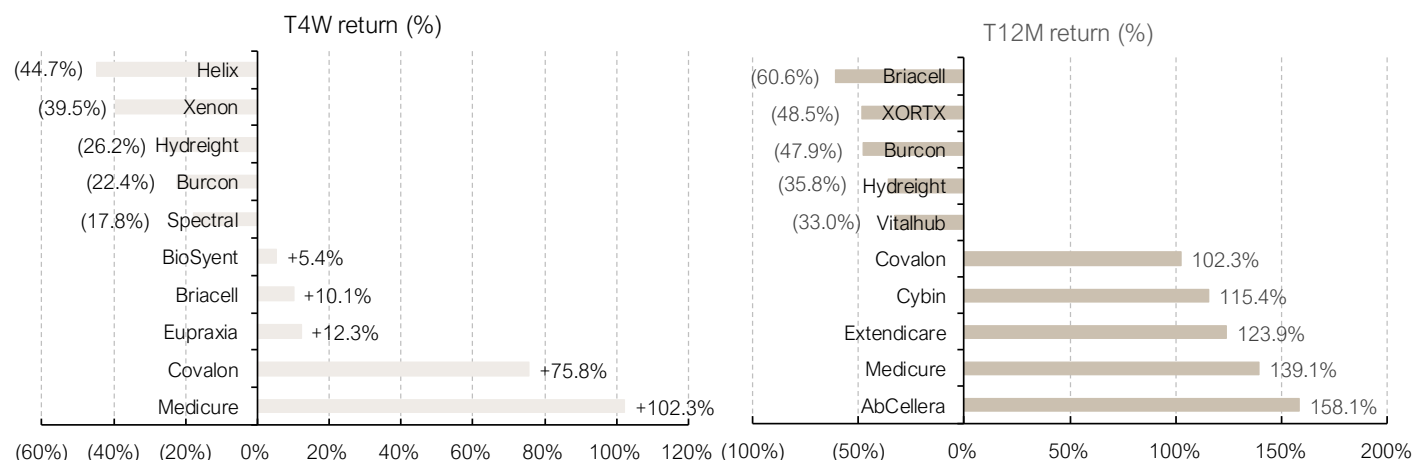


Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

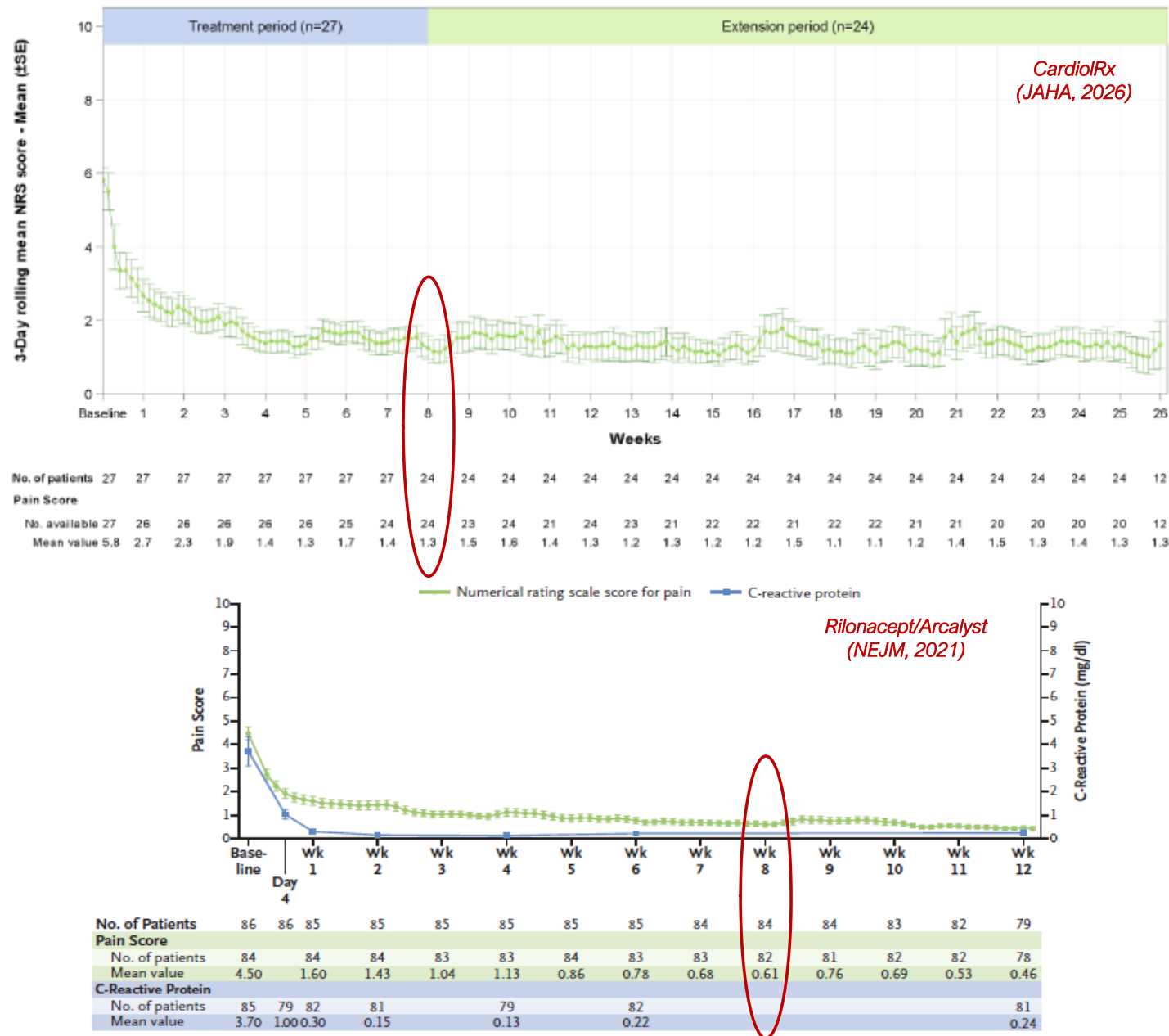
Updates From Our Healthcare Coverage Universe

- Cardiol completes enrollment for its lead Phase III recurrent pericarditis program – our attention stays focused on timelines to data, maintaining Spec Buy rating.** ON-based cardiovascular disease-focused small-molecule drug developer Cardiol Therapeutics (CRDL-T, Spec Buy, PT C\$7.00) provided an update on patient enrollment status for its pivotal Phase III MAVERIC trial, testing the firm's ultrapure orally-active cannabidiol formulation CardiolRx as a second-line therapy after discontinuation of rilonacept therapy in recurrent pericarditis. Earlier this week, 110 patients were enrolled in the trial, which was the target patient enrollment described in Cardiol's original study design but enrollment is expected to continue into FQ426 until 150 recurrent pericarditis patients are enrolled.
 - A patient enrollment milestone like this, while certainly positive, is essentially incorporated into our CardiolRx financial forecast & thus has no unanticipated bearing on our CardiolRx royalty revenue projections for this indication. Our model still assumes that Cardiol can conclude six-month follow-up at least on the core 110-patient cohort by end-of-FQ127 & report efficacy data (changes from baseline in the eleven-point Numeric Rating Scale (NRS) & in circulating levels of C-reactive protein (CRP), a well-characterized blood marker for systemic inflammation) probably by FQ227.
 - Trial design is notable for its focus on patients for whom prior treatment with the interleukin-1 α /interleukin-1 β -blocking biologic rilonacept was indicated but then discontinued prior to enrollment in MAVERIC. Rilonacept is marketed as Arcalyst by Cardiol's main recurrent pericarditis peer Kiniksa Pharmaceuticals (KNSA-Q, NR) that established orthodoxy around which the disease could be treated without resorting to off-label use of alternative anti-inflammatory corticosteroids or colchicine. Kiniksa guided capital markets to expect F2026 rilonacept/Arcalyst sales of US\$980M-to-US\$995M, up from US\$677.6M last year & thus creating a blockbuster medical market for this heart inflammation disorder where none existed before.

Please see end of report for important disclosures.

- Unsurprisingly, Kiniksa is defending its rilonacept/Arcalyst franchise with next-generation interleukin-1-targeted therapies, initially with the interleukin-1-binding mAb KPL-387 for which once-monthly subcutaneous dosing is already established as a feasible mode of administration & for which the 325-patient Phase III PASTORALE trial just commenced enrollment. Six-month pericarditis event rate & NRS/CRP quantification data are expected by end-of-F2029.

Exhibit 2. Reflecting on CardiolRx’s Performance In The Phase II MAVERIC-Pilot Trial That We Believe Reflects Favorably On The Drug’s Prospects In The Ongoing Pivotal Phase III MAVERIC Trial

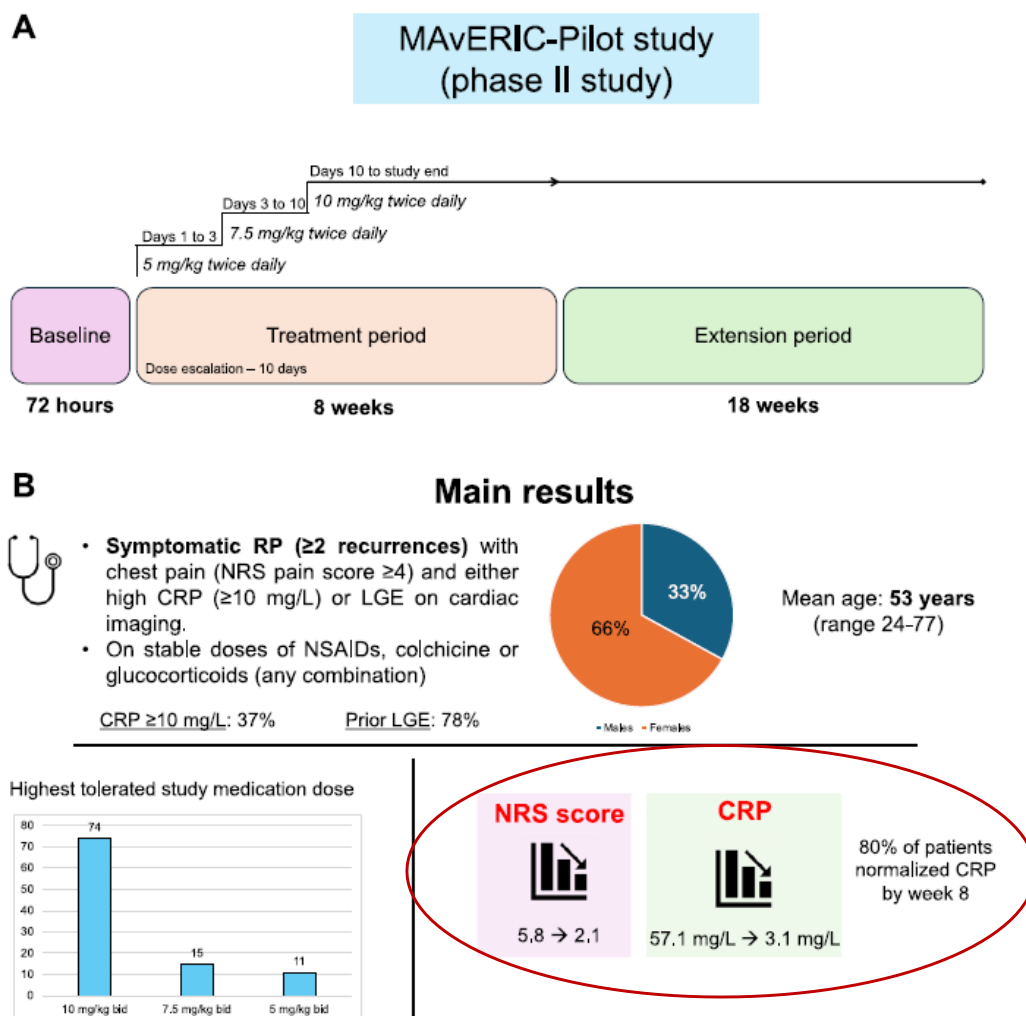


Source: Adapted from *Journal of the American Heart Association* (2026). Vol. 15, pp. e047605 [upper panel]; *New England Journal of Medicine* (2021). Vol. 384, pp. 31-41 [lower panel]

- We described our scientific rationale for assuming CardiolRx clinical success for this indication, including but not limited to how well the drug performed in the 27-patient Phase II open-label MAVERIC-Pilot trial as completed back in 2024, presented in Nov/24 at the American Heart Association annual meeting that year & then published in abstract form in the journal *Circulation*.

