some margin compression on the horizon in the absence of any achievable cost synergies or Rx sales growth that may be achievable under BioSyent's new stewardship.
 - Shifting back to the quarter, BioSyent generated FQ425 revenue/EBITDA/margin of C\$9.7M/C\$2.7M/28.3% as compared to FQ325 data of C\$12.2M/C\$4.2M/34.2% & to FQ424 data of C\$8.8M/C\$2.8M/32.7%. On a product-by-product growth basis, the firm's carbohydrate-based iron supplement brand FeraMAX continues to perform well though more modestly in FQ425 by achieving y/y growth of 1% but other drugs including RepaGyn (hyaluronic acid vaginal suppository, up 14% y/y), Combogesic (acetaminophen-ibuprofen combination therapy, up 5% y/y) Tibella (tibolone hormone-replacement/osteoporosis therapy, up 21% y/y) & Inofolic (myo-inositol/folic acid combination, up 68%) generating strong y/y growth, though likely with some q/q sales compression to generate consolidated Rx data described above. Only the topical oral mucositis hyaluronic acid gel formulation Gelclair (down 15% y/y) & the lidocaine injectable gel formulation Cathejell (down 3% y/y) showed market share compression of any consequence in the quarter.

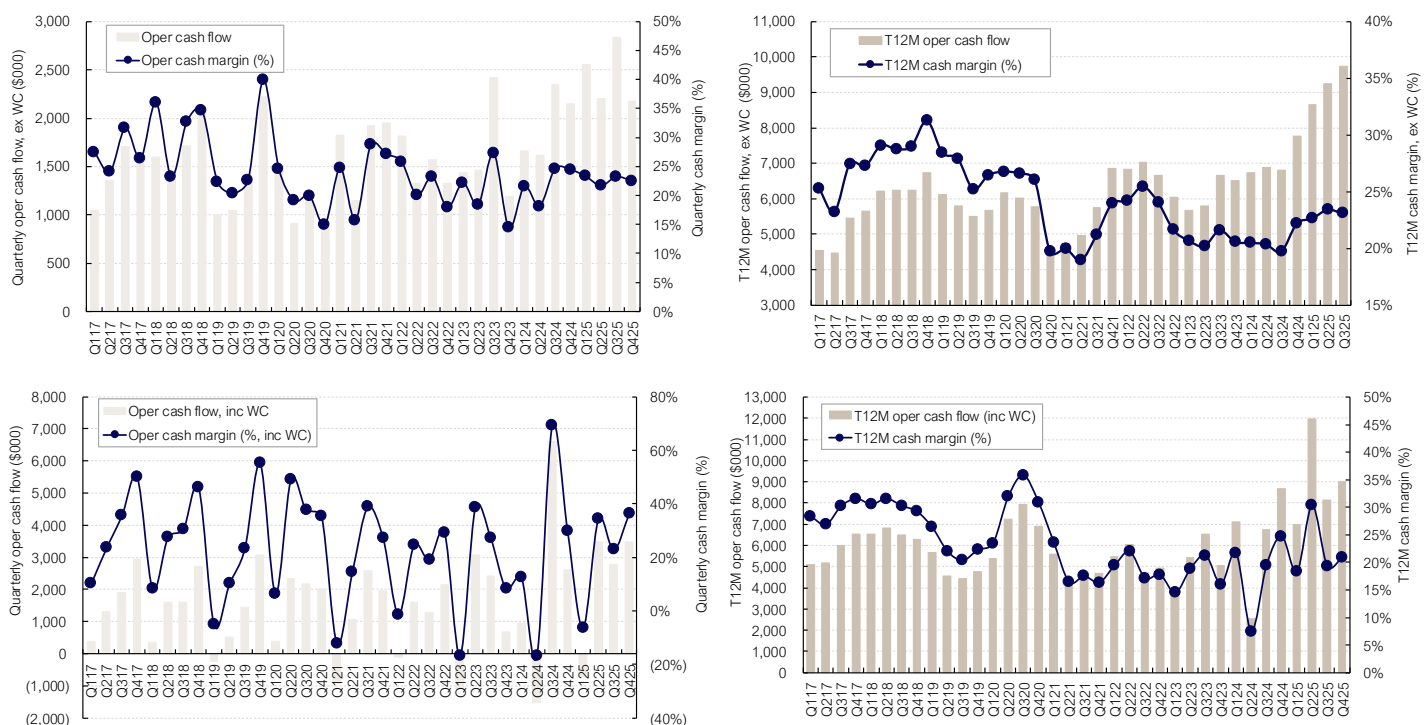
Exhibit 18. Historic Quarterly & T12M Gross Margin, EBITDA & Net Income Data for BioSyent, FQ117-FQ425



Source: Leede Financial, BioSyent financial filings

- The firm exited the quarter with \$31.9M in cash & no debt but those balance sheet metrics on a pro forma basis were altered by the Oral Science transaction in Feb/26 to which BioSyent deployed C\$22.5M of balance sheet cash while issuing 0.23M RX shares at a notional value of C\$12.81/shr. New shares do not materially alter the firm’s capital structure, since the firm undertook some RX share repurchasing activity during FQ126 so far, bringing down basic S/O to 11.3M & in so doing, making new shares issued to Oral Science shareholders effectively lifting basic S/O back up to FQ425 quarter-end level of 11.5M. Cash obviously declines by the magnitude of acquisition-deployed cash, excluding transaction costs, but the firm still has substantial financial flexibility through quarterly operating cash flow generation to fund its dividend policy that pays out C\$0.05/shr per quarter, corresponding to C\$0.56M per quarter or about 20% of FQ425 pure operating cash flow.
- As we show in Exhibits 18 & 19, BioSyent has solidly grown its gross margin & EBITDA margin in absolute terms throughout most recent periods, experiencing only modest erosion on relative gross margin since FQ123 on a T12M basis, erosion that is only apparent on the scale that we use to depict the trend in Exhibit 18, upper right panel. Operating cash flow on a T12M basis is also climbing steadily in recent quarters while holding cash margin firm at/near 20%-to-23% & operating cash flow is poised to grow in absolute terms from Oral Science product revenue contribution. Relative EBITDA margin & cash margin are however likely to endure some compression just based on the acquisition’s T12M revenue/EBITDA data provided by BioSyent upon announcing the transaction. BioSyent continues to be a strong cash flow-generating specialty pharmaceutical firm within our universe, comparing favorably to peer firms, many of which we describe in this document (HLS & Knight, specifically).

