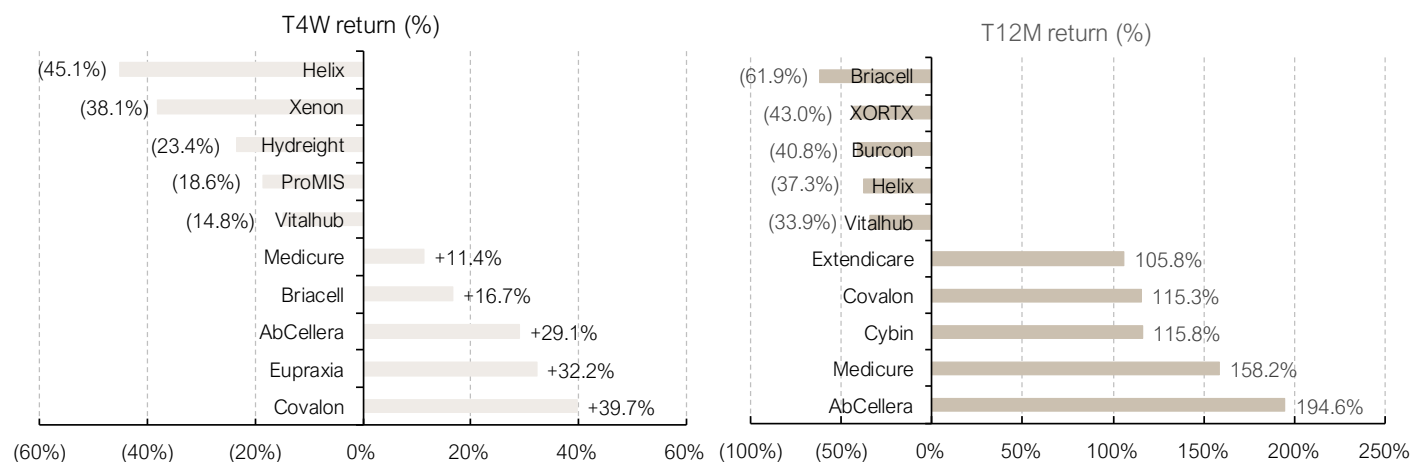


Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Updates From Our Healthcare Coverage Universe

- Satellos completes enrollment in its BASECAMP trial, putting the firm on pace to generate final DMD data in early 2027.** ON-based muscle regeneration-focused small-molecule developer Satellos Bioscience (MSCL-T/MSLE-Q, Spec Buy, PT US\$16.00) just completed enrollment for its 51-patient Phase II BASECAMP trial, testing its small-molecule AAK1 inhibitor drug SAT-3247/forazapadin as an agent for engendering asymmetric division of myocyte-producing muscle progenitor cells in a pediatric population of patients presenting with Duchenne muscular dystrophy (DMD) at enrollment.
 - A positive outcome from this trial at final analysis – for which primary endpoint is impact on muscle quality/function at three-to-twelve month follow-up using well-established measures of muscle physiology/morphology (impact on the North Star Ambulatory Assessment, changes in MRI-confirmed intramuscular fat, changes in stride velocity & changes in regeneration index, the latter of which is a Satellos creation that it described in prior conference presentations) – is embedded in our current valuation & forecasts of course, but we are still positive on Satellos' logistical patient enrollment accomplishment that puts the firm on pace to report efficacy data at the shorter end of the dose duration range (three months of SAT-3247 therapy) by end-of-FQ127 & at the longer end of the dose duration range (twelve months of SAT-3247 therapy) some time during FQ427 or maybe FQ128, consistent with our expectations.
 - Magnitude of impact on regeneration of functioning muscle will of course be a key determinant on Satellos' clinical path forward for SAT-3247, with our model currently assuming that supplemental Phase III DMD testing may be required before an NDA can be submitted to the US FDA for regulatory review, but we are cautiously optimistic that BASECAMP could serve as sufficiently positive evidence for SAT-3247's utility in treating pediatric DMD patients, making BASECAMP clinical outcomes more relevant to our investment thesis than Phase II data tend to be in our drug development coverage history beyond Satellos itself.

Please see end of report for important disclosures.

- Satellos is separately funding a 30-patient Phase II adult DMD trial (the TRAILHEAD trial, with the term 'adult' meaning patients over age sixteen in this context) for which final muscle physiology/morphology data, this time over a two-year monitoring period, should be available at a similar time of FQ427-to-FQ128. The primary endpoints in TRAILHEAD are qualitatively similar but distinct in detail, with the trial assessing changes in muscle force from baseline using dynamometry, changes from baseline in performance of upper limb (PUL2.0, a test originally described in 2012 by a EU-based neurology consortium in the journal *Developmental Medicine & Child Neurology* & utilized multiple times since in the DMD clinical literature) & changes in muscle morphology using MRI-based techniques.
- TRAILHEAD could be as relevant to SAT-3247 regulatory status as BASECAMP, but magnitude of benefit at the dosage regimens being tested (60-mg over five days, followed by a two day rest period for TRAILHEAD, 60-mg or 120-mg daily for BASECAMP) will need to be unambiguously impactful on myocyte regeneration & muscle function & not just hint at efficacy as many Phase II studies do, independent of DMD as the indication under study.

Exhibit 2. 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

- Recall that SAT-3247 was intentionally designed to target the enzyme AAK1, short for adaptor-associated kinase 1, for which relevance to guiding asymmetric muscle progenitor cell division is well-documented in the medical literature by Satellos scientific founder & University of Ottawa researcher MA Rudnicki. Asymmetric in this context means that progenitor cells, instead of just creating two clonal versions of themselves when they undergo mitosis create one version of themselves & a separate muscle precursor cell that once produced can go on to form functioning myocytes that then can assemble to form functioning muscle tissue.
- The University of Ottawa research team has published on this theme many times in recent years, with the most impactful recent characterization of muscle progenitor cell division & the role of dystrophin & AAK2 in this process is described in a 2025 paper in the journal *Nature Communications*, a paper that we have cited many times in our Satellos equity research. We dive deeper into the role of AAK1 & dystrophin as signalling agents in asymmetric muscle progenitor cell division & myocyte production in our initiation report, which we can resend to any interested readers on request, just let us know.
- Satellos' approach to DMD therapy, focusing on pathways that are directly germane to muscle generation & not exclusively on replacing the protein that is lacking in DMD muscle tissue (the aforementioned dystrophin), either using RNA-based exon-skipping drugs (which industry leader Sarepta Therapeutics [SRPT-Q, NR] certainly does with its FDA-

approved drugs eteplirsen/Exondys 51, golodirsen/Vyondys 53 & casimersen/Amondys 45) or adenovirus-based gene therapy (which Sarepta also exploits with delandistrogene moxeparvovec/Elevidys). We take a backseat to no one in our praise of Sarepta & its leading advances in the DMD pharmacopeia, but we also take a backseat to no one in our positive view on how relevant Satellos's orally-active SAT-3247 could be in regenerating functional muscle tissue & not just focusing on partially impacting dystrophin expression levels in impaired DMD muscle.

Exhibit 3. Comparable Companies In The Duchenne Muscular Dystrophy Drug Development Universe For Satellos

Company	Curr	Sym	Shares out (M)	Share price 30-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	\$59.87	\$11,589	\$16,443	\$21,142	\$29,996	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	\$18.64	\$1,969	\$2,793	\$2,877	\$4,082	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	\$3.64	\$717	\$1,018	\$322	\$456	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 32.50	SEK 3,307	\$493	SEK 538	\$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	\$7.45	\$492	\$698	\$806	\$1,143	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	\$7.16	\$768	\$1,089	\$553	\$785	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						\$3,756	\$6,091		
Duchenne Muscular Dystrophy-focused therapy developers - Small Molecule Or Other Technologies									
Capricor Therapeutics, Inc.	USD	CAPR	58.1	\$8.57	\$498	\$707	\$369	\$524	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	\$16.21	\$3,027	\$4,295	\$3,326	\$4,720	DYNE-251 (z-rostudirsen) in 86-patient Phase II (DELIVER) trial, projects early BLA filing by Q226
Edgewise Therapeutics, Inc.	USD	EWTX	108.6	\$39.19	\$4,256	\$6,039	\$5,385	\$7,640	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	\$64.96	\$5,422	\$7,692	\$8,670	\$12,301	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 15.08	CHF 240	\$417	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	\$65.97	\$12,897	\$18,298	\$22,049	\$31,283	Rare diseases; Nulibry (2021; molybdenum cofactor deficiency Type A), Attruby (2024; ATTR-cardiac amyloidosis)
Traverse Therapeutics, Inc.	USD	TVTX	94.3	\$59.99	\$5,655	\$8,023	\$8,184	\$11,612	Filspari/sparsentan FDA-approved in Sept/24 for kidney disease (IgA Nephropathy); endothelin-angiotensin II receptor antagonist
Ultragenyx Pharmaceutical Inc.	USD	RARE	98.6	\$15.32	\$1,510	\$2,143	\$3,357	\$4,764	Five product approvals in rare diseases, including Dojolvi (trihex-tanoin; long-chain fatty acid oxidation disorders), Mepsevii (recomb-inant beta-glucuronidase/vestronidase; mucopolysaccharidosis VII)
Average						\$3,624	\$5,633		
Satellos Bioscience Inc.	USD	MSLE	20.8	\$8.60	\$179	\$254	\$171	\$243	Lead AAK1 inhibitor drug SAT-3247 in Phase I/II testing for Duchenne muscular dystrophy (DMD)
Amicus Therapeutics	USD	FOLD	Targets Fabry disease (Galafold/migalastat; chaperones alpha-galactosidase A to lysosomes; approved in 2018) & Pompe disease (Pombiliti-Opfolda/ miglustat; recombinant glucosidase alpha enzyme stabilizer; approved in 2023); acquired by BioMarin for US\$4.8B in Dec/25						
Apellis Pharmaceuticals	USD	APLS	Empaveli/pegcetacoplan (PEGylated pentadecapeptide); complement C3 inhibitor, targets paroxysmal 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 still based on NPV (30% discount rate, comparable to the rate we embed in clinical-risk coverage stocks at Phase II stage of development) & multiples of our F2031 EBITDA/fd EPS forecasts (US\$81.0M & US\$2.56/shr, respectively). Our EV calculation incorporates FQ226 cash of US\$61.8M, excluding the US\$5.0M grant funding announced last week from FSHD Canada Foundation funding that we expect to be paid to Satellos not as an upfront payment but on a more protracted payment schedule, no LT debt, & fd S/O of 23.0M.
- As before, we base our forecasts on notional fd S/O of 23.9M which assumes that Satellos could consummate supplemental equity offerings to fund SAT-3247 to FDA approval in pediatric/adult Duchenne muscular dystrophy. Satellos intention to commence testing in a related but the distinct muscle degeneration disorder FHSD (fasioscapulohumeral muscular dystrophy) is a positive advance in our view & SAT-3247 certainly has a scientific rationale for being relevant to FHSD muscle regeneration, but for now, our PT/valuation are exclusively focused on DMD as a flagship indication. As indicated above, our investment thesis is now squarely focused on TRAILHEAD/BASECAMP final data, for which we have high visibility on timelines to data at least for BASECAMP in F2027.