- In that trial, CardiolRx was neither compared to placebo or to an alternative recurrent pericarditis therapy (rilonacept/Arcalyst or colchicine, for example) & so the study's interpretive capacity was not as comprehensive as it might have been, but still, absolute CardiolRx performance was impressive & comparable to how rilonacept/Arcalyst performed on NRS/CRP reduction from baseline in its pivotal 86-patient Phase III RHAPSODY trial at an equivalent eight-week time point.

Exhibit 3. Pictorial Summary Of Phase II MAvERIC-Pilot Data



Source: Adapted from *Current Cardiology Reports* (2026). Vol. 28, pp. 58-75.

- We are encouraged to see that CardiolRx & MAvERIC are getting some attention in recent review articles on recurrent pericarditis, including a May/26 review published by a US/Italy cardiology research consortium in the journal *Current Cardiology Reports*, reflecting favorably in that document on CardiolRx/cannabidiol's pharmacologic activity on NLRP3 inflammasome inhibition along with other measures of anti-inflammatory action (reduced plasma levels of interferon-gamma & tumor necrosis factor-alpha for example) with a generally favorable safety profile & without any of the psychoactive or cardiotoxic effects that its analog tetrahydrocannabinol would likely engender if CardiolRx/cannabidiol were isolated from natural sources (for which even the best chromatographic methods would carry over at least some tetrahydrocannabinol co-purification) & not generated through organic chemical methods.
- Summary & valuation.** We are maintaining our PT/rating on Cardiol, with our valuation still based on NPV (25% discount rate that we conventionally incorporate into our valuation for Phase III-stage clinical-risk investments) & multiples of our F2031 EBITDA (C\$158.0M) & F2031 fd EPS (C\$0.81/shr) forecasts, respectively. Our EV calculation incorporates pro forma cash of C\$35.9M that includes FQ226 cash of C\$26.1M since augmented by US\$7.0M/C\$9.8M in a recent warrant exercise (in its FQ226 financial filings, Cardiol had 10.1M outstanding warrants, all of which had exercise prices

of US\$1.35/shr [C\$1.92/shr] or lower). We are mindful that current cash balance is undoubtedly lower than that calculated pro forma value by about C\$4.0M-to-C\$5.0M (FQ226 operating cash loss was [C\$4.4M]) based on probable FQ326 operating cash loss to date, presumably deployed toward Phase III MAVERIC clinical costs & preclinical testing of subcutaneously-injectable CRD-38 in diastolic heart failure. The firm still has no LT debt. Our financial forecasts were already based on fully-diluted S/O so our share-based projections are unchanged by the warrant exercise though our pro forma cash calculation & the EV determination that it influences is obviously revised by the magnitude of capital raised in the process.

Exhibit 4. Income Statement & Financial Forecast Data For Cardiol Therapeutics, F2026E-to-F2035E

<i>Year-end December 31</i>										
<i>(C\$000, exc per share data)</i>	<i>2026E</i>	<i>2027E</i>	<i>2028E</i>	<i>2029E</i>	<i>2030E</i>	<i>2031E</i>	<i>2032E</i>	<i>2033E</i>	<i>2034E</i>	<i>2035E</i>
CardiolRx (Acute Myocarditis)	\$0	\$0	\$0	\$0	\$0	\$33,573	\$84,436	\$101,932	\$136,724	\$171,931
CardiolRx (Recurrent Pericarditis)	\$0	\$0	\$0	\$32,597	\$81,981	\$107,214	\$116,154	\$125,198	\$125,949	\$126,705
CardiolRx (injectable, diast HF)	\$0	\$0	\$0	\$0	\$0	\$42,954	\$86,424	\$108,678	\$131,196	\$153,981
Total revenue	\$0	\$0	\$0	\$32,597	\$81,981	\$183,742	\$287,015	\$335,807	\$393,869	\$452,616
Revenue growth (%)	NA	NA	NA	NA	252%	224%	156%	117%	117%	115%
R&D, clinical expenses	\$7,500	\$5,000	\$5,123	\$5,248	\$5,377	\$5,508	\$5,643	\$5,782	\$5,923	\$6,068
G&A, marketing expenses	\$16,041	\$15,765	\$15,495	\$16,537	\$17,847	\$20,240	\$21,660	\$20,964	\$21,894	\$22,843
Other expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EBITDA	(\$23,541)	(\$20,765)	(\$20,618)	\$10,812	\$58,757	\$157,993	\$259,711	\$309,062	\$366,052	\$423,704
EBITDA growth (%)	(5%)	(12%)	(1%)	(152%)	443%	169%	64%	19%	18%	16%
EBITDA margin (%)	NA	NA	NA	33%	72%	86%	90%	92%	93%	94%
Non-operating expenses	\$719	\$719	\$719	\$719	\$719	\$719	\$719	\$719	\$719	\$719
EBIT	(\$24,260)	(\$21,484)	(\$21,337)	\$10,093	\$58,038	\$157,274	\$258,992	\$308,343	\$365,333	\$422,985
Other non-oper expenses	\$384	\$384	\$384	\$384	\$384	\$384	\$384	\$384	\$384	\$384
EBT	(\$24,643)	(\$21,867)	(\$21,721)	\$9,709	\$57,655	\$156,891	\$258,609	\$307,960	\$364,950	\$422,602
Tax expense	\$0	\$0	\$0	\$2,913	\$17,296	\$47,067	\$77,583	\$92,388	\$109,485	\$126,781
Net income, fully-taxed	(\$24,643)	(\$21,867)	(\$21,721)	\$6,796	\$40,358	\$109,823	\$181,026	\$215,572	\$255,465	\$295,821
Fully-taxed EPS (basic)	(\$0.20)	(\$0.18)	(\$0.18)	\$0.06	\$0.33	\$0.90	\$1.49	\$1.77	\$2.10	\$2.43
Fully-taxed EPS (fd)	(\$0.18)	(\$0.16)	(\$0.16)	\$0.05	\$0.30	\$0.81	\$1.33	\$1.59	\$1.88	\$2.18
P/E (basic)	NA	NA	NA	49.7x	8.4x	3.1x	1.9x	1.6x	1.3x	1.1x
EV/EBITDA	NA	NA	NA	19.8x	3.6x	1.4x	0.8x	0.7x	0.6x	0.5x
S/O, basic (M)	121,597	121,597	121,597	121,597	121,597	121,597	121,597	121,597	121,597	121,597
S/O, fd (M)	135,706	135,706	135,706	135,706	135,706	135,706	135,706	135,706	135,706	135,706

Source: Cardiol Therapeutics financial filings; Leede Financial

- On the milestone watch, our gaze is squarely focused on timelines to Phase III data from MAVERIC, probably during FQ227, with our expectations that CardiolRx will perform well on mitigating NRS-quantified chest pain, lowering circulating levels of C-reactive protein & reducing frequency of pericarditis episodes during the six-month follow-up period. As shown in Exhibit 4, we ascribe measurable value to two other cardiovascular disease indications – acute myocarditis for which data from the Phase II ARCHER trial were reported in Dec/25 & published in Feb/26 in the *ESC Heart Journal* & diastolic heart failure (also called heart failure with preserved ejection fraction [HFpEF]) for which IND-enabling studies are expected to conclude during FH127 & for which IND filing/Phase I testing are expected by us to transpire during FH227.
- We are sympathetic to Cardiol's decision to focus on recurrent pericarditis in the near term since that is the medical market for which a peer firm has demonstrated blockbuster status & for which CardiolRx/cannabidiol's documented inflammasome-based mechanism of action overlaps materially with the mechanism of action for market-leading rilonacept/Arcalyst. But we believe that diastolic heart failure can be an equally compelling medical market for Cardiol to pursue with an orally-active agent & we would not be as quick as Cardiol seemingly is to shove acute myocarditis to the side. It is true that ARCHER data was mixed just based on the primary endpoints that Cardiol selected based on changes in heart morphology & less on symptoms of heart inflammation & we would endorse follow-up Phase II/III acute myocarditis testing once the firm's recurrent pericarditis clinical program concludes.

Exhibit 5. Valuation Scenarios for Cardiol Therapeutics

NPV, discount rate		10%	20%	25%	30%	40%	50%
Implied value per share		\$22.22	\$9.99	\$6.11	\$4.78	\$2.67	\$1.20
Price/earnings multiple, 2031E		10%	20%	25%	30%	40%	50%
Implied share price ¹	10	\$7.02	\$4.95	\$4.21	\$3.60	\$2.39	\$2.03
	20	\$14.04	\$9.90	\$6.63	\$7.20	\$4.78	\$4.06
	30	\$21.06	\$14.85	\$12.63	\$10.80	\$7.17	\$6.09
EV/EBITDA multiple, 2031E		5x	10x	12.5x	15x	17.5x	20x
Implied share price ^{1,2}		\$2.85	\$5.83	\$7.32	\$8.81	\$10.30	\$11.79
One-year Cardiol target price (C\$) ¹				\$6.68			

¹ Based on F2031 fully-taxed EPS of \$0.81; EBITDA of \$158.0M, discounted at 25%, FD S/O of 135.7M

² Includes pro forma cash of \$35.9M (FQ226 cash of \$26.1M & post-quarter-end warrant-derived cash of US\$7.0M/C\$9.8M), no LT debt

Source: Cardiol Therapeutics financial filings; Leede Financial

- **Satellos Bioscience establishes timelines for advancing into formal clinical testing for FSHD, maintaining Spec Buy rating.** ON-based cardiovascular disease-focused degenerative muscle disease-targeted small molecule developer Satellos Bioscience (MSCL-T/MSLE-Q, Spec Buy, PT US\$16.00) announced earlier this week that the US FDA just granted permission for the firm to advance its lead AAK1 inhibitor drug SAT-3247/forzapadin in a new secondary muscle disorder called fasioscapulohumeral muscular dystrophy (FSHD), with the trial expected to commence enrollment next quarter. In parallel, Satellos received R&D funding of up to US\$5.0M from the philanthropic organization FSHD Canada Foundation to partially fund the new clinical program.

