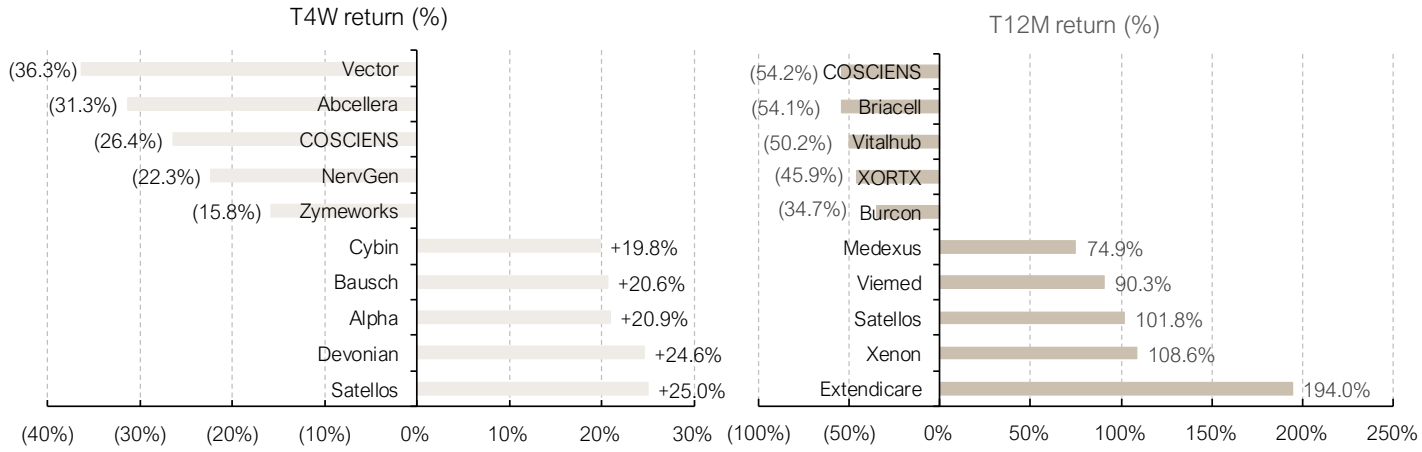
Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Significant Developments With Relevance To Our Coverage Universe

- **Eupraxia hosts a KOL event that highlights all of the plausible gastro-esophageal medical markets where EP-104GI could demonstrate medical benefit, not limited to EoE.** BC-based inflammatory disease-focused drug delivery technology developer **Eupraxia Pharmaceuticals (EPRX-Q, Buy, PT US$15.50)** hosted a public webinar yesterday during which it provided supplemental context for its decision to focus on eosinophilic esophagitis (EoE) as a flagship indication for its DiffuSphere-based fluticasone propionate formulation EP-104GI. Interestingly, the webinar spent less time on the clinical/regulatory risk that still lies in front of EP-104GI Phase II/III testing & more time on the assumption that the drug could be FDA-approved in this indication (which our model assumes, so we agree) & thus focused more on elements germane to pace of physician adoption & reimbursement status post-approval.

  - We of course endorse Eupraxia's decision to devote resources to conceptualizing commercial strategies for EP-104GI since we have seen drug developers commence such initiatives only after clinical/regulatory risk is mitigated. But it is nonetheless true in our view that EPRX shares will be valued by capital markets in the medium term on the drug's clinical performance in inflammatory diseases, including but not limited to EoE. Timelines to completing Phase II EoE testing in the ongoing RESOLVE trial, to commencing pivotal Phase III EoE testing thereafter & to commencing independent Phase II testing for EP-104GI in esophageal strictures are all near-term priorities for our EPRX valuation & presumably are internal priorities for the firm itself.

  - The key opinion leaders (KOL) – who we agree are indeed key opinion leaders in esophageal disease standard-of-care & its implementation – included McGill University gastroenterologist W Afif (a collaborator in Eupraxia's RESOLVE trial) & IQVIA GI/Hematolody Center of Excellence principal M DeLegge, along with representatives of Eupraxia's executive team. The central findings as presented by the webinar participants were that submucosal injection of EP-104GI fits within existing endoscopy scheduling without incremental overhead, while generating meaningful incremental revenue for endoscopy facilities through buy-&-bill economics & CPT coding uplift.

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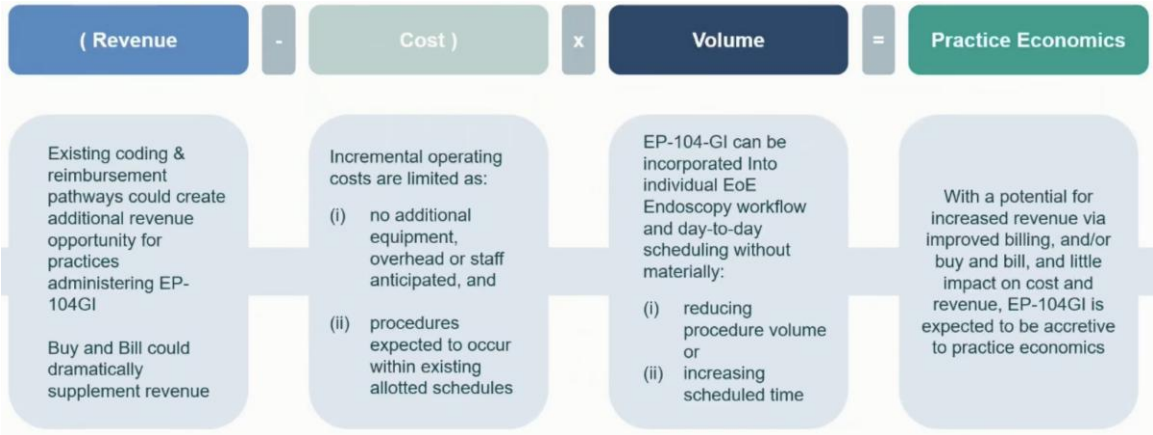
Exhibit 2. Visualization Of Economically-Accretive Elements Proposed For EP-104GI For Physician Prescribing Behavior



Source: Eupraxia Pharmaceuticals corporate presentation (July/26)

- The data presented amount to a de-risking of the adoption question: whether gastroenterologists & their practice administrators will have economic incentive, beyond clinical utility, to integrate an injectable EoE therapy into routine workflow. These considerations are relevant upon approval, which we have modeled for the end of 2029; the current clinical milestone is the RESOLVE Phase IIb readout (topline data expected Q4 2026), after which Phase III program design will be further informed by FDA interaction.

Exhibit 3. Income Statement & Financial Forecast Summary for Eupraxia Pharmaceuticals, F2026E-to-F2036E

Year-end December 31 *(US$000, exc share data)*	*2026E*	*2027E*	*2028E*	*2029E*	*2030E*	*2031E*	*2032E*	*2033E*	*2034E*	*2035E*	*2036E*	*2037E*	*2038E*
EP104GI (EoE), US	$0	$0	$0	$0	$37,402	$60,202	$105,985	$190,395	$268,153	$308,299	$348,917	$390,012	$392,352
EP-104GI (EoE), EU	$0	$0	$0	$0	$0	$12,446	$25,140	$35,549	$56,421	$72,526	$88,948	$105,691	$106,748
EP104GI (esophag strictures), US	$0	$0	$0	$0	$15,702	$23,695	$39,729	$47,960	$64,331	$80,896	$89,520	$98,244	$107,069
EP104GI (esophag strictures), EU	$0	$0	$0	$0	$0	$20,773	$41,796	$63,070	$84,597	$106,381	$128,423	$150,726	$173,292
EP104IAR (OA), US	$0	$0	$0	$0	$8,443	$16,988	$34,180	$51,578	$60,535	$69,598	$78,767	$88,045	$106,287
Total revenue	**$0**	**$0**	**$0**	**$0**	**$61,548**	**$134,104**	**$246,830**	**$388,552**	**$534,037**	**$637,700**	**$734,576**	**$832,718**	**$885,749**
Revenue growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*118%*	*84%*	*57%*	*37%*	*19%*	*15%*	*13%*	*6%*
R&D, clinical expenses	$30,664	$31,278	$31,903	$19,142	$14,356	$12,921	$12,662	$12,409	$12,161	$11,918	$11,679	$11,446	$0
G&A, marketing expenses	$8,514	$8,940	$9,387	$9,856	$10,349	$10,866	$11,410	$11,980	$12,579	$13,208	$13,868	$14,562	$15,290
Other expenses	$0	$0	$0	$0	$0	$6,155	$6,705	$7,405	$7,382	$8,545	$8,290	$8,815	$9,160
EBITDA	**($35,179)**	**($24,604)**	**($25,664)**	**($26,759)**	**$38,440**	**$111,813**	**$220,223**	**$355,985**	**$494,143**	**$593,534**	**$685,592**	**$779,008**	**$829,726**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*NA*	*191%*	*97%*	*62%*	*39%*	*20%*	*16%*	*14%*	*7%*
EBITDA margin (%)	*NA*	*NA*	*NA*	*NA*	*62%*	*83%*	*89%*	*92%*	*93%*	*93%*	*93%*	*94%*	*94%*
Non-operating expenses	$1,747	$1,832	$1,921	$12,015	$12,112	$7,215	$2,323	$2,436	$2,555	$2,679	$2,809	$2,946	$3,090
EBIT	**($36,926)**	**($26,436)**	**($27,585)**	**($38,774)**	**$26,328**	**$104,598**	**$217,900**	**$353,549**	**$491,588**	**$590,855**	**$682,783**	**$776,062**	**$826,637**
Other non-oper expenses	($1,247)	($1,310)	($1,375)	($1,444)	($1,516)	($1,592)	($1,672)	($1,755)	($1,843)	($1,935)	($2,032)	($2,133)	($2,240)
EBT	**($35,678)**	**($25,126)**	**($26,210)**	**($37,330)**	**$27,844**	**$106,190**	**$219,571**	**$355,304**	**$493,431**	**$592,790**	**$684,815**	**$778,196**	**$828,877**
Tax expense	$0	$0	$0	$0	$6,961	$26,547	$54,893	$88,826	$123,358	$148,197	$171,204	$194,549	$207,219
Net income, fully-taxed	($35,678)	($25,126)	($26,210)	($37,330)	$20,883	$79,642	$164,678	$266,478	$370,073	$444,592	$513,611	$583,647	$621,657
Fully-taxed EPS (basic)	($0.57)	($0.38)	($0.40)	($0.57)	$0.32	$1.21	$2.49	$4.03	$5.60	$6.73	$7.77	$8.83	$9.41
Fully-taxed EPS (fd)	**($0.42)**	**($0.30)**	**($0.31)**	**($0.44)**	**$0.25**	**$0.94**	**$1.95**	**$3.15**	**$4.37**	**$5.26**	**$6.07**	**$6.90**	**$7.35**
P/E (basic)	*NA*	*NA*	*NA*	*NA*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*
EV/EBITDA	*NA*	*NA*	*NA*	*NA*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*	*0.0x*
S/O, basic (M) [1]	*62,662*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*	*66,066*
S/O, fd (M)	*84,603*	*84,603*	*84,603*	*84,603*	*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

- In our view, the most consequential prescribing motivator for gastroenterologists is the accretive revenue potential using a buy-&-bill model, where the endoscopy facility acquires the drug, administers it, & bills at a markup above acquisition cost. The company benchmarked margins against established GI buy-&-bill products: Botox (AbbVie [ABBV-N, NR]), Entyvio (Takeda [4502-JP, NR]), & Stelara (J&J [JNJ-N, NR]), finding Medicare reimbursement typically runs 4-6% above Average Sales Price (ASP) & commercial insurance approximately 20% above ASP. Using our modeled ASP of

US$30,000 per annual course, implied per-procedure facility profit would be approximately US$1,200-to-US$1,800 for Medicare patients & approximately US$6,000 for commercial patients, significant for something that adds roughly five minutes of procedural time.

Exhibit 4. Valuation Summary of Eupraxia Pharmaceuticals

NPV, discount rate		10%	15%	20.0%	25%	30%	40%
Implied value per share		$41.52	$26.36	**$17.15**	$11.39	$7.69	$3.60
Price/earnings multiple, 2032		**10%**	**15%**	**20.0%**	**25%**	**30%**	**40%**
Implied share price[1,2]	10	$12.09	$9.68	$7.82	$6.38	$5.24	$3.62
	20	$24.17	$19.36	**$15.65**	$12.76	$10.48	$7.24
	30	$36.26	$29.03	$23.47	$19.13	$15.73	$10.86
EV/EBITDA multiple, 2032		**7.5x**	**10x**	**12.5x**	**15x**	**17.5x**	**20.0x**
Implied share price[1,2]		$8.56	$11.17	**$13.79**	$16.40	$19.02	$21.63
One-year EPRX target price (US$)[1,2]				**$15.53**			

[1] *Based on F2032 fd fully-taxed EPS of US$1.95; EBITDA of US$220.2M, 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

- The payer mix is favorable as supported by Eupraxia's economic analysis - IQVIA claims data cited by the company show 76% of EoE endoscopy encounters carry commercial insurance. A secondary revenue component arises from CPT coding. Current standard EoE coding is 43239 (EGD with biopsy). Adding 43236 (EGD with submucosal injection, discounted 50% when billed alongside 43239) generates incremental facility revenue. Company-cited claims analysis showed hospital facility revenue for a privately insured patient rising from US$646 for biopsy alone to US$2,031 with biopsy plus injection, a US$1,385 increment. Multiple respondents in the company's primary research, including practice administrators & billing specialists, characterized the injection code as likely to qualify as a separately billable event.

- On workflow feasibility, the submucosal injection technique underlying EP-104GI administration is well established in gastroenterology practice. Endoscopists routinely perform submucosal injections for polyp elevation prior to resection, hemostatic injection, tattooing, Botox injection for motility disorders, & triamcinolone injection for esophageal strictures (*Pasricha & coworkers, Gastrointestinal Endoscopy, 1996; Katsinelos & coworkers, Surgical Endoscopy, 2006*). The EP-104GI protocol involves approximately 20 injections spaced every 2 cm along the esophageal length, alternating quadrants. Dr. Afif reported the injection series adds approximately 5-10 minutes to the procedure, with individual injection time declining from roughly 30 seconds to 10-15 seconds after 1-2 cases. Upper endoscopies are booked in 30-minute blocks with built-in buffer time, & a standard diagnostic EGD with biopsy typically requires only 5-10 minutes of active procedure time.