Exhibit 4. 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

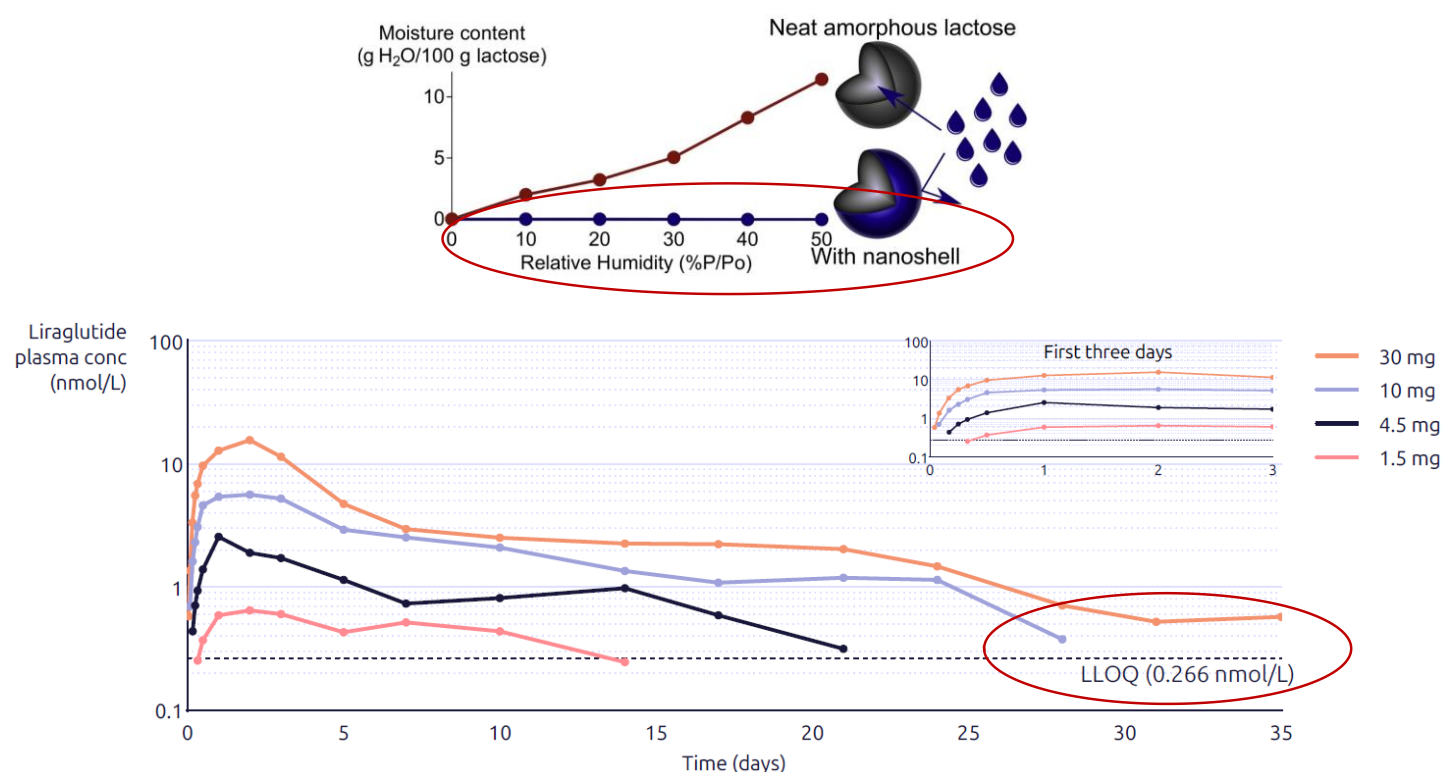
Significant Developments With Relevance To Our Coverage Universe

- **More updates on the GLP-1 universe.** In our most recent Healthcare Weekly, we featured two development updates that were germane to the ever-growing glucagon-like peptide-1 (GLP-1) endocrinology medical market, specifically describing preclinical weight loss-relevant data from CA-based Artelo Biosciences (ARTL-Q, NR) for its orally-active once-daily peripherally-selective (translation – not CNS-active & thus not psychoactive) small-molecule cannabinoid receptor agonist drug ART27.13, reporting a magnitude of weight loss in a murine model for obesity that if replicable in future clinical studies could rival efficacy generated by alternative already-FDA-approved long-acting GLP-1 analogs like Novo Nordisk's (NVO-NY, NR) semaglutide/Ozempic-Wegovy.
- The drug actually emanates from AstraZeneca's (AZN-LN, NR) pipeline, during which it was called AZD-1940 & was actively being tested as a post-operative pain drug, underperforming in two separate Phase II studies that we described in our aforementioned Weekly. Cancer-related cachexia (muscle wasting) appears to be the indication that Artelo expects to target in future Phase I/II testing.
- In separate analyses, we described a new asset purchase agreement that Novo itself announced for IND-ready K-554, the non-incretin peptide drug that it acquired as part of its alliance of NY-based private firm Kallyope originally announced in Jun/18 but then purchasing K-554 & two other peptide candidates from Kallyope's gut-brain axis-focused single-cell sequencing (Klarity) platform. A third announcement last week that garnered attention in our last Weekly was the update on the GLP-1/gastric inhibitory polypeptide (GIP) dual-acting peptide drug enicepatide/CT-388, one of the drugs that Swiss pharma giant Roche (ROG-SW, NR) acquired as part of its US\$2.7B acquisition of Carmot

Therapeutics in Dec/23. Phase II weight loss/blood glucose homeostasis data for this tirzepatide analog drug were encouraging on all metrics & Roche is thus incentivized to continue to fund its ongoing ENITH-1 & ENITH-2 weight loss/blood glucose biomarker-assessing Phase III studies, both of which should generate pivotal data later in FH228.

- **Novo further supplements its GLP-1 development pipeline with a new alliance with Nanexa.** Moving to our current Healthcare Weekly, the metaphorical ink was not yet dry on our last edition of this document when we observed other seminal advances in the GLP-1 development universe, & so herein we are continuing our analysis of the burgeoning GLP-1 pharmacopeia with both a business development & clinical data emphasis. First of all, the aforementioned Ozempic/Wegovy developer Novo entered into another indication-relevant alliance, this time in a €1.17B/US\$1.33B (of which €615M is upfront cash) transaction with the Sweden-based drug delivery platform developer Nanexa AB (NANEXA-ST, NR). Nanexa's core technology is based on PharmaShell, the firm's atomic layer deposition platform for depositing thin films of inorganic nanoshells (usually based on aluminum oxide) upon active pharmaceutical agents, conferring long-acting depot-like drug release over a weekly or monthly or longer time horizon.

Exhibit 5. Nanexa's PharmaShell-Based Atomic Layer Deposition GLP-1 Formulation Exhibits Once-Monthly Dosing Kinetics At The Highest Dose Tested In Early Phase I/II Testing



Source: *International Journal of Pharmaceutics* (2017). Vol. 529, pp. 116-122 (upper panel); Nanexa AB investor presentation (Sept/26); *Diabetes* [2025]. Vol. 75 [Supplement 1], Abstract #1975-LB) (lower panel)

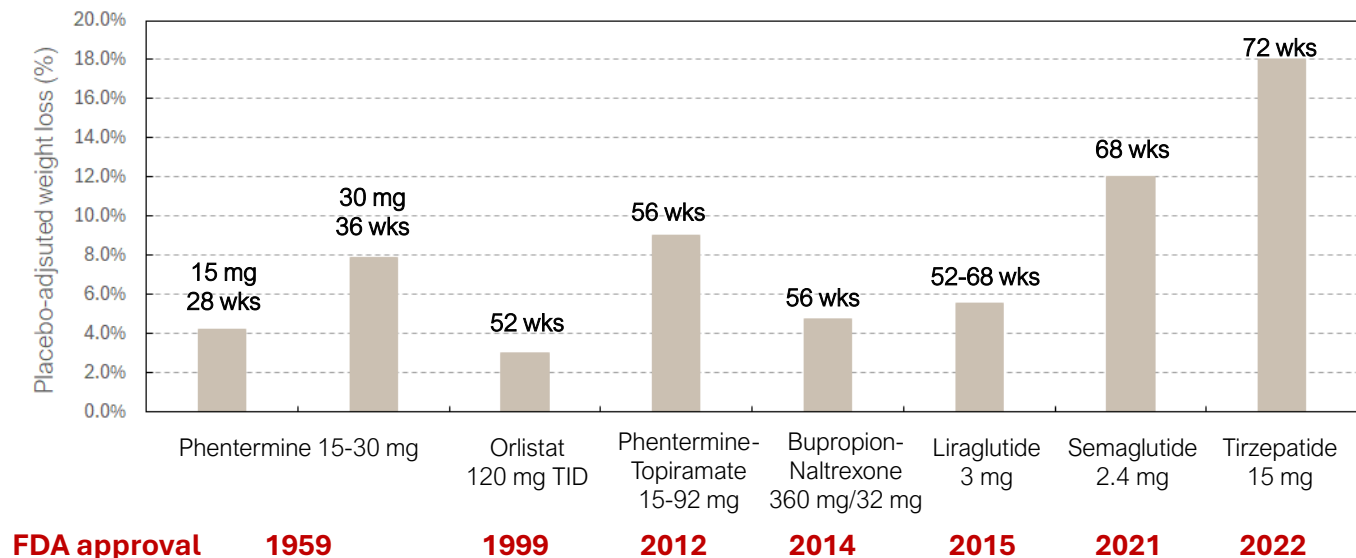
- Nanexa does not have any recent publications by its own R&D team, but a 2019 preclinical study published in the *European Journal of Pharmaceutics & Biopharmaceutics* showed that PharmaShell-coated indomethacin (a model non-steroidal anti-inflammatory drug for characterizing PharmaShell's pharmacokinetic prospects that itself has no overt relevance to diabetes/endocrinology, but which interestingly seems to be commonly used in the medical literature by firms seeking to test other drug delivery modalities) could release the drug in rodents for up to three months, whereas uncoated indomethacin exhibited a serum half-life of only fifteen hours.
- The concept of encapsulating relatively water-insoluble drugs in nanoshells is not a new concept in theory, emerging in the medical literature well over a decade ago & described in detail in an Aug/11 review in the journal *Advances in Drug Delivery Review*, but Nanexa appears to have taken the theoretical concept to a practical level with PharmaShell. Nanexa itself in its own filings cites a 2005 paper published in the journal *MRS Proceedings* describing

a first-generation niobium oxide nano-tube platform for this purpose, gravitating to aluminum oxide as the nanoshell component in more recent R&D efforts.