Exhibit 6. Income Statement & Financial Forecast Data For Satellos Bioscience, F2026E-to-F2035E

Year-end December 31 (US\$000, exc share data)	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
SAT-3247 royalty revenue, US	\$0	\$0	\$0	\$31,455	\$63,287	\$84,889	\$106,748	\$128,866	\$151,246	\$163,021	\$174,933	\$186,981
SAT-3247 royalty revenue, EU	\$0	\$0	\$0	\$0	\$39,635	\$80,063	\$107,818	\$136,120	\$164,978	\$194,399	\$210,367	\$226,635
Total SAT-3247 revenue	\$0	\$0	\$0	\$31,455	\$102,922	\$164,952	\$214,566	\$264,986	\$316,223	\$357,420	\$385,300	\$413,616
Revenue growth (%)	NA	NA	NA	NA	227%	60%	30%	23%	19%	13%	8%	7%
R&D, clinical expenses	\$22,500	\$22,500	\$15,000	\$14,155	\$12,351	\$8,248	\$7,510	\$7,420	\$7,906	\$7,148	\$6,935	\$6,204
G&A, marketing expenses	\$5,250	\$5,500	\$6,000	\$8,176	\$9,547	\$10,287	\$10,112	\$11,194	\$11,705	\$12,322	\$12,611	\$12,803
Other expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EBITDA	(\$27,750)	(\$28,000)	(\$21,000)	\$9,124	\$81,025	\$146,417	\$196,944	\$246,372	\$296,612	\$337,949	\$365,753	\$394,609
EBITDA growth (%)	NA	NA	NA	NA	788%	81%	35%	25%	20%	14%	8%	8%
EBITDA margin (%)	NA	NA	NA	29%	79%	89%	92%	93%	94%	95%	95%	95%
Non-operating expenses	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260	\$1,260
EBIT	(\$29,010)	(\$29,260)	(\$22,260)	\$7,864	\$79,765	\$145,157	\$195,684	\$245,112	\$295,352	\$336,689	\$364,493	\$393,349
Other non-oper expenses	(\$1,538)	(\$1,576)	(\$1,615)	(\$1,656)	(\$1,697)	(\$1,740)	(\$1,783)	(\$1,828)	(\$1,873)	(\$1,920)	(\$1,968)	(\$2,017)
EBT	(\$27,473)	(\$27,684)	(\$20,645)	\$9,519	\$81,462	\$146,897	\$197,467	\$246,940	\$297,226	\$338,609	\$366,462	\$395,367
Tax expense, other	\$0	\$0	\$0	\$2,380	\$20,365	\$36,724	\$49,367	\$61,735	\$74,306	\$84,652	\$91,615	\$98,842
Net income, fully-taxed	(\$27,473)	(\$27,684)	(\$20,645)	\$7,140	\$61,096	\$110,173	\$148,100	\$185,205	\$222,919	\$253,957	\$274,846	\$296,525
Fully-taxed EPS (basic)	(\$1.32)	(\$1.28)	(\$0.95)	\$0.33	\$2.82	\$5.09	\$6.84	\$8.55	\$10.29	\$11.72	\$12.69	\$13.69
Fully-taxed EPS (fd)	(\$1.19)	(\$1.16)	(\$0.87)	\$0.30	\$2.56	\$4.62	\$6.21	\$7.76	\$9.34	\$10.64	\$11.52	\$12.43
P/E (basic)	NA	NA	NA	21.3x	2.5x	1.4x	1.0x	0.8x	0.7x	0.6x	0.6x	0.5x
EV/EBITDA	NA	NA	NA	4.0x	0.5x	0.2x	0.2x	0.1x	0.1x	0.1x	0.1x	0.1x
S/O, basic (M)	20,831	21,665	21,665	21,665	21,665	21,665	21,665	21,665	21,665	21,665	21,665	21,665
S/O, fd (M)	23,026	23,859	23,859	23,859	23,859	23,859	23,859	23,859	23,859	23,859	23,859	23,859

Source: Satellos Bioscience financial filings; Leede Financial

- The FSHD Canada Foundation funding is milestone-contingent (presumably based on patient enrollment milestones & study completion) & payable over the next five quarters to end-of-F2027. In exchange, the foundation will received cash payments over a defined period of time based on any revenue that SAT-3247/forzapadin generates in this new indication. Total payments are capped at an undisclosed level & the magnitude of revenue sharing was not disclosed

either but it is notable that the foundation's notional benefit from SAT-3247/forazapadin economics is not royalty-based, implying to us that its payback could be higher in magnitude than for a conventional royalty relationship but paid over a shorter period of time. Regardless, no revenue-based payments of any description could conceivably be generated until after FDA approval that under best-case scenario could transpire no earlier than F2030/F2031, the period during which our model projects SAT-3247/forazapadin FDA approval for its lead indication, Duchenne muscular dystrophy (DMD). Since disbursement of this R&D grant is expected to be sporadic throughout the pending FQ426-to-FQ427 financial periods, we are not adjusting our pro forma cash level embedded into our EV calculation & valuation for Satellos. The firm exited FQ226 with US\$61.8M in cash & no LT debt.

Exhibit 7. Valuation Scenarios for Satellos Bioscience

NPV, discount rate		20%	25%	30%	35%	40%
Implied value per share		\$35.77	\$22.70	\$14.55	\$9.04	\$5.46
Price/earnings multiple, 2031E		20%	25%	30%	35%	40%
Implied share price ^{1,2}	10	\$12.35	\$10.49	\$8.97	\$7.71	\$6.67
	20	\$24.70	\$20.98	\$17.93	\$15.42	\$13.33
	30	\$37.05	\$31.47	\$26.90	\$23.13	\$20.00
EV/EBITDA multiple, 2031E		7.5x	10x	12.5x	15x	17.5x
Implied share price ^{1,2}		\$9.83	\$12.80	\$15.77	\$18.74	\$21.72
One-year MSCL target price (US\$) ^{1,2}				\$16.08		

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

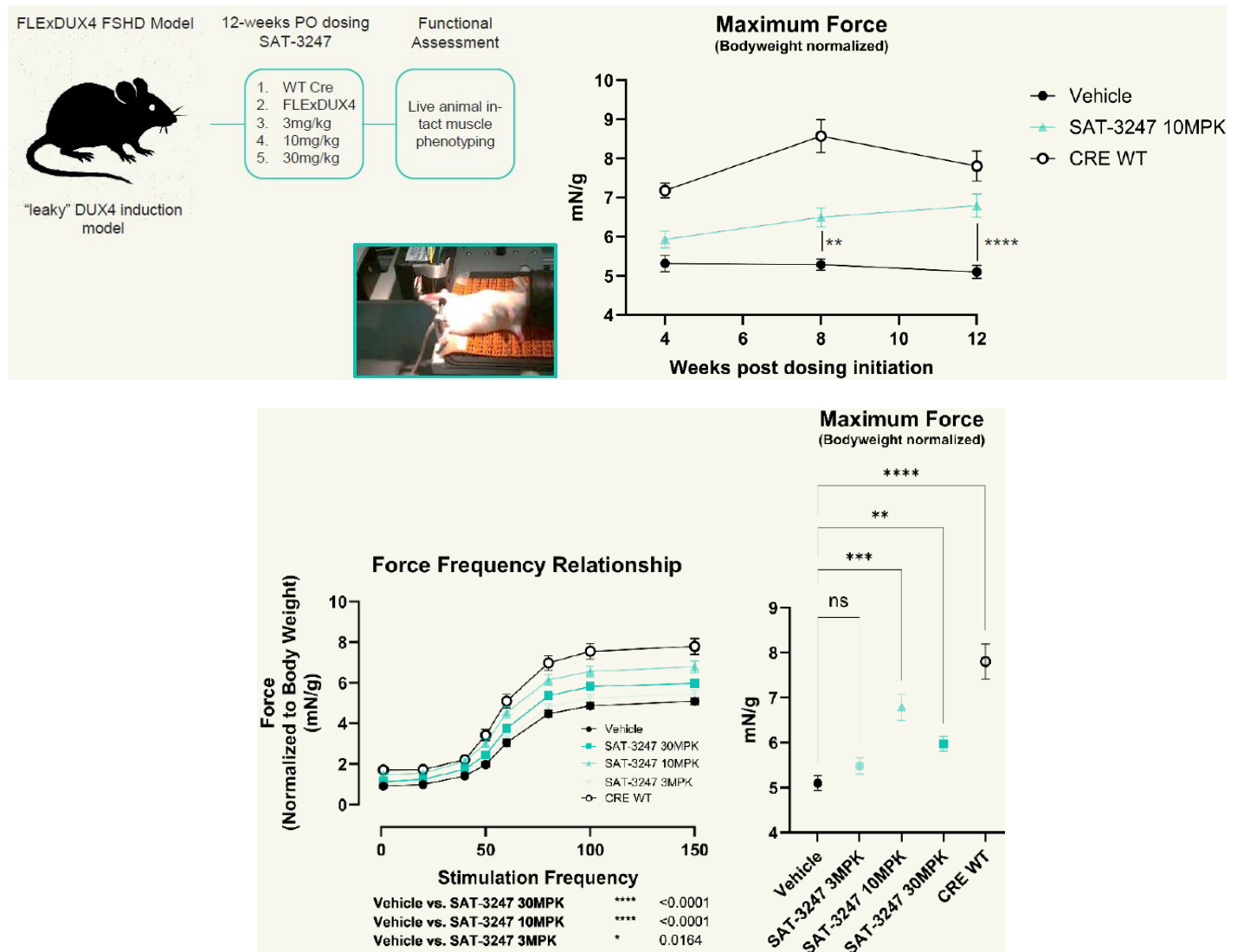
² Enterprise value based on notional fd S/O of 23.9M (assumes supplemental equity capital raise during our forecast period); FQ226 cash of US\$61.8M, no LT debt

Source: Satellos Bioscience financial filings; Leede Financial

- We published a fairly comprehensive overview of FSHD in an Aug/26 edition of our Healthcare Weekly & we can send along that document to any investors seeking a deeper description of the indication & SAT-3247/forazapadin's medical prospects based on its AAK1-based pharmacology, just let us know. Satellos has had FSHD on its radar screen for several quarters dating back to early F2024 when it reported preclinical data from a murine model of disease (the FLExDUX4 mouse model), showing in data presented in Mar/24 at the Muscular Dystrophy Association Clinical & Scientific Conference that SAT-3247-treated animals exhibited superior improvement in muscle force over an up-to-four-week dosing period as compared to placebo animals. These data were reproduced in an Aug/26 investor presentation by Satellos & FSHD Canada Foundation that is available on Satellos' website. Satellos did not provide any clinical details for its pending Phase II FSHD study but in its annual information form filed in late Mar/26, the firm estimated that a 50-patient adult study was being contemplated at the time.
- For now we will closely monitor advances in FSHD-focused clinical testing but without overtly ascribing market value to the program, a decision that may prove to be overly conservative based on preclinical evidence of SAT-3247 efficacy in the indication, but we believe that capital markets & our model are more intensely focused on Satellos' ongoing Phase II clinical programs in Duchenne muscular dystrophy, the indication for which the role of SAT-3247 impact on driving asymmetric stem cell division & thus drive actual muscle cell regeneration (& not just influence dystrophin production as most of the existing FDA-approved RNA-based or adenovirus-based therapies do) is now well-documented in the medical literature & infused into our investment thesis.
- In the aforementioned Aug/26 Healthcare Weekly cited above, we reflected positively but cautiously on SAT-3247's medical prospects in FSHD based predominantly on our reflection on just how mechanistically distinct FSHS is in comparison to Duchenne muscular dystrophy, even though both indications are muscle degeneration disorders. To summarize a few of the key points in our prior analysis, FSHD is the most prevalent form of adult-onset muscular dystrophy (Duchenne muscular dystrophy is a genetic disorder leading to absence of dystrophin protein in muscle cells & symptoms are apparent in childhood), affecting one in 8,000-to-20,000 individuals according to a 2005 review published by Leiden University researchers in the *American Journal of Human Genetics*. Satellos itself cites a 2014

paper published in *Neurology* on its website that calculated disease prevalence at 12-in-100,000 population, squarely within the aforementioned range. Symptoms are often asymmetric, with muscle weakness initially apparent in the upper body (facial muscles, shoulders, upper arms), emerging in the lower limbs thereafter.