- Respondents in the company's market research stated that delays of up to 30 minutes would not disrupt daily scheduling, & several indicated tolerance up to 60 minutes. EoE patients represent a small fraction of total endoscopy suite volume (approximately 500,000 EoE patients nationally against 7.2M upper endoscopies & 23M colonoscopies annually), further limiting scheduling displacement risk. No additional staffing, equipment, infrastructure, or training was expected by any respondent. The reconstituted EP-104GI suspension is stable for 4-6 hours, & reconstitution is performed by the endoscopy nurse in the suite using a standard powder-vehicle mixing process, all within existing practice infrastructure.

- As we have discussed in our initiation report, the patient access pathway has further supported adoption. Company-cited survey data indicate 60% of EoE patients already receive at least one endoscopy annually & 80% at least twice yearly, with only 5% not under regular endoscopic surveillance. This existing cadence aligns with our expectation of annual EP-104GI dosing, meaning administration can be timed to coincide with routine follow-up endoscopy rather than requiring an incremental procedure. There is no incremental patient discomfort from the injection given the absence of sensory nerve endings at the submucosal injection site.

Exhibit 5. Royalty Revenue Projections For DiffuSphere-Based Injectable Fluticasone Formulations, F2026E-to-F2036E

Year-end December 31 (US$000, exc per share data)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E
Eosinophilic esophagitis (EoE), adult, US											
Population, US (000)	344,555,000	346,622,330	348,702,064	350,794,276	352,899,042	355,016,436	357,146,535	359,289,414	361,445,151	363,613,821	365,795,504
EoE, total disease prevalence (000) [1]	490,991	493,937	496,900	499,882	502,881	505,898	508,934	511,987	515,059	518,150	521,259
EoE, prevalence for adult population (000)	417,342	419,846	422,365	424,900	427,449	430,014	432,594	435,189	437,800	440,427	443,070
Proportion of PPI-refractory patients (000)	208,671	209,923	211,183	212,450	213,724	215,007	216,297	217,595	218,900	220,214	221,535
Price per patient (US$), compared to Eohilia [2]	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000
Estimated value of target medical market (US$M) [3]	$5,842,791	$5,877,848	$5,913,115	$5,948,594	$5,984,286	$6,020,191	$6,056,312	$6,092,650	$6,129,206	$6,165,981	$6,202,977
% Market Share	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*2.5%*	*4.0%*	*7.0%*	*12.5%*	*17.5%*	*20.0%*	*22.5%*
Gross revenue, EP-104GI (US$M)	$0	$0	$0	$0	$149,607	$240,808	$423,942	$761,581	$1,072,611	$1,233,196	$1,395,670
Royalty rate on net sales (%)	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
EP-104GI (EoE), US royal rev (US$000)	**$0**	**$0**	**$0**	**$0**	**$37,402**	**$60,202**	**$105,985**	**$190,395**	**$268,153**	**$308,299**	**$348,917**
Eosinophilic Esophagitis (EoE), adult, EU											
Population, EU (000)	454,904,000	459,453,040	464,047,570	468,688,046	473,374,927	478,108,676	482,889,763	487,718,660	492,595,847	497,521,805	502,497,023
EoE, total disease prevalence (000) [1]	159,216	160,809	162,417	164,041	165,681	167,338	169,011	170,702	172,409	174,133	175,874
EoE, prevalence for adult population (000)	135,334	136,687	138,054	139,435	140,829	142,237	143,660	145,096	146,547	148,013	149,493
Proportion of PPI-refractory patients (000)	67,667	68,344	69,027	69,717	70,415	71,119	71,830	72,548	73,274	74,006	74,746
Price per treated patient (€)	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948
Price per patient (US$), compared to Eohilia [2]	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000
Est. value of target medical market (US$M) [3]	$1,894,675	$1,913,622	$1,932,758	$1,952,086	$1,971,607	$1,991,323	$2,011,236	$2,031,348	$2,051,662	$2,072,178	$2,092,900
% Market Share	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*2.5%*	*5.0%*	*7.0%*	*11.0%*	*14.0%*	*17.0%*
Gross EU revenue by partner, EP-104GI (US$000)	$0	$0	$0	$0	$0	$49,783	$100,562	$142,194	$225,683	$290,105	$355,793
Royalty rate on net sales (%)	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
EP-104GI (EoE), EU royal rev (US$000)	**$0**	**$0**	**$0**	**$0**	**$0**	**$12,446**	**$25,140**	**$35,549**	**$56,421**	**$72,526**	**$88,948**
Total EP-104GI (EoE) royal rev (US$000)	**$0**	**$0**	**$0**	**$0**	**$37,402**	**$72,648**	**$131,126**	**$225,944**	**$324,573**	**$380,825**	**$437,866**
Esophageal strictures, adult, US											
Current Population, United States	344,555,000	346,622,330	348,702,064	350,794,276	352,899,042	355,016,436	357,146,535	359,289,414	361,445,151	363,613,821	365,795,504
Esophag strict, estimated prevalence, US [4]	3,870,972	3,894,198	3,917,563	3,941,068	3,964,715	3,988,503	4,012,434	4,036,509	4,060,728	4,085,092	4,109,603
Esophag strict, annual diagnoses, US [5]	521,468	524,597	527,745	530,911	534,097	537,301	540,525	543,768	547,031	550,313	553,615
Proportion of patients requiring dilation (%)	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*
Price per treated patient (US$)	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000
Est. value of target medical market (US$M)	$1,226,494	$1,233,853	$1,241,256	$1,248,703	$1,256,195	$1,263,733	$1,271,315	$1,278,943	$1,286,617	$1,294,336	$1,302,102
% Market Share	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*5.0%*	*7.5%*	*12.5%*	*15.0%*	*20.0%*	*25.0%*	*27.5%*
Gross revenue, EP-104GI (US$000)	$0	$0	$0	$0	$62,810	$94,780	$158,914	$191,841	$257,323	$323,584	$358,078
Royalty rate on net sales (%)	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
EP-104GI (strictures), US royal rev (US$000)	**$0**	**$0**	**$0**	**$0**	**$15,702**	**$23,695**	**$39,729**	**$47,960**	**$64,331**	**$80,896**	**$89,520**
Esophageal strictures, adult, EU											
Current Population, EU	453,102,400	455,821,014	458,555,940	461,307,276	464,075,120	466,859,571	469,660,728	472,478,692	475,313,564	478,165,446	481,034,439
Esophag strict, estimated prevalence, EU	5,090,470	5,121,012	5,151,738	5,182,649	5,213,745	5,245,027	5,276,497	5,308,156	5,340,005	5,372,045	5,404,278
Esophag strict, annual diagnoses, EU	685,750	689,864	694,004	698,168	702,357	706,571	710,810	715,075	719,366	723,682	728,024
Proportion of patients requiring dilation (%)	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*	*8.4%*
Price per treated patient (€)	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948	€ 23,948
Price per treated patient (US$)	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000	$28,000
Est. value of target medical market (US$M)	$1,612,884	$1,622,561	$1,632,296	$1,642,090	$1,651,943	$1,661,854	$1,671,826	$1,681,857	$1,691,948	$1,702,099	$1,712,312
% Market Share	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*5.0%*	*10.0%*	*15.0%*	*20.0%*	*25.0%*	*30.0%*
Gross EU revenue, EP-104GI (US$000)	$0	$0	$0	$0	$0	$83,093	$167,183	$252,278	$338,390	$425,525	$513,694
Royalty rate on net sales (%)	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
EP-104GI (strictures), EU royal rev (US$000)	**$0**	**$0**	**$0**	**$0**	**$0**	**$20,773**	**$41,796**	**$63,070**	**$84,597**	**$106,381**	**$128,423**
Total EP-104GI (strictures) roy rev (US$000)	**$0**	**$0**	**$0**	**$0**	**$15,702**	**$44,468**	**$81,524**	**$111,030**	**$148,928**	**$187,277**	**$217,943**
Total EP-104GI royalty revenue (US$000)	**$0**	**$0**	**$0**	**$0**	**$53,104**	**$117,116**	**$212,650**	**$336,974**	**$473,502**	**$568,103**	**$655,809**
Knee Osteoarthritis (OA), US											
Current Population, United States	344,555,000	346,622,330	348,702,064	350,794,276	352,899,042	355,016,436	357,146,535	359,289,414	361,445,151	363,613,821	365,795,504
OA, total disease prevalence [6]	15,077,727	15,168,193	15,259,202	15,350,758	15,442,862	15,535,519	15,628,732	15,722,505	15,816,840	15,911,741	16,007,211
OA, no. of eligible EP-104IAR candidates (KL 2-3)	9,046,636	9,100,916	9,155,521	9,210,455	9,265,717	9,321,312	9,377,239	9,433,503	9,490,104	9,547,044	9,604,327
Proportion of physiotherapy/NSAID refractory pts	4,885,183	4,914,495	4,943,982	4,973,645	5,003,487	5,033,508	5,063,709	5,094,092	5,124,656	5,155,404	5,186,336
Price per patient (US$), compared to Zilretta	$2,250	$2,250	$2,250	$2,250	$2,250	$2,250	$2,250	$2,250	$2,250	$2,250	$2,250
Estimated value of target medical market (US$M)	$10,991,663	$11,057,613	$11,123,958	$11,190,702	$11,257,846	$11,325,394	$11,393,346	$11,461,706	$11,530,476	$11,599,659	$11,669,257
% Market Share	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.5%*	*1.0%*	*2.0%*	*3.0%*	*3.5%*	*4.0%*	*4.5%*
Gross US revenue by partner, EP-104IAR (US$000)	$0	$0	$0	$0	$56,289	$113,254	$227,867	$343,851	$403,567	$463,986	$525,117
Royalty rate on net sales (%)	*NA*	*NA*	*NA*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*	*15.0%*
EP-104IAR (OA), royal revenue (US$000)	**$0**	**$0**	**$0**	**$0**	**$8,443**	**$16,988**	**$34,180**	**$51,578**	**$60,535**	**$69,598**	**$78,767**
Partnership economics (EoE, esophag strict, OA)	$0	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000	$15,000
Total DiffuSphere-based roy rev (US$000)	**$0**	**$0**	**$0**	**$0**	**$61,548**	**$134,104**	**$246,830**	**$388,552**	**$534,037**	**$637,700**	**$734,576**

[1] *Journal of the American Medical Association (2021). Vol. 326, 1310-1318.*

[2] *Eohilia prescribing information (ViroPharma Biologics, Takeda Pharmaceuticals)*

[3] *Dupixent prescribing information (Sanofi)*

[4] *Clinical Gastroenterology & Hepatology (2024). Vol. 22, pp. 1821-1829*

[5] *Gastroenterology (2025). Vol. 169 (Suppl 1), pp. S357-S358*

[6] *Arthritis Care & Research (2023). Vol. 75, pp. 2489-2500*

Source: Leede Financial, literature references as cited above

- From a competitive standpoint, the buy-&-bill structure further differentiates EP-104GI from both Dupixent (dupilumab; Sanofi [SNY-NY, NR]/Regeneron [REGN-Q, NR]), which is self-administered subcutaneously with no procedural revenue for the gastroenterologist, & oral topical corticosteroids (budesonide suspensions & dissolving tablets), which generate no facility-level economics. EP-104GI is the only EoE therapeutic in development that directly aligns drug revenue with the administering physician & facility, creating a financial incentive for adoption that is independent of clinical preference. The existing infrastructure for GI buy-&-bill products confirms that inventory management, storage, & billing workflows are already operational at most endoscopy facilities.