- ♦ A more recent Aug/17 paper published by Nanexa & collaborators at Uppsala University in the *International Journal of Pharmaceutics* provides some methodological details on PharmaShell production, describing therein how aluminum oxide nanolayers can be applied to spray-dried lactose without lactose (which is highly water-soluble & thus could easily escape if any water could enter the aluminum oxide shell that surrounds it) either crystallizing within the formulation or absorbing any water, at least not until PharmaShell breaks down in a controlled way that is amenable to once-monthly dosing (see below).
- ♦ It seems plausible to assume that the Novo/Nanexa alliance will be GLP-1/weight loss-focused in some way, though the partners did not specifically identify any peptide drugs, other than to indicate a general bias toward targeting obesity-type II diabetes-cardiometabolic disorders, which GLP-1 in any of its current FDA-approved forms certainly does. Interestingly, Nanexa is advancing its own GLP-1 program with NEX-22A, for which once-monthly GLP-1 delivery in a PharmaShell-based depot formulation has been documented in both preclinical & clinical models of disease. These data are published in abstract form in a Jun/25 issue of the journal *Diabetes*. PK data are shown in the firm's investor presentations however, clearly conferring once-monthly GLP-1 dosing at the highest dose tested (Exhibit 5).
- ♦ The form of GLP-1 used in the relevant clinical trial – a 12-patient Phase I/II type II diabetes study completed in Jul/25 – was Novo's liraglutide, still sold by the firm as Victoza. Nanexa is separately partnered with CO-based semiconductor & advanced materials innovator ForgeNano/Archimedes Tech SPAC partners (ATII-Q, NR) to further support PharmaShell development for drug delivery applications. As importantly to Nanexa's healthcare franchise, the firm has a legacy US\$503M (US\$3.0M upfront) alliance signed in Dec/25 with MD-based RNA therapeutics developer Moderna (MRNA-Q, NR) that we assume is focused on exploring PharmaShell's prospects as an alternative to lipid nanoparticles for delivering RNA-based drugs
- ♦ Interestingly though, Nanexa announced in Jan/26 that it is shifting its own GLP-1/PharmaShell development priorities from liraglutide, which is Novo's once-daily (Victoza) injectable GLP-1 formulation, to semaglutide that is Novo's once-weekly (Ozempic/Wegovy) injectable GLP-1 formulation, for which once-monthly PharmaShell-enabled release kinetics are already documented in preclinical testing. PharmaShell-encapsulated semaglutide is now identified in Nanexa's pipeline as NEX-22. It seems plausible to assume that this semaglutide-based project is relevant to the Novo alliance just announced, even though semaglutide is not overtly mentioned in the press release announcing the Novo/Nanexa alliance. There are no ongoing Phase II clinical studies testing either NEX-22A (PharmaShell liraglutide) or NEX-22 (PharmaShell semaglutide) currently identified in the US National Institutes of Health clinical database but presumably new clinical activities on the latter formulation are forthcoming.
- ♦ Other drug development programs in Nanexa's pipeline, as summarized in its most recent Sept/26 investor presentation, include NEX-18, an atomic layer deposition formulation of azacitidine (Bristol Myers Squibb's [BMY-NY, NR] long-ago FDA-approved nucleoside analog Vidaza) for targeting myelodysplastic syndrome (one of the indications for which Medexus' [MDP-T, Buy, PT C\$8.00] Treosulfan/Grafapex is FDA-approved as a bone marrow conditioning agent) & NEX-20, an atomic layer deposition formulation of lenalidomide (also a Bristol Myers Squibb drug, branded as Revlimid, for targeting multiple myeloma). Nanexa announced in Aug/25 that it signed a feasibility agreement with a major pharmaceutical firm without naming the pharmaceutical firm – it seems plausible to assume that the relevant firm was Bristol Myers Squibb (Vidaza is no longer a blockbuster drug but lenalidomide/Revlimid is with FQ226 sales experiencing y/y decline from US\$838M last year but still were US\$425M, or US\$1.7B annualized).
- ♦ **Novo announced another GLP-1-relevant development alliance, this time with Hengrui for a once-weekly GLP-1/GIP dual-acting biologic.** Denmark-based endocrinology-focused global pharma firm Novo Nordisk (NVO-NY, NR) sustained its business development product in-licensing activities this week by deploying more of its Ozempic/Wegovy-derived free cash flow into a new US\$2.6B alliance with China-based Jiangsu Hengrui Pharmaceuticals (1276-HK, NR) for rights to its GLP-1/GIP once-weekly orally-active HRS-1596. Deal economics include US\$300M in upfront capital & US\$2.3B in downstream milestones. Through this new relationship, Novo gains future commercial rights to HRS-1596 for markets outside of China & neighboring geographies (Macao, Taiwan, Hong Kong).

- Hengrui has an extraordinarily deep pipeline of clinical-stage assets in its R&D pipeline, mostly focused on oncology & endocrinology & with several drugs in Phase I-to-III clinical testing that are identified either as weight loss agents or overtly as GLP-1 analogs. Interestingly, HRS-1596 is not in its published pipeline on its website. Other weight loss agents in that pipeline include injectable GLP-1/GIP analog HRS-9531 & orally-active GLP-1 formulation HRS-7535, both of which are in Phase III testing, plus a separate Phase II-stage orally-active GLP-1/GIP/glucagon analog HRS-4729. Other obesity-targeted assets in Phase I testing are HRS-5817 & SHR-2906 (the latter presumably partnered with Beijing Suncadia Pharmaceuticals [private] that is sponsoring a 124-patient Phase I/II obesity trial, data by end-of-F2026) for which we have no structural information at present.
- **Reflecting on the history of drug development in the weight loss realm, a medical market that precedes GLP-1 commercialization by decades.** It is no secret that virtually all global pharma firms are seeking to either capture or preserve some market share in the large & growing weight loss/obesity medical market, one that curiously did not really take off until once-weekly GLP-1 formulations came along, specifically Novo's semaglutide (injectable Ozempic/Wegovy & orally-active Rybelsus, the latter of which is paradoxically not performing as well commercially as its injectable counterparts).
- Weight loss drugs, at least of the FDA-approved variety, date back to the 1950s when the monoamine transporter-binding small-molecule drug phentermine/Apidex-P (currently sold by Teva Pharmaceuticals [TEVA-NY, NR]) was approved in 1959 along with a related drug diethylpropion/amfe-pramone/Tenuate (originally developed by Sanofi [SNY-NY, NR], with an extended-release diethylpropion form branded as Tepanil later launched by 3M Pharmaceuticals [MMM-NY, NR]), both of which are now widely-genericized. Both of these small-molecule amines probably suppress appetite by inhibiting reuptake of dopamine or norepinephrine at nerve endings.

Exhibit 6. The History Of Drug Development In Weight Loss Management Begins Many Decades Before The Identification Of GLP-1 & Its Analogs For The Indication



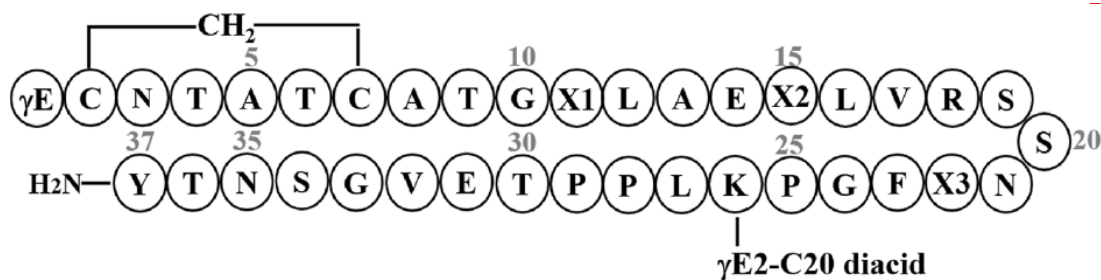
Source: Adapted from *Obesity* (2022). Vol. 30, pp. 1718-1724

- It took nearly forty years before an alternative weight loss agent was FDA-approved, this time in the form of a lipstatin-based pancreatic lipase-inhibiting drug called orlistat that was developed & marketed in 1999 as Xenical by Swiss pharma firm Roche (ROG-SW, NR). Roche's Xenical sales in 2000 were CHF950M, but never really grew beyond that initial peak, with stable F2001 sales of CHF963M falling to CHF763M in F2002, certainly counter to sales trends experienced by virtually all GLP-1 formulations since the original formulation was FDA-approved by Amylin Pharmaceuticals (exenatide/Byetta, in Apr/05).
- An alternative orlistat brand called Alli was EU-approved in Jan/09 by GlaxoSmithKline (GSK-LN, NR) & launched in the EU in Apr/09. By inhibiting lipase activity, triglycerides that are ingested in the diet are not able to undergo hydrolysis of the fatty acids to which they are bound, thus excreting triglycerides in their native form instead of being

absorbed in the gut, mitigating the ability of triglycerides to contribute to caloric load. Both drugs are also now genericized.