Exhibit 8. Partial Recovery Of Muscle Function Is Clearly Associated With SAT-3247 Administration In A Mouse Model For FSHD – Formal Phase II Testing Is On The Horizon

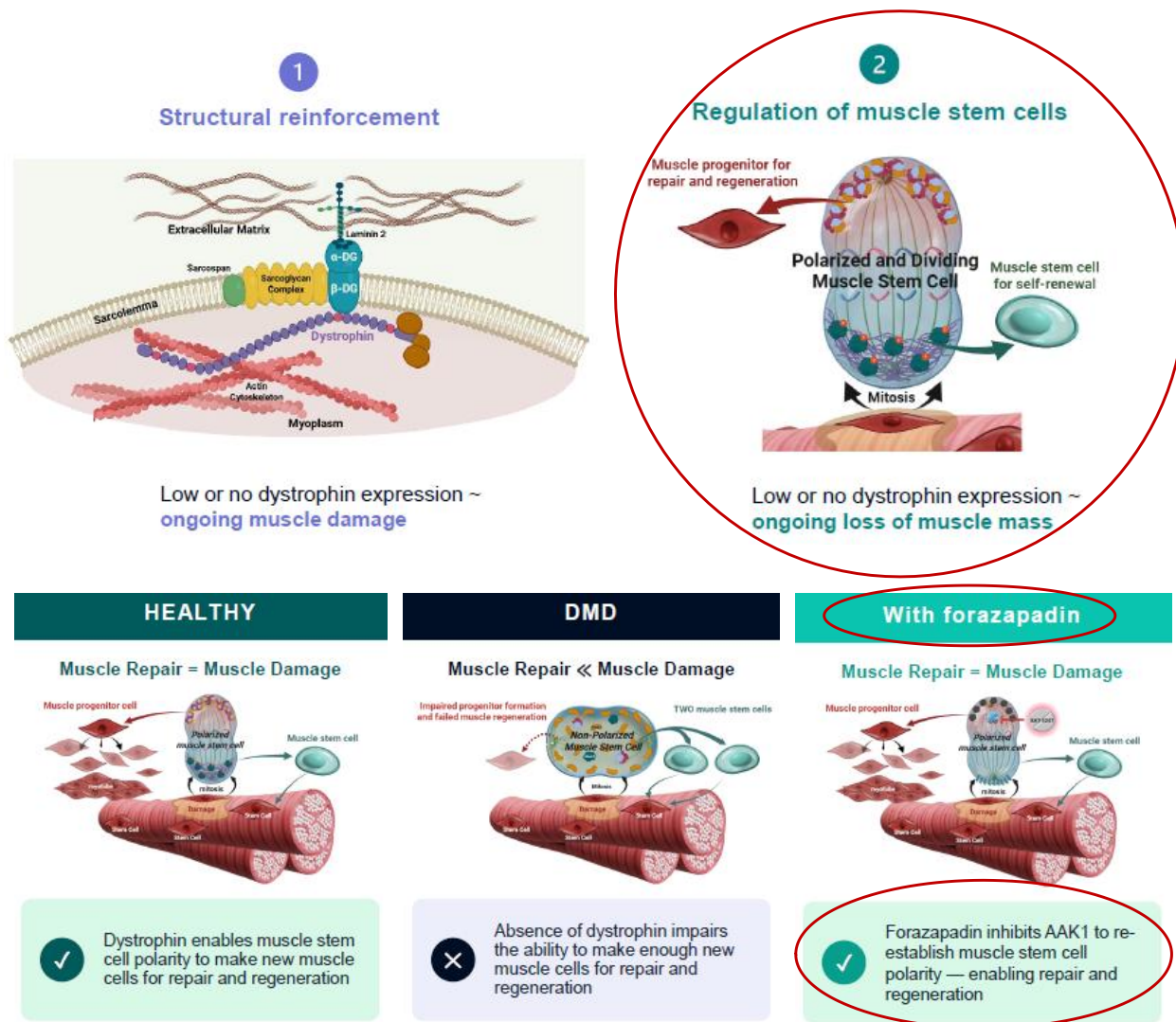


Source: Satellos Biosciences & FSHD Canada Foundation investor presentation (Aug/26)

- Like Duchenne muscular dystrophy, FSHD is also a genetic disorder but not with direct impact on dystrophin, instead emerging from activation of the transcription factor DUX4 (double Homeobox-4) in skeletal muscle. In theory, gene therapy approaches to FSHD could be explored but so far, no effective gene-altering drugs have been approved. The disease occurs because the number of so-called D4Z4 repeat sequences in chromosome 4 are reduced, though a different mutation in chromatin (a major protein within chromosomes during mitotic cell division) also gives rise to similarly negative impact on muscle function. These mutations impede function of pathways that would otherwise silence the DUX4 gene, which it is in healthy adult muscle tissue, as described in a 2010 review in the journal *Science*.
- It seemed clear to us then as now that Satellos' lead drug SAT-3247 would be effective in Duchenne muscular dystrophy by inhibiting the protein AAK1 & in so doing influence the role of dystrophin in the ability of muscle satellite cells to divide asymmetrically, which means that when undergoing cell division, such cells create one clonal version of itself (which is necessary for the muscle precursor cell to propagate itself in the future) & one version of a precursor muscle cell that

can go on to form functional myocytes, cells that presumably will have the ability to assemble into functional muscle tissue. Dystrophin is instrumental in this cell division/differentiation process, a role that is independent of its structural role in mature muscle tissue & a role that was identified by Satellos' founding scientist & University of Ottawa researcher Michael Rudnicki, whose publications in this realm we reviewed in our Satellos initiation report (which we can also resend on request). In Duchenne muscular dystrophy, dystrophin's role as a structural muscle protein (& from Satellos' perspective, also as a mediator of satellite cell polarity & asymmetric cell division that produces functional muscle precursor cells) is more established than in FSHD, for which we postulated that SAT-3247's impact on muscle degeneration could be more indirect & independent of the drug's role in AAK1 inhibition/satellite cell polarity.

Exhibit 9. Asymmetric Satellite Cell Division Could Still Be Relevant In Mediating FSHD Muscle Degeneration, Even If Its Underlying Mutation-Based Pathology Is Distinct From Duchenne Muscular Dystrophy & AAK1 Inhibition



Source: Satellos Bioscience investor presentation (Aug/26).

- But that said, the firm's FLExDUX4 preclinical murine data is clearly encouraging & merits further analysis in a formal Phase II clinical program. For now, our valuation & investment thesis are squarely focused on interim updates from the firm's ongoing Phase II Duchenne muscular dystrophy studies – the 30-patient adult Duchenne muscular dystrophy trial (the TRAILHEAD trial) & the 51-patient pediatric Duchenne muscular dystrophy trial (the BASECAMP trial) – for which encouraging if complicated interim data are already in the public domain. Though exon-skipping RNA-based & adenovirus-based microdystrophin-encoding therapies dominate the FDA-approved pharmacopeia for Duchenne muscular dystrophy - most of these drugs were developed by indication leader MA-based Sarepta Therapeutics (SRPT-

Q, NR) that generated Duchenne muscular dystrophy drug therapy sales in FQ226 of US\$328.7M – we see a substantial medical market for an orally-active therapy that can drive muscle regeneration in a sustainable way. We are optimistic that SAT-3247/forzapadin can be that therapy & TRAILHEAD/BASECAMP final data will be key elements in that potential.

Exhibit 10. Comparable Companies In The Duchenne Muscular Dystrophy Drug Development Universe For Satellos

Company	Curr	Sym	Shares out (M)	Share price 25-Sep	Mkt Cap (\$M) (curr)	(C\$)	Ent Val (\$M) (curr)	(C\$)	Company description
Duchenne Muscular Dystrophy-focused therapy developers - Exon-Skipping Or RNA/Antisense Technologies									
BioMarin Pharmaceutical Inc.	USD	BMRN	193.6	\$61.35	\$11,876	\$16,785	\$21,467	\$30,341	CA-based rare disease-focused drug developer; lead DMD anti-sense drug BMN 351 in Italy-based 18-patient Phase II testing, data expected by H127
Sarepta Therapeutics, Inc.	USD	SRPT	105.6	\$18.39	\$1,942	\$2,746	\$2,829	\$3,999	Three approved antisense therapies targeting genetic variants of DMD (Exondys 51, Vyondys 53, Amondys 45), Roche-partnered approved adenovirus-based gene therapy (Elevidys); FQ226 sales US\$328.7M
Wave Life Sciences Ltd.	USD	WVE	197.0	\$3.96	\$780	\$1,103	\$409	\$579	Exon 53-skipping antisense therapy WVE-N531; 48-week Phase II (Forward-53 trial) data in Mar/25; dystrophin express up 7.8%, 88% of pts over threshold of 5%; final data in H127
Duchenne Muscular Dystrophy-focused therapy developers - Adenovirus (AAV)-Based Gene Delivery Technologies									
Hansa Biopharma AB	SEK	HNSA	101.8	SEK 32.22	SEK 3,279	\$489	SEK 536	\$80	SRP-9001-104 trial; Sarepta-partnered pre-treatment with imlifidase/Ideferix (cleaves IgG, mitigates immune response to adenovirus vectors) prior to gene therapy with SRP-9001/Elevidys; Phase I testing is ongoing
REGENXBIO Inc.	USD	RGNX	66.0	\$7.24	\$478	\$676	\$783	\$1,107	AAV-based gene therapy RGX-202 encodes C-terminal domain of micro-dystrophin; Phase I/II data from five patients (Nov/24) in 15-patient AFFINITY DUCHENNE trial, data by mid-2028
Solid Biosciences Inc	USD	SLDB	107.2	\$7.48	\$802	\$1,134	\$600	\$848	AAV-based gene therapy SGT-003 in 43-patient Phase I/II INSPIRE DUCHENNE trial, data by mid-2027, microdystrophin expression observed in mdx mouse, targets cardiac & skeletal muscle with minimal liver targeting; proprietary capsid AAV-SLB101 is vector
Average						\$3,822	\$6,159		
Duchenne Muscular Dystrophy-focused therapy developers - Small Molecule Or Other Technologies									
Capricor Therapeutics, Inc.	USD	CAPR	58.1	\$8.57	\$498	\$704	\$368	\$520	Deramiciel (CAP-1002; exosome-secreting allogeneic cardio-sphere-derived cell therapy); 106-patient Phase III HOPE-3 trial (Lancet, Jul/26), negative FDA advisory committee vote in Jul/26
Dyne Therapeutics, Inc.	USD	DYN	186.7	\$16.51	\$3,083	\$4,358	\$3,393	\$4,796	DYNE-251 (z-rostudirsen) in 86-patient Phase II (DELIVER) trial, projects early BLA filing by Q226
Edgewise Therapeutics, Inc.	USD	EWTX	108.6	\$41.16	\$4,470	\$6,318	\$5,667	\$8,010	CO-based sevasemten (EDG-5506) developer, in Phase II testing for Becker/Duchenne muscular dystrophy; Phase II LYNX trial, data in early F2027
PTC Therapeutics, Inc.	USD	PTCT	83.5	\$62.28	\$5,198	\$7,347	\$8,321	\$11,761	Emflaza/deflazacort (corticosteroid; FQ226 sales US\$24.6M vs US\$36.4M last year), Translarna/ataluren (RNA therapy; FQ226 sales US\$42.2M vs US\$59.5M last year)
Santhera Pharmaceuticals	CHF	SANN	15.9	CHF 15.02	CHF 239	\$415	CHF 454	\$788	Developed corticosteroid vamorolone/Agamree (Catalyst holds US rights, Kye Pharma holds Cdn rights)
Rare Disease Drug Developers									
BridgeBio Pharma, Inc.	USD	BBIO	195.5	\$66.28	\$12,957	\$18,314	\$22,051	\$31,167	Rare diseases; Nulibry (2021; molybdenum cofactor deficiency Type A), Attruby (2024; ATTR-cardiac amyloidosis)
Travere Therapeutics, Inc.	USD	TVTX	94.3	\$60.62	\$5,714	\$8,076	\$8,237	\$11,642	Filspari/sparesentan FDA-approved in Sept/24 for kidney disease (IgA Nephropathy); endothelin-angiotensin II receptor antagonist
Ultragenyx Pharmaceutical Inc.	USD	RARE	98.6	\$14.77	\$1,456	\$2,058	\$3,268	\$4,619	Five product approvals in rare diseases, including Dojolvi (trihex-tanoin; long-chain fatty acid oxidation disorders), Mepsevii (recom-binant beta-glucuronidase/vestronidase; mucopolysaccharidosis VII)
Average						\$3,613	\$5,594		
Satellos Bioscience Inc.	USD	MSLE	20.8	\$8.71	\$181	\$256	\$175	\$247	Lead AAK1 inhibitor drug SAT-3247 in Phase I/II testing for Duchenne muscular dystrophy (DMD)
Amicus Therapeutics	USD	FOLD	Targets Fabry disease (Galafold/migalastat; chaperones alpha-galactosidase A to lysosomes; approved in 2018) & Pompe disease (Pombiliti-Opfolda/ miglustat; recombinant glucosidase alpha enzyme stabilizer; approved in 2023); acquired by BioMarin for US\$4.8B in Dec/25						
Apellis Pharmaceuticals	USD	APLS	Empaveii/pegcetacoplan (PEGylated pentadecapeptide); complement C3 inhibitor, targets paroxysmal noctur-nal hemoglobinuria (PNH); acquired by Biogen for US\$5.6B in May/26						