Exhibit 6. Publicly Listed Comparables for Eupraxia

Company	Curr	Sym	Shares out (M)	Share price 30-Jul	Mkt Cap ($M) (curr)	Mkt Cap ($M) (C$)	Ent Val ($M) (curr)	Ent Val ($M) (C$)	Company description
Osteoarthritis Pain / Chronic Pain Therapies									
Anika Therapeutics	USD	ANIK	13.3	$16.17	$215	$302	76	$107	CINGAL is cross-linked viscoelastic hyaluronic acid, approved in Canada; US-based 231-pt Phase III trial is ongoing in knee osteoarthritis; data expected by Nov/21
Assertio Holdings	USD	ASRT	6.5	$23.50	$152	$213	34	$48	Commercial-stage drug delivery pain/CNS-focused; sells diclofenac/CAMBIA & extended-release tapentadol NYCYNTA ER; neuropathic pain drug cebranopadol in clinical testing
Axsome Therapeutics Inc	USD	AXSM	51.5	$227.42	$11,703	$16,436	9,165	$12,871	Disodium zoledronate tetrahydrate formulation AXS-02, an osteoclast inhibitor targeting knee osteoarthritis; 346-pt Phase III trial completed in Sep/17
Camurus AB	SEK	CAMX	60.6	SEK 621	SEK 37,607	$52,816	SEK 33,266	$4,840	CAM2038 is a long-acting subcutaneous buprenorphine for the treatment of chronic pain
Collegium Pharmaceuticals	USD	COLL	32.4	$36.29	$1,177	$1,653	2,012	$2,826	Abuse-deterring extended-release oxycodone Xtampza, based on DETERx wax-based microsphere tchnology, approved in Q216; holds rights to transmucosal fentanyl (Onsolis; BioDelivery Sciences/Collegium)
Elite Pharmaceuticals	USD	ELTP	1,077.2	$0.37	$400	$562	362	$509	Extended-release abuse-deterring bead-based naloxone-containing opioid forms based on ART platform; ANDA for extended-release oxycodone filed in Q317
Heron Therapeutics	USD	HRTX	189.3	$0.49	$93	$131	340	$477	Heron's bupivacaine-meloxicam formulation HTX-011/ZYNRELEF is FDA-approved for post-surgical pain
Omeros Corp	USD	OMER	72.4	$11.67	$845	$1,186	1,454	$2,042	Diversified portfolio, but GPCR-targeted pipeline has pain candidates (MRGE); FDA-approved Omidria (phenylephrine-ketorolac intraocular solution) targets post-ocular surgery (cataract removal) pain
Orexo AB	SEK	ORX	35.1	SEK 15	SEK 513	$720	SEK 624	$876	Markets Abstral (sublingual fentanyl) for breakthrough cancer pain; acute pain drug OX51 and opioid dependence/pain drug OX382 in Phase I/II testing
Pacira Biosciences	USD	PCRX	39.3	$26.40	$1,039	$1,459	1,198	$1,682	DepoFoam liposome platform; lead drug is FDA-approved anesthetic Exparel (injectible bupivacaine)
Eosinophilic Esophagitis / Autoimmune & Inflammatory Therapies									
Kyverna Therapeutics	USD	KYTX	60.8	$7.07	$430	$604	376	$528	CAR-T therapies for autoimmune diseases, lead KYV-101 in Phase II trials for multiple B cell-based pathologies
Kymera Therapeutics, Inc.	USD	KYMR	82.3	$105.25	$8,658	$12,159	5,730	$8,047	STAT6 degraders for Th2-mediated conditions, IRAK4 inhibitors for inflammatory diseases, and IRF5 degraders for rheumatic and autoimmune diseases.
Nektar Therapeutics	USD	NKTR	33.8	$70.68	$2,388	$3,354	1,860	$2,612	Rezpegaldesleukin is a regulatory T cell stimulator developed for Atopic Dermatitis, recent success in phase 2b trial
Recently Acquired Peer Firms									
Flexion Therapeutics	USD	Acquired by Pacira Biosciences in Oct/21			$430	$604			Zilretta (FX-006) , FDA approved extended release polymer- based bead containing triamcinolone for knee osteoarthritis
Horizon Therapeutics	USD	Acquired by Amgen in Oct/23			$27,800	$39,042			Sells topical diclofenac (Pennsaid 2%); naproxen-eso-meprazole (Vimovo) & ibuprofen-famotidine (Duexis); EV based on FQ422 balance sheet data
Average						**$7,353**		**$2,904**	
Eupraxia Pharmaceuticals	USD	EPRX	65.0	$5.97	$388	$545	239	$335	Injectible extended-release drug delivery modality Diffu-Sphere; fluticasone propionate delivery initially tested in knee osteoarthritis pain & eosinophilis esophagitis

Source: Leede Financial

- We view these considerations as supportive of the commercial thesis for EP-104GI. The combination of buy-&-bill margin, CPT coding uplift, & zero incremental overhead creates a compelling practice-level economic case that should reduce friction at adoption. The economic figures presented are derived from the company's own primary market research & illustrative claims analyses; actual reimbursement will vary with final pricing, payer contracting, & facility-level coding determinations.

- **CareRx reported FQ226 financial results.** ON-based long-term care pharmacy services (LTC Rx) provider **CareRx (CRRX-T, Buy, PT C$5.25)** reported FQ2026 financial data for the June/end quarter that were highly similar to many trailing quarters, excluding seasonally strong revenue generated in FQ425, with revenue/EBITDA in the quarter of $93.6M/$8.0M coming in a bit higher than FQ225 at least on revenue (FQ225 revenue/EBITDA were $91.4M/$8.0M) but below other recent quarters on one or both metrics – FQ126 data were $93.9M/$8.4M, FQ325 data were $93.2M/$8.4M.

  - As is clear from our graphic depiction of quarterly & T12M EBITDA/cash flow, CareRx's margins were trending upward for multiple quarters, after a trailing period during FQ122-to-FQ323 during which T12M EBITDA margin was trending downward (from 9.2% for the FQ221-to-FQ122 T12M period, to 7.5% for the FQ322-to-FQ223 period). Though FQ226 EBITDA margin specifically declined to 8.6%, its lowest quarterly level since FQ424, T12M average has stably equilibrated in the 8.5%-to-9.2% level, sufficiently high to support the firm's revised dividend policy (see below) & to provide foundational profitability that we believe can be supplemented with new LTC Rx contract wins, with a substantial announcement on that theme giving us confidence in revenue/EBITDA growth trajectory during our FH226-to-F2028 forecast period.

Exhibit 7. Financial Forecast Summary for CareRx

Year-end December 31 (C$000, except EPS)	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	2025A	2026E	2027E	2028E
Physio/Rehab/Assessment	0	0	0	0	0	0	0	0	0	0	0	0
LTC Pharmacy Services	124,453	125,352	125,795	162,196	262,630	381,727	370,746	366,714	370,241	379,285	391,747	399,911
Surgical & Medical Centers	44,514	43,679	0	0	0	0	0	0	0	0	0	0
Total revenue	**$168,967**	**$169,031**	**$125,795**	**$162,196**	**$262,630**	**$381,727**	**$370,746**	**$366,714**	**$370,241**	**$379,285**	**$391,747**	**$399,911**
Revenue growth (%)	*0.3%*	*0.0%*	*(25.6%)*	*28.9%*	*61.9%*	*45.3%*	*(2.9%)*	*(1.1%)*	*1.0%*	*2.4%*	*3.3%*	*2.1%*
EBITDA, pharmacy	$17,014	$9,844	$15,137	$17,398	$32,705	$36,072	$34,673	$38,297	$40,930	$42,064	$44,614	$46,744
EBITDA margin, pharmacy (%)	*13.7%*	*7.9%*	*12.0%*	*10.7%*	*12.5%*	*9.4%*	*9.4%*	*10.4%*	*11.1%*	*11.1%*	*11.4%*	*11.7%*
EBITDA, surgery	$6,180	$6,596	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EBITDA margin, surgery (%)	*13.9%*	*15.1%*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
EBITDA, other divisions less corporate costs	($5,681)	($5,570)	($5,658)	($4,622)	($9,375)	($3,805)	($6,000)	($8,000)	($8,000)	($8,028)	($8,227)	($8,398)
EBITDA	**$17,513**	**$10,870**	**$9,479**	**$12,776**	**$23,331**	**$32,267**	**$28,673**	**$30,297**	**$32,930**	**$34,036**	**$36,388**	**$38,346**
EBITDA growth (%)	*13.2%*	*(37.9%)*	*(12.8%)*	*34.8%*	*82.6%*	*38.3%*	*(11.1%)*	*5.7%*	*8.7%*	*3.4%*	*6.9%*	*5.4%*
EBITDA margin (%)	*10.4%*	*6.4%*	*7.5%*	*7.9%*	*8.9%*	*8.5%*	*7.7%*	*8.3%*	*8.9%*	*9.0%*	*9.3%*	*9.6%*
Net income	$520	($34,388)	($45,677)	($18,262)	($22,730)	($34,353)	($5,405)	($4,502)	$26,127	$2,921	$3,721	$5,068
Adj. net inc	($782)	($6,167)	($35,642)	($7,242)	($11,008)	($5,378)	($1,597)	($1,696)	$27,974	$5,365	$6,401	$7,748
EPS (basic)	**($0.08)**	**($0.59)**	**($3.11)**	**($0.33)**	**($0.27)**	**($0.11)**	**($0.03)**	**($0.03)**	**$0.44**	**$0.08**	**$0.10**	**$0.12**
EPS (fd)	($0.07)	($0.58)	($2.92)	($0.32)	($0.20)	($0.09)	($0.02)	($0.02)	$0.43	$0.08	$0.10	$0.12
S/O, basic	*10,256*	*10,436*	*11,475*	*21,918*	*40,921*	*48,191*	*58,168*	*60,562*	*62,899*	*63,363*	*63,514*	*63,514*
S/O, fd (inc convert debt)	*10,528*	*10,654*	*12,200*	*22,723*	*56,047*	*61,819*	*71,517*	*72,110*	*65,257*	*65,557*	*65,552*	*65,552*
P/E (basic)	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*7.7x*	*NA*	*NA*	*NA*
EV/EBITDA	*14.1x*	*22.7x*	*26.1x*	*19.3x*	*10.6x*	*7.7x*	*8.6x*	*8.2x*	*7.5x*	*7.3x*	*6.8x*	*6.4x*

Source: CareRx financial filings; Leede Financial

- **Long overdue new contract win is sizable in scale & in our view a launching point for sustained momentum on scale expansion without the need to modify capital structure.** CareRx reflected positively on its pipeline of new LTC Rx contract wins & we will closely monitor advances on that theme in forthcoming quarters during FH226-to-FH227. On that theme, the firm signed a new 3,000-bed contract during FQ226 that will flow through our model in forthcoming periods. We believe that a contract of this magnitude can be accommodated by the firm's existing network of fulfillment centers & so should be accretive to both revenue & EBITDA/cash flow once all beds are onboarded into CareRx's LTC Rx platform.

- CareRx's annualized revenue per bed in FQ226 was almost exactly at FQ126 level at $4,081 as compared to FQ126 annualized revenue per bed of $4,082, with most financial periods since FQ421 equilibrating in the $4,000-to-$4,100 range. Risk to CareRx's annualized revenue per bed, at least in ON, was substantially mitigated by the province's decision not to implement funding reductions to the industry, after initially proposing to do so back in FQ120. Balance sheet risk has not been integral to our CRRX investment thesis for many quarters now, but for the record, the firm's debt-to-FQ226 EBITDA run-rate ratio of 1.2x & its FQ226 EBITDA-to-interest coverage ratio of 5.6x are in our view both well into safe territory on both metrics.

Exhibit 8. Valuation Summary for CareRx

EV/EBITDA multiple, F2027	4x	6x	8x	10x	12x	14x
Implied share price[1]	$1.84	$2.99	$4.13	$5.28	$6.42	$7.57
One-year CRRX target price [1,2]				**$5.28**		

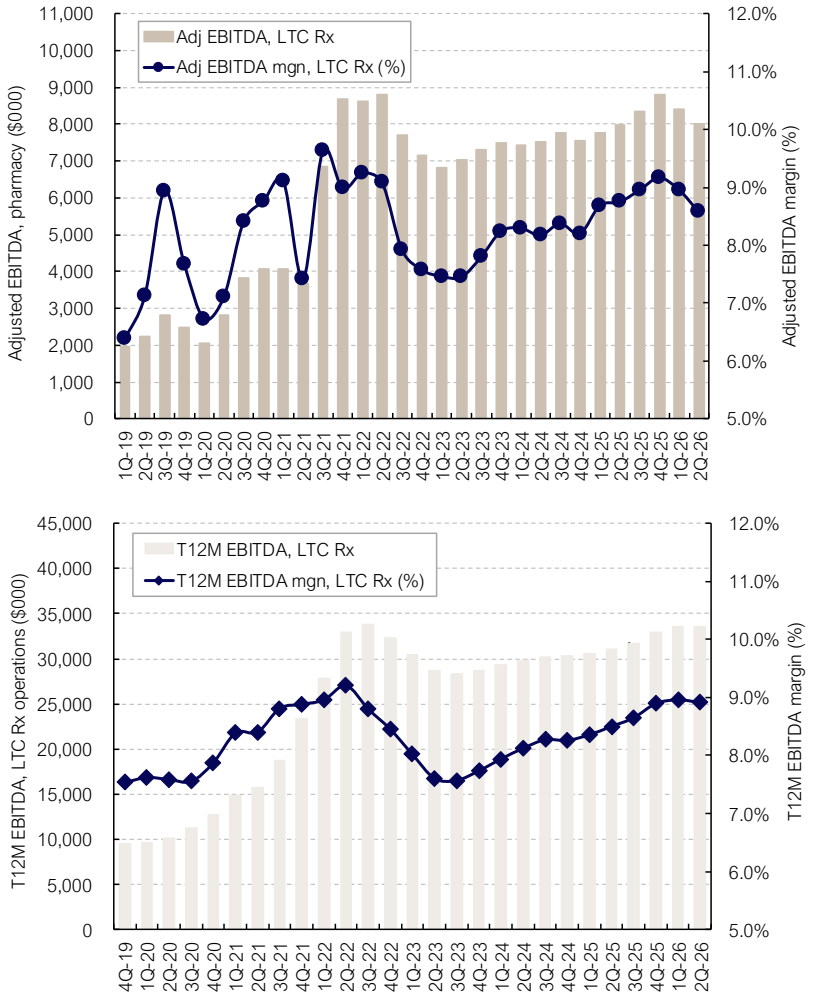
[1] *Based on F2027 EBITDA of $36.4M; 63.5M basic S/O, 65.6M fd S/O*

[2] *FQ226 cash of $10.1M, total debt of $38.7M*

Source: CareRx financial filings; Leede Financial

- **Cash flow-generating history supports upwardly revised quarterly dividend in our view both as an isolated activity but also as an alternative that we prefer to share buyback activity.** Separately, CareRx increased its quarterly dividend by 10%, from $0.02/shr to $0.022/shr, which our model assumes can be solidly funded by CareRx's operating cash flow in future periods. Dividend paid in FQ226 specifically was $1.27M & thus only 17% of the firm's pure FQ226 operating cash flow of $7.36M. Working capital deficit in the quarter of ($3.67M) of course brings free cash flow in the quarter down by that magnitude (mostly but not exclusively from a sizable payables deficit in the period). In fact, CareRx's dividend-to-cash flow ratio has been at or below FQ226 level for multiple quarters now, making the dividend policy revision even more justified in our view.