Exhibit 19. Historic Quarterly & T12M Operating Cash Flow Data for BioSyent, FQ117-FQ425

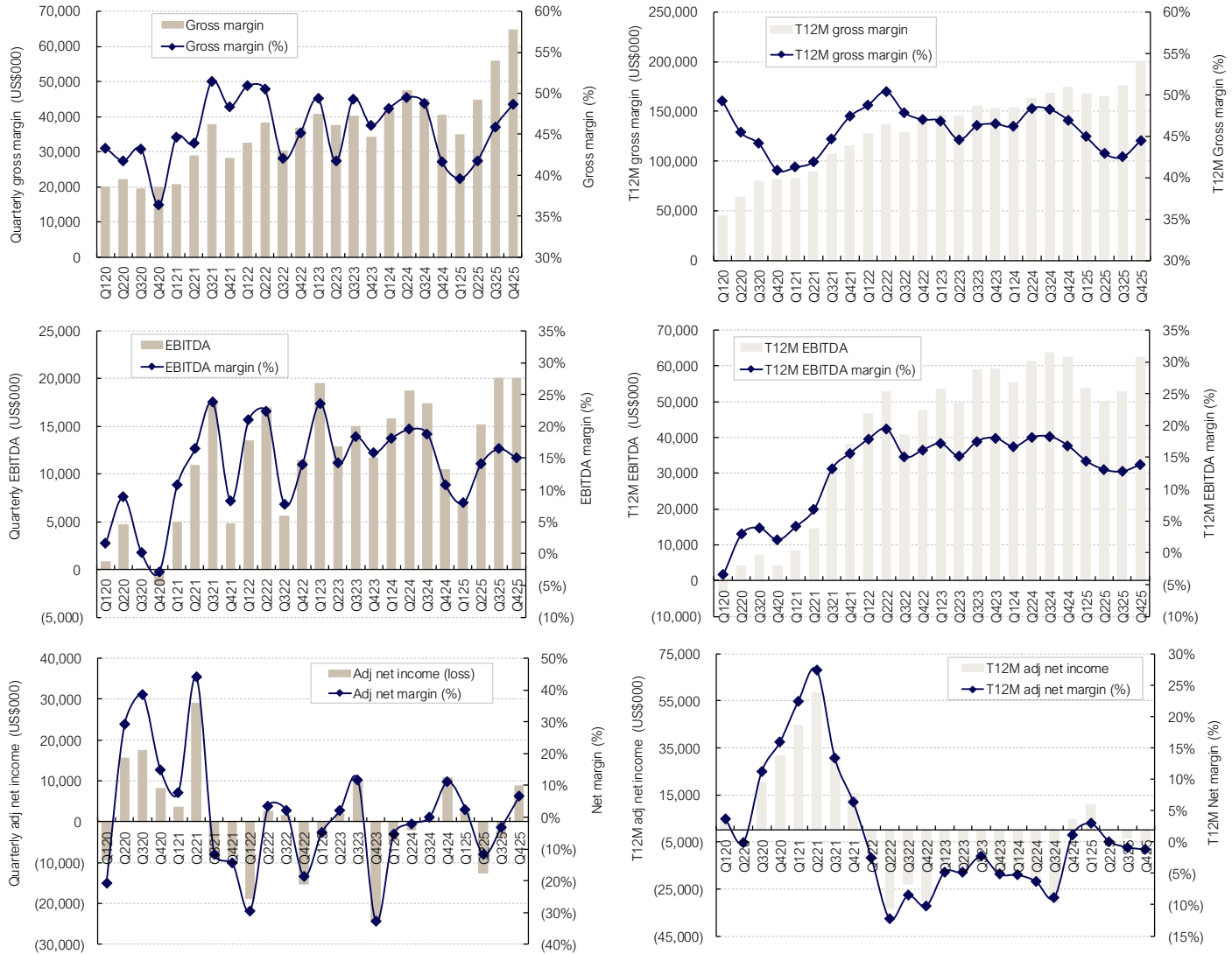


Source: Leede Financial, BioSyent financial filings

- Knight reports FQ425 financial results.** QC-based specialty pharmaceutical firm Knight Therapeutics (GUD-T, NR) reported FQ425 financial results last week for the December-end quarter that exhibited sustained improvement on gross margin & operating cash flow on the impact of acquiring Endo Pharmaceuticals' (now Keenova Therapeutics plc [private]) Canadian Rx operations, which effectively is Paladin Labs as acquired by Endo back in Nov/13 & then acquired in its current form as Paladin Pharma by Knight in Mar/25. Knight's Canadian Rx operations grew predictably over the trailing two quarters, with FQ225 Canada-targeted Rx sales of \$10.7M immediately climbing to \$30.6M in FQ325 & now to \$36.2M in FQ425.

 - Shifting back to FQ425 data itself, Knight generated revenue/gross margin/EBITDA in the quarter of \$133.1M/\$64.7M (48.6%)/\$20.0M (15.0%) though with EBITDA undergoing a few alternative calculations in Knight's financial notes based on adjustments for inflationary dynamics in at least one of its Latin American pharmaceutical markets, Argentina specifically. But using the methods & tools that we conventionally use to calculate EBITDA for our own purposes, we derive the aforementioned value & margin, with EBITDA strong in absolute terms & comparable to record level achieved in FQ325 & with EBITDA margin near the average value that the firm generated over the T36M period (almost exactly 16.0%). Revenue/gross margin/EBITDA data compare favorably to FQ325 data of \$121.5M/\$55.8M (45.9%)/\$20.1M (16.5%) & y/y to FQ424 data of \$96.9M/\$40.4M (41.7%)/\$10.5M (10.8%), two quarters before Paladin Pharma substantively contributed to quarterly data.
 - Pure operating cash flow that we calculate to be \$23.1M (or \$0.23/shr) established a record level for the firm, up from \$21.5M (\$0.22/shr) in FQ325 in the only other Paladin-influenced period but also well above \$13.7M (\$0.13/shr) generated in FQ424 & solidly above \$22.4M (\$0.21/shr) in FQ323 that established a prior record quarter on cash flow for the firm. Knight exited FQ425 with \$95.3M in cash (though sources of available cash are much higher at \$193.7M if we assume that Knight's legacy investments in life sciences funds could be expeditiously converted into cash if necessary) & total debt of \$68.0M, so when also factoring quarter-end basic S/O of 99.2M, we calculate that at current GUD share price level, Knight's current EV is C\$584.6M, corresponding to an EV-to-FQ425 EBITDA run-rate ratio of 7.3x & to an EV-to-FQ425 pure operating cash flow (excluding working capital) ratio of 6.3x, both of which are discounted in our view in comparison not just to its Canadian specialty pharma peers but to its international peers as well, as shown in Exhibit 24.

