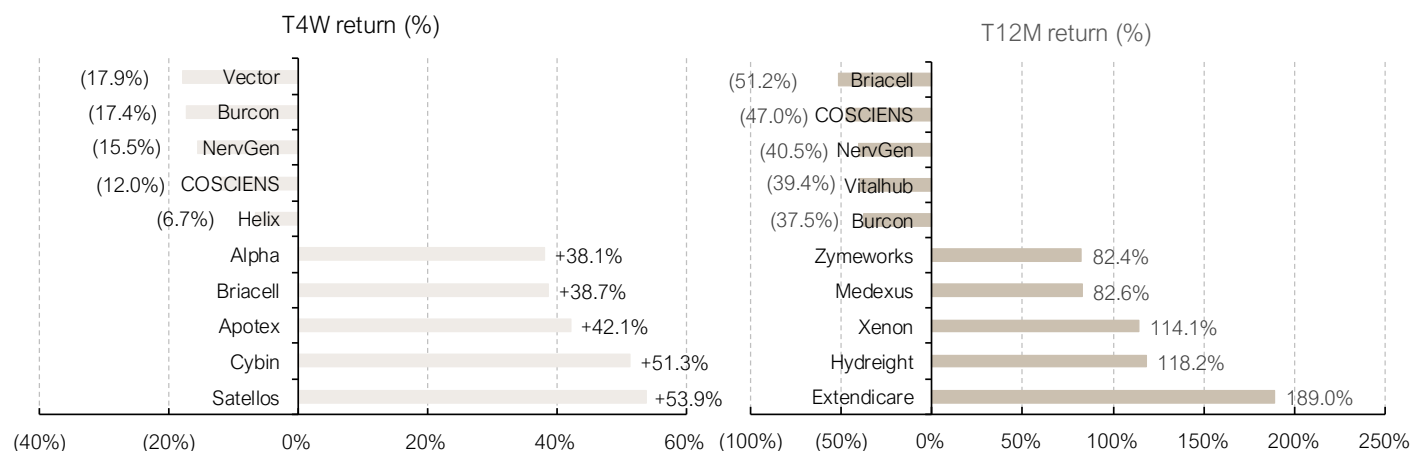


Core Highlights of the Week

Top Movers

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



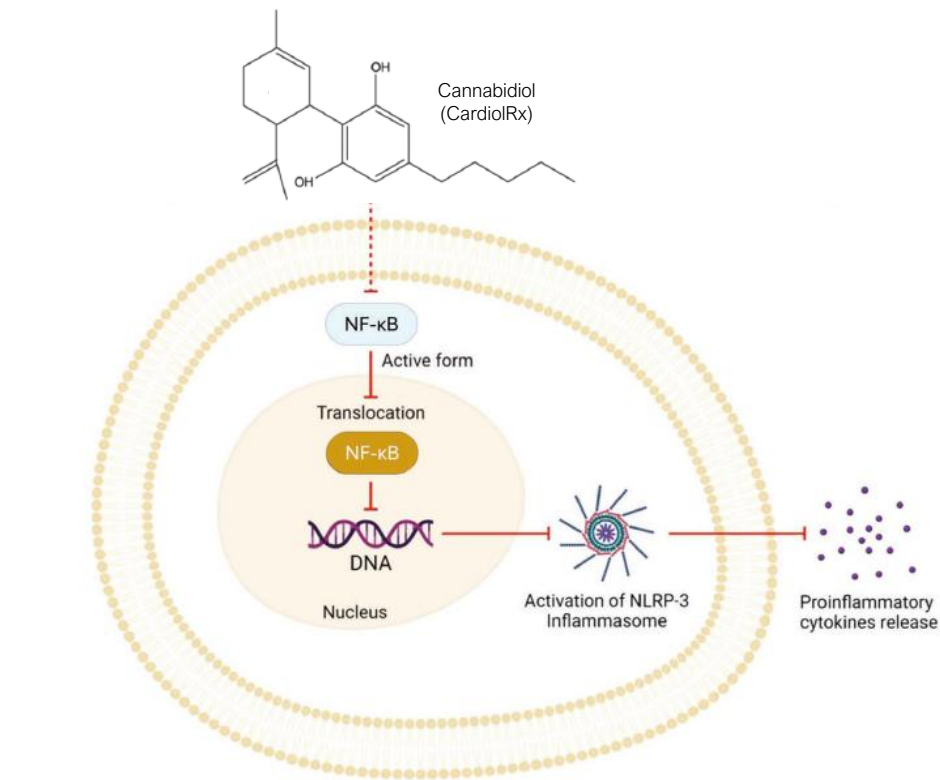
Source: Leede Financial, Refinitiv

Updates From Our Healthcare Universe

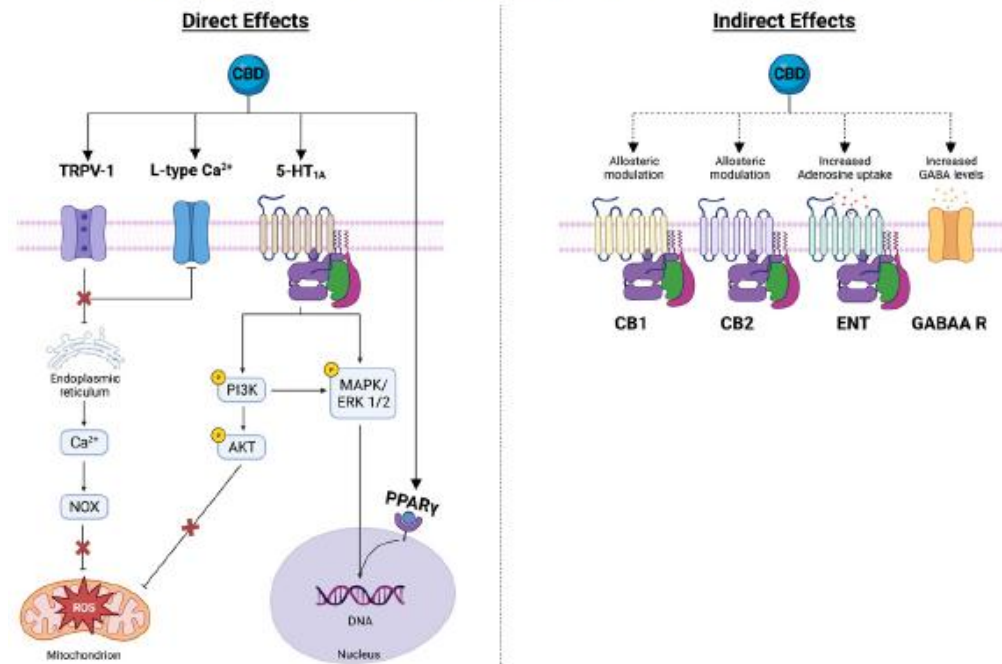
- Cardiol publishes its initial Phase I/II recurrent pericarditis data in a high-profile cardiovascular disease journal.** Earlier this week, ON-based cardiovascular disease-focused small-molecule developer Cardiol Therapeutics (CRDL-T, Spec Buy, PT C\$7.00) formally published data in peer-reviewed from its initial Phase I/II open-label recurrent pericarditis trial (the MAVERIC Pilot trial) testing its ultra-pure semi-synthetic orally-active cannabidiol formulation CardiolRx. The relevant manuscript was formally accepted for publication in the *Journal of the American College of Cardiology* in May/26 & then formally published in the journal this week as indicated above. The trial was conducted with clinical collaborators at MN-based Mayo Clinic, OH-based Cleveland Clinic, IL-based Northwestern University & MA-based Harvard Medical School, among other US & some international cardiovascular centers.
 - These data have been in the public domain since Jun/24 & so formal archiving in the official medical literature, while a positive advance, does not move the needle on our CRDL valuation that is squarely focused on Phase III CardiolRx testing for this indication in the 110-patient (appropriately named) MAVERIC trial, for which we expect patient enrollment to conclude this quarter & for six-month impact on pericarditis symptoms at six-month follow-up (frequency of disease recurrence, duration of episodes if they transpire & to what pain intensity, change in systemic inflammation as quantified by serum C-reactive protein [CRP] levels) during FH127.
 - As we noted while MAVERIC-Pilot was ongoing, the trial did have a few limitations inherent in study design, including that CardiolRx was not directly compared to standard-of-care (which would have been Kiniksa's rilonacept/Arcalyst & still is, as is overtly acknowledged in design of the ongoing Phase III MAVERIC trial) or at least to a randomized placebo arm that is universally required in clinical trials for which pain intensity is a subjective endpoint.