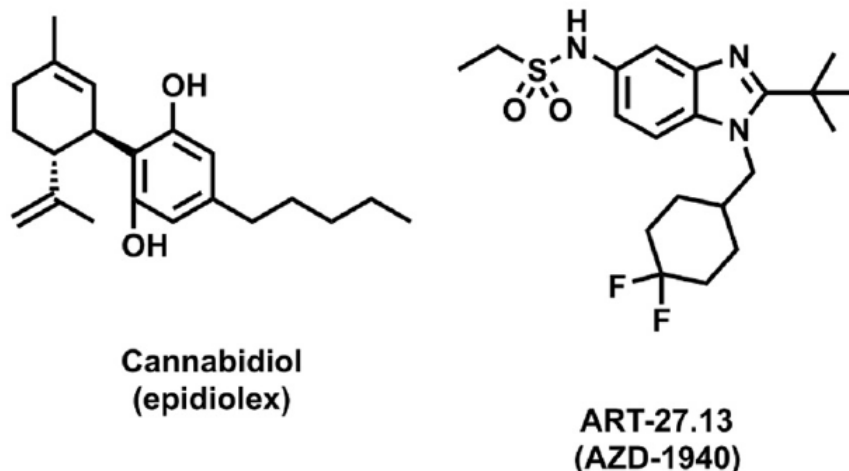
Source: Refinitiv, Leede Financial

- **Summary & valuation.** We are maintaining our Speculative Buy rating & one-year PT of US\$16.00 on MSCL/MSLE, with our valuation based on NPV (30% discount rate) & multiples of our F2031 EBITDA/fd EPS forecasts of US\$81.0M & US\$2.56/shr, respectively. Our EV calculation incorporates FQ226 cash of US\$61.8M (unadjusted for now by pending US\$5.0M in FSHD Canada Foundation funding that clearly will be deployed to new Phase II FSHD testing & thus unlikely to reside on the balance sheet for any significant duration), no LT debt, & fd S/O of 23.0M. As before, we base our forecasts on notional fd S/O of 23.9M that assumes supplemental equity offerings could be consummated to fund SAT-3247 to FDA approval in Duchenne muscular dystrophy & perhaps in FHSD. We expect to revisit FHSD impact on our PT/valuation as Phase II activities advance to data, but TRAILHEAD/BASECAMP final data are the key inflection points on which we are focused in F2027.

Significant Developments With Relevance To Our Coverage Universe

- **Advances in the GLP-1 universe.** The obesity medical market is evolving in some unique ways & not just through the observation that glucagon-like peptide-1 & its long-acting analogs could be relevant in that realm. We observe with considerable interest that new mechanisms of action are showing themselves to impact weight loss & metabolic activity almost as extensively as GLP-1s themselves & on that theme, our attention was drawn to a recent announcement by CA-based Artelo Biosciences (ARTL-Q, NR) for its orally-active, once-daily, peripherally-selective (which means outside the central nervous system, where tetrahydrocannabinol/THC exhibits its psychoactive activity) cannabinoid receptor agonist & benzimidazole derivative drug ART27.13, showing in a preclinical diet-induced animal model for obesity that the drug as a standalone monotherapy could engender weight loss comparable to that which Novo Nordisk's (NVO-NY, NR) semaglutide/Ozempic could confer at clinically-meaningful dosage strengths. Magnitude of weight loss was doubled when the two agents, which have distinctive mechanisms of action, were administered in combination as compared to weight loss for either as a monotherapy.
- The connection to other cannabinoid drug developers is indirect but still relevant in our view, especially when considering that foundational drug development activities for ultrapure cannabinoids like Jazz Pharmaceuticals/GW Pharmaceuticals' (JAZZ-Q, NR) highly-purified cannabidiol formulation Epidiolex & Cardiol Therapeutics (CRDL-T, Spec Buy, PT C\$7.00) even more ultra-pure semi-synthetic cardiovascular disease-related inflammation-targeted cannabidiol formulation CardiolRx has historically been encumbered by the inability to separate the various cannabinoids & terpenoids in sufficiently purified form to determine what their respective pharmacologic activities could be in the absence of other cannabis/hemp-derived impurities.

Exhibit 11. Molecular Structure For ART27.13 & Related Drugs



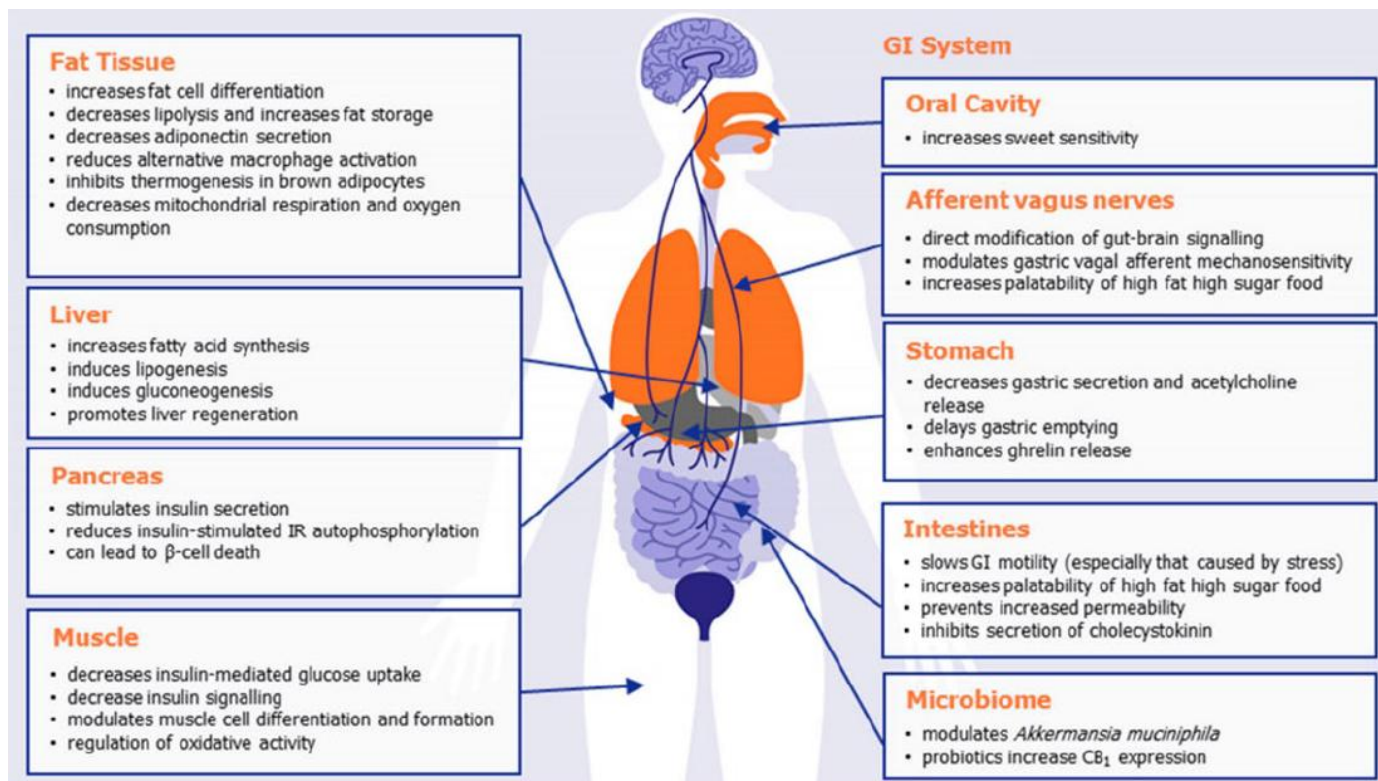
Source: Adapted from *Pharmacological Research* (2025). Vol. 222, pp. 108021-108042.

- Ironically in the case of weight loss though, THC & other naturally-occurring cannabinoids do reduce body fat in obese animals without impacting other metabolic parameters in lean animals, unfortunately with psycho-active side effects intrinsic to THC's broader CNS pharmacology, thus limiting its commercial relevance to other cardiometabolic

indications (THC was shown to increase clinical risk of developing heart arrhythmia in a meta-analysis of cardiovascular outcomes published in abstract form in May/25 in the *Journal of the Society for Cardiovascular Angiography & Interventions*; we cite other studies on THC cardiotoxicity in our original Cardiol Therapeutics report).

- For historic context, ART27.13 was originally an AstraZeneca (AZN-LN, NR) drug, during which it was called AZD-1940 (Exhibit 2, with structure published in a 2025 paper by Leiden University researchers in the journal *Pharmacological Research*) that was described in a few papers published during 2013, one of which was a 44-patient Phase II capsaicin-induced pain study published in the journal *Clinical & Experimental Pharmacology & Physiology* in which no significant attenuation of pain was observed in comparison to placebo. A separate 151-patient three-arm placebo-controlled trial also published in 2013 in the *Scandinavian Journal of Pain* was also negative on showing any placebo-adjusted impact on post-operative pain, as quantifies by the well-characterized visual analog scale (VAS).
- Paradoxically, the drug by its new name but with its structure unaltered by Artelo showed a 20% weight loss in test animals over a four-week monitoring period in the DIO-2 trial, an efficacy threshold matched by semaglutide according to Artelo, while showing that about 80% of the weight loss was fat & not muscle, which is approximated by semaglutide's selective (70%) fat loss as a proportion of total weight loss in this animal model. ART27.13 has no impact on weight loss in lean animals as confirmed both by dual-energy X-ray absorptiometry (DEXA, commonly used for bone density determination but can be useful for soft tissue analysis as well) & MRI imaging while other metabolic markers like liver hypertrophy, blood glucose homeostasis & serum cholesterol levels were directionally & favorably impacted by ART27.13. Presumably this anti-obesity activity was engendered through its high-potency agonist activity against both the CB1 & CB2 receptors found in peripheral tissues. The pharmacology of the drug's receptor-ligand interaction with both receptors is well-known & indeed was described in the 2025 *Pharmacological Research* paper we cited above, along with a more recently PK study specifically on cannabidiol published earlier this year in the *British Journal of Clinical Pharmacology*.

Exhibit 3. The Effects Of Peripheral CB1 Activation Promoting Appetite & Weight Gain



Source: Artelo Biosciences poster presentation (8th Annual Cannabinoid & Endocannabinoid Drug Development Summit; Oct/25)

- We were interested to see that based on these preclinical data, Artelo will now focus its Phase II testing (we assume that Astra's prior Phase I testing & then Phase II pain testing provide sufficient PK/safety data to allow Artelo to advance directly into its own Phase II program) as a treatment for anorexia & weight loss in cancer patients (so-called cancer

anorexia cachexia syndrome). The trial is not registered in the US National Institutes of Health clinical database, at least not with ART27.13 identified by that name or as AZD1940, but the trial is described in the UK's Clinical Study Registry & is called the Cancer Appetite Recovery Study (CAREs) & interim data reported by Artelo in Sept/25 are encouraging, showing at least 6% weight gain over three-month follow-up in comparison to 5% weight loss in placebo patients.