- ♦ Another thirteen years elapsed before a new weight loss agent was FDA-approved & this was more evolutionary than revolutionary in the advancement of the weight loss pharmacopeia because it was at its core an altered phentermine formulation in which the drug was co-administered in tablet form with the topiramate (Janssen Pharmaceuticals/J&J's [JNJ-NY, NR] anti-seizure drug Topamax that was paradoxically shown to impact weight loss in early clinical studies on pediatric epilepsy). The combination is branded as Qsymia & currently marketed in the US by CA-based Vivus (private) as Qnexa.
- ♦ The next innovation in weight loss management – which as a departure point was developed during a time that GLP-1s in the form of Amylin's Byetta (see above) & its poly(D,L-lactide-co-glycolide) polymer microsphere-encapsulated alternative Bydureon, plus Novo's first-generation liraglutide/Victoza were already FDA-approved & notionally able to engender weight loss themselves – was the co-formulation of the aminoketone antidepressant drug bupropion & the opioid receptor antagonist naltrexone in a sustained-release formulation that was FDA-approved in Sept/14 by Orexigen Therapeutics & marketed for a couple of years by Takeda Pharmaceuticals USA (4502-JP, NR) as Contrave. But the drug never really took off commercially (Orexigen filed for bankruptcy in Mar/18) probably because of the frequency/severity of GI (specifically nausea, which by the way was an impediment to GLP-1 adoption in its early days as Byetta-Bydureon-Victoza) & CNS (specifically migraine-like pain) side effects; moreover, notwithstanding favorable trends on serum triglyceride reduction & high-density lipoprotein elevation for Contrave-treated patients in the pivotal 1,074-patient Phase III COR-I trial, impact on weight loss in that trial at one-year follow-up was modest by current GLP-1 standards, at a median reduction of 4.1% from baseline on a placebo-adjusted basis.
- ♦ Novo was of course the first GLP-1 developer to recognize liraglutide/Victoza's prospects as a weight loss drug, independent of its original FDA-approval as a blood glucose-modulating therapy, receiving FDA approval for the indication in Dec/14 & rebranding liraglutide for weight loss as Saxenda. But the formulation still required once-daily administration, giving way for more extended-release once-weekly & now once-monthly formulations that now dominate the multi-blockbuster GLP-1 weight loss management medical market (Exhibit 6). A generic Saxenda formulation is already FDA-approved & launched in Jun/25 by Israel-based generic drug developer Teva Pharmaceuticals (TEVA-NY, NR).
- A plethora of new GLP-1-based clinical data is emerging from the EASD meeting this week, with existing GLP-1 commercial participants being as active clinically as their earlier-stage peers. Our emphasis on GLP-1 as the foundation of a growing endocrinology medical market (obesity/weight loss) is simultaneously driven by the multitude of cash-contributing alliances announced in recent days (see above) but also by the corresponding multitude of new clinical data presented at the ongoing European Association for the Study of Diabetes (EASD) meeting in Milan this week. What follows is an overview of some of the higher-profile clinical data for next-generation GLP-1-based combination therapies presented at that meeting.

Exhibit 7. Molecular Structure Of Amylin Receptor Agonist Modified Peptide Drug Eloralintide, A Key Component Of EloraTZP

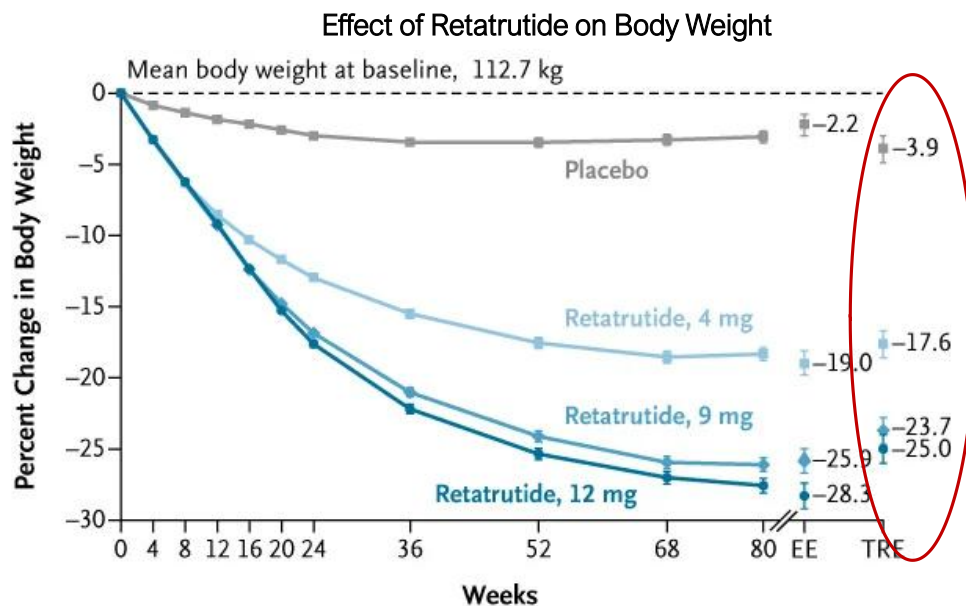


X1=L-ornithine; X2=alpha-methyl-L-phenyl-alanine; X3=N-methyl-asparagine

Source: Adapted from *Molecular Metabolism* (2025). Vol. 102, pp. 102271-102282.

- ♦ **Eli Lilly features new weight loss data for its combination therapy EloraTZP.** IN-based pharma giant - & GLP-1 market leader with Mounjaro/Zepbound (tirzepatide) Eli Lilly (LLY-NY, NR) presented data at EASD this week for its eloralintide/tirzepatide combination therapy EloraTZP for which the firm generated 48-week weight loss data from a 367-patient Phase II trial. The combination exhibits several pharmacologic activities intrinsic to the two agents in isolation – the GLP-1 & GIP dual-agonist activity exhibited by tirzepatide & the amylin receptor agonist activity exhibited by eloralintide (code-named LY3841136 in Lilly's pipeline). Eloralintide is not yet FDA-approved as a standalone diabetes/obesity therapy but it has been tested as a monotherapy in a published (in Dec/25 in *The Lancet*) 48-week 263-patient Phase II trial in which its own drug-associated placebo-adjusted magnitude of weight loss at the highest dose tested over the 48-week dosing period was 19.6%, in fact higher than for tirzepatide as a control therapy in the aforementioned 367-patient trial reported at EASD, which was 14.8%. The eloralintide/tirzepatide combination was associated with a 23.3% weight loss reduction from baseline.
- ♦ There were several control arms in the new 367-patient trial, including for tirzepatide & eloralintide monotherapy patients, & by comparing monotherapy patients to eloralintide/tirzepatide-treated patients, it is clear that the two agents work additively & not synergistically to impact weight loss. For reasons not yet clear to us, eloralintide did not impact weight loss in the new 367-patient trial as it did in the published Lancet trial despite comparable body weight & body-mass index at enrollment in the respective trials but regardless, eloralintide in the new trial reduced weight from baseline by 11.1%-to-12.3% at the two highest doses tested, which when added to tirzepatide weight loss from baseline would have been 26%-to-27% if perfectly additive, which was almost but not quite achieved in the trial. Eloralintide itself is undergoing testing in at least five distinct Phase III weight loss trials, including the 1,035-patient ENLIGHTEN-2 trial (data in H128), the 980-patient Phase III ENLIGHTEN-6 trial (data in H228) & the 1,980-patient Phase III ENLIGHTEN-1 trial (data in H230), with two other 'ENLIGHTEN-ed' studies targeting obese patients with either knee osteoarthritis pain or sleep apnea being explored in distinct trials.

Exhibit 8. Impact Of Eli Lilly's GLP-1/GIP/Glucagon Triple-Therapy Retatrutide On Weight Loss In The TRIUMPH-1 Trial