Please see end of report for important disclosures.

Exhibit 2. Cannabidiol/CardiolRx's Proposed Mechanism Of Action In Recurrent Pericarditis Is Well-Supported By Published Preclinical Studies & Independent Of Its Pharmacology In Other Biological Pathways

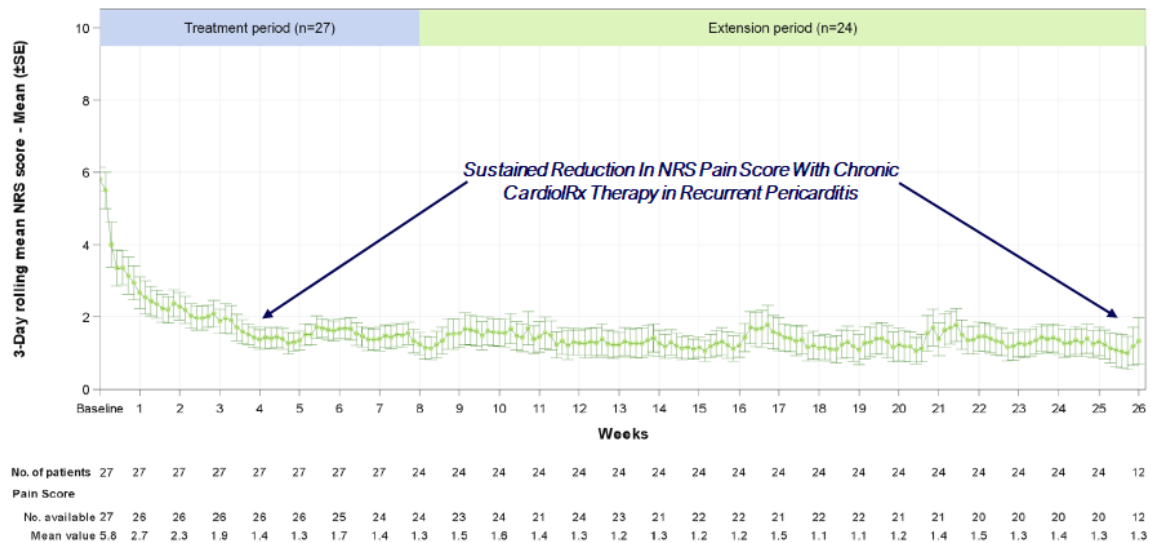


CBD Effects On Membrane Receptors Independent of Inflammasome Pathways Proposed To Be Relevant to Impact On Recurrent Pericarditis



Source: Adapted from *Journal of the American College of Cardiology* (2026). Vol. 15, pp. e047605-e407616 (upper panel) & *Molecules* (2023). Vol. 28, pp. 5980-6004 (lower panel).

Exhibit 3. Key Data Set From MAVERIC Pilot – Sustained Impact On Core Recurrent Pericarditis Symptoms (Pain) Mitigated By Orally-Active CardiolRx Therapy



Source: Adapted from *Journal of the American College of Cardiology* (2026). Vol. 15, pp. e047605-e407616

- Scale & duration of a trial with only twenty-seven patients enrolled & with monitoring extending over only two months (though most patients participated during the four-month extension period) are other obvious statistical limitations, but limitations that we endorse as capital-preserving initial efforts to assess whether or not CardiolRx manifested any sort of efficacy signal in the indication. Cardiac imaging with ultrasound-based echocardiography or magnetic resonance cardiac imaging – which was assessed as a measure of heart inflammation at enrollment - would have been desirable as a way to directly assess CardiolRx impact on pericarditis pathology on the heart itself (using the eleven-point Numeric Rating Scale pain intensity score is a measure of this, but an indirect one) but we would not endorse incurring imaging costs for what was an exploratory Phase II study that only now do we know that Phase III testing is justified.