- The drug is also being tested in the Phase II DREAM trial as a mediator of intraocular pressure in glaucoma patients. We will be interested to see if the drug's semaglutide-like impact on obesity, presumably through CB1/CB2-agonist activity, has compensatory impact on cancer cachexia & intraocular pressure, two pharmacologically distinct medical markets where equally distinct mechanisms of action are relevant to drugs that are already FDA-approved for either indication (the ghrelin receptor agonist anamorelin/Adlumiz is approved in Japan but not yet in the US for treating cancer cachexia; multiple vascular-active agents target glaucoma, including prostaglandin analogs like latanoprost/Xalatan or bimatoprost/Lumigan). In Artelo's clinical pipeline, it identifies ART27.13 as being a Phase II-stage dual cannabinoid receptor agonist for cancer-related anorexia & for glaucoma; cancer-related cachexia is deemed to still be in preclinical testing. Presumably a decision to pursue a conventional anti-obesity clinical path as Novo & Eli Lilly (LLY-NY, NR) have done with semaglutide & tirzepatide respectively is pending.
- Staying with the GLP-1/obesity theme, Novo Nordisk was active on its own cardiometabolic pipeline with its acquisition of three distinct metabolic assets from NY-based private firm Kallyope, including Kallyope's peptide candidate K-554 that the firm self-describes as a first-in-class non-incretin peptide (meaning it is not physiologically produced by the gut mucosa, as GLP-1s are for example) that did not seem to be overly relevant to Kallyope's pipeline priorities anyway – the firm's clinical pipeline summarized on its website emphasized the migraine pain-targeted TRPM8 (short for transient receptor potential cation channel subfamily M/melastatin member 8, a key modulator of cold sensitization in humans through sodium ion & calcium ion translocation in sensory neurons) channel-blocking elismetrep/K-304 & the 1,800-patient pivotal Phase III acute migraine pain study for which it is actively recruiting patients.
- **Roche reports Phase II data for its own GLP-1/GIP peptide agonist obtained through its Carmot acquisition.** In a related update, Swiss pharma giant Roche (ROG-SW, NR) reported its own GLP-1-relevant clinical data this week for enicepatide/CT-388, the firm's dual GLP-1/GIP (gastric inhibitory polypeptide, a distinct hormone that plays a role in stimulating insulin/C-peptide release from the pancreas) receptor agonist peptide drug that it acquired as part of the pipeline being developed at the time by Carmot Therapeutics, which Roche acquired for US\$2.7B back in Dec/23. The concept of dual GLP-1/GIP pharmacology is of course not at all new, as it is incorporated into Eli Lilly's industry-leading tirzepatide, currently marketed as either Mounjaro or Zepbound that collectively generated FQ226 revenue of US\$14.9B, with sales of both brands up 91% & 46% y/y, respectively.
 - Roche's new data showed that at the highest dose tested, enicepatide could reduce circulating levels of glycosylated hemoglobin by 2.65% after forty-eight weeks of enicepatide dosing, a massive swing toward more normal levels though levels at enrollment are of course relevant to the magnitude of reduction that is achievable. But for patients presenting with relatively high glycosylated hemoglobin levels of over 8.5% at enrollment, reduction of 4.13% was achieved after the same dosing duration, an even more massive reduction that brings levels well into normal range for this common measure of average blood glucose levels. 90% of patients achieved glycosylated hemoglobin levels of less than 6.5% while 62% of patients achieved levels below 5.7%, either of which we would consider to be within normal ranges anyway. Again at the highest dose tested (24-mg once-weekly), mean weight loss was 15.5% from baseline.
 - Roche is currently testing enicepatide (now called RO7795068 in Roche's pipeline) in two distinct weight loss Phase III clinical trials, the 2,000-patient ENITH-1 & 1,600-patient ENITH-2 trials, for which interim weight loss & blood glucose homeostasis data are expected some time during FH127 & final data on 72-week follow-up on cardiovascular biomarkers & sustainability of weight loss are expected by FH228.
- **A potpourri of other recent events that reflect on our Canadian healthcare universe.** Herein we briefly describe a few recent announcements by publicly-traded firms that are relevant even if peripherally to our broader interests in the Canadian healthcare & biotechnology/medtech industry. The events we are summarizing are an eclectic mix of new drug development alliances to which economic interests were overtly described, new FDA approvals usually but not exclusively in the oncology drug/biologics sphere or technological advances that we believe could be relevant to competitive landscape in our various healthcare industries-of-interest.

- Elevor receives FDA approval for lirafugratinib in a niche bile duct cancer indication.** NJ-based private drug developer Elevor Therapeutics received FDA approval earlier this week for its cholangiocarcinoma-targeted tyrosine kinase inhibitor drug lirafugratinib/Lyrfigtu (also called RLY-4008 in the medical literature, when it was developed by MA-based peer firm Relay Therapeutics; RLAY-Q, NR); the drug targets patients with fusion mutations within the fibroblast growth factor receptor-2 (FGFR2) protein & is indicated now as a second-line treatment for patients previously treated with alternative small-molecule chemotherapy. The indication is not overly prevalent, with about 8,000 new diagnoses each year, so this genetically-defined liver cancer variation clearly qualifies as an orphan indication to which orphan drug status metrics will certainly apply, including seven years of market exclusivity independent of any issued patents that will be germane to the drug's Orange Book data. Elevor expects to launch Lyrfigtu in FQ426.
- We are not surprised by the favorable FDA review, with the drug performing well in the 490-patient Phase II ReFocus trial, showing a 46% objective response rate, median duration of response of 11.8 months & median progression-free survival of 11.3 months in second-line patients for which duration of progression-free survival is predicted to be 2.5-to-3.8 months, according to a Dec/14 *Journal of Gastrointestinal Oncology* study where first-line therapy was nucleoside analog-based (gemcitabine or 5-fluorouracil or both). The suite of FGFR2-targeted therapies now available is more comprehensive now & extends beyond lirafugratinib/RLY-4008 (see below), makes these survival data a bit irrelevant but still they establish a threshold survival duration that only recently was exceeded by novel FGFR2-targeted drugs, of which lirafugratinib/RLY-4008 is one.
- Lirafugratinib/RLY-4008's foundational pharmacology was notably described in two high-profile papers published in 2023/2024, one in Nov/23 in the journal *Cancer Discovery* & another in Feb/24 in the journal *PNAS USA*, both by Relay researchers & a few academic collaborators. In those manuscripts, researchers nicely showed that lirafugratinib/RLY-4008 was able to covalently inhibit FGFR2 at a specific cysteine residue within FGFR2's amino acid chain at position #491, with high selectivity over two other non-disease-associated isoforms of this receptor called FGFR1 & FGFR4, thus not disrupting the natural physiological role of these receptors in fibroblast development. Intrahepatic cholangiocarcinoma was the most frequently cited cancer form for which FGFR2 fusion mutations are prevalent.
- There are a few other kinase inhibitor drugs that are already approved for targeting FGFR2 fusion-associated disease & these include Taiho Oncology's (6470-JP, NR) fitibatinib/Lyfgobi (FDA-approved in Sept/22) & Incyte Pharmaceuticals' (INCY-Q, NR) pemigatinib/Pemazyre (FDA-approved in Apr/20), with at least two other mechanistically-distinct drugs also FDA-approved over a similar timeframe in Servier Pharmaceuticals' (private) isocitrate dehydro-genase-1 inhibitor drug ivosidenib/ Tibsovo (FDA-approved in Aug/21) & AstraZeneca's (AZN-LN, NR) anti-PD-L1 targeted mAb durvalumab/ Imfinzi for which multiple indications are approved, not just FGFR2 fusion-associated cholangiocarcinoma. BridgeBio Pharma/QED Therapeutics' (BBIO-Q, NR) infigratinib/Truseltiq (FDA-approved in May/21) was withdrawn from the US market in May/24, citing challenges in patient recruitment for a follow-up clinical trial that was FDA-mandated as part of its original accelerated FDA approval.
- Merck receives FDA approval for its already-FDA-approved small-molecule drug belzutifan.** NJ-based pharma giant Merck (MRK-NY, NR) received FDA approval earlier this week for its von Hippel-Lindau disease-targeted hypoxia-inducible factor-2-alpha (HIF-2 α)-inhibiting small-molecule drug belzutifan/Welireg, this time for targeting a form of kidney cancer called renal cell carcinoma with a clear cell component (despite the complicated name, this is actually the most common form of kidney cancer). Belzutifan/Welireg is a fluorobenzonitrile derivative that binds to HIF-2 α (a transcription factor that influences expression of genes that cells need to express in response to low oxygen conditions, as transpire in the core of poorly-vascularized solid tumors) & in so doing impedes the ability of solid tumor cells to respond genetically to hypoxia, killing such cells in the process. FQ226 Welireg sales were US\$271M, US\$214M of which were US sales.
- Belzutifan/Welireg needs to be co-administered with another multi-targeted vascular endothelial growth factor receptor (VEGFR)-targeted drug called lenvatinib (Eisai's [4523-JP, NR] Lenvima, previously approved for thyroid cancer & renal cell carcinoma though in combination with a different drug, Novartis' [NVS-NY, NR] everolimus/Afinitor) for the kidney cancer indication. The Welireg/Lenvima combination is indicated for patients who have already been treated either with anti-PD1 or anti-PD-L1 mAbs, of which there are several approved variations including Merck's own pembrolizumab/Keytruda & Roche's (ROG-SW, NR) atezolizumab/Tecentriq.

- ♦ The approval was based on data from the 747-patient Phase III LITESPARK-011 trial in which belzutifan/Welireg-treated patients experienced statistically-significant improvement in median progression-free survival in comparison to patients treated with an alternative multi-target tyrosine kinase/VEGFR-inhibiting drug, Exelixis' (EXEL-Q, NR) thyroid cancer drug cabozantinib/Cometriq – median PFS was 14.6 months vs 10.6 months for control patients. There was an overall survival benefit for belzutifan/Welireg-treated patients but it was not deemed to be statistically significant at 33.7 months vs 28.6 months; objective response rate also favored belzutifan/Welireg at 53% vs 40% for control patients.
- **Eli Lilly enters into yet another blockbuster drug development alliance in Asia.** IN-based pharma giant Eli Lilly (LLY-NY, NR) signed a US\$3.35B drug development alliance with China-based InnoCare Pharma (09969-HK, NR); the deal ascribes economic value to multiple undisclosed targets in InnoCare's portfolio but we know that InnoCare is historically focused on oncology & autoimmune diseases. InnoCare will receive US\$100M upfront as part of this new alliance. In an analysis conducted by the biotech industry news organization Fierce Biotech & collaborators at Pitchbook, Eli Lilly has signed twenty-six new drug development/discover alliances since F2023, seventeen of which had blockbuster economics ascribed to them. Admittedly most deal economics is milestone based as these deals often are, but still, the firm is aggressively deploying its Mounjaro/Zepbound-derived free cash flow into pipeline development, often into disease indications that are distinct from the diabetes/endocrinology medical market that those two drugs now dominate.
 - ♦ InnoCare has three already-approved small-molecule drugs that by being successfully developed already provide evidence for where its drug development expertise lies – relevant drugs include Bruton's tyrosine kinase (BTK)-targeted orelabrutinib (a multiple sclerosis drug sold by MA-based Zenas Biopharma; ZBIO-Q, NR), Incyte Pharmaceuticals' (INCY-Q, NR) CD-19-targeted mAb tafasitamab/Monjuvi (FDA-approved for targeting follicular lymphoma & diffuse large B-cell lymphoma) & tropomyosin receptor kinase fusion-positive-mutation-targeted zurletrectinib/ICP-723 (approved for targeting solid tumors harboring gene fusion mutations in the *NTRK* [neurotrophic tyrosine receptor kinase] gene). NTRK fusion mutations are actually more common than we realized until reviewing a 2022 review on the topic published in the journal *Annals of Medicine & Surgery* published by eastern Europe-based researchers. Solid tumor types in which such fusion mutations are often identified include thyroid cancer, glioblastoma, & neuroendocrine lung cancer, among other rare cancer forms.
- **FDA panel recommends approval for a new cancer detection assay – readthrough to Telo Genomics.** Earlier this week, CA-based private firm Grail reported that an FDA-sponsored Medical Devices Advisory Committee recommended to approve the firm's multi-cancer early detection test (MCED) branded as Galleri. The test is designed to detect differences in methylation patterns for cancer-relevant genes. The test performed well in the 35,878-patient US-based PATHFINDER 2 screening trial & the 140,000-patient UK-based NHS-Galleri trials, after which Grail submitted its PMA application back in late Jan/26, a PMA that now seems destined to be formally approved although we have seen the agency act against committee recommendations before, however rarely – Cardiome/Correio's (now part of Cipher Pharmaceuticals; CPH-T, Buy, PT C\$19.50) mixed sodium/potassium channel-blocking drug IV Vernakalant springs to mind, though this juxtaposition of regulatory events transpired over twenty years.
 - ♦ In the original data report from PATHFINDER 2, published in 2025 in the journal *Lancet Oncology* with prostate cancer-specific data published before that in 2024 in the *JCO – Precision Oncology*, data showed that Galleri could detect high-grade clinically-significant prostate cancer. A follow-up analysis of the 1,609 patients for which Galleri identified early cancer in PATHFINDER 2 found that ten new cancer diagnoses occurred within 11.2 years after the original diagnosis, a relatively small proportion that suggests though does not prove that early cancer detection may have played a role in mitigating cancer recurrence & extending overall survival.
 - ♦ A more comprehensive PATHFINDER 2 analysis was published earlier this month in the journal *Nature Medicine*, in which data showed that cancer detection rate was 0.54% (which on its own is irrelevant to test utility, since cancer prevalence in the test population is independent of the test itself), with positive predictive value of 60.3% (fairly low even by cancer diagnosis standards) but with a far higher negative predictive value of 99.2% & specificity of 99.64%, both of which are quite high even if the test was targeting infectious disease for which sensitivity/specificity are typically at/near those levels.