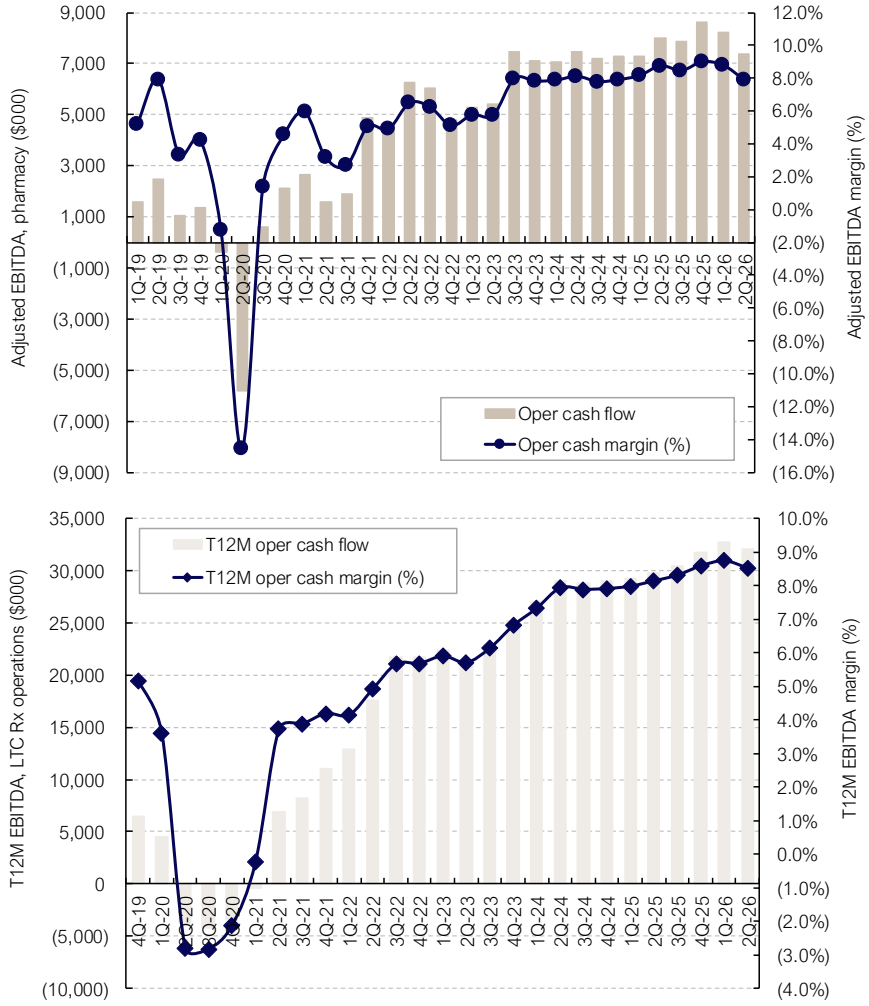
Exhibit 9. Quarterly & T12M EBITDA/margin data for CareRx, FQ119A-to-FQ226A



Source: CareRx financial filings; Leede Financial

- Since & including FQ323, average quarterly pure operating cash flow has been $7.6M, close if slightly above FQ226 level. Cumulative working capital imbalance over that same trailing twelve-quarter period is actually into surplus territory at $5.4M, further mitigating dividend risk at least over that trailing period though our model makes no accommodation for sustained working capital surpluses & we expect average free cash flow to be minimally impacted by working capital over the long-term.

Exhibit 10. Quarterly & T12M Operating Cash Flow/Margin Data for CareRx, FQ119A-to-FQ226A



Source: Leede Financial

- **Summary & valuation.** CareRx's FQ226 financial data were relatively soft by the firm's own recent standards at least on revenue/EBITDA/cash flow but to emphasize that point is to wallow in the narcissism of small differences when the more accurate narrative in our view is that the firm is sustainably achieving strong financial data on all three metrics (revenue-EBITDA-cash flow), achieving dividend stability & financial stability upon which the firm's nation-leading LTC Rx operations can grow in future periods. There is clear evidence to support our positive view on CareRx's go-forward operations, beginning with the firm's own decision to augment its quarterly dividend, if by a nominal amount, & by winning a substantial new LTC Rx contract win in ON/western Canada, substantially mitigating a notable contract loss essentially matching the magnitude of an offboarded contract during FH222.

- We are maintaining our Buy rating & one-year PT of $5.25 on CRRX, with our valuation still based on 10x EV-to-F2027 EBITDA forecast of $36.4M, with our EV calculation incorporating FQ226 balance sheet data (total cash of $10.1M including restricted cash, total debt of $38.7M) & basic S/O of 63.5M. We are mindful that our F2027 EBITDA forecast overtly assumes that CareRx can average quarterly EBITDA next year of $9.1M & sustained momentum on new contract onboarding will be required to achieve that equilibrium profitability level to be sure, but we are optimistic that new

contracts at a scale just announced, if duplicated & then duplicated again, can comfortably raise EBITDA to & above that threshold & as stated above, with minimal new capital required to achieve our projections. Revised dividend policy provides supplemental valuation support at/above current share price levels, with abundant capability to upwardly revise dividend at Board discretion just based on FQ226 operating cash flow run-rate.

Exhibit 11. Comparable Companies for CareRx

Company	Curr.	Sym	Shares Out (M)	Share Price 29-Jul	Mkt Cap ($M)	Ent. Value ($M)	EV/EBITDA (T12)	EV/EBITDA (FY1)	EV/EBITDA (FY2)	Price/Earnings (T12)	Price/Earnings (FY1)	Price/Earnings (FY2)	Description
Canada-based healthcare services firms													
Chartwell REIT	CAD	CSH.UN	325.2	$23.02	$7,486	$10,186	23.6x	19.9x	18.0x	NA	NA	NA	Nursing care and retirement residences operator
Extendicare	CAD	EXE	95.0	$36.70	$3,488	$3,492	18.1x	13.9x	12.2x	27.0x	26.4x	24.1x	Nursing care and home healthcare operator
K-Bro Linen	CAD	KBL	13.0	$47.88	$623	$908	8.2x	8.3x	8.1x	30.4x	23.6x	19.5x	Linen & laundry processing for hospital & hospitality sectors
Medical Facilities	CAD	DR	16.2	$17.85	$289	$229	3.8x	3.8x	3.8x	29.7x	9.7x	23.5x	US-based physician-owned surgical services
Nova Leap Health	CAD	NLH	87.3	$0.44	$38	$28	13.5x	NA	NA	NA	NA	NA	NS-based home healthcare provider
Savaria Corp	CAD	SIS	72.1	$29.41	$2,121	$2,296	12.1x	11.3x	10.3x	26.9x	21.3x	19.0x	QC-based patient mobility device manufacturer
Sienna Senior Living	CAD	SIA	110.8	$23.17	$2,567	$3,820	24.6x	19.2x	16.8x	NA	NA	35.6x	Nursing care and retirement residences operator
Viemed Healthcare	USD	VMD	38.3	$11.65	$447	$448	8.4x	6.7x	NA	31.6x	25.6x	19.1x	LA-based post-acute respiratory services & disease mgmt
Vital Infrastructure	CAD	VITL.UN	250.0	$5.73	$1,433	$2,792	12.2x	13.4x	13.2x	NA	NA	NA	REIT, with sizable client base of healthcare services vendors
Average							**13.8x**	**12.1x**	**11.8x**	**29.1x**	**21.3x**	**23.5x**	
Hospice, home health services, rehabilitation therapy													
Ensign Group	USD	ENSG	58.3	$181.89	$10,601	$10,424	17.4x	14.7x	13.3x	28.5x	23.8x	21.7x	CA-based rehabilition therapy and nursing services firm; 77 facilities mostly in western U.S.
Encompass Health	USD	EHC	99.2	$113.80	$11,289	$14,561	10.1x	10.6x	9.8x	19.5x	19.0x	17.4x	AL-based inpatient rehab services (LT care/ acute care hospitals)
UnitedHealth Group	USD	UNH	908.1	$420.57	$381,938	$425,234	NA	14.3x	12.8x	27.0x	21.2x	18.6x	Subsidiary Optum acquired LHC Group for US$5.4M in Feb/23, acquired Amedisys for US$3.3B in Aug/25
National HealthCare	USD	NHC	15.6	$228.66	$3,572	$3,319	18.5x	NA	NA	29.0x	NA	NA	TN-based operator of LT care & assisted living facilities, home care and hospice care services
Average							**15.3x**	**13.2x**	**12.0x**	**26.0x**	**21.3x**	**19.2x**	
Hospital management													
Community Health Systems	USD	CYH	141.0	$2.71	$382	$10,357	7.4x	7.8x	7.7x	1.5x	NA	NA	TN-based hospital manager; 122 hospitals with 18,140 beds in 29 states; merged with Triad Hospitals in 2007
Netcare	ZAc	NTC	1,371.1	$1,889.00	$2,590,061	$38,841	7.7x	7.4x	7.0x	NA	NA	NA	Acute care hospital provider in UK/South Africa
Ramsay Health Care	AUD	RHC	230.8	$44.26	$10,217	$22,541	10.2x	9.9x	9.4x	37.4x	32.8x	27.2x	Private hospital and day surgery service privicer in Australia, France, Indonesia, UK
Tenet Healthcare	USD	THC	86.1	$257.62	$22,191	$37,311	7.9x	7.7x	7.8x	9.9x	12.5x	12.6x	TX-based hospital operator; 53 hospitals with 14,352 beds
Universal Health Services	USD	UHS	60.5	$168.16	$10,180	$15,034	5.6x	5.6x	5.4x	6.8x	7.3x	6.8x	PA-based acute care/surgical hospital-ASC-radiation oncology center operator
Average							**7.7x**	**7.7x**	**7.5x**	**13.9x**	**17.5x**	**15.5x**	
Specialty health services													
Chemed	USD	CHE	13.1	$539.36	$7,046	$7,146	16.2x	14.0x	13.1x	27.1x	21.6x	19.9x	OH-based hospise care (Vitas division), plumbing repair (Roto-Rooter division)
CVS Caremark	USD	CVS	1,275.9	$105.92	$135,146	$186,636	10.6x	10.1x	9.3x	NA	14.2x	12.6x	RI-based retail pharmacy, mail service drug distrib, formulary mgmt, claims processing
Davita	USD	DVA	64.2	$240.96	$15,470	$27,233	9.7x	9.3x	9.0x	23.1x	16.3x	13.8x	CO-based dialysis services provider, 1,530 out-patient centers in 43 US states, acute inpatient dialysis services
Guardian Pharmacy	USD	GRDN	63.3	$40.99	$2,596	$2,542	24.5x	20.3x	18.8x	NA	37.1x	30.4x	CareRx's main US peer in the LTC Rx industry, consummated IPO in Q324
Healthcare Services Group	USD	HCSG	68.6	$23.43	$1,608	$1,443	10.1x	11.2x	11.1x	13.7x	20.7x	19.7x	Cleaning, maintenance, food services for nursing homes and rehab facilities
Pediatrix Medical Group	USD	MD	82.1	$26.73	$2,195	$2,457	9.4x	8.5x	8.3x	13.0x	11.7x	11.3x	`
Average							**13.4x**	**12.2x**	**11.6x**	**19.2x**	**20.3x**	**17.9x**	
CareRx	**CAD**	**CRRX**	**63.5**	**$3.44**	**$218**	**$247**	**7.9x**	**6.8x**	**6.0x**	**NA**	**NA**	**NA**	**ON-based LTC pharmacy operations, mainly in Ontario & western Canada**

Source: Leede Financial, Consensus Data - Refinitiv

- **ProMIS provides interim analysis of its PRECISE-AD trial – maintained PT/rating.** MA-based CNS disease-focused biologics developer **ProMIS Neurosciences (PMN-Q, Spec Buy, PT US$49.50)** provided interim biomarker & safety event profile analysis of its ongoing still-blinded randomized placebo-controlled 144-patient Phase II PRECISE trial, testing the firm's Alzheimer's disease-targeted beta-amyloid oligomer-specific binding mAb PMN310. We published a PMN-specific report earlier this week that we can resend to interested investors but our key takeaway was that the update, though interim & thus limited just by being interim, was still favorable to PMN310's clinical prospects in this multi-blockbuster CNS indication & we maintained our PT/rating as a consequence.

  - **Summary & valuation.** Our valuation is as then still based on NPV (30% discount rate consistent with the rate we conventionally ascribe to Phase II-stage clinical-risk investments) & multiples of our F2032 adjusted EBITDA/fd EPS financial forecasts (US$199.6M & US$7.40/shr, respectively). Our EV calculation incorporated FQ126 balance sheet data (cash of US$63.8M, no LT debt) & fd S/O of 18.8M, with the firm's capital structure incorporating derivative securities ascribed to an equity offering that the firm consummated during FQ126. We are mindful that the firm's balance sheet cash when updated in its FQ226 financial documents will be lower just on impact from presumed FQ226 operating cash loss already incurred, likely similar to FQ126 operating cash loss (excluding working capital imbalance) of (US$8.0M). Capital markets responded favorably to the update, consistent with our own medical evidence-based viewpoint on the update, with PMN shares up 24% on the day of the update, an illogically low valuation ascent in our view & as we stated explicitly in our original report earlier this week.