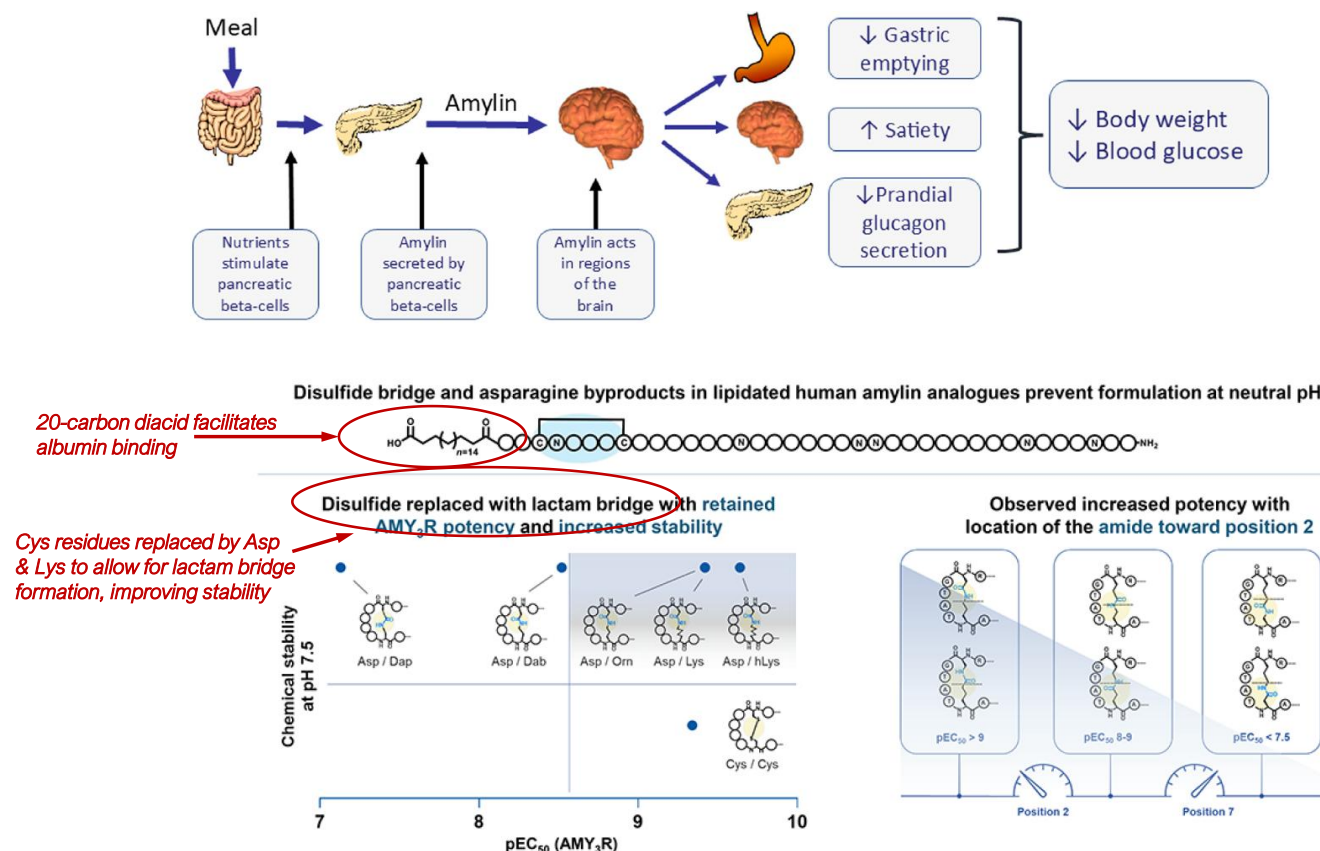


Source: Adapted from *New England Journal of Medicine* (2026). On-line

- ♦ **Eli Lilly separately tested its GLP-1 triple therapy retatrutide in a distinct Phase III program also presented at EASD.** In a separate clinical update from EASD, Eli Lilly presented new 80-week follow-up data from the 1,152-patient Phase III TRIUMPH-2 trial, testing the firm's GLP-1/GIP/glucagon triple therapy retatrutide as a standalone weight loss agent. Magnitude of weight loss from baseline at the highest retatrutide dose tested (12 mg once-weekly) & over an 80-week dosing period was 20.8% in the overall study population & 23.4% for patients with body-mass index over 35, with both levels essentially matching that achieved in the 367-patient eloraTZP trial described above.

- Coincidentally, data from a separate 2,339-patient Phase III weight loss/retatrutide trial (the TRIUMPH-1 trial) were published this week in the New England Journal of Medicine, showing not just sizable impact on magnitude of weight loss at the highest dose tested (25.0% for retatrutide-treated patients over the 80-week monitoring period as compared to 3.9% for placebo patients, for a placebo-adjusted magnitude of weight loss from baseline of 21.1%) but also favorable impact on improvements in WOMAC-assessed pain scores in a 574-patient subset co-presenting with knee osteoarthritis & improvements in sleep patterns for a 243-patient subset co-presenting with obstructive sleep apnea.
- TRIUMPH-1 data were previously press-released by Eli Lilly in Jul/26 but now of course are presented in peer-reviewed form for medical professionals (& us) to scrutinize in greater detail. We see no major impediments to favorable FDA review when Eli Lilly chooses to submit its NDA (or perhaps a BLA, since consultation with the US FDA on whether or not retatrutide is a conventional drug or a biologic – a thirty-nine amino acid modified peptide falls in between the definition of a drug vs a biologic in our view) for this novel weight loss drug, probably some time during FQ127 & with an eye on expanding its label to include favorable secondary impact on knee osteoarthritis pain (likely through two mechanisms – less weight bearing on osteoarthritis joints but also mitigating the pro-inflammatory action of elevated circulating blood glucose levels) & on mitigating sleep apnea symptoms for high-BMI patients.

Exhibit 9. Notwithstanding Petrelintide's Comparatively Modest Weight Loss Impact In Zupreme 1, Amylin Analogs Have Been Engineered By Multiple Firms To Be Long-Acting & Mechanistically Distinct From GLP-1 Formulations



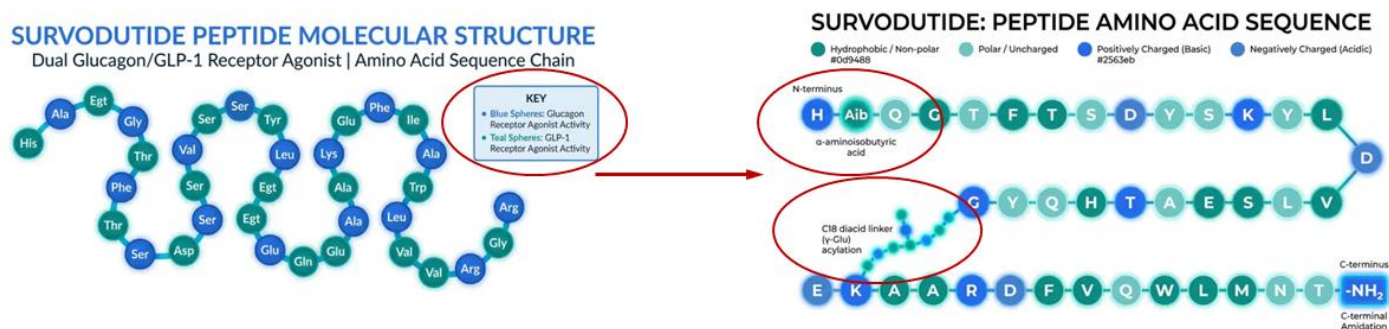
Source: Adapted from *Peptides* (2026). Vol. 196, pp. 171480-171489 & *Journal of Medicinal Chemistry* (2025). Vol. 68, pp. 23925-23940.

- Roche & Zealand Pharma's alternative amylin analog drug petrelintide does not quite meet eloralintide's impact on weight loss in newly-published interpretation of Phase II data. In the wake of Eli Lilly's eloraTNP Phase III weight loss data described above, Swiss pharma giant Roche (ROG-SW, NR) & EU-based its development partner Zealand Pharma AS (ZELA-CO, NR) are developing an alternative once-weekly amylin analog called petrelintide/ZP8396, for which the middle dose tested in the 493-patient Phase II Zupreme 1 trial conferred relative weight loss from baseline at six-month follow-up of 9.8%, substantially below the level achieved for eloralintide, admittedly over a much longer timeframe of 48-weeks in its two Phase II studies we describe above, but still the gap in efficacy is far too broad to be ignored by the medical community if/when these two amylin agonists are ever FDA-approved. Interestingly, female participants lost

considerably more weight than male participants & if this observation is reproducibly observed in future Phase III weight loss studies (should the partnership choose to fund future Phase III studies of course), this could be a discriminating activity that Roche/ Zealand could feature in future marketing initiatives to women.

- Roche/Zealand simultaneously published Zupreme 1 data this week in the journal *The Lancet Diabetes & Endocrinology*. Roche paid US\$1.65B in upfront cash (& attached another US\$3.6B in downstream milestones) for rights to petrelintide in a Mar/25 announcement that also predicted clinical testing of petrelintide in combination with Roche's own GLP-1/GIP receptor agonist drug CT-388 (to which Roche gained development rights when it acquired Carmot Therapeutics for US\$2.7B in Dec/23 (we described this drug in our last Healthcare Weekly). Results from a separate ongoing 221-patient Phase II ZUPREME-2 trial (impact on weight loss, waist circumference, levels of circulating glycosylated hemoglobin & C-reactive peptide, among other secondary measures) are expected by end-of-FQ426.
- Boehringer Ingelheim provides its own update on GLP-1/glucagon receptor dual agonist peptide survodutide.** German pharma firm Boehringer Ingelheim (private) published data this week from its 752-patient Phase III SYNCHRONIZE-2 trial, testing its novel GLP-1/glucagon receptor dual agonist drug survodutide/BI456906, showing in that trial that the highest of two doses tested (6-mg once-weekly) conferred mean weight loss in patients presenting with high BMI & type II diabetes at enrollment at seventy-six week follow-up of 9.8%, but far lower on a placebo-adjusted basis since placebo patients in this trial actually themselves exhibited mean weight loss over the same time period of 3.9%, so magnitude of adjusted weight loss was only 5.9%, far lower than many of the weight loss metrics we describe above for clinical-stage amylin analogs or GLP-1/GIP-glucagon triple therapies. But the fact that enrolled subjects presented with tangible blood glucose dysregulation & insulin dependence at enrollment & not just high BMI clearly indicates that SYNCHRONIZE-2 data needs to be assessed by different medical criteria than many of the trials we describe above. Data were published online yesterday in the *New England Journal of Medicine*.

Exhibit 10. Molecular Structure Of GLP-1/Glucagon Receptor Dual Agonist Modified Peptide Drug Survodutide



Source: Adapted from *Peptide Protocol Wiki*.

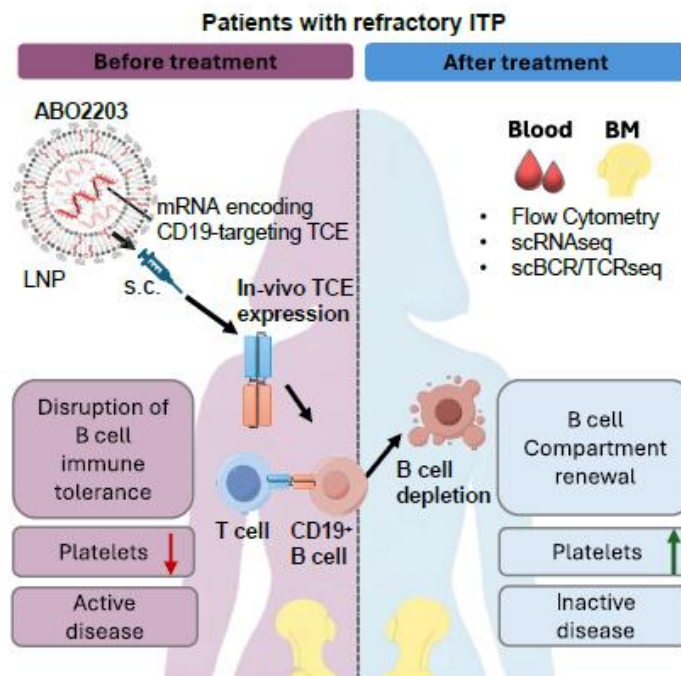
- Boehringer Ingelheim previously reported data from the 725-patient Phase III SYNCHRONIZE-1 trial in which patients solely presented with high BMI at enrollment & not type II diabetes, with final mean weight loss for survodutide-treated patients at seventy-six week follow-up of 13.0% at the highest dose tested (6-mg once-weekly as in SYNCHRONIZE-2) though again with what we would consider unusually high mean weight loss in the placebo arm of the trial at 5.9%, for a placebo-adjusted mean weight loss for survodutide-treated patients of 7.1%, relatively modest endocrinologic impact for such a comparatively long duration of drug dosing.
- Four pivotal Phase III survodutide studies are currently being sponsored by Boehringer Ingelheim, including two that are specifically focused on liver fat reduction – the 600-patient ELEVATE-LIVER trial for which impact on heart failure & structural heart disease risk in patients presenting with metabolic dysfunction-associated steatotic liver disease at enrollment is a key endpoint & for which final data are expected during H129 & the 1,590-patient Phase III LIVERAGE-Cirrhosis trial for which final data on fifty-four month impact on liver physiology & mortality are expected by mid-F2029. Other Phase II/III trials are identified by Boehringer Ingelheim in its financial filings.