- ♦ The readthrough to Telo Genomics' (TELO-V, NR) telomere architecture-assessing TeloView platform, which also is relevant at least notionally to multiple cancer diagnostic markets, is clear, with Grail's regulatory path for Galleri providing some context for how TeloView may need to be clinically tested in its own PMA-enabling clinical trials. For now, TeloView is focused on minimal residual disease in multiple myeloma as a flagship indication, for which patient numbers in pivotal testing are unlikely to be overly large, since the addressable patient population is limited to those for whom multiple myeloma has been previously diagnosed & treated, but who may still exhibit traces of lingering disease for which some form of cellular assay is required to detect.

Capital Markets Summary

Exhibit xx. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 24-Sep	Mkt Cap (M)	Mkt Cap (C\$M)	Ent. Value (M)	Ent. Value (C\$M)	EV/EBITDA (T12M)			Price/Earnings (T12M)		
									FY1	FY2		FY1	FY2	
Profitable Canadian healthcare firms - specialty services ^{2,3}														
DRI Healthcare Trust	CAD	DHT.UN	55.0	\$18.13	997	997	1,541	1,541	6.2x	6.3x	6.2x	NA	7.1x	7.9x
Jamieson Wellness	CAD	JWEL	41.5	\$45.43	1,885	1,885	2,384	2,384	14.4x	13.3x	11.9x	24.1x	21.1x	18.2x
K-Bro Linen	CAD	KBL	13.0	\$41.38	538	538	836	836	7.2x	7.6x	7.3x	24.5x	20.3x	16.5x
Medical Facilities ¹	CAD	DR	16.2	\$10.55	171	241	306	431	5.4x	5.2x	5.1x	15.1x	6.0x	13.9x
Microbix Biosystems	CAD	MBX	136.7	\$0.30	41	41	41	41	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.2	\$29.41	2,123	2,123	2,298	2,298	11.8x	11.2x	10.2x	24.0x	21.3x	18.8x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales ²														
Apotex	CAD	APTX	228.5	\$33.65	7,689	7,689	11,940	11,940	NA	NA	11.7x	NA	NA	15.6x
Aurinia Pharma	USD	AUPH	133.1	\$16.40	2,182	3,077	2,297	3,238	9.5x	8.3x	6.6x	6.9x	17.4x	13.9x
Bausch Health	USD	BHC	374.1	\$5.71	2,136	3,013	31,187	43,970	5.6x	5.6x	6.0x	NA	1.3x	1.3x
BioSynt	CAD	RX	11.5	\$16.54	190	190	172	172	11.2x	10.8x	9.2x	19.0x	18.6x	15.3x
Cipher Pharma ¹	CAD	CPH	25.4	\$10.12	257	363	420	592	15.5x	14.4x	12.1x	8.9x	12.5x	11.5x
HLS Therapeutics ¹	CAD	HLS	30.4	\$2.80	85	120	173	243	10.5x	9.2x	7.6x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	\$10.09	991	991	836	836	8.5x	9.9x	9.5x	NA	NA	37.9x
Medexus Pharma ¹	CAD	MDP	32.0	\$3.60	115	162	181	255	10.7x	11.6x	8.3x	47.8x	NA	22.8x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.4	\$3.16	200	200	268	268	8.7x	7.8x	6.8x	7.4x	36.1x	15.5x
Chartwell Retirement	CAD	CSH.UN	328.3	\$20.45	6,713	6,713	9,943	9,943	21.8x	19.5x	17.6x	NA	NA	NA
Extendicare	CAD	EXE	95.0	\$31.90	3,032	3,032	3,592	3,592	16.2x	14.2x	12.5x	24.1x	22.9x	20.9x
Vital Infrastructure	CAD	VITL.UN	250.0	\$5.24	1,310	1,310	2,516	2,516	12.5x	12.1x	11.7x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	\$0.54	47	47	52	52	14.6x	NA	NA	35.0x	NA	NA
Sienna Senior Living	CAD	SIA	111.2	\$20.69	2,301	2,301	3,509	3,509	21.0x	17.2x	15.2x	39.4x	38.3x	32.8x
Profitable Canadian healthcare firms - medical equipment distribution/sales ⁴														
Covalon Technologies	CAD	COV	27.6	\$2.05	57	57	95	95	19.2x	15.4x	13.6x	12.9x	12.1x	10.3x
Viemed Healthcare	USD	VMD	38.1	\$11.88	452	452	470	663	6.0x	5.2x	4.6x	31.4x	28.7x	21.9x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms ⁵														
Healwell AI	CAD	AIDX	304.8	\$0.76	232	232	277	277	NA	37.2x	19.3x	NA	NA	NA
Hydreight	CAD	NURS	53.7	\$3.10	166	166	156	156	20.3x	8.0x	4.5x	22.8x	10.3x	6.5x
Vitalhub	CAD	VHI	63.4	\$7.61	483	681	350	350	11.9x	10.2x	8.5x	NA	41.1x	24.7x
Well Health	CAD	WELL	256.0	\$4.31	1,103	1,103	1,976	1,976	9.4x	10.5x	9.6x	NA	17.0x	12.1x
Average									12.1x	11.8x	9.8x	22.9x	19.5x	16.9x
Recently-acquired Canadian healthcare firms														
Andlauer	CAD	AND	39.2	\$54.97	2,152	2,152	2,165	2,165	13.4x	NA	NA	32.0x	NA	NA
Dentalcorp Holdings	CAD	DNTL	192.0	\$11.00	2,112	2,112	3,112	3,112	10.9x	NA	NA	NA	NA	NA
Kneat.com	CAD	KSI	96.7	\$6.50	628	868	604	604	NA	34.1x	22.4x	NA	NA	NA
Quipt Home Medical	USD	QIPT	44.5	\$3.65	162	223	235	323	5.4x	NA	NA	2.1x	NA	NA
Theratechnologies	CAD	TH	46.0	\$4.47	206	206	238	238	12.3x	NA	NA	NA	NA	NA

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

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

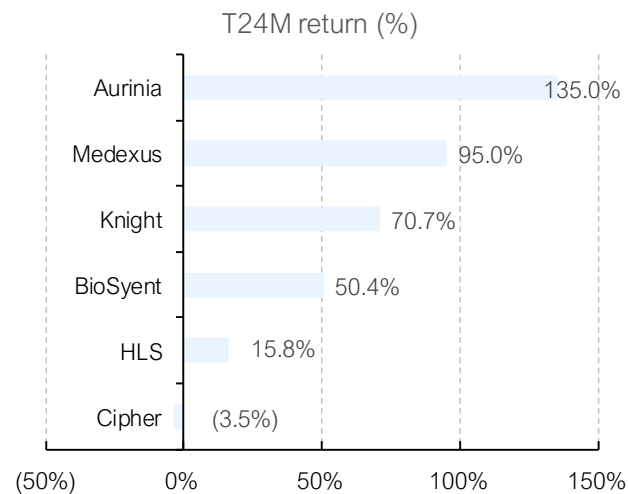
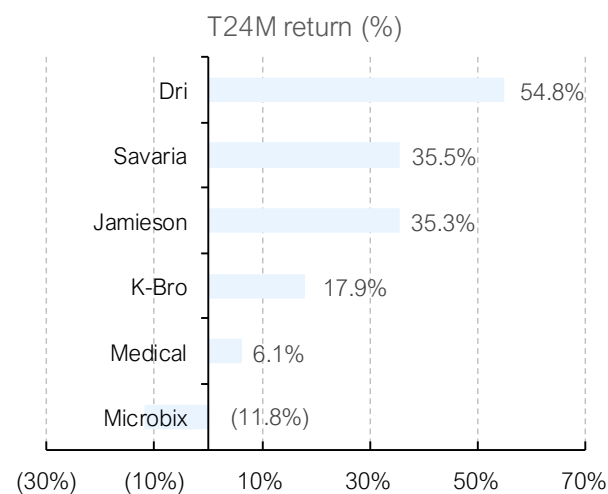
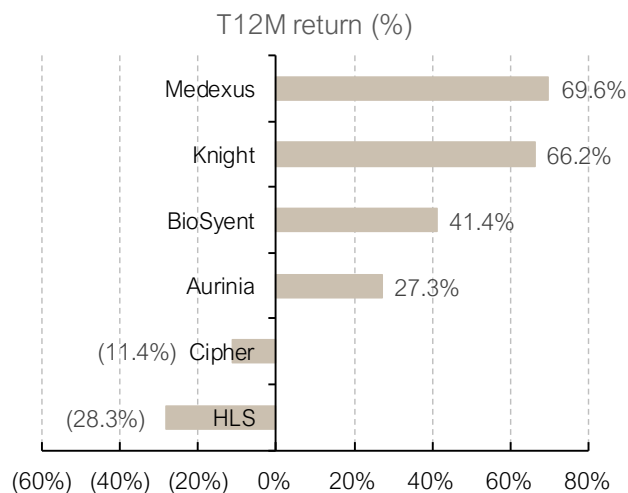
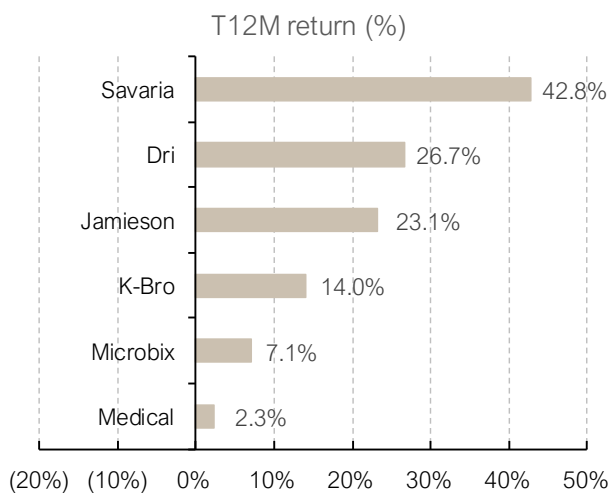
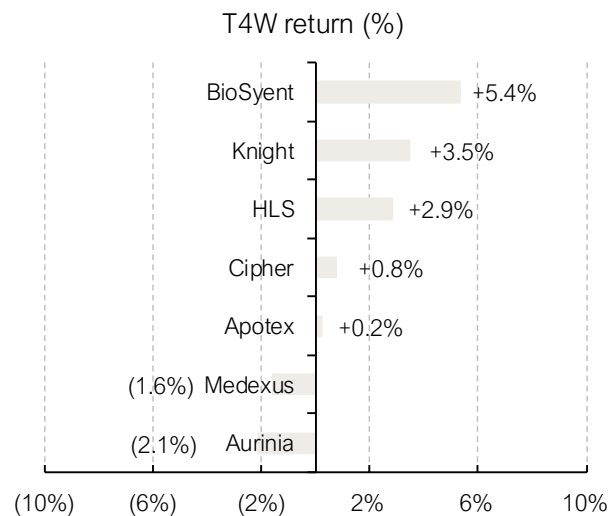
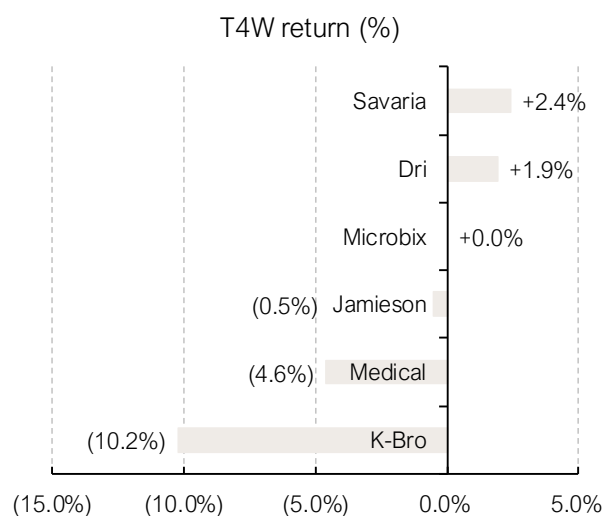
³ Dentalcorp Holdings was acquired by US private equity firm GRRCR LLC in Sept/25 for an EV of C\$3.3B (market value C\$2.1B); transaction closed in Jan/26