Exhibit 12. Financial Forecast Summary For ProMIS Neurosciences

Year-end December 31 *(C$M, except per share data)*	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Royalty revenue, by mAb & indication											
PMN310/Alzheimer's disease (AD)	$0.0	$0.0	$23.2	$113.7	$216.9	$261.1	$308.6	$359.4	$413.8	$472.1	$534.4
PMN442/Parkinson's disease (PD)	$0.0	$0.0	$0.0	$0.0	$0.0	$10.2	$34.9	$61.6	$90.4	$121.4	$154.8
PMN267/Amyotrophic lateral sclerosis (ALS)	$0.0	$0.0	$0.0	$0.0	$0.0	$5.4	$17.6	$30.4	$44.0	$58.4	$73.7
Royalty revenue, mAbs	**$0.0**	**$0.0**	**$23.2**	**$113.7**	**$216.9**	**$276.8**	**$361.1**	**$451.4**	**$548.3**	**$651.9**	**$762.8**
Revenue growth (%)	*NA*	*NA*	*NA*	*391%*	*91%*	*28%*	*30%*	*25%*	*21%*	*19%*	*17%*
Cash operating expenses	$33.4	$34.2	$30.2	$26.2	$27.3	$28.5	$29.9	$31.4	$33.0	$34.8	$36.8
Non-cash operating expenses	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8
Milestone & other revenue	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)	($10.0)
Operating income	**($24.1)**	**($25.0)**	**$2.2**	**$96.7**	**$198.9**	**$257.6**	**$340.5**	**$429.3**	**$524.5**	**$626.4**	**$735.3**
EBITDA	**($23.4)**	**($24.2)**	**$3.0**	**$97.5**	**$199.6**	**$258.3**	**$341.2**	**$430.1**	**$525.3**	**$627.1**	**$736.0**
EBITDA growth (%)	*NA*	*NA*	*NA*	*NA*	*104.8%*	*29.4%*	*32.1%*	*26.0%*	*22.1%*	*19.4%*	*17.4%*
EBITDA margin (%)	*NA*	*NA*	*12.9%*	*85.8%*	*92.0%*	*93.3%*	*94.5%*	*95.3%*	*95.8%*	*96.2%*	*96.5%*
Other non-operating expenses (Interest, income tax, deriv value)	$0.0	$0.0	$0.9	$30.1	$90.0	$77.5	$102.4	$129.0	$157.6	$188.1	$220.8
Net income	($23.6)	($24.5)	$1.8	$67.1	$109.4	$180.6	$238.6	$300.8	$367.5	$438.8	$515.0
Adjusted net inc, fully-taxed	($24.1)	($25.0)	$1.3	$67.5	$139.0	$180.1	$238.1	$300.3	$367.0	$438.3	$514.5
EPS (fully-taxed, basic)	**($2.69)**	**($2.79)**	**$0.15**	**$7.53**	**$15.50**	**$20.08**	**$26.55**	**$33.49**	**$40.92**	**$48.87**	**$57.37**
EPS (fully-taxed, fd)	**($1.28)**	**($1.33)**	**$0.07**	**$3.59**	**$7.40**	**$9.58**	**$12.67**	**$15.98**	**$19.52**	**$23.32**	**$27.37**
S/O (basic, 000)	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*	*8,968*
S/O (fully-diluted, 000)	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*	*18,795*
P/E (fd)	*NA*	*NA*	*163.5x*	*3.3x*	*1.6x*	*1.2x*	*0.9x*	*0.7x*	*0.6x*	*0.5x*	*0.4x*
EV/EBITDA (fd)	*NA*	*NA*	*52.2x*	*1.6x*	*0.8x*	*0.6x*	*0.5x*	*0.4x*	*0.3x*	*0.2x*	*0.2x*

Source: Forecasts/Estimates – Leede Financial Inc.

- **Safety hurdle on ARIA-H incidence clearly met even without unblinding the trial.** In brief, ProMIS showed in its still-blinded PRECISE-AD analysis that there were no episodes of edema-associated ARIA episodes (short for amyloid-related imaging abnormalities-edema, which are regions in the brain where PET imaging identifies some localized swelling, invariably in places where amyloid plaques are formed & where plaque-selective mAb binding occurs, triggering a localized immune response in the process) & few episodes of asymptomatic micro-hemorrhage-associated

ARIA-H episodes. This is a well-documented side effect that limits long-term achievable dose duration for Alzheimer's disease mAbs that do engender these brain-localized side effects, as most legacy anti-amyloid mAbs do, including FDA-approved lecanemab/Leqembi & donanemab/Kisunla.

- **Early impact on mitigating phosphorylated tau levels in plasma & CSF is highly suggestive of (& in fact, diagnostic for) future Alzheimer's disease progression.** The other key observation was that a high proportion of patients exhibited some reduction in levels of phosphorylated variants of the neurofibrillary tangles protein tau (pTau217 in blood plasma, CSF MTBR-tau243 in cerebrospinal fluid) – 15% reduction in blood plasma levels of pTau217, 13% reduction in CSF levels of CSF MTBR-tau243.

- Both of these forms of phosphorylated tau are well-characterized in the medical literature as being early indicators of future Alzheimer's disease onset & its cognitive impairment, so ProMIS is not introducing any new diagnostic concepts here on how PMN310 could eventually impact cognition through its preliminary earlier-stage impact on pTau217 & CSF MTBR-tau243. Though the study is still blinded & thus we cannot know with precision whether or not shifts in phosphorylated tau are transpiring in PMN310-treated or placebo-treated patients, it would be highly unusual for levels of these biomarker to decline in untreated patients (& likely are rising, though we await final one-year unblinded PRECISE-AD data analysis to confirm or refute this assumption).

Exhibit 13. Valuation Summary for ProMIS Neurosciences

NPV, discount rate		20%	25%	30%	35%	40%	50%
Implied value per share		$120.41	$76.20	**$49.00**	$31.85	$20.79	$8.59
				Discounted share price mid-2027			
Price/earnings multiple, F2032	**P/E**	**20%**	**25%**	**30%**	**35%**	**40%**	**50%**
Implied share price[1]	10	$35.67	$30.29	$25.90	$22.27	$19.25	$14.61
	20	$71.33	$60.59	**$51.79**	$44.53	$38.50	$29.22
	30	$107.00	$90.88	$77.69	$66.80	$57.76	$43.83
EV/EBITDA multiple, F2032		**5x**	**10x**	**12.5x**	**15x**	**17.5x**	**20x**
Implied share price[1,2]		$19.79	$38.38	**$47.68**	$56.98	$66.28	$75.57
One-year PMN target price				**$49.49**			

[1] Based on F2032 fd fully-taxed EPS forecast of US$7.40; EBITDA of US$199.7M; 30% discount rate

[2] EV incorporates FQ126 cash of US$63.8M without giving effect to potential cash from derivative securities described in the Feb/26 equity offering; no LT debt, S/O (basic) 9.0M, S/O (fd) 18.8M.

Source: Leede Financial Inc.

- **One-year PRECISE-AD follow-up data are on the horizon for early 2027, with other pipeline mAbs contributing to our overall PMN valuation.** On the milestone watch, we are squarely focused on timelines to reporting twelve-month follow-up data from PRECISE-AD, with that update not only including longer-term biomarker data on what we assume will be sustained plasma/CSF phosphorylated tau reduction (we mentioned Roche's Elecsys pTau217 assay in our ProMIS report earlier this week, but just as a point of interest if only to us, it is more likely that ProMIS is using Fujirebio Diagnostics AB's [private] Lumipulse G p-tau217/β-amyloid 1-42 plasma ratio assay as a measure of plasma pTau levels, since it was FDA-approved in May/25; an analogous test developed by MA-based Quanterix [QTRX-Q, NR] would have been a credible alternative) but also signals on PMN310 impact on cognitive impairment.

- ProMIS is prudently deploying well-validated cognitive assays for that purpose, including the Alzheimer's Disease Assessment Scale-Cognition 14 test (ADAS-Cog 14), the Alzheimer's Disease Cooperative Study-Activities of Daily Living test (ADCS-ADL), the Integrated Alzheimer's Disease Rating Score (iADRS), the Clinical Global Impressions (CGI) Scale & the Mini-Mental State Examination (MMSE), any one or more of which could show some dose-dependent or time-dependent impact on cognitive impairment exhibited at enrollment. For reference, Japanese pharma giant Eisai (4523-JP, NR) specifically used ADAS-cog14 & ADCS-ACL scores in its clinical assessment of beta-amyloid fibril-binding lecanemab in the pivotal 1,795-patient Phase III CLARITY-AD trial (*New England Journal of Medicine, Jan/23*)

while Eli Lilly (LLY-NY, NR) differentially used the aforementioned iADRS score & a different measure that we have seen employed in other Alzheimer's disease assays called CDR-SB (short for Clinical Dementia Rating Scale-Sum of Boxes) to test also-beta-amyloid fibril-binding donanemab in the pivotal 1,736-patient Phase III TRAILBLAZER-ALZ2 trial (*JAMA, July/23*).

- As we did in our company-specific report this week, we caution investors not to expect statistically significant cognitive impact from the trial – a 144-patient one-year follow-up trial testing mildly-symptomatic patients is in our view insufficiently powered to do so, but hints of efficacy will be key to our evaluation of PMN310's prospects, as will the mAb's impact on beta-amyloid oligomer levels, to which the mAb selectively/specifically binds. As an independent measure of the beta-amyloid oligomer hypothesis of disease, we will be closely monitoring timelines to data from MA-based peer Acumen Pharmaceuticals' (ABOS-Q, NR) 542-patient Phase II ALTITUDE-AD trial, for which eighteen-month cognition data for the firm's also-oligomer-selective/specific ACU193 could be available next quarter.

- **Peer-reviewed studies exploring the neurotoxicity of beta-amyloid oligomers continue to emerge with growing frequency, with PMN310 of course serving as a key instrument in assessing the clinical relevance of oligomers in Alzheimer's disease.** Reflecting more generally on the recent beta-amyloid oligomer literature, we were interested to see a separate academic program that we are now tracking in regard to beta-amyloid oligomers & their unique neurotoxicity. On that theme, we observe with interest that Northwestern University researchers (led by WL Klein who was instrumental in the creation of ACU193) are testing the utility of the fluorinated cyclohexane-1,3-dione derivative small-molecule NU-9, discovered by another Northwestern University researcher RB Silverman & previously shown to block neurodegeneration associated with mutations in the Parkinson's disease-associated misfolded protein SOD-1 (superoxide dismutase-1) & the amyotrophic lateral sclerosis-associated misfolded protein TDP-43 (TAR DNA-binding protein-43).

Exhibit 14. ProMIS' Pipeline of CNS Disease-Targeted Conformational Epitope-Binding mAbs, Led By Alzheimer's Disease-Focused Beta-Amyloid Oligomer-Binding PMN310

Asset	Target protein	Disease indication	Normal physiological role	Clinical Stage: Discovery / Preclinical / I / II / III	Timelines to next milestone
Lead antibodies in formal preclinical/IND-enabling testing					
PMN310	Epitope exposed in beta-amyloid oligomers	Alzheimer's disease	Synaptic plasticity, memory formation in hippocampus		Phase I completed, data in FH224 ***PRECISE-AD, biomarker data in Q326***
PMN267	TDP-43 (Transactive response DNA-bind protein)	Amyotrophic lateral sclerosis (ALS)	Transcription factor (mRNA homeoasis/processing)		Complete IND-enabling studies, FH127 Commence Phase I ALS trial, FH227
PMN442	Alpha-synuclein (pre-synaptic tetramer in the brain)	Parkinson's disease, multiple system atrophy	Controls neurotransmitter release, vesicle transport		Complete IND-enabling studies, FH127 Commence Phase I PD/MSA trial, FH227
Misfolded protein antigens being targeted in discovery					
TBD	RACK1, SOD1	Amyotrophic lateral sclerosis (ALS)	Protein synthesis		Lead mAb generation by FH226-FH127
TBD	Tau	Alzheimer's disease Frontotemporal lobar degeneration (FTLD)	Microtubule stabilization neuron generation		Lead mAb generation by FH226-FH127
TBD	DISC1	Schizophrenia	Neuron generation mitochondrial transport		Lead mAb generation by FH226-FH127
TBD	Beta-amyloid vaccine	Alzheimer's disease prevention	Synaptic plasticity, memory formation in hippocampus		Lead mAb generation by FH226-FH127

Source: ProMIS Neurosciences, Leede Financial

- But in more recent analysis, NU-9 was shown to also mitigate the accumulation of beta-amyloid oligomers as well & it is thus a useful tool for analyzing beta-amyloid oligomers in exacerbating cognitive impairment in ways that are by definition relevant to PMN310. Silverman's Northwestern University team described the underlying PK properties of NU-9 in a Nov/25 paper in the journal *Bioorganic Chemistry,* therein publishing the structure of this comparatively rudimentary organic compound along with characterizing NU-9's broader ability to inhibit protein aggregation, in this case in amyotrophic lateral sclerosis but with the activity in disaggregating other protein masses as indicated above.

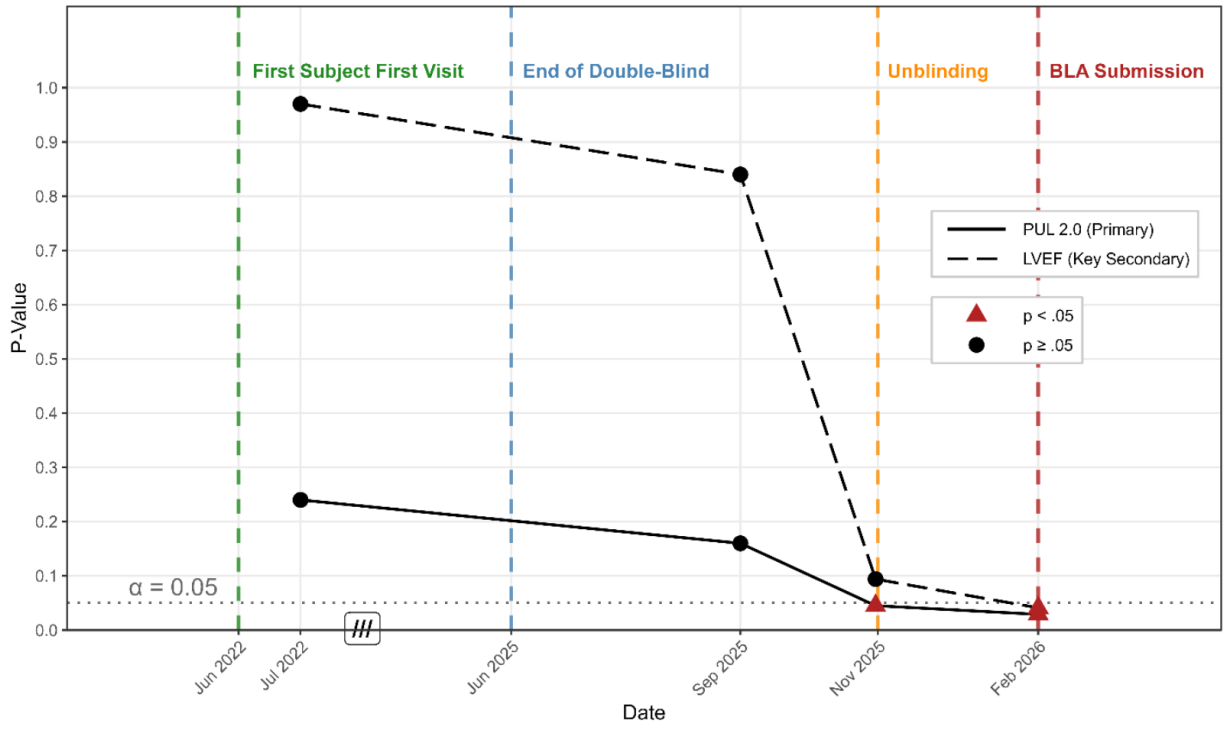
- This molecule was described in a Mar/25 paper in the journal *PNAS* that interestingly was reviewed by ProMIS' Chief Scientific Officer Neil Cashman who himself was the innovator on PMN310's creation. Later in Dec/25 in the journal

Alzheimer's & Dementia (the journal where ProMIS itself published two papers on PMN310's oligomer selectivity & on pTau217 as a predictor of future cognitive benefit in Nov/25), the Northwestern University team published data from an oligomer-based animal model of disease to show that NU-9 exhibited activity at the cellular level & not just on mitigating oligomer accumulation – the drug mitigated damage to so-called glial cells that themselves have been implicated in Alzheimer's disease etiology.