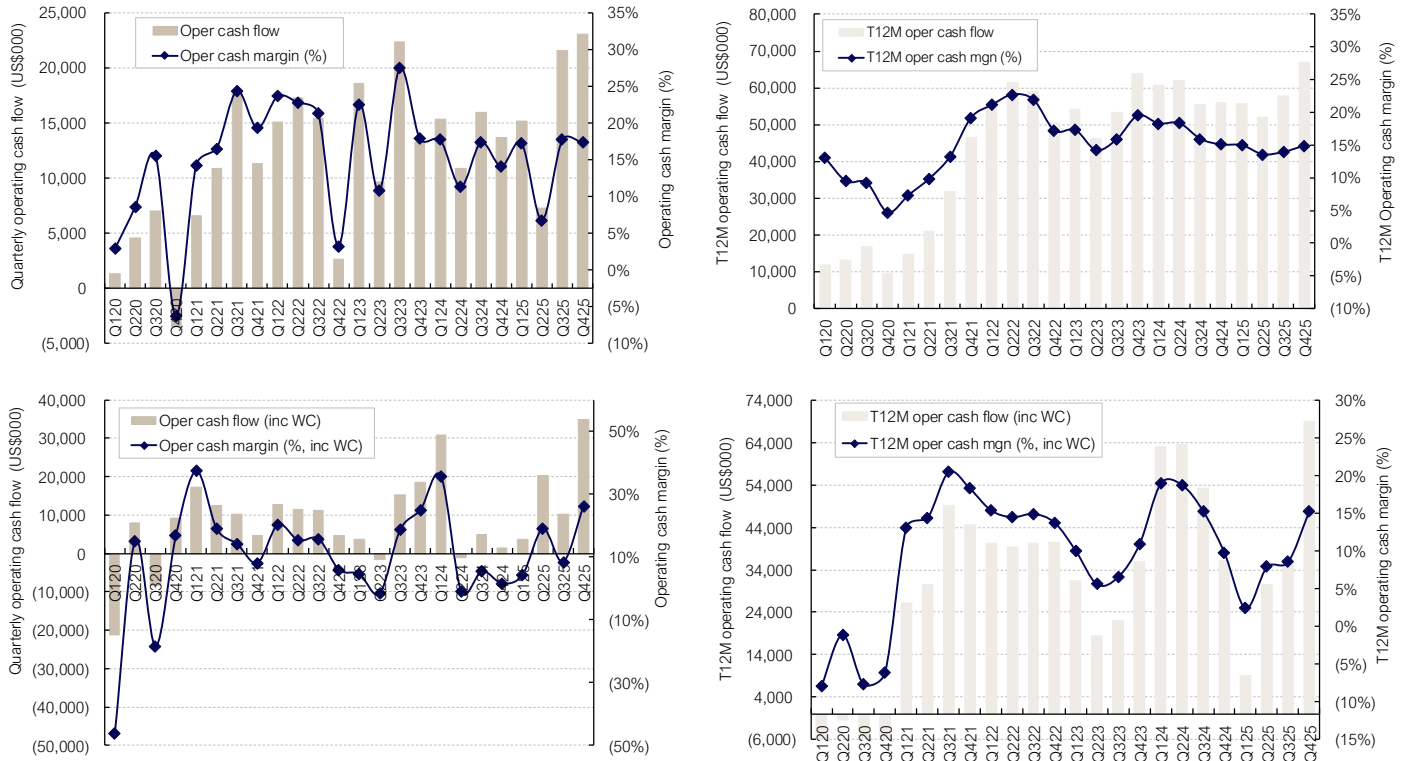
Exhibit 20. Historic Quarterly & T12M Gross Margin, EBITDA & Net Income Data for Knight Therapeutics, FQ120-FQ425



Source: Leede Financial, Knight Therapeutics financial filings

- It is plausible that Knight’s valuation multiples are moderately compressed due to its more modest EBITDA margin or to its material operations in Latin America (which are two sides of the same coin) & perhaps its absence historically of sustainably positive net income/EPS; we of course acknowledge that EPS is not fundamentally relevant to share price valuation by any financial theory to which we adhere, yet as a practical reality it is unavoidably relevant to share price valuation. But we stand by our view that in the hierarchy of valuation methodologies that should focus on magnitude of free cash flow & the prospects for growing same, GUD shares appear undervalued from our vantage point. We are willing to hear counter-arguments on this theme.
- We were interested to see that Knight emphasized both in its formal financial filings & in its press release summary of same that its income statement metrics are substantively impacted by currency hyperinflation in certain Latin American markets, specifically Argentina where hyperinflation is certainly a historic if not a contemporary reality. We will not dwell on this point ourselves other than to acknowledge that currency exchange is of course a tangible element in reporting operating performance in international markets as compared to the reporting currency of the relevant firm, in this case Knight, but for the record, Knight’s calculation for hyperinflation-adjusted consolidated gross margin & EBITDA were \$66.8M (50%) & \$24.4M (18%), respectively, higher than our calculation above.

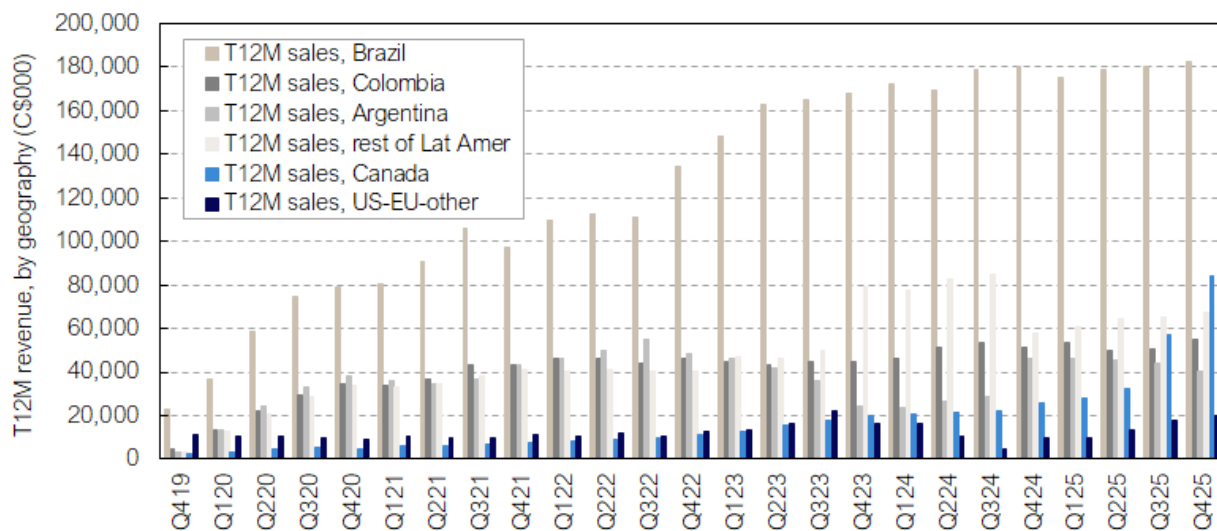
Exhibit 21. Historic Quarterly & T12M Operating Cash Flow Data for Knight Therapeutics, FQ120-FQ425



Source: Leede Financial, Knight Therapeutics financial filings

- On an annualized basis, Knight recorded consolidated revenue for F2025 of \$450.1M, a value that includes \$29.1M in incremental revenue from the firm’s alliance with Japan-based drug developer Sumitomo Pharma (8053-JP, NR) as announced in Jun/25. The magnitude of revenue contribution is notable in our view because Sumitomo’s T12M Rx sales to end-of-Mar/25 were \$11.2M, far below annualized F2025 Rx sales that Knight was able to achieve.