- ♦ The drug's impact on liver fat & fibrosis could be relevant to survodutide's eventual market niche in the ever-growing GLP-1 pharmacopeia & the drug's impact on liver physiology was nicely documented in a 293-patient Phase II trial also published in the New England Journal of Medicine, with mitigation of fatty liver disease without worsening of fibrosis reported for 62% of patients treated with 4.8-mg survodutide once-week, with a higher weekly dose of 6.0-mg survodutide as in the aforementioned SYNCHRONIZE-1 & SYNCHRONIZE-2 trials actually underperforming the lower dose on both liver fat & fibrosis stabilization.
- **Knight expands its Latin American pharma footprint with a new oncology-focused biologic.** QC-based global pharma giant Knight Therapeutics (GUD-T, NR) announced a new distribution agreement with Japan-based pharma firm Kyowa Kirin (4151-JP, NR) for the firm's chemokine receptor 4 (CCR4)-targeted mAb mogamulizumab/Poteligeo. CCR4 is a GTP-regulated receptor (GPCR) that is expressed on the surface of helper T-cells & regulatory T-cells & plays a role in T-cell recruitment within the body to sites of antigenic challenge. Because the receptor is notably expressed on T-cells, it is no surprise that mogamulizumab/Poteligeo was developed as a therapy for T-cell-based cancers, specifically cutaneous T-cell lymphoma for which its approval was originally granted back in 2018.
 - As Knight makes clear in its press release announcing the Kirin agreement, mogamulizumab/Poteligeo is actually approved for two subtypes of T-cell lymphoma called relapsed/refractory mycosis fungoides (a blood-based T-cell malignancy that actually affects the skin more than other organs, presenting with eczema/psoriasis symptoms initially but then more accurately diagnosed cytologically via skin biopsy [cancer-associated T-cell clones found in skin & blood] as symptoms persist & intensify) & what is actually a later-stage form of mycosis fungoides called Sezary disease, for which enlarged lymph nodes are a key secondary indication of disease progression.
 - Until mogamulizumab/Poteligeo came along, the most recently FDA-approved cutaneous T-cell lymphoma drugs were romidepsin & histone deacetylase (HDAC)-inhibiting hydroxamic acid derivative vorinostat/Zolinza (originally FDA-approved by Merck [MRK-NY, NR; & going back several years, the interleukin-2-diphtheria toxin-conjugated drug denileukin diftix/Ontak was developed & approved by Seragen/Ligand Pharmaceuticals (LGND-Q, NR) in 1999 but it was withdrawn from the US market in 2014 when its manufacturer Lonza (LONN-SW, NR) closed the MA-based manufacturing facility where Ontak was produced.
 - Indeed, one of mogamulizumab/Poteligeo's key clinical attributes is that it outperforms vorinostat on progression-free survival in a few advanced clinical studies we reviewed, including a 372-patient Phase III mycosis fungoides/Sezary syndrome trial (the MAVORIC trial) published by a Stanford University-led international clinical consortium in 2018 in *The Lancet* in which mogamulizumab/Poteligeo-treated patients exhibited median PFS of 7.7 months vs 3.1 months for vorinostat-treated patients in the control arm of the trial. Knight makes reference to this trial in its press release.
 - Knight indicated that it will be responsible for gaining regional approval for mogamulizumab/Poteligeo in partnered Latin American geographies that include Brazil-Mexico-Colombia-Argentina, markets that collectively generated FQ226 revenue for Knight of \$91.3M, representing 63.3% of the firm's consolidated Rx revenue of \$144.2M in the period. We are impressed with the pace at which Knight is licensing high-profile oncology-focused assets into its commercial portfolio, adding just in the last several months the regulatory approval in Brazil of Rigel Pharmaceuticals' (RIGL-Q, NR) chronic immune thrombocytopenia-targeted tyrosine kinase inhibitor drug fostamatinib/Tavalisse, launching the same drug in Mexico during the trailing quarter, as well as launching Incyte Pharmaceuticals' (INCY-Q, NR) cholangio-carcinoma/bile duct cancer-targeted fibroblast growth factor receptor-inhibiting pamigatinib/Pemazyre in Argentina.
 - Independent of geography, Knight's commercial portfolio of oncology/hematology-targeted therapies generated FQ226 revenue of \$42.5M in FQ226, representing 29.5% of the firm's global Rx sales & up from \$34.9M in FQ225. In its FQ226 MD&A, Knight specifically identified several oncology drugs that drove y/y revenue growth in the category, including Incyte's refractory diffuse large B-cell lymphoma (DLBCL)-targeted anti-CD19 mAb tafasitamab/Minjuvi (coadministered with Bristol Myers Squibb/Celgene's [BMY-NY, NR] lenalidomide/Revlimid), Helsinn Therapeutics's (private) chemotherapy-induced nausea netupitant/palonosetron drug combination Akynzeo & poly-(ADP-ribose) polymerase (PARP)-inhibiting ovarian cancer-targeted olaparib/Molapib (alternatively branded in other geographies as Lynparza by innovator AstraZeneca [AZN-LN, NR]).
- **Zentek starts to gain momentum with ZenGUARD as an air filtration modality.** ON-based graphene developer Zentek (ZEN-V, NR) announced its first sale of its graphene/silver-based anti-microbial coating technology ZenGUARD to the Government

of Canada for use of the nanomaterial as a coating for HVAC (heating, ventilation, air conditioning) filters. Initially to be relevant to government buildings in Ottawa, the contract under which this ZenGUARD shipment materialized was announced in late Aug/26.

- The value of the ZenGUARD shipment is modest at \$0.35M & thus is mostly symbolic of ZenGUARD's value than a tangible realization of ZenGUARD's value, but it is significant to us in that we have long been advocates for using ZenGUARD's graphene/silver anti-microbial combination as a coating for HVAC filters. By inference, we have been more cautious on the firm's early strategy to use ZenGUARD as a coating for surgical masks, believing then as now that the best way to mitigate exposure to aerosol-dwelling infectious disease agents is not through localized barrier methods but by systemic barriers through which circulating air in enclosed spaces passes.
- As Zentek has published in prior ZenGUARD updates, the graphene/silver coating can convert a low-porosity low MERV-rating HVAC filter into a functionally high MERV-rating HVAC filter solely by impeding the infectivity of low-diameter microbes that pass through it. MERV is a rating system established by the US Environmental Protection Agency as a way to categorize filtration capacity of industrial materials (MERV stands for Minimum Efficiency Reporting Values). It seems plausible to assume that more widespread deployment of ZenGUARD into HVAC systems across multiple government buildings in Canada is achievable, with superior economics ascribed to deal expansion if achieved. We see no reason why ZenGUARD's anti-microbial HVAC-relevant properties could not expand commercially & not just in Canada; we will watch for advances on this theme in coming quarters.
- **Our usual pot pourri of recent clinical & business development events in our healthcare/biotechnology universe.** Independent of the multitude of recent advances in the GLP-1 landscape that we thought merited some emphasis in this edition of our Healthcare Weekly, there were several new drug development alliances & drug approvals that we are featuring below, for which we intend to provide more comprehensive analysis in forthcoming editions of this document. We will emphasize new drug development alliances in the narrative below:

Exhibit 11. Mechanistic Rationale For ABO2203 In Autoimmune Disease, Specifically Immune Thrombocytopenia For Which Clinical Data On B-Cell-Depleting Activity Are Now Published



Source: Adapted from *Cell* (2026). Vol. 189, pp. 1-17.