Significant Developments With Relevance To Our Coverage Universe

- **FDA Advisory Committee votes against approving Capricor's (CAPR-Q, NR) Deramiocel for DMD cardiomyopathy, citing changes to analytical methods & data fragility – clear read-through on regulatory risk for Satellos.** The FDA's Cellular, Tissue, & Gene Therapies Advisory Committee (CTGTAC) voted 9-3 earlier this week against a finding of substantial evidence of effectiveness for Capricor Therapeutics' deramiocel/CAP-1002 for the treatment of cardiomyopathy associated with Duchenne muscular dystrophy (DMD). Of the three votes in favor, two came from patient advocates & one from a clinician who framed his position as a tension between disciplines, stating to the effect that as a scientist he would vote no, but as a clinician he would vote yes, & recommending a well-designed Phase IV confirmatory trial without the methodological issues that dominated the day's discussion.
- The remaining nine committee members voted no, with the recurring characterization of the data as fragile: changing the imputation method or restoring two placebo patients' observed data causes statistical significance to collapse on both endpoints. The vote follows a 67% decline in CAPR shares earlier this week after the FDA released a comprehensively negative briefing document, erasing most of the gains from a 371% rally on December 3, 2025, when Capricor announced topline results from the pivotal Phase 3 HOPE-3 trial claiming statistical significance on the primary endpoint of PUL 2.0 total score (p=0.029) & the key secondary cardiac endpoint of left ventricular ejection fraction (LVEF, p=0.041). A US$150M equity offering was priced two days after that topline announcement. The PDUFA target action date is next month, but that decision is unlikely in our view to differ from the advisory committee's view.

Exhibit 15. FDA Assessment Of Statistical Significance As Ascribed To Different Interpretations Of The HOPE-3 Trial



Source: FDA review team – BLA Adcom briefing documents published in July/22, in Sept/25 & in Feb/26

- CTGTAC is an independent panel of external experts & patient advocates convened by the FDA to provide non-binding recommendations on specific regulatory questions. The format is adversarial by design: FDA staff present their review of the data, the applicant presents its own case, & the committee votes after open discussion. The sole voting question

asked whether HOPE-3 provides substantial evidence of effectiveness for deramiocel in DMD cardiomyopathy. The FDA's Monday briefing document, which precipitated the initial share collapse, concluded that HOPE-3 did not demonstrate substantial evidence of effectiveness & that the benefit-risk profile appears unfavorable (FDA Briefing Document BLA 125842 is in the public domain & we reviewed data described therein for this analysis).

- FDA staff presented this assessment in further detail at the meeting itself. At the core of the agency's case were modifications to the statistical analysis plan (SAP) made after the completion of the double-blind period, some finalized before unblinding & some incorporated only in the clinical study report afterward, that the FDA considers unwarranted. These modifications fell into three categories: changes to the data imputation strategy for intercurrent events, changes to the primary & key secondary endpoint definitions, & changes to the statistical analysis models.

- Intercurrent events are post-randomization changes to patients in the study that can affect endpoint measurements, such as a patient discontinuing treatment due to an adverse event, starting a prohibited concomitant medication, or missing a scheduled assessment for any reason. These are often expected in trials, but how a trial handles these missing or confounded data points *must* be consistent & determined a-priori; whether by carrying forward the last observed value, imputing worst-case outcomes, censoring post-event data, or excluding the patient entirely, can materially alter the treatment effect estimate.

- The dispute between Capricor & FDA reduces to how HOPE-3 handles intercurrent events for two placebo patients. One placebo patient withdrew due to an adverse event, & each of that patient's subsequent missing observations was replaced with the worst value recorded by any patient in the entire trial at that visit, a method that assumes this placebo patient would have deteriorated more rapidly than every treated & untreated patient in the study. FDA describes the worst-value imputation as scientifically unreasonable on its face: a placebo patient who discontinues due to an adverse event would be expected to continue a placebo-like trajectory, not experience the worst outcome in the study. A second placebo patient completed the trial with improving PUL 2.0 scores but used a prohibited concomitant medication; under a rule that first appears in SAP 3.0 (Nov 24, 2025), all of that patient's data from Months 6 through 12 were deleted, removing an improving trajectory from the control arm. No deramiocel patient's data were altered under any imputation rule in any SAP version. Both manipulations affect only the placebo arm, & both are required simultaneously to produce statistical significance on the primary endpoint.

- These imputation rules did not exist in the analysis plan filed with FDA. The last SAP version the agency received, SAP 2.0, produces null results on both endpoints under FDA's independently verified implementation, regardless of data handling assumptions. SAP 3.0, finalized one day before unblinding, was never submitted to or discussed with the agency & was authored in-house by Capricor in deviation from the approved blinding plan. It is this version that introduces both the worst-value imputation & the prohibited-medication censoring rule. The clinical study report (CSR) further modified the analysis beyond SAP 3.0, retaining a covariate that the sponsor's own pre-specified criteria required dropping & adding an LVEF interaction term described in no SAP version.

- The p-values Capricor included in BLA submission (PUL p=0.029, LVEF p=0.041) derive from this CSR analysis, not from the plan filed with FDA, which is negative on both endpoints. The fragility is quantifiable: the two placebo-arm manipulations alone account for the entire shift from non-significance to nominal significance on the primary endpoint, & the CSR covariate pushes it further. SAP 2.0 also converted the primary endpoint from absolute to percent change from baseline, a modification with some support in the longitudinal literature (Pane & coworkers in the *Journal of Neuromuscular Diseases, 2023*; Coratti & coworkers also in the *Journal of Neuromuscular Diseases, 2026*), though PUL 2.0 is validated in absolute points (Mayhew & coworkers in *Developmental Medicine & Childhood Neurology, 2020*) & the scale change is nearly immaterial: holding data handling constant, p-values barely move.

- The cardiac endpoint is a separate & equally problematic analytical story. SAP 3.0 converted LVEF from mean change from baseline to ranked change via ANCOVA, a transformation that structurally requires complete baseline-&-Month 12 data & consequently excluded 22% of the ITT population. The rank transformation drew sustained committee scrutiny on interpretability grounds: ranked change assigns equal distance to all pairwise differences regardless of magnitude of % ejection fraction change, destroying clinical meaning. The exclusions ran directionally against placebo: the single excluded placebo patient had shown substantial LVEF improvement, while several excluded deramiocel patients had shown large declines.

- Even under SAP 3.0 as written, with exclusions, FDA's verified analysis yields LVEF p=0.09, failing to clear alpha. The p=0.041 Capricor originally claimed required a CSR interaction term the company has since withdrawn, a concession addressed directly in commentary for the pivotal HOPE-3 trial that was coincidentally published earlier this week in *The Lancet*.

- The company's position that SAP 3.0 governs & that the cardiac endpoint was met is therefore internally contradictory: the document it designates as governing does not produce the claimed result. Cardiac MRI inter-reader variability was substantial & the pre-specified consensus review paradigm was abandoned for single-reader assessment due to a configuration issue, further undermining confidence in the LVEF measurements themselves. The committee also examined LV volume data that cut against the cardiomyopathy indication: LV end-diastolic volume indexed was nominally significant but favored placebo, with the deramiocel arm showing greater ventricular cavity expansion, a hallmark of dilated cardiomyopathy progression (Law & coworkers in the *Journal of Clinical Medicine, 2020*; Schultz & coworkers in the *Journal of the American College of Cardiology: Basic Translational Science, 2022*). A committee cardiologist noted that drugs increasing ventricular volumes have harmed patients in other therapeutic areas.

- The 9-3 vote is non-binding, but advisory committees rarely produce outcomes this decisive against a staff recommendation this unambiguous & then see the FDA itself publicly disagree with committee votes. Apropos of our ProMIS commentary above, we actually did see a negative Adcom decision differ with a future positive FDA approval decision with Biogen's (BIIB-Q, NR) aducanumab/Aduhelm, which to risk understatement stimulated much academic & regulatory debate thereafter. The FDA's justification was as understandable (a strong desire to have medical options available to Alzheimer's disease patients at a time when the pharmacopeia for the disease was limited & still is) as was the Adcom's decision. For context, Biogen had published two Phase III studies prior to the Adcom review, but one of them – the Phase III ENGAGE trial – was terminated due to lack of efficacy & the other (the Phase III ENGAGE trial, itself discontinued in Mar/19) required some patient subset analysis to observe a cognitive efficacy signal. The drug was withdrawn from the US market in Jan/24.

- This is Capricor's second BLA attempt; the original submission based on HOPE-2 & HOPE-2-OLE received a Complete Response Letter in July 2025 for lack of substantial evidence of effectiveness. No approved therapy exists for DMD cardiomyopathy, & FDA explicitly acknowledges the severe unmet need. The briefing document's treatment of 12-month LVEF change as a non-validated surrogate, its conclusion that ranked change in LVEF has no clinical interpretation, & its finding that the submitted data does not provide substantial evidence of effectiveness point toward a second Complete Response on August 22. The one clinician who voted yes framed approval as contingent on a well-designed Phase 4, which would require FDA to grant traditional approval on the basis of data it has classified as post-hoc & exploratory, an unlikely outcome under current evidentiary standards.

- The FDA's handling of endpoint pre-specification & surrogate validation in DMD cardiomyopathy is directly relevant to ON-based **Satellos Bioscience (MSLE-Q, Spec Buy, PT US$16.00)** as it contemplates an upcoming post-BASECAMP Type B meeting to discuss an accelerated approval pathway. The briefing document's explicit statement that LVEF change over 12 months is not sufficient to provide confidence that observed changes are real in DMD cardiomyopathy amounts to a precedent-level declaration on cardiac surrogates in this population, relevant to any program contemplating a cardiac claim. Satellos' therapeutic approach is mechanistically distinct from deramiocel's allogeneic cell therapy model: SAT-3247 targets skeletal muscle regeneration via satellite cell activation rather than direct cardiovascular myogenesis, & the company has not pursued cardiac endpoints.

- That said, the broader musculoskeletal benefits Satellos is investigating would still carry cardiopulmonary relevance to the extent that improved diaphragm function supports respiratory mechanics & reduced skeletal muscle fibrosis & fat infiltration may lower cardiac workload over time. The regulatory signal from the deramiocel proceedings is less about mechanism-of-action overlap & more about the evidentiary bar the FDA is setting for any cardiac claim in DMD, including what constitutes a validated surrogate & how much latitude the agency will permit on post-completion analytical modifications in this patient population.

- **Freenome & marketing partner Abbott Labs receive FDA approval for novel colorectal cancer blood test.** CA-based cancer diagnostics developer Freenome (which just went public last week; FRNM-Q, NR) received FDA approval this week for its blood-ased SimpleScreen colorectal cancer diagnostic assay, putting the firm in position to launch the test in partnership with IL-based diagnostics giant Abbott Labs (ABT-NY, NR) later this year.

- Like so many innovations in drug & diagnostics discovery in recent years, SimpleScreen was generated using AI- & machine learning algorithms to identify biological signals associated with colorectal cancer emergence that can be found in the bloodstream of diseased patients. The test was described in two abstracts presented at the 2026 Digestive Disease Week conference. Freenome's SimpleScreen detects patterns of methylation of the dinucleotide pairing CpG (a cytosine covalently linked through a phosphodiester bond to an adjacent guanine) that are known to be associated with colorectal cancer emergence.

- The test was described in several recent studies, including notably in a Jun/25 paper published by Freenome & multiple US academic collaborators in the journal *JAMA*, showing therein that the assay, based on detecting circulating tumor DNA as many cancer diagnostic assays do, was able to identify advanced colorectal cancer lesions with 79.2% sensitivity & 91.5% specificity using colonoscopy as the comparator diagnostic platform. This 27,010-participant study, called PREEMPT CRC, formed the basis for Freenome's FDA approval just granted.

- These sensitivity/specificity metrics are actually notable for reimbursement reasons & not just for clinical utility reasons. In a 2024 paper published by a public health research consortium in the journal *Gastroenterology*, it was indicated that the US Centers for Medicare & Medicaid Services (CMS, the organization that establishes reimbursement levels for FDA-approved procedures) would recommend funding blood tests only if they exceeded a sensitivity level of 74% & a specificity level of 90%, which Freenome's test did in the aforementioned *JAMA* study.