Exhibit 22. T12M Rx Revenue Data For Knight Therapeutics, Stratified By Geography, FQ419-to-FQ425

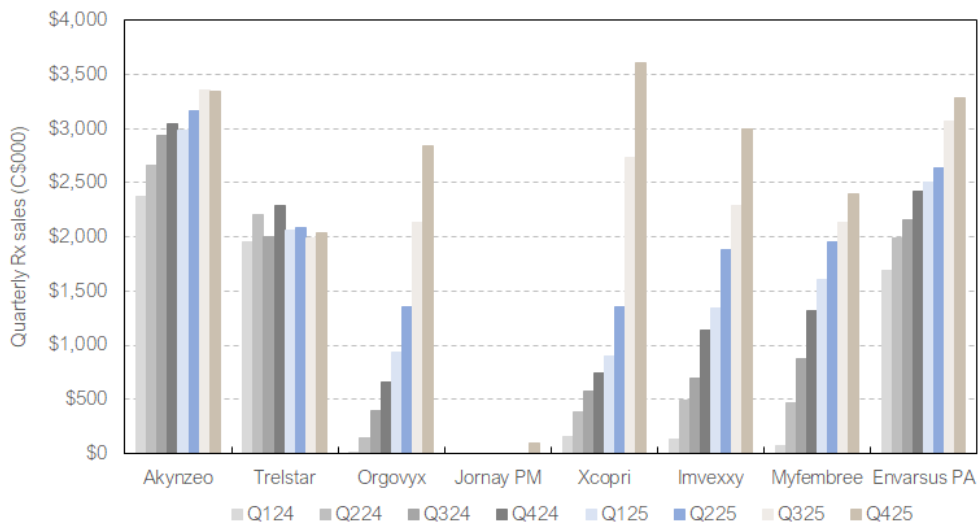


Source: Knight Therapeutics, Leede Financial

- Knight paid \$25.4M to license its suite of Sumitomo Rx therapies, including the uterine fibroid/endometriosis triple-therapy Myfembree & the advanced prostate cancer-targeted GnRH agonist Orgovyx, for which quarterly sales grew linearly & substantially throughout the T24M period, collectively generating absolute sales growth in F2025 for these two products alone of \$11.4M, as shown in Exhibit 23. The urinary incontinence drug vibegron/Gemtesa, also part of the Sumitomo licensing agreement, is not yet Health Canada-approved though a NDS filing is imminent.

Exhibit 23. Quarterly Sales Data For Selected Rx Therapies Sold In Canada, FQ124-to-FQ425

Brand	Active Drug	Target indication	Mechanism of action	Quarterly Rx sales (C\$000)							
				Q124	Q224	Q324	Q424	Q125	Q225	Q325	Q425
Akynzeo	Netupitant & palonosetron	Chemotherapy-related nausea & vomiting	Anti-emetic; Substance P-neurokinin 1 receptor antagonist; serotonin-3 (5-HT3) receptor antagonist	2,375	2,659	2,935	3,051	2,988	3,163	3,359	3,343
Trelstar	Triptorelin	Advanced prostate cancer	Gonadotropin-releasing hormone (GnRH) agonist	1,957	2,211	2,001	2,286	2,063	2,090	1,988	2,034
Orgovyx	Relugolix	Advanced prostate cancer	Gonadotropin-releasing hormone (GnRH) agonist	4	143	398	659	938	1,356	2,130	2,841
Jornay PM	Methylphenidate	Attention deficit hyperactivity disorder (ADHD)	Blocks norepinephrine & dopamine reuptake in presynaptic neurons	0	0	0	0	0	0	0	99
Xcopri	Cenobamate	Partial-onset focal seizures in adults	Voltage-gated sodium channel inhibitor, GABA ion channel positive allosteric modulator	151	381	571	741	899	1,350	2,736	3,615
Imvexxy	Estradiol insert	Vaginal atrophy	Estrogen receptor binding, reduces pituitary secretion of gonadotropins, luteinizing/follicle-stimulating hormone	126	487	692	1,133	1,348	1,887	2,284	3,002
Myfembree	Relugolix, estradiol, norethindrone	Uterine fibroids, endometriosis	As above for relugolix/estradiol; progesterone receptor binding	73	468	876	1,324	1,600	1,959	2,133	2,400
Envarsus PA	Tacrolimus, extended-release	Immunosuppressive in allogeneic kidney or liver transplantation	Calcineurin binding inhibits Ca-dependent T-cell signalling; reduces transcription of pro-inflammatory cytokines	1,694	1,993	2,153	2,422	2,502	2,635	3,073	3,284



Source: Knight Therapeutics, Leede Financial

- Knight’s debt-based financial ratios were all well within safe territory by our definition of ‘safe’, with FQ425 EBITDA-to-interest coverage ratio of 5.1x & total debt-to-FQ425 EBITDA run-rate ratio of 0.8x sufficiently far from the 3x threshold that we consider to be cautionary for non-real estate-based equities. In its conference call commentary, Knight projected that its F2026 revenue is expected to be somewhere between \$490M-to-\$510M, just slightly below FQ425 revenue run-rate, at a mid-teens EBITDA margin as the firm generated on average during trailing periods.