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

Year-end December 31 (C\$000, exc per share data)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
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)	(\$0.25)	(\$0.22)	(\$0.22)	\$0.07	\$0.40	\$1.10	\$1.81	\$2.15	\$2.55	\$2.95
Fully-taxed EPS (fd)	(\$0.22)	(\$0.19)	(\$0.19)	\$0.06	\$0.36	\$0.97	\$1.60	\$1.91	\$2.26	\$2.62
P/E (basic)	NA	NA	NA	24.9x	4.2x	1.5x	0.9x	0.8x	0.7x	0.6x
EV/EBITDA	NA	NA	NA	11.3x	2.1x	0.8x	0.5x	0.4x	0.3x	0.3x
S/O, basic (M)	100,257	100,257	100,257	100,257	100,257	100,257	100,257	100,257	100,257	100,257
S/O, fd (M)	112,919	112,919	112,919	112,919	112,919	112,919	112,919	112,919	112,919	112,919

Source: Cardiol Therapeutics financial filings, Leede Financial

- Then as now, we see a clear efficacy signal from CardiolRx administration to recurrent pericarditis patients as exemplified by two measures of disease reversal – a clear & sustained impact on reducing the magnitude of disease-associated pain from baseline as measured by the well-characterized eleven-point Numeric Rating Scale (NRS) pain intensity score, along with a reduction in systemic inflammation as measured by reduction in circulating levels of C-reactive protein (CRP) – that give us confidence in cannabidiol's core pharmacologic underpinnings in this indication.
- When we pair these clinical manifestations in MAVERIC-Pilot with preclinical observations of cannabidiol's foundational anti-inflammatory activity, first reported by US NIH researcher Pal Pacher as we described in our original CRDL report & then supplemented by preclinical studies published by Cardiol itself back in Nov/22 at the American Heart Association annual meeting, we gain confidence in our expectations for CardiolRx clinical performance in MAVERIC. In those preclinical studies, in which Cardiol deployed an animal model for pericarditis created by researchers at Virginia Commonwealth University, the impact of cannabidiol on the NLRP3 inflammasome pathway (a pathway that Kiniksa's rilonacept was separately shown to impact in that drug's preclinical history) was well-documented & in a way that has since been validated by other laboratories, summarized in a 2026 review in the journal *Current Cardiology Reports* that we reviewed for this CardiolRx update.

Exhibit 5. Valuation Scenarios for Cardiol Therapeutics

NPV, discount rate		10%	20%	25%	30%	40%	50%
Implied value per share		\$22.22	\$9.99	\$6.54	\$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	\$7.13	\$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}		\$3.09	\$6.30	\$7.90	\$9.50	\$11.10	\$12.70
One-year Cardiol target price (C\$) ¹				\$7.19			

¹ Based on F2031 fully-taxed EPS of \$0.97; EBITDA of \$158.0M, discounted at 25%, FD S/O of 112.9M

² Includes FQ126 cash of \$27.7M, no LT debt

Source: Cardiol Therapeutics financial filings, Leede Financial

- We are maintaining our PT/rating on CRDL, with our valuation still based on NPV (25% discount rate that we conventionally ascribe to Phase III-stage drug developers) & multiples of our F2031 adjusted EBITDA/fd EPS forecasts of C\$158.0M & C\$0.97/shr, respectively. Our EV is based on FQ126 cash of C\$27.7M, no LT debt & fd S/O of 12.9M.
- Our financial forecasts are exclusively based on cannabidiol & its prospective medical utility in treating three distinct cardiovascular disorders – recurrent