Exhibit 16. Sensitivity & Specificity Characteristics For Various Colorectal Cancer Screening Modalities

	Specificity	Sensitivity for		
Screening tests [1]	No adenomas	1-9mm adenomas	10+mm adenomas	Colorectal cancer
Recommended tests				
FIT	0.97	0.07	0.22	0.74
HSgFOBT	0.97	0.05	0.11	0.68
sDNA-FIT	0.91	0.15	0.42	0.94
CTC	0.88	0.12	0.57	0.84
FS	0.87	0.75/0.85	0.95	0.95
Colonoscopy	0.86	0.75/0.85	0.95	0.95
Contemporary stool tests				
sDNA-FIT2.0	0.927	0.127	0.434	0.939
sRNA-FIT	0.869	0.173	0.390	0.944
Blood tests				
cf-bDNA (Guardant)	0.899	0.104	0.132	0.831
cf-bDNA (Freenome)	0.915	0.085	0.125	0.792

[1] *FIT, fecal immunochemical test; HSgFOBT, high-sensitivity guaiac-based fecal occult blood testing; sDNA-FIT, first-generation stool-based DNA analysis (Exact/Abbot's Cologuard); CTC, computed tomography colonography; FS, flexible sigmoidoscopy; sDNA-FIT2.0, stool-based DNA analysis (Cologuard, Exact Sciences/Abbott Labs); sRNA-FIT, stool-based RNA analysis (ColoSence, Geneoscopy Inc); cf-bDNA, cell-free blood DNA testing*

Source: Adapted from the *Journal of the National Cancer Institute (2026). Vol. 118, pp. 113-120*

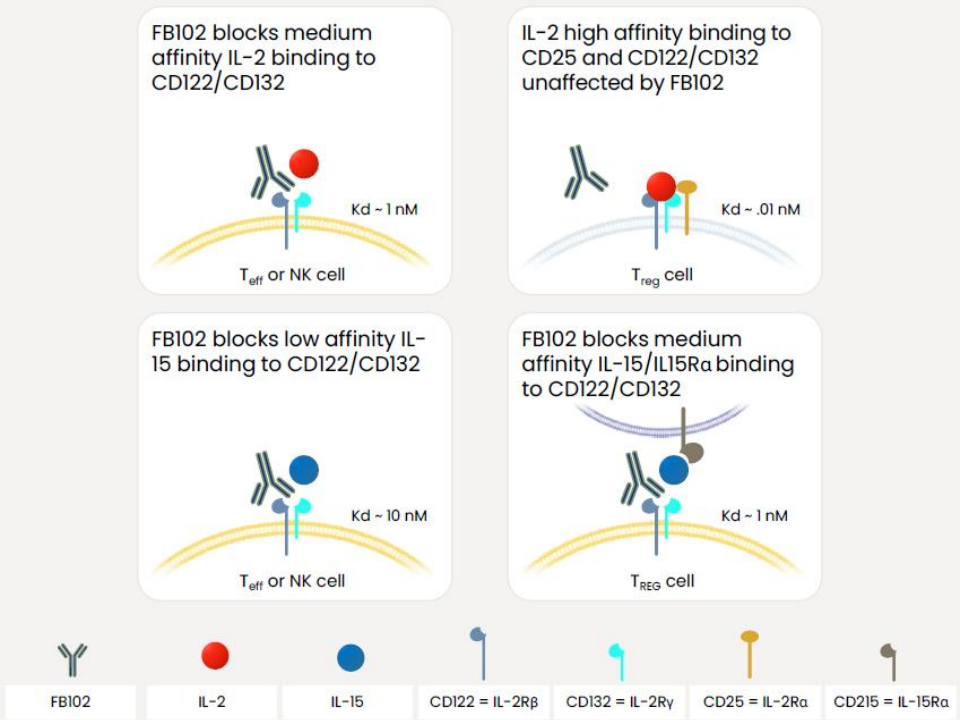
- The other major cell-free blood-based DNA diagnostic for colorectal cancer is Guardant Health's (GH-Q, NR) Shield blood test for the indication. Shield is partly a DNA methylation-detecting platform, but it also detects sequence alterations & fragmentation patterns that are identifiable in cell-free DNA in colorectal cancer patients. The test performed well in its own pivotal study published in Mar/24 in the *New England Journal of Medicine*, showing in a 7,861-participant study (the ECLIPSE trial, in which Shield was called LUNAR-2 at the time) that Shield's sensitivity for Stage I, II or III colorectal cancer was 87.5% (though its sensitivity for earlier-stage precancerous lesions was far lower at 13.2%) & its specificity for detecting any advanced cancerous growth was 89.6%, close to the CMS threshold indicated above. Two-year patient follow-up is actually pending for next year even though Shield is already commercially-available. In Guardant's FQ226 financial data coincidentally reported this morning, the Shield brand generated revenue in the quarter of US$52.9M on approximately 66,000 Shield screening tests, up from 16,000 tests in FQ225.

- The pace of adoption for a blood-based colorectal cancer assay is unsurprising when considering two factors – first of all, this particular cancer form is one where routine screening has long been part of the preventative care continuum in oncology, joining serum PSA testing for localized prostate cancer screening, cytological examination for cervical cancer

& CT mammography for breast cancer screening in that category. So there is an orthodoxy around colorectal cancer screening that we believe will be maintained in perpetuity, regardless of the technologies employed to conduct that screening.

- But secondly, colorectal cancer screening is dominated at present by two technologies – endoscopic visualization of polyps (colonoscopy) or fecal occult blood testing, one of which is semi-invasive & time-consuming if clearly effective & the other involves stool handling that is at best an awkward procedure to obtain material for examination (that said, Freenome's commercial partner Abbott Labs clearly sees fecal testing as a seminal component of colorectal cancer diagnosis when in Nov/25 it acquired Cologuard developer Exact Sciences [ticker was EXAS-Q, NR] for US$23B; FQ425 revenue was US$878M, not just from Cologuard though, so the price-to-quarterly sales run-rate multiple was 6.5x).
- Our interest in Freenome is motivated by our broader interest in the development of superior cancer screening modalities that are increasingly minimally-invasive & blood-based, but with a specific focus on the Canadian diagnostics landscape for which one of the more innovative disease diagnosis platforms is Telo Genomics' (TELO-V, NR) telomere architecture-assessing high-resolution microscopy & analytical software-based TeloView. As we have featured in these pages before, Telo is undertaking TeloView testing in multiple myeloma in collaboration with MN-based Mayo Clinic, with OH-based Cleveland Clinic & with EU-based University of Athens in independent studies to assess TeloView's ability to diagnose patients with minimal residual disease (MRD) after undergoing chemotherapy.
- The platform has other applications & not just in cancer (telomere signatures have been identified in Alzheimer's disease & in schizophrenia in legacy papers published by University of Manitoba researcher Sabine Mai), but focusing just on cancer screening in this commentary, the firm has also published telomere-specific data on smoldering multiple myeloma (a distinct market to MRD) Hodgkin's disease, prostate cancer, melanoma, thyroid cancer, non-small cell lung cancer, T-cell lymphomas & chronic myeloid leukemia (relevant peer-reviewed manuscripts are in the public domain for each of these applications). We do not see any publications on telomere analysis in colorectal cancer just yet, though TeloView seems capable of providing diagnostic insights in that indication as well, notwithstanding competitive landscape that does seem to be moving toward cell-free blood-based DNA testing at least for now.

Exhibit 17. Rationale For Targeting CD122 In Autoimmune Disorders



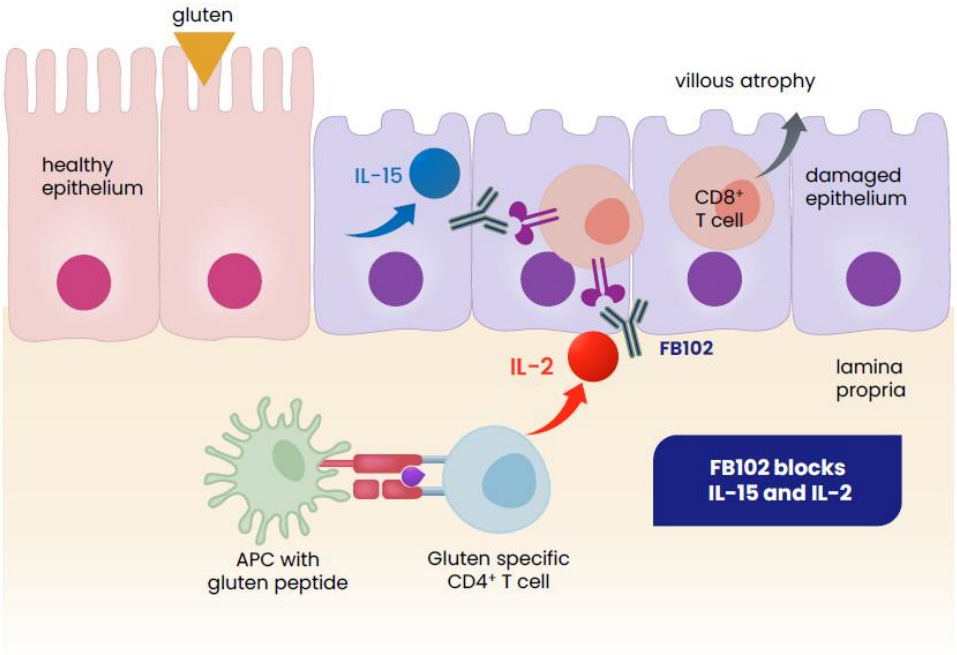
Source: Adapted from Forte Biosciences investor presentation (2026)

- **Argenx acquires autoimmune disease-focused Forte Biosciences on attractive terms.** In yet another example of pipeline augmentation through acquisition, Netherlands-based drug developer Argenx (ARGX-Q, NR) announced its acquisition of TX-based autoimmune disease-focused Forte Biosciences (FBRX-Q, NR) in a deal valuing the Phase I-stage drug developer at US$2.2B. Forte's lead drug is an anti-CD122 mAb called FB102, for which early clinical testing is ongoing that targets the autoimmune diseases vitiligo (loss of natural coloring in the skin) & celiac disease.

  - This transaction, as have so many that came before it in recent years, intrigues us for the scale of its economics in comparison to its stage of development that by being a Phase I-stage drug developer still incurs substantial pending clinical risk. On that theme, we reflect on the blockbuster valuation of similar scale executed by GSK [GSK-LN, NR] in its US$2.0B acquisition (in Jun/23) of QC-based chronic cough-focused small-molecule developer Bellus Health. Many acquisitions have been consummated at this or higher valuations, but this particular transaction is top-of-mind because GSK just announced that it is eliminating Bellus' flagship chronic cough drug camlipixant (a Phase II asset at the time of acquisition) from its clinical pipeline, discontinuing its Phase III CALM-1 & CALM-2 trials in the process.

  - But shifting back to Argenx-Forte, this is not the only >US$1B take-out of a preclinical-to-Phase I drug developer we have seen in recent quarters, a notable contemporary dynamic that causes us to reflect on correspondingly early-stage drug developers in our own coverage universe that could benefit from similar regard if/when seminal clinical events conclude favorably. FB102 is currently being tested in a 56-patient Phase I trial for which final data are expected by FQ127.

Exhibit 18. Mode Of Action For CD122-Targeted FB102 In Treating Celiac Disease



Source: Adapted from Forte Biosciences investor presentation (2026)

  - But back to Forte, the firm's lead Phase I/II-stage biologic targets the CD122, a membrane-bound receptor on the surface of cytotoxic CD8-positive T-cells that is one of the subunits for a more complex receptor to which the cytokines interleukin-2 & interleukin-15 can bind, influencing cytotoxic T-cell activity in the process. Indeed, the name CD122 is mostly of historic relevance & not overly informative as to its normal biological activity – it is just as frequently called the interleukin-2 receptor beta-subunit in the medical literature, a more descriptive representation of its role in regulating T-cell-mediated immunity. Interestingly, we do not see any other CD122-targeted medical therapies in active clinical testing, for vitiligo or celiac disease or any other immunologically-relevant indication, though there are an abundance of interleukin-targeted therapies that are either approved or in advanced clinical testing (just not with CD122 identified as the specific target).

- Forte does have other FB102 clinical trials that are actively recruiting patients, including a follow-up 64-patient Phase I/II vitiligo trial for which data are expected next quarter, a 32-patient Phase I/II alopecia areeta trial for which data are expected during FQ127 & a 100-patient Phase II celiac disease trial for which data are also expected during FQ127. Forte did complete Phase I/II celiac disease testing back in Jun/25. The 32-patient placebo-controlled trial nicely showed that FB102 administration greatly mitigated celiac disease symptoms as measured histologically by the VCIEL composite score & cytologically by reduction in density of intra-epithelial lymphocytes (IEL) in previously diseased tissue.

- The main clinical-stage competitor that we readily identified is CA-based Incyte (INCY-Q, NR) that is funding two distinct Phase III vitiligo trials testing the firm's topical JAK-inhibiting small-molecule drug ruxolitinib (FDA-approved in orally-active form for treating myelofibrosis as Jakafi). The 180-patient Phase III TRuE-VIP1 & a separate 250-patient non-nicknamed Phase III trial are on pace to generate six-month impact on F-VASI50 measurements (short for Facial Vitiligo Area Scoring Index-50) by FQ127 & FQ427, respectively. A different topical JAK inhibitor developed by China-based Minghui Pharmaceutical (private) called MH004 is undergoing Phase III vitiligo testing in a 405-patient trial, for which data are expected a bit later than for ruxolitinib in late FH228.

- As Argenx makes clear in its Forte acquisition press release, FB102 fits nicely into the firm's existing clinical & commercial pipeline of immunologically active agents, including the neonatal Fc receptor-targeted mAb efgartigimod/Vyvgart (approved for treating generalized myasthenia gravis; F2025 global sales of US$4.2B), the complement C2-targeted mAb empasiprubart/ARGX-117 (currently being tested in a 60-patient Phase I/II multifocal motor neuropathy trial; data in early F2028), the muscle-specific kinase (MuSK)-targeted adimanebart/ARGX-119 (undergoing testing in a 52-patient Phase I safety/PK trial; data by end-of-F2026) & the preclinical-stage IgA protease inhibitor drug ARGX-121 (eventually expected to undergo clinical testing in IgA nephropathy).