Exhibit 24. Comparable Specialty Pharmaceutical Firms for Knight Therapeutics, HLS Therapeutics & BioSynt

Company	Filing		Shrs	Share	Mkt	Mkt	Ent.	Ent.	EV/EBITDA			Price/Earnings		
	Curr	Sym	Out. (M)	Price 19-Mar	Cap (\$M)	Cap (C\$M)	Value (\$M)	Value (C\$M)	(T12M)	FY1	FY2	(T12M)	FY1	FY2
Profitable Canadian specialty pharmaceutical firms														
Aurinia Pharmaceuticals	USD	AUPH	133.0	\$14.08	1,872	2,571	2,119	2,910	12.3x	10.3x	9.7x	6.5x	18.3x	18.3x
Bausch Health	USD	BHC	370.6	\$5.09	1,886	2,590	30,719	42,185	9.1x	8.6x	8.1x	12.0x	1.3x	1.2x
BioSynt	CAD	RX	11.7	\$15.31	179	179	157	157	11.0x	12.6x	12.4x	20.0x	20.7x	17.6x
Cipher Pharmaceuticals ¹	USD	CPH	25.3	\$12.58	318	437	316	433	NA	12.3x	11.1x	NA	18.1x	16.9x
HLS Therapeutics	CAD	HLS	31.3	\$4.40	138	138	190	190	8.5x	7.1x	6.9x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.0	\$6.17	605	605	595	595	NA	9.8x	9.1x	NA	NA	NA
Medexus Pharmaceuticals ¹	USD	MDP	31.3	\$2.30	72	99	110	150	6.7x	5.6x	5.4x	NA	NA	NA
Average									9.5x	9.5x	9.0x	12.9x	14.6x	13.5x
Profitable global specialty pharmaceutical firms														
AbbVie	USD	ABBV	1768.2	\$208.34	368,380	505,878	591,384	812,118	14.6x	17.8x	12.8x	NA	21.0x	14.3x
Almirall SA	EUR	ALM	214.8	€ 11.44	€ 2,457	3,864	€ 3,870	6,085	10.7x	10.3x	8.7x	53.0x	41.6x	23.6x
Amgen	EUR	AMGN	214.8	\$11.44	2,457	3,374	3,870	5,314	10.7x	10.3x	8.7x	53.0x	41.6x	23.6x
Biogen	USD	BIIB	146.8	\$182.31	26,756	36,742	40,134	55,114	8.3x	9.4x	8.9x	20.7x	12.2x	11.6x
Fresenius	EUR	FREG	563.2	€46.05	25,937	40,783	56,580	88,966	16.2x	14.9x	14.5x	17.0x	13.7x	12.6x
Cardinal Health	USD	CAH	235.3	\$211.87	49,856	68,465	77,298	106,149	20.1x	23.8x	19.3x	30.3x	25.9x	20.6x
Dr. Reddy Labs	INR	500124	832.6	Rs1,274	1,060,763	15,637	15,477	228	0.2x	0.2x	0.2x	19.1x	18.9x	20.6x
Gilead Sciences	USD	GILD	1241.4	\$141.29	175,400	240,868	264,506	363,233	18.2x	18.1x	16.0x	20.6x	17.4x	16.3x
Incyte Pharmaceuticals	USD	INCY	199.0	\$92.24	18,357	25,209	20,339	27,930	14.2x	11.8x	10.7x	14.0x	13.4x	12.1x
Jazz Pharmaceuticals	USD	JAZZ	61.6	\$180.45	11,109	15,255	19,264	26,455	15.9x	26.4x	9.3x	NA	22.0x	7.6x
Perrigo	USD	PRGO	137.6	\$9.94	1,368	1,879	6,148	8,442	9.5x	8.4x	10.1x	NA	3.6x	4.2x
Puma Biotechnology	USD	PBYI	50.9	\$6.00	305	419	316	434	6.6x	NA	NA	9.7x	8.7x	15.0x
Sun Pharma/Ranbaxy	INR	524715	2399.3	Rs1,744	4,185,280	61,695	58,211	858	0.3x	0.3x	0.3x	39.9x	35.5x	34.9x
Teva Pharmaceuticals	USD	TEVA	1164.6	\$29.61	34,485	47,356	66,191	90,896	12.8x	13.2x	13.0x	24.1x	11.3x	11.0x
United Therapeutics	USD	UTHR	43.8	\$530.35	23,244	31,920	27,909	38,325	17.4x	16.9x	16.6x	17.6x	19.6x	18.4x
Vertex Pharmaceuticals	USD	VRTX	254.0	\$451.59	114,719	157,538	148,612	204,082	30.4x	27.2x	26.4x	29.2x	24.6x	23.6x
Viartis	USD	VTRS	1151.4	\$13.74	15,820	21,725	39,551	54,313	9.8x	9.7x	9.3x	NA	5.9x	5.6x
Average									12.7x	13.7x	11.5x	26.8x	19.8x	16.2x

¹ Share price converted to USD for stocks reporting financial data in USD but for which share value is reported in CAD

Source: Leede Financial, Consensus Data - Refinitiv

- J&J receives FDA approval for orally-active peptide drug targeting plaque psoriasis.** Earlier this week, NJ-based healthcare giant Johnson & Johnson (JNJ-NY, NR) received FDA approval earlier this week for its orally-active interleukin-23 receptor-inhibiting thirteen amino acid peptide drug icotrokinra/Icotyde, targeting moderate-to-severe plaque psoriasis.
 - It is not really a surprise that this formulation was FDA-approved because its utility in treating disease was well-supported by at least five clinical studies that J&J summarizes in its press release announcing the approval & four follow-up studies testing the drug in other inflammatory/immunology disorders (psoriatic arthritis, ulcerative colitis, Crohn's disease) for which interleukin-23-mediated pathways are known to be relevant are well underway.
 - As with many approved & clinical-stage orally-active peptide drugs, Icotyde is formulated with coatings that facilitate its GI absorption while protecting its core primary structure from hydrolysis in the gut before it can be absorbed. The main permeation enhancer technology that seems to facilitate oral peptide GI delivery are medium-chain fatty acids like the ten-carbon caprylic acid or an eight-carbon capric acid variation called SNAC, short for salcaprozate sodium, which was previously used to formulate Novo Nordisk's (NVO-NY, NR) orally-active long-acting GLP-1 formulation Rybelsus. Icotyde's prescribing information explicitly states that it is a film-coated tablet for which the film is comprised of the polymers polyvinyl alcohol, macrogol polyvinyl alcohol graft polymer (presumably to confer structural integrity to the film) & the capric acid analog glyceryl monocaprylocaprate. Other excipients like povidone or silicon dioxide or magnesium stearate are conventional tablet components that hold Rx therapies tightly compressed in tablet form & are not unique to Icotyde.