⁴ Quipt Home Medical was acquired by Kingswood Capital & Forager Capital for US\$3.65/shr in Dec/25, transaction closed in Mar/26

⁵ Kneat.com was bid to be acquired in Jun/26 by Thoma Bravo LP for C\$650M; transaction closed in Aug/26

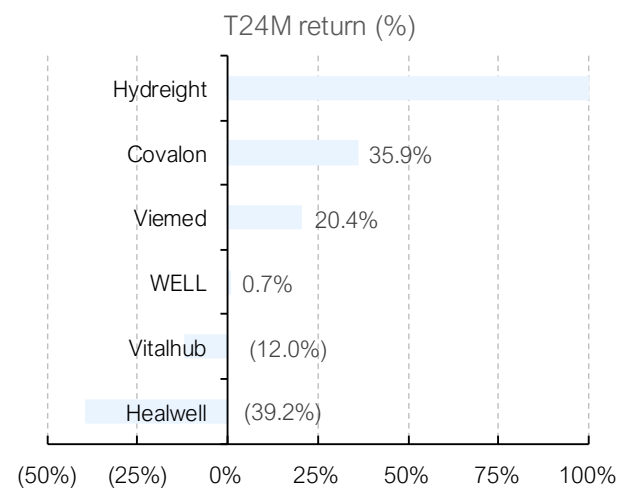
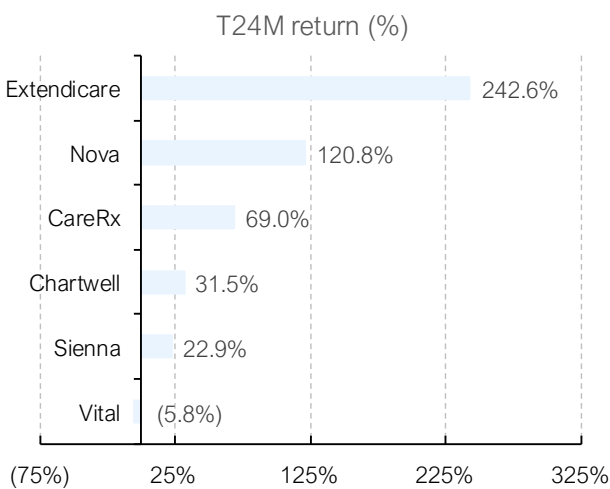
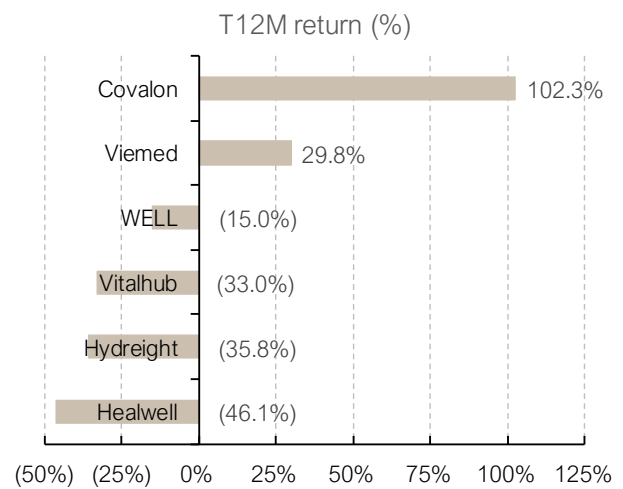
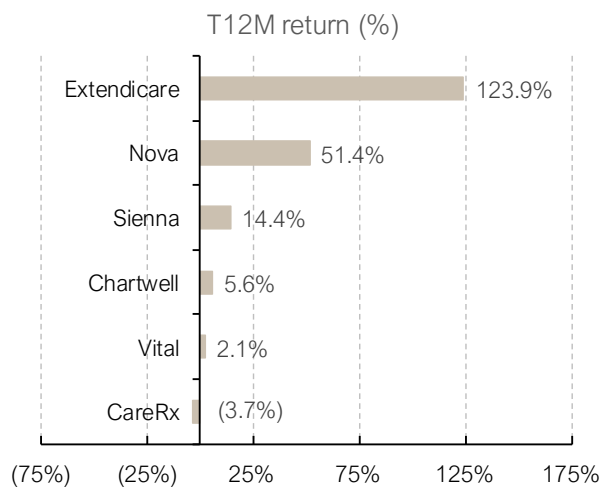
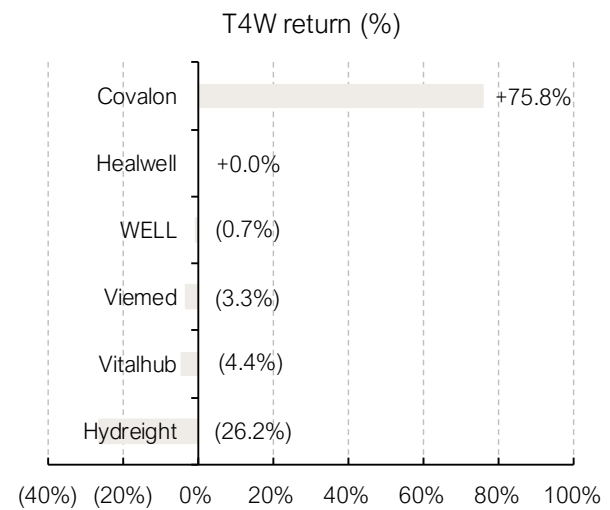
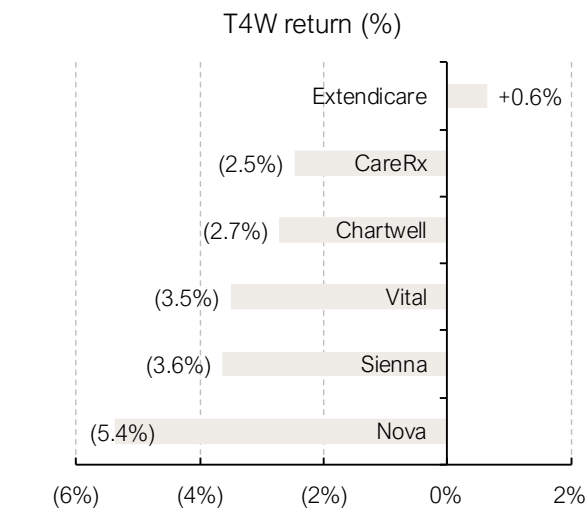
Source: Refinitiv, company reports, Leede Financial

Exhibit xx. 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 xx. 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's T24M return is 1,192%)

Important Information and Legal Disclaimers

Leede Financial Inc. (Leede) is a member of the Canadian Investment Regulatory Organization (CIRO) and a member of the Canadian Investor Protection Fund (CIPF). This document is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular investing strategy. Data from various sources were used in the preparation of these documents; the information is believed but in no way warranted to be reliable, accurate and appropriate. All information is as of the date of publication and is subject to change without notice. Any opinions or recommendations expressed herein do not necessarily reflect those of Leede. Leede cannot accept any trading instructions via e-mail as the timely receipt of e-mail messages, or their integrity over the Internet, cannot be guaranteed. Dividend yields change as stock prices change, and companies may change or cancel dividend payments in the future. All securities involve varying amounts of risk, and their values will fluctuate, and the fluctuation of foreign currency exchange rates will also impact your investment returns if measured in Canadian Dollars. Past performance does not guarantee future returns, investments may increase or decrease in value, and you may lose money. Leede employees may buy and sell shares of the companies that are recommended for their own accounts and for the accounts of other clients. Disclosure codes are used in accordance with Policy 3600 of CIRO.

Description of Disclosure Codes

1. Leede and its affiliates collectively beneficially own 1% or more of any class of equity securities of the company as of the end of the preceding month or the month prior to the preceding month if the report was issued prior to the 10th.
2. The analyst or any associate of the analyst responsible for the report or public comment hold shares or is short any of the company's securities directly or through derivatives.
3. Leede or a director or officer of Leede or any analyst provided services to the company for remuneration other than normal investment advisory or trade execution services within the preceding 12 months.
4. Leede provided investment banking services for the company during the 12 months preceding the publication of the research report.
5. Leede expects to receive or intends to seek compensation for investment banking services in the next three months.
6. The analyst preparing the report received compensation based upon Leede investment banking revenues for this issuer within the preceding 12 months.
7. The director, officer, employee, or research analyst is an officer, director or employee of the company, or serves in an advisory capacity to the company.
8. Leede acts as a market maker of the company.
9. The analyst has conducted a site visit and has viewed a major facility or operation of the issuer.
10. The company has paid for all, or a material portion, of the travel costs associated with the site visit by the analyst.

Dissemination

All final research reports are disseminated to existing and potential institutional clients of Leede Financial Inc. (Leede) in electronic form to intended recipients thorough e-mail and third-party aggregators. Research reports are posted to the Leede website and are accessible to customers who are entitled to the firm's research. Reproduction of this report in whole or in part without permission is prohibited.

Research Analyst Certification

The Research Analyst(s) who prepare this report certify that their respective report accurately reflects his/her personal opinion and that no part of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views as to the securities or companies. Leede Financial Inc. (Leede) compensates its research analysts from a variety of sources and research analysts may or may not receive compensation based upon Leede investment banking revenue.

Canadian Disclosures

This research has been approved by Leede Financial Inc. (Leede), which accepts sole responsibility for this research and its dissemination in Canada. Leede is registered and regulated by the Canadian Investment Regulatory Organization (CIRO) and is a member of the Canadian Investor Protection Fund (CIPF). Canadian clients wishing to effect transactions in any designated investment discussed should do so through a Leede Registered Representative.

U.S. Disclosures

This research report was prepared by Leede Financial Inc. (Leede). Leede is registered and regulated by the Canadian Investment Regulatory Organization (CIRO) and is a member of the Canadian Investor Protection Fund (CIPF). This report does not constitute an offer to sell or the solicitation of an offer to buy any of the securities discussed herein. Leede is not registered as a broker-dealer in the United States and is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. Any resulting transactions should be affected through a U.S. broker-dealer.

Rating Definitions

Buy	The security represents attractive relative value and is expected to appreciate significantly from the current price over the next 12-month time horizon.
Speculative Buy	The security is considered a BUY but carries an above-average level of risk.
Hold	The security represents fair value and no material appreciation is expected over the next 12-month time horizon.
Sell	The security represents poor value and is expected to depreciate over the next 12-month time horizon.
Under Review	The rating is temporarily placed under review until further information is disclosed.
Tender	Leede Financial Inc. recommends that investors tender to an existing public offer for the securities in the absence of a superior competing offer.
Not Rated	Leede Financial Inc. does not provide research coverage of the relevant issuer.

Rating Distribution

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

Historical Target Price

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