Capital Markets Summary

Exhibit 19. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 30-Jul	Mkt Cap (M)	Mkt Cap (C$M)	Ent. Value (M)	Ent. Value (C$M)	EV/EBITDA (T12M)	EV/EBITDA FY1	EV/EBITDA FY2	Price/Earnings (T12M)	Price/Earnings FY1	Price/Earnings FY2
Profitable Canadian healthcare firms - specialty services [2,4]														
DRI Healthcare Trust	CAD	DHT.UN	55.0	$17.12	941	941	1,508	1,508	6.5x	6.5x	6.6x	NA	7.3x	7.1x
Jamieson Wellness	CAD	JWEL	41.5	$41.28	1,713	1,713	2,190	2,190	13.6x	12.3x	11.0x	23.4x	19.3x	16.5x
K-Bro Linen	CAD	KBL	13.0	$46.71	607	607	893	893	8.1x	8.2x	7.9x	29.5x	23.0x	19.1x
Medical Facilities [1]	CAD	DR	16.2	$12.57	204	286	319	449	5.3x	5.4x	5.4x	14.8x	6.8x	16.5x
Microbix Biosystems	CAD	MBX	137.2	$0.30	40	40	39	39	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.1	$29.44	2,123	2,123	2,298	2,298	12.1x	11.3x	10.3x	26.7x	21.3x	19.0x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales [2]														
Aurinia Pharma	USD	AUPH	128.6	$15.00	1,929	2,703	2,268	3,186	11.3x	NA	NA	6.7x	15.8x	12.2x
Bausch Health	USD	BHC	373.5	$6.03	2,252	3,155	31,901	44,801	5.8x	5.9x	6.1x	NA	1.4x	1.5x
BioSyent	CAD	RX	11.5	$14.66	169	169	163	163	12.6x	10.2x	8.7x	18.3x	16.5x	13.6x
Cipher Pharma [1]	CAD	CPH	25.4	$11.75	298	418	410	576	15.2x	13.6x	11.6x	9.7x	13.1x	11.2x
HLS Therapeutics [1]	CAD	HLS	31.3	$3.00	94	131	176	247	10.6x	9.0x	7.6x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	$9.77	960	960	886	886	10.1x	11.3x	10.7x	NA	51.4x	44.4x
Medexus Pharma [1]	CAD	MDP	32.0	$3.48	112	156	178	251	11.6x	11.4x	7.8x	47.0x	NA	11.5x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.5	$3.55	225	225	289	289	NA	8.0x	7.0x	8.5x	29.6x	15.9x
Chartwell Retirement	CAD	CSH.UN	325.2	$22.81	7,418	7,418	10,118	10,118	23.4x	19.8x	17.9x	NA	NA	55.6x
Extendicare	CAD	EXE	95.0	$36.40	3,460	3,460	3,463	3,463	18.0x	13.8x	12.1x	26.4x	26.2x	23.9x
Vital Infrastructure	CAD	VITL.UN	250.0	$5.65	1,413	1,413	2,772	2,772	12.1x	13.3x	13.1x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	$0.44	38	38	40	40	13.7x	NA	NA	NA	NA	NA
Sienna Senior Living	CAD	SIA	110.8	$22.86	2,532	2,532	3,786	3,786	24.4x	19.0x	16.6x	48.6x	40.1x	35.2x
Profitable Canadian healthcare firms - medical equipment distribution/sales [3]														
Covalon Technologies	CAD	COV	27.6	$2.05	57	57	47	47	50.8x	12.3x	9.7x	34.4x	22.8x	17.1x
Viemed Healthcare	USD	VMD	38.3	$11.88	455	455	635	892	8.5x	6.9x	6.1x	30.7x	26.1x	19.5x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms [5]														
Healwell AI	CAD	AIDX	303.5	$0.66	200	200	265	265	NA	37.4x	16.5x	NA	NA	NA
Hydreight	CAD	NURS	53.7	$4.04	217	217	201	201	41.0x	8.8x	5.5x	47.8x	13.5x	8.0x
Kneat.com [5]	CAD	KSI	96.7	$6.47	626	876	601	601	NA	35.9x	23.2x	NA	NA	NA
Vitalhub	CAD	VHI	63.4	$6.93	439	616	321	321	12.0x	9.2x	7.8x	58.5x	32.1x	22.9x
Well Health	CAD	WELL	255.5	$4.00	1,022	1,022	1,740	1,740	8.1x	9.4x	8.4x	38.0x	16.5x	18.9x
Average									**15.2x**	**13.0x**	**10.3x**	**29.3x**	**21.3x**	**19.4x**
Recently-acquired Canadian healthcare firms														
Andlauer	***CAD***	***AND***	***39.2***	***$54.97***	***2,152***	***2,152***	***2,165***	***2,165***	***13.4x***	***NA***	***NA***	***32.0x***	***NA***	***NA***
Dentalcorp Holdings	***CAD***	***DNTL***	***192.0***	***$11.00***	***2,112***	***2,112***	***3,112***	***3,112***	***10.9x***	***NA***	***NA***	***NA***	***NA***	***NA***
Quipt Home Medical	***USD***	***QIPT***	***44.5***	***$3.65***	***162***	***223***	***235***	***323***	***5.4x***	***NA***	***NA***	***2.1x***	***NA***	***NA***
Theratechnologies	***CAD***	***TH***	***46.0***	***$4.47***	***206***	***206***	***238***	***238***	***12.3x***	***NA***	***NA***	***NA***	***NA***	***NA***

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

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

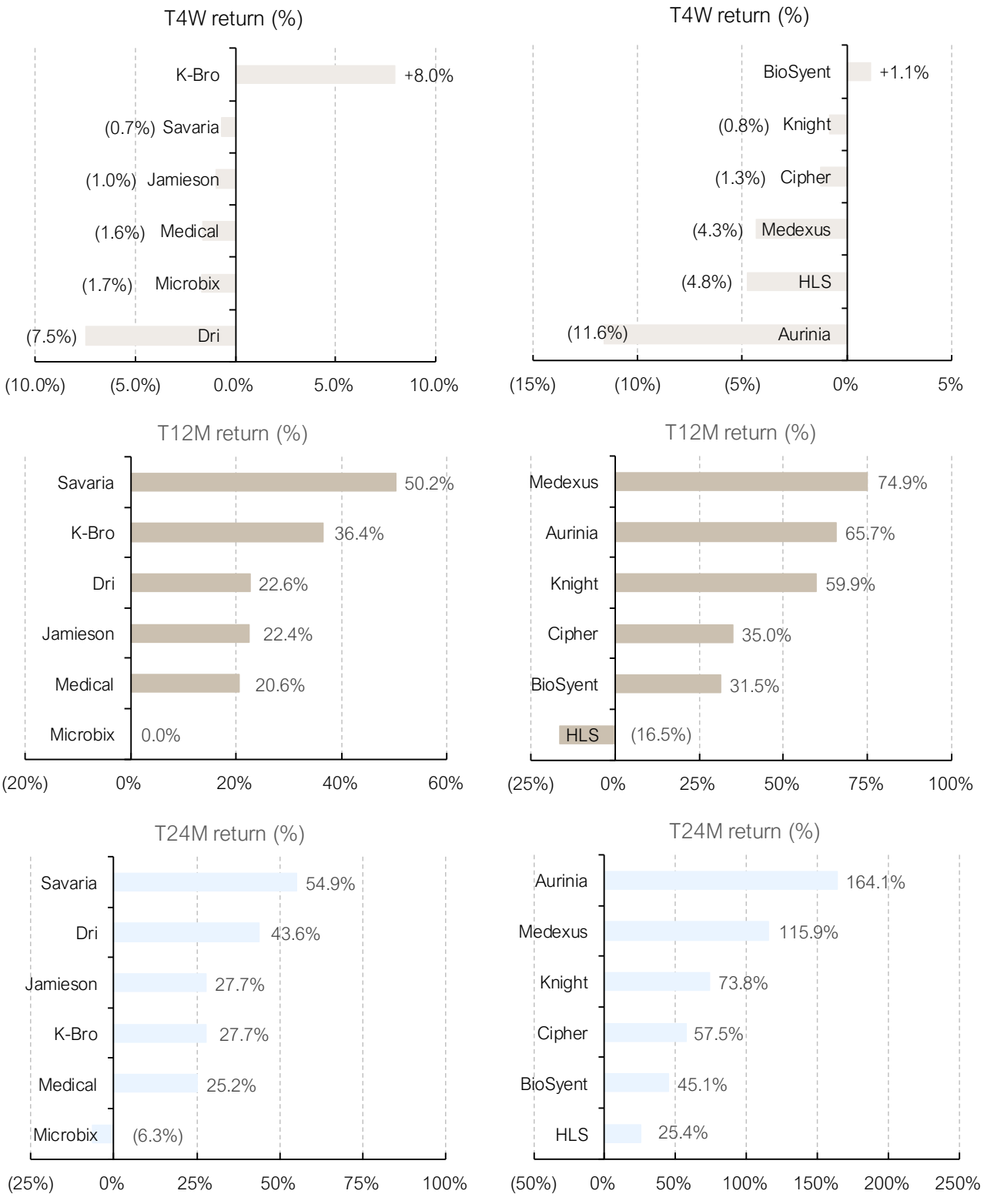
[3] Quipt Home Medical was acquired by Kingswood Capital & Forager Capital for US$3.65/shr in Dec/25, transaction closed in Mar/26

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

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

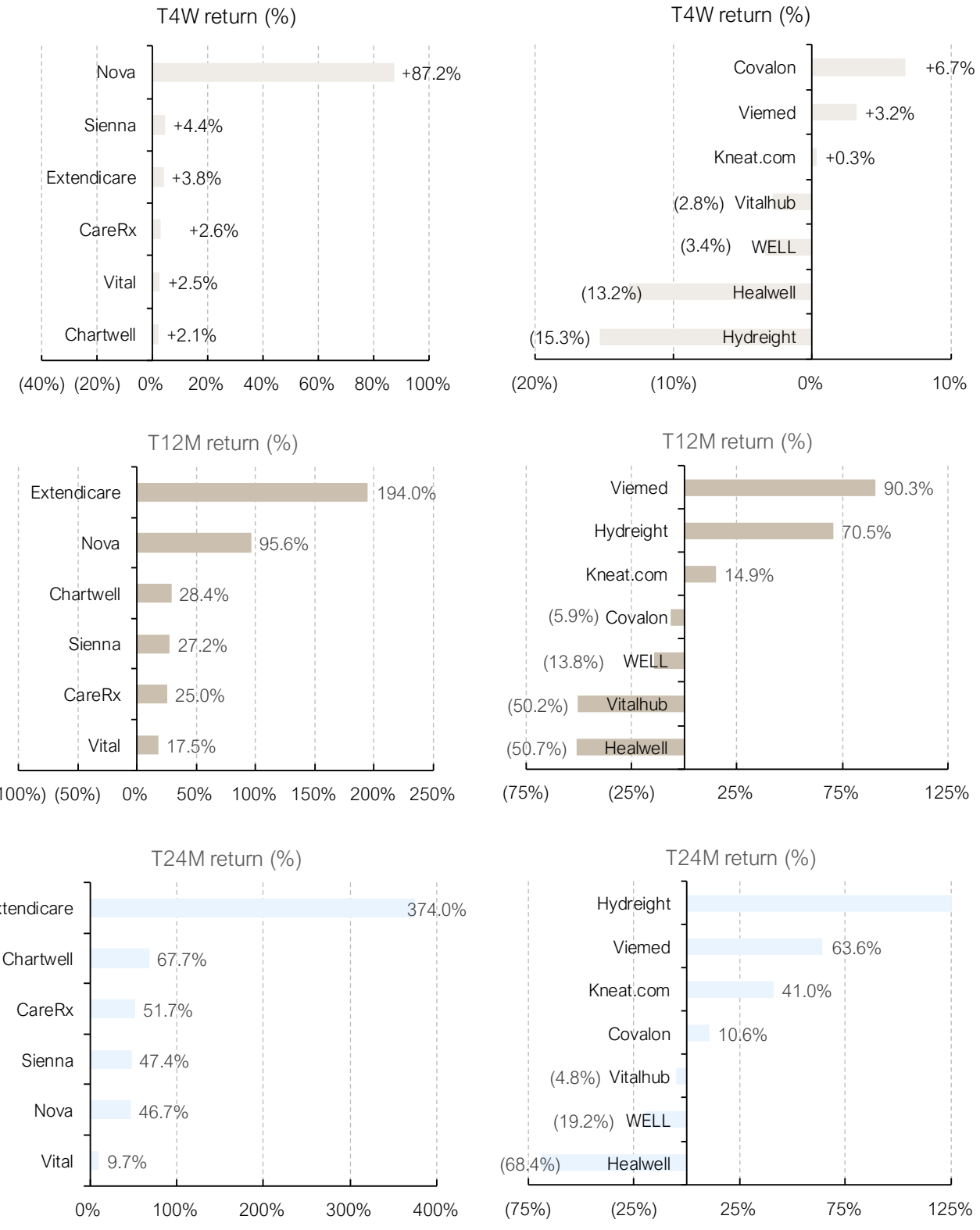
Source: Refinitiv, company reports, Leede Financial

Exhibit 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 1,270%)*

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

Historical Target Price

Appili Therapeutics | APLI-TSXV	None
Cardiol Therapeutics | CRDL-TSX, NASDAQ	None
CareRx | CRRX-TSX	None
Cipher Pharmaceuticals | CPH-TSX	None
Eupraxia Pharmaceuticals | EPRX-TSX, NASDAQ	5
Extendicare | EXE-TSX	None
K-Bro Linen | KBL-TSX	None
Medexus Pharmaceuticals | MDP-TSX	None
Medical Facilities | DR-TSX	None
Nanalysis Scientific | NSCI-TSXV	None
Oncolytics Biotech | ONCY-NASDAQ	None
Perimeter Medical Imaging | PINK-TSXV	None
Profound Medical | PRN-TSX, PROF-NASDAQ	None
ProMIS Neurosciences | PMN-NASDAQ	2
Satellos Biosciences | MSCL-TSX	2