- Perhaps not inconsequentially, piclidenoson's adenosine receptor agonist activity is thought to work pharmacologically in plaque psoriasis through inhibiting interleukin-17 & interleukin-23 in keratinocytes in skin epidermis as well as by triggering programmed cell death/apoptosis in inflammatory cells giving rise to psoriasis-associated immune responses against the same keratinocytes. It is well-known that psoriasis-associated keratinocytes over-express the adenosine receptor, giving rise to the theory that piclidenoson/CF-101 could be relevant to disease pathophysiology. We already know that piclidenoson/CF-101 performed well in the now-completed 407-patient Phase III COMFORT I trial, whereby piclidenoson/CF-101 not only outperformed placebo patients on PASI 75 outcomes but also outperformed an alternative orally-active approved plaque psoriasis drug in Amgen's (AMGN-Q, NR) phosphodiesterase 4-inhibiting drug apremilast/Otezla (FQ425 sales US\$625M, of which US\$511M were in domestic US markets).
- As we summarized in our Cipher-specific research, COMFORT I data were published back in 2024 in the *Journal of The European Academy of Dermatology & Venereology* & the drug's comprehensive clinical history was described in a meta-analysis published later in Nov/24 in the journal *Archives of Dermatology Research*. Piclidenoson/CF-101 does not contribute materially to our CPH valuation just because its commercial prospects await future Phase III clinical signals & regulatory review that even under best-case scenario are unlikely to conclude before F2029, but the drug clearly has a shot on goal when considering its Phase III history & its foundational pharmacology & we expect to be monitoring Can-Fite's progress on piclidenoson/CF-101 testing in coming quarters.

Capital Markets Summary

Exhibit 26. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs	Share	Mkt	Mkt	Ent.	Ent.	EV/EBITDA			Price/Earnings		
			Out. (M)	Price 20-Mar	Cap (M)	Cap (C\$M)	Value (M)	Value (C\$M)	(T12M)	FY1	FY2	(T12M)	FY1	FY2
Profitable Canadian healthcare firms - specialty services ^{2,4}														
DRI Healthcare Trust	CAD	DHT.UN	55.0	\$17.24	948	948	1,554	1,554	7.4x	7.1x	6.7x	NA	7.4x	7.2x
Jamieson Wellness	CAD	JWEL	41.2	\$33.54	1,383	1,383	1,832	1,832	11.6x	10.3x	9.3x	22.5x	15.8x	13.6x
K-Bro Linen	CAD	KBL	13.0	\$34.90	453	453	754	754	8.5x	6.9x	6.6x	20.9x	15.3x	11.5x
Medical Facilities ¹	CAD	DR	17.7	\$16.72	295	405	405	557	6.5x	7.3x	7.2x	29.4x	10.9x	18.5x
Microbix Biosystems	CAD	MBX	138.3	\$0.25	35	35	32	32	NA	NA	11.1x	NA	NA	NA
Savaria	CAD	SIS	71.7	\$25.47	1,827	1,827	2,014	2,014	11.1x	9.9x	9.1x	26.5x	18.4x	16.4x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales ²														
Aurinia Pharmaceuticals	USD	AUPH	133.0	\$14.07	1,871	2,570	1,542	2,118	8.9x	7.0x	5.8x	6.5x	17.8x	13.4x
Bausch Health	USD	BHC	370.6	\$5.03	1,864	2,561	30,690	42,162	6.6x	5.9x	6.0x	11.9x	1.1x	1.2x
BioSyent	CAD	RX	11.7	\$15.50	181	181	159	159	12.0x	12.6x	11.2x	19.9x	17.8x	16.3x
Cipher Pharmaceuticals ¹	CAD	CPH	25.3	\$12.16	307	422	429	590	23.1x	15.2x	12.1x	11.8x	16.3x	12.8x
HLS Therapeutics ¹	CAD	HLS	31.3	\$3.20	100	138	190	261	11.6x	9.4x	7.9x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.0	\$6.30	618	618	606	606	9.7x	8.8x	7.5x	NA	NA	23.3x
Medexus Pharmaceuticals ¹	CAD	MDP	32.3	\$2.29	74	101	116	159	8.5x	7.4x	5.3x	NA	NA	7.1x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	62.8	\$3.70	232	232	296	296	9.8x	8.0x	7.1x	8.9x	21.3x	12.3x
Chartwell Retirement Residences	CAD	CSH.UN	316.6	\$20.45	6,475	6,475	9,353	9,353	23.3x	18.6x	16.9x	NA	NA	53.8x
Extencare	CAD	EXE	94.5	\$26.11	2,466	2,466	2,449	2,449	13.9x	11.1x	9.2x	23.1x	22.2x	18.2x
Vital Infrastructure Property Trust	CAD	VITL.UN	250.0	\$5.34	1,335	1,335	2,611	2,611	10.1x	12.2x	12.3x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	\$0.32	28	28	30	30	11.2x	NA	NA	NA	NA	NA
Sienna Senior Living	CAD	SIA	99.3	\$22.79	2,263	2,263	3,569	3,569	23.8x	18.0x	16.3x	46.5x	39.3x	33.5x
Profitable Canadian healthcare firms - medical equipment distribution/sales ³														
Covalon Technologies	CAD	COV	27.6	\$1.66	46	46	30	30	20.8x	8.7x	5.6x	46.6x	23.7x	11.9x
Viemed Healthcare	USD	VMD	38.6	\$9.22	356	356	490	673	7.2x	5.3x	4.7x	23.9x	19.2x	14.9x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms														
Healwell AI	CAD	AIDX	294.1	\$0.90	265	265	342	342	NA	37.9x	23.6x	NA	NA	NA
Hydreight	CAD	NURS	53.4	\$2.67	143	143	132	132	NA	5.8x	3.8x	NA	8.9x	5.4x
Kneat.com	CAD	KSI	95.8	\$3.45	331	454	310	310	56.0x	17.8x	12.1x	NA	NA	NA
Vitalhub	CAD	VHI	63.2	\$7.00	443	608	321	321	NA	9.4x	8.0x	NA	25.9x	21.1x
Well Health	CAD	WELL	255.5	\$4.19	1,071	1,071	1,767	1,767	8.8x	8.8x	8.1x	NA	11.6x	9.5x
Average									14.1x	11.2x	9.3x	22.9x	17.2x	16.1x
Recently-acquired Canadian healthcare firms														
Andlauer	CAD	AND	39.2	\$54.97	2,152	2,152	2,165	2,165	13.4x	NA	NA	32.0x	NA	NA
Dentalcorp Holdings	CAD	DNTL	192.0	\$11.00	2,112	2,112	3,112	3,112	10.9x	NA	NA	NA	NA	NA
Quipt Home Medical	USD	QIPT	44.5	\$3.65	162	223	235	323	5.4x	NA	NA	2.1x	NA	NA
Theratechnologies	CAD	TH	46.0	\$4.47	206	206	238	238	12.3x	NA	NA	NA	NA	NA

¹ Share price converted to USD for stocks reporting financial data in USD but for which share value is reported in CAD; price refers to prior day close, EV calculations based on cash/LT debt reported in most recent quarter