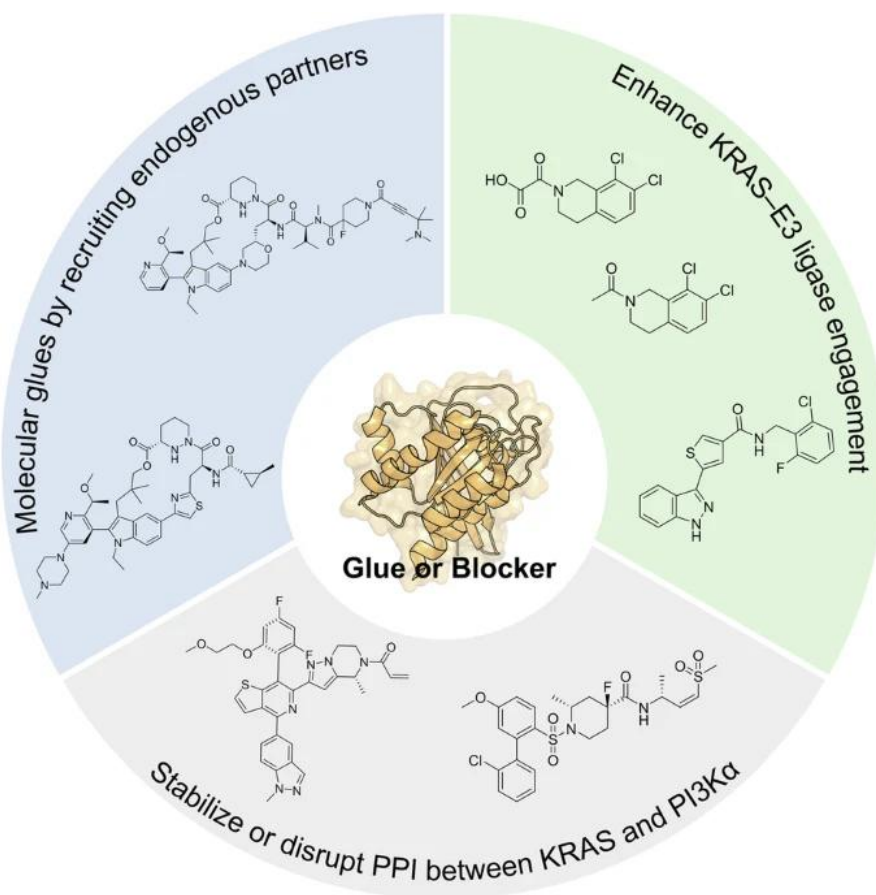
- ♦ **Novartis gains access to Abogen's T-cell engager technology on attractive terms.** Swiss pharma giant Novartis (NVS-NY, NR) announced this morning that it gained rights to China-based Abogen Biosciences' (private) mRNA-based T-cell engager technology in a deal providing Abogen with US\$575M upfront & up to US\$7.2B in downstream

milestones. The magnitude of conceptual milestone payments is so outlandishly large that it is virtually certain that Novartis would acquire Abogen before ever paying out that magnitude of milestone cash but the fact remains that deal economics are lucrative for Abogen & speak favorably to the early clinical prospects if its T-cell portfolio.

- ♦ Timing of the deal comes just weeks after Novartis paused development of its next-generation CD19-based chimeric antigen receptor T-cell (CAR-T) therapy rapcabtagene autoleucel/YTB323 after reporting three deaths that were possibly therapy-related (they resulted from emergence of a condition called immune effector cell-associated hemophagocytic syndrome, a condition known to be associated with immune therapies in general & T-cell based therapies specifically), likely motivating Novartis to supplement its T-cell-based autoimmune disease pipeline with alternatives.
- ♦ The relevant T-cell-based therapy in Abogen's portfolio is a lipid nanoparticle-encapsulated mRNA drug encoding the T-cell-engager cell surface proteins CD19 & CD3 (the construct is called ABO2203). When injected, this mRNA species drives production of T-cell engagers that then mount immune responses toward these two B-cell markers, mitigating B-cell-relevant autoimmune diseases in the process. Data in support of ABO2203's medical prospects for treating immune thrombocytopenia were just published last month in the journal *Cell* (Exhibit 11).
- ♦ Two clinical trials are ongoing independent of Novartis' new interest in the drug – a 56-patient Phase II non-Hodgkin's lymphoma trial for which final adverse event rate & relapse rate data are expected next year & a 66-patient Phase I autoimmune disease trial for which adverse event rate & disease severity data are expected by end-of-F2028.
- **Sanofi augments its long-standing relationship with Regeneron with a new alliance.** EU pharma giant Sanofi (SNY-NY, NR) consummated a new alliance with NY-based Regeneron Pharmaceuticals (REGN-Q, NR) in a deal providing Sanofi with rights to REGN20423, Regeneron's dual-targeted interleukin-4/interleukin-13-targeted mAb. Regeneron receives US\$1B in upfront cash in addition to US\$7.0B in downstream potential milestones, a magnitude that is coincidentally similar to the deal value ascribed to Abogen's ABO2203 that we described above.
 - ♦ The two firms have co-developed & co-marketed many biologics over the years, including but not limited to dupilumab/Dupixent, the interleukin-4 receptor alpha antagonist mAb that among its many immunologically-relevant activities is targeting eosinophilic esophagitis (EoE), the flagship indication that BC-based Eupraxia Pharmaceuticals (EPRX-Q, Buy, PT US\$15.50) is targeting with its DiffuSphere-based fluticasone propionate formulation EP-104GI.
 - ♦ Back to REGN20423, the drug is currently being tested in a 144-patient Phase I atopic dermatitis trial (the AURA-AD trial) for which one-year biomarker & safety data are expected by mid-2028. Interestingly, the deal provides Regeneron with rights to a Sanofi drug, a Nanobody-based interleukin-13 & thymic stromal lymphopoietin (TSLP)-targeted mAb called lunsekimig for which Phase III testing in chronic obstructive pulmonary disease (the 1,508-patient COLOSSUS trial) is ongoing, for which final two-year lung function data are expected by late F2031.
- **Merck signs a new cancer alliance with SciBrunch.** Earlier this week, NJ-based global pharma giant & Keytruda developer Merck (MRK-NY, NR) signed a new licensing deal with China-based SciBrunch Therapeutics in a deal providing Merck with development rights to SciBrunch's SPR2015, an orally-active drug that targets a mutated form of the Kras gene product (specifically the form that incorporates a glycine-to-aspartic acid mutation at position #12 in Kras' amino acid sequence). This oncogene is of course highly relevant to our Oncolytics Biotech investment thesis (ONCY-Q, Spec Buy, PT US\$3.00) that is focused on Oncolytics' reovirus formulation pelareorep & that oncolytic viruses' selectivity for targeting solid tumor forms that over-express Kras-mediated pathways.
 - ♦ Back to SciBrunch, the partnered firm will receive US\$400M in upfront cash & be eligible for up to US\$1.73B in downstream milestones (total deal value US\$2.13B). Preclinical data are already generated in animal models of Kras G12D-expressing cancers, showing that the drug can reduce tumor growth in a colorectal cancer model of disease; formal Phase I/II testing has not yet begun, thus drawing our attention to the fact that Merck just ascribed blockbuster economics to a small-molecule oncology asset for which no clinical data are yet available, making SPR2015 aggressively valued based solely on its stage of development.

- It is not uncommon for preclinical tumor response data to not translate into tangible survival benefit when tested in well-designed controlled Phase III studies, so the Merck-SciBrunch alliance catches our eye not just because it is Kras-focused & thus relevant to Oncolytics in our view, but because it is so aggressively valued when considering the considerable clinical risk still on the horizon for the drug. In commentary we have reviewed from biotechnology news services, SPR2015 is described as a molecular glue-based inhibitor, which means that it disrupts protein-to-protein interactions. Such interactions are common for cell signalling pathways that influence cell growth & division, processes that go awry in cancer cells. Presumably SPR2015 impedes the ability of mutated Kras to engage with other proteins in the pathways through which it gives rise to onset of cancer in cells harboring mutated Kras protein.
- SciBrunch has not yet published its preclinical colorectal cancer data in peer-reviewed form, but the firm did present its data at the American Association for Cancer Research annual meeting in Apr/26, showing therein that as a monotherapy, SPR2015 oral administration to test animals engendered an objective response rate of 64.7% & a disease control rate (so including animals exhibiting stable disease) of 94.1%

Exhibit 12. Mechanistic Rationale For Targeting Kras-Relevant Cancer Forms With Molecular Glue Inhibition



Source: Adapted from *Acta Pharmacologica Sinica* (2026). Online

- In the abstract describing these data, SciBrunch made reference to another mouse model of pancreatic cancer & non-small cell lung cancer that separately exhibited evidence of tumor growth inhibition, thus showing us at least in a preclinical context that SPR2015 is indeed mutated Kras-specific & not cancer type-specific in any observable way. SciBrunch indicated in the abstract that formal Phase I testing is planned to commence by end-of-F2026. No SPR2015 clinical trials are yet described in the US NIH's clinical database but we expect Merck to advance on this theme in the next few months. The concept of impeding Kras with molecular glue inhibitors is not new to SciBrunch & indeed it has been described many times in the medical literature, including in a review just published in Jun/26 in the journal *Acta Pharmacologica Sinica* (Exhibit 12).

Capital Markets Summary

Exhibit 13. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 30-Sep	Mkt Cap (M)	Mkt Cap (C\$M)	Ent. Value (M)	Ent. Value (C\$M)	EV/EBITDA			Price/Earnings		
									(T12M)	FY1	FY2	(T12M)	FY1	FY2
Profitable Canadian healthcare firms - specialty services ^{2,3}														
DRI Healthcare Trust	CAD	DHT.UN	55.0	\$18.38	1,010	1,010	1,557	1,557	6.3x	6.3x	6.2x	NA	7.2x	8.0x
Jamieson Wellness	CAD	JWEL	41.5	\$45.45	1,886	1,886	2,382	2,382	14.4x	13.3x	11.9x	24.1x	21.1x	18.2x
K-Bro Linen	CAD	KBL	13.0	\$41.37	538	538	835	835	7.2x	7.5x	7.2x	24.5x	21.4x	16.8x
Medical Facilities ¹	CAD	DR	16.2	\$10.59	171	243	308	438	5.5x	5.2x	5.2x	15.1x	6.0x	13.9x
Microbix Biosystems	CAD	MBX	136.7	\$0.32	43	43	43	43	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.2	\$28.17	2,034	2,034	2,206	2,206	11.4x	10.7x	9.8x	23.0x	20.4x	18.0x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales ²														
Apotex	CAD	APTX	228.5	\$31.45	7,186	7,186	11,940	11,940	NA	NA	11.7x	NA	NA	14.6x
Aurinia Pharma	USD	AUPH	133.1	\$16.42	2,185	3,100	2,297	3,259	9.5x	8.3x	6.6x	6.9x	17.4x	13.9x
Bausch Health	USD	BHC	374.1	\$5.80	2,170	3,079	31,187	44,248	5.6x	5.6x	6.0x	NA	1.3x	1.3x
BioSynt	CAD	RX	11.5	\$16.78	193	193	172	172	11.2x	10.8x	9.2x	19.2x	18.9x	15.5x
Cipher Pharma ¹	CAD	CPH	25.3	\$9.65	245	347	420	596	15.6x	14.5x	12.2x	8.4x	11.9x	11.0x
HLS Therapeutics ¹	CAD	HLS	30.4	\$2.81	86	121	173	245	10.6x	9.2x	7.7x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	\$10.35	1,017	1,017	836	836	8.5x	9.9x	9.5x	NA	NA	38.9x
Medexus Pharma ¹	CAD	MDP	32.0	\$3.52	113	160	181	256	10.7x	11.6x	8.4x	46.8x	NA	22.4x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.4	\$3.20	203	203	270	270	8.8x	7.8x	6.8x	7.5x	36.6x	15.7x
Chartwell Retirement	CAD	CSH.UN	328.5	\$20.37	6,692	6,692	9,912	9,912	21.8x	19.4x	17.5x	NA	NA	NA
Extendicare	CAD	EXE	95.0	\$30.60	2,908	2,908	3,464	3,464	15.6x	13.7x	12.1x	23.1x	22.0x	20.0x
Vital Infrastructure	CAD	VITL.UN	250.0	\$5.22	1,305	1,305	2,509	2,509	12.5x	12.1x	11.7x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	\$0.51	45	45	49	49	13.9x	NA	NA	33.1x	NA	NA
Sienna Senior Living	CAD	SIA	111.2	\$20.19	2,245	2,245	3,450	3,450	20.6x	16.9x	14.9x	38.4x	37.4x	32.0x
Profitable Canadian healthcare firms - medical equipment distribution/sales ⁴														
Covalon Technologies	CAD	COV	27.6	\$2.05	57	57	99	99	20.0x	16.1x	14.2x	12.9x	12.1x	10.3x
Viemed Healthcare	USD	VMD	38.1	\$11.88	452	452	496	704	6.4x	5.5x	4.8x	31.4x	28.7x	21.9x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms ⁵														
Healwell AI	CAD	AIDX	304.8	\$0.77	235	235	280	280	NA	37.6x	19.4x	NA	NA	NA
Hydreight	CAD	NURS	53.7	\$3.17	170	170	159	159	20.7x	8.1x	4.6x	23.3x	10.6x	6.7x
Vitalhub	CAD	VHI	63.4	\$7.33	465	660	332	332	11.3x	9.7x	8.0x	NA	39.6x	23.8x
Well Health	CAD	WELL	256.0	\$4.44	1,137	1,137	2,008	2,008	9.6x	10.6x	9.8x	NA	17.5x	12.4x
Average									12.1x	11.8x	9.8x	22.5x	19.4x	16.8x
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	QUIPT	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