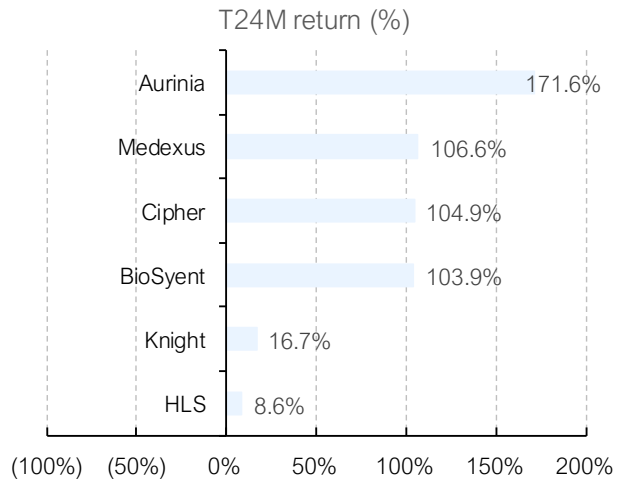
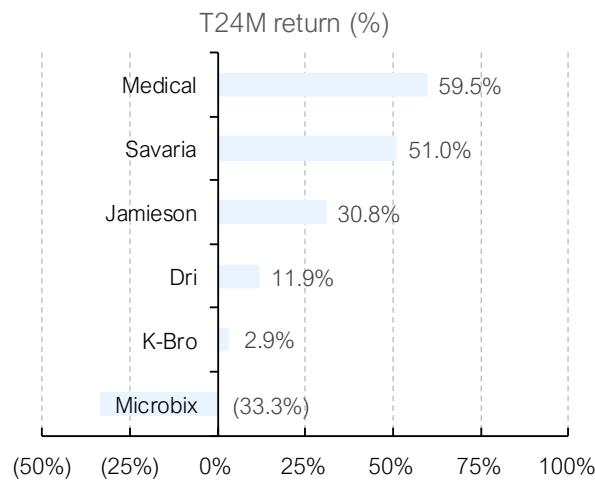
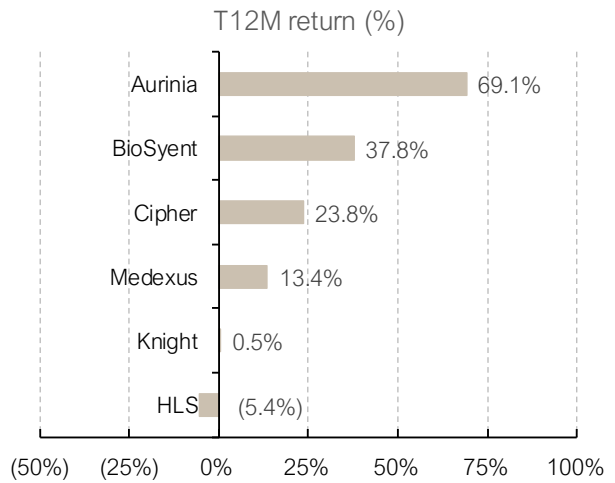
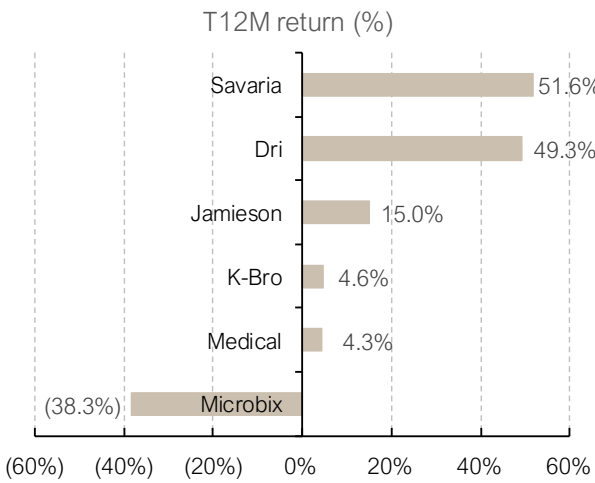
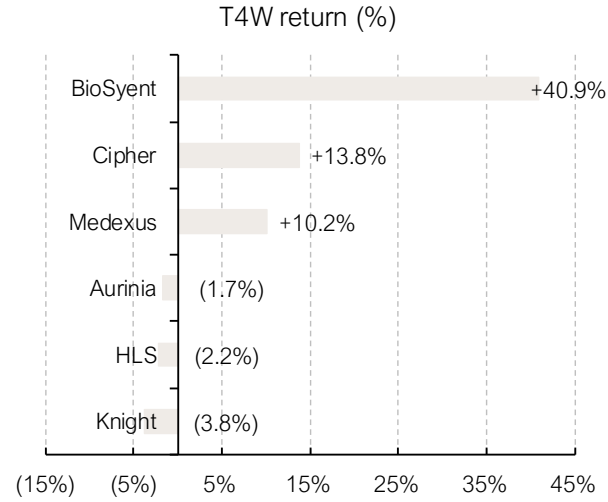
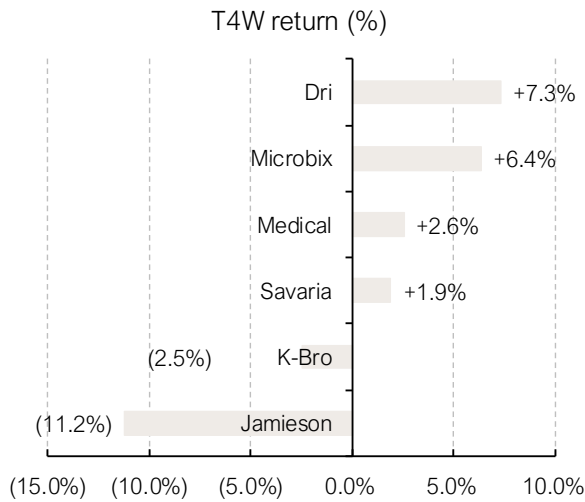
² Legacy specialty pharmaceutical firm & coverage stock Theratechnologies (TH-T, THTX-Q) was acquired in Sept/25 by CB Biotechnology/Future Pak for cumulative consideration of US\$4.20/shr; Andlauer's acquisition by UPS (UPS-NY, NR) is closed as of Nov/25

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

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

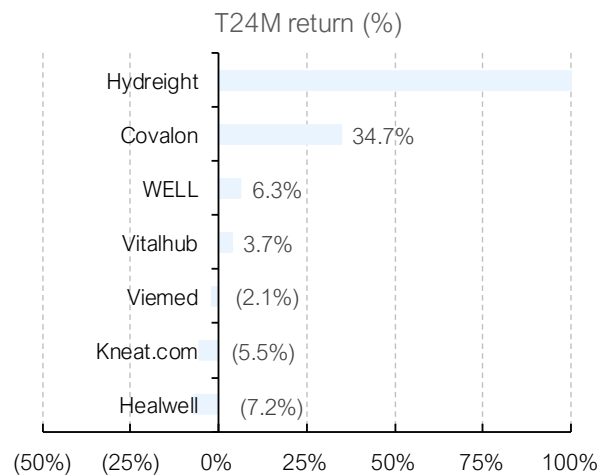
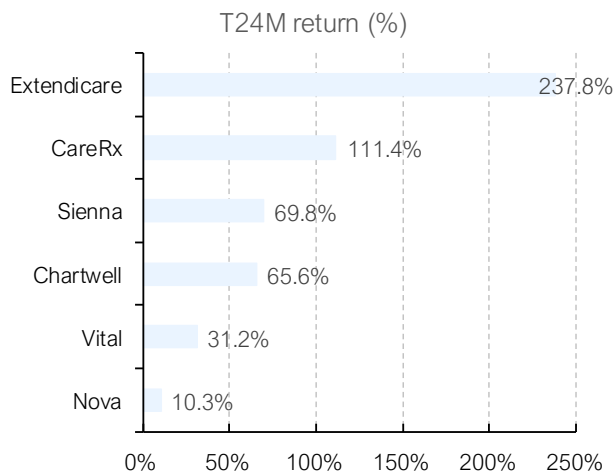
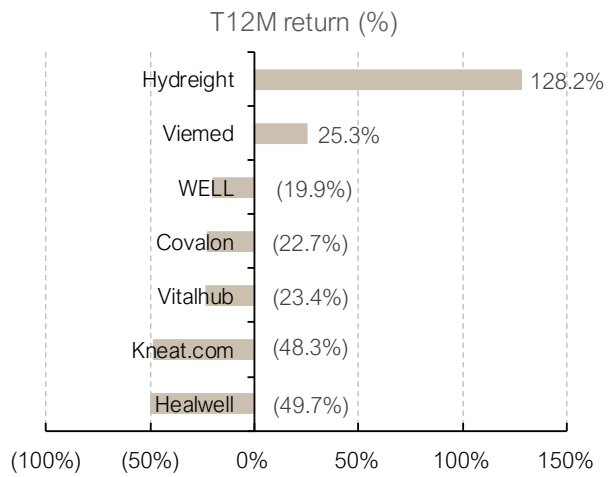
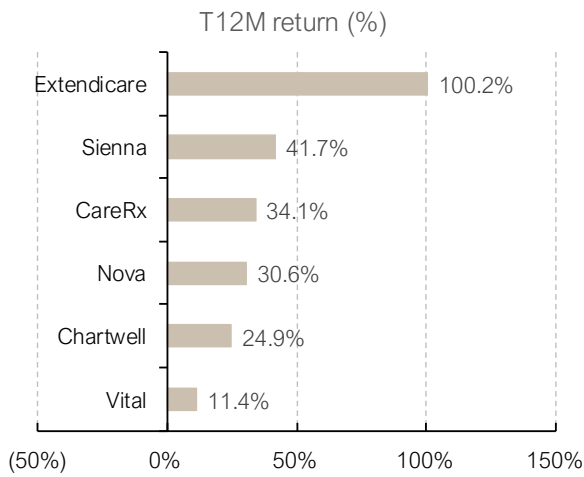
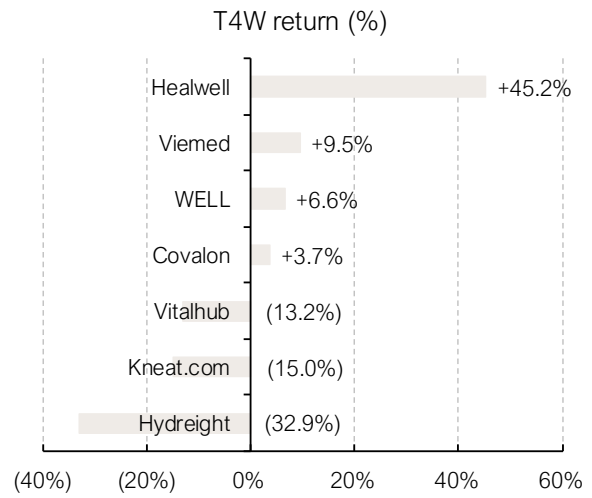
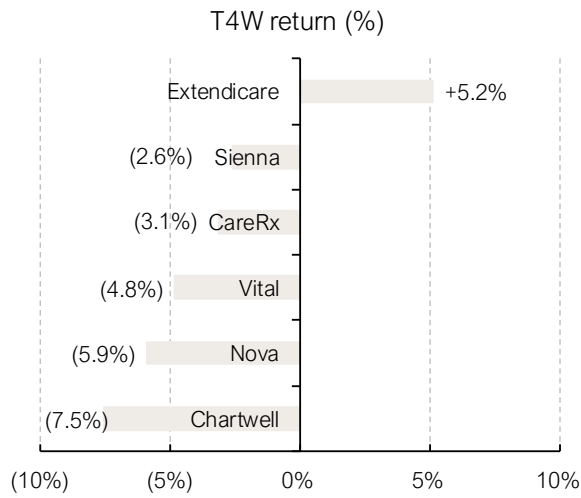
Source: Refinitiv, company reports, Leede Financial

Exhibit 27. 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 28. 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 77.5%)

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9. The analyst has conducted a site visit and has viewed a major facility or operation of the issuer.
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Speculative Buy	The security is considered a BUY but carries an above-average level of risk.
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RECOMMENDATION	NO. OF COMPANIES	%
Buy	9	56%
Speculative Buy	5	31%
Hold	1	6%
Sell	-	-
Tender	-	-
Under Review	1	6%

Historical Target Price

Appili Therapeutics APLI-TSXV	None
Cardiol Therapeutics CRDL-TSX, NASDAQ	None
CareRx CRRX-TSX	None
Cipher Pharmaceuticals CPH-TSX	None
Eupraxia Pharmaceuticals EPRX-TSX, NASDAQ	None
Extendicare EXE-TSX	None
K-Bro Linen KBL-TSX	4
Medexus Pharmaceuticals MDP-TSX	4
Medical Facilities DR-TSX	None
Nanalysis Scientific NSCI-TSXV	None
Oncolytics Biotech ONCY-NASDAQ	None
Perimeter Medical Imaging PINK-TSXV	None
Profound Medical PRN-TSX, PROF-NASDAQ	None
ProMIS Neurosciences PMN-NASDAQ	2
Satellos Biosciences MSCL-TSX	2
Sernova Biotechnologies SVA-TSX	2