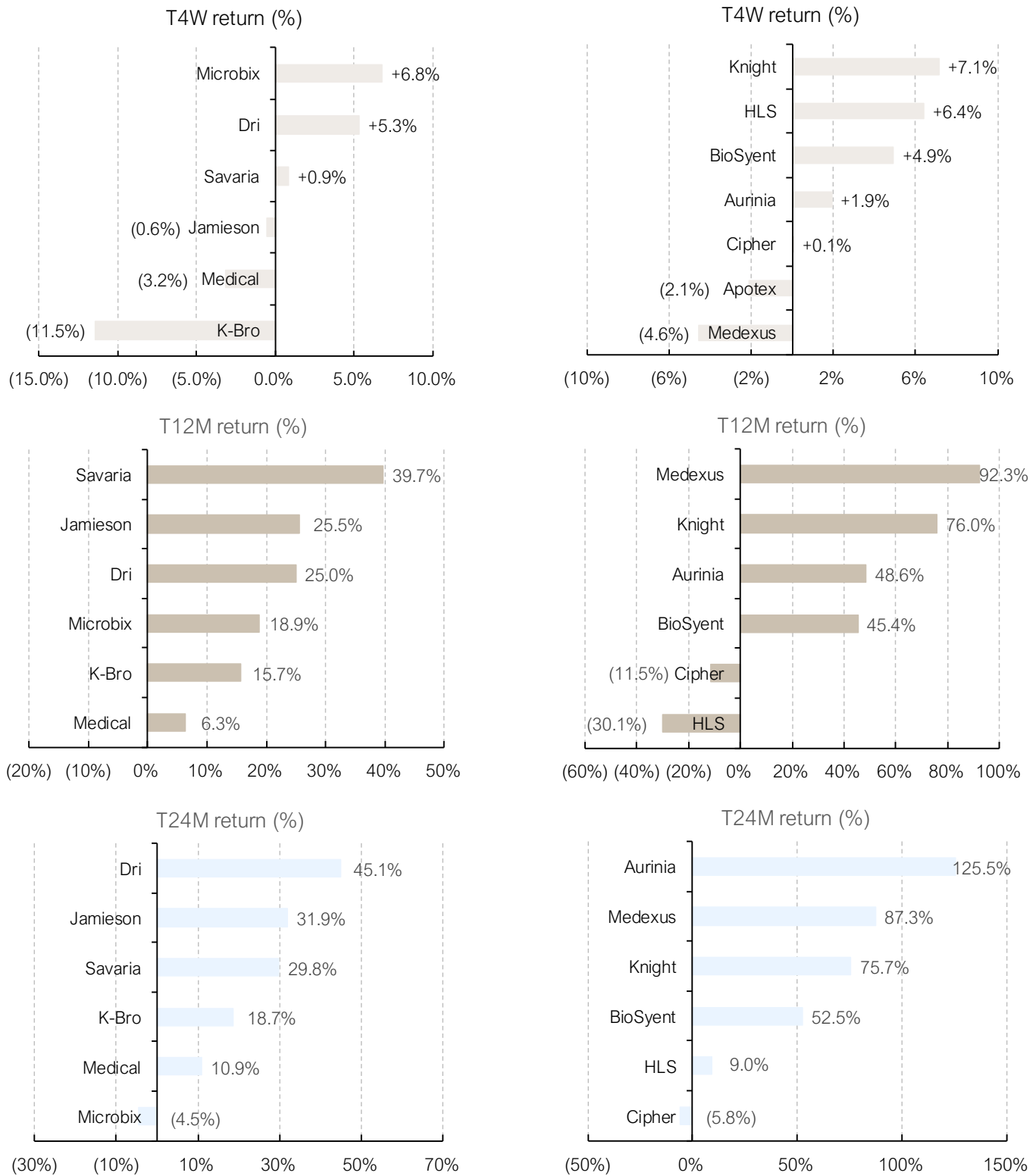
³ Dentalcorp Holdings was acquired by US private equity firm GRRCR LLC in Sept/25 for an EV of C\$3.3B (market value C\$2.1B); transaction closed in Jan/26

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

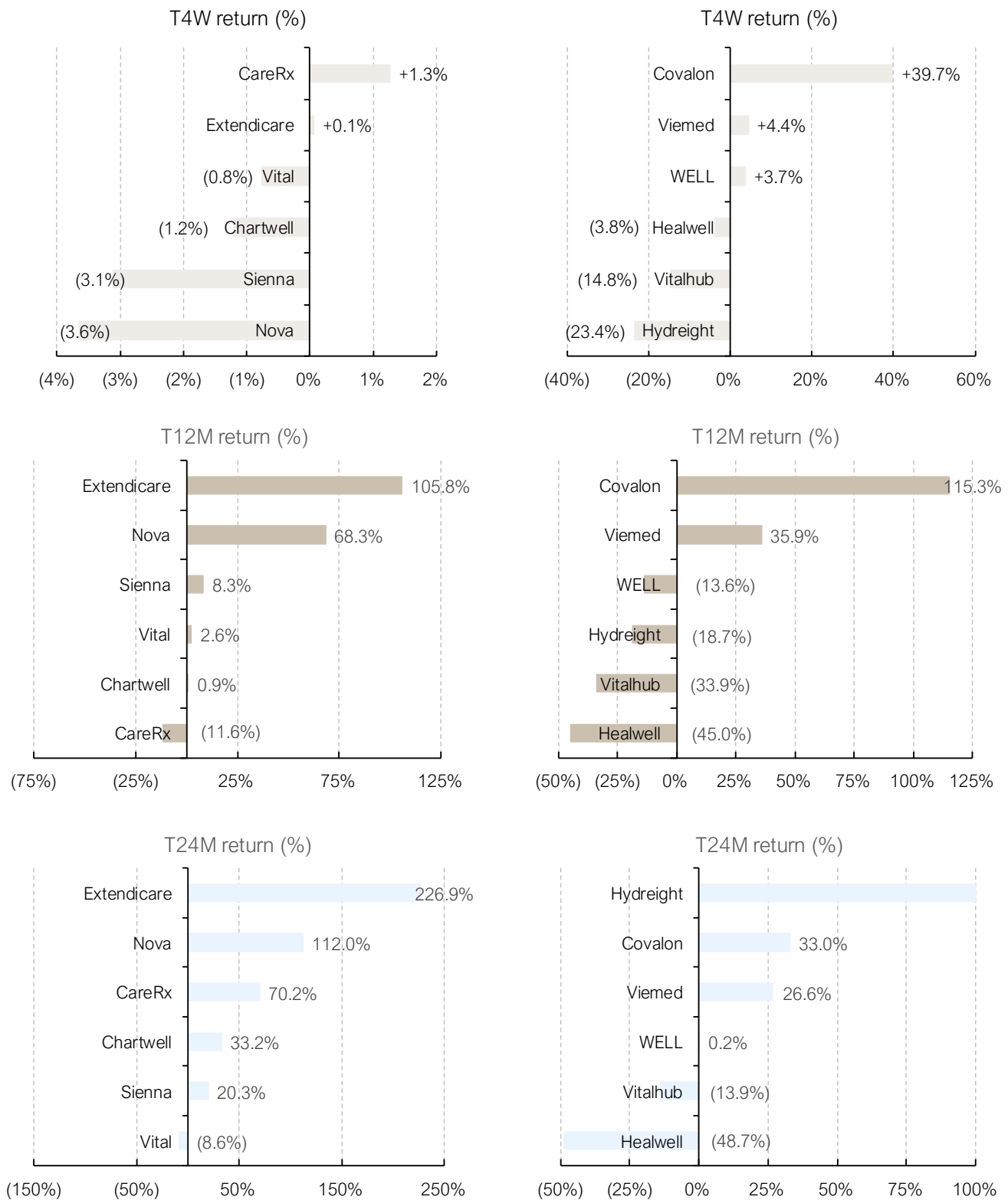
Source: Refinitiv, company reports, Leede Financial

Exhibit 14. 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 15. 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 1,168%)

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

Historical Target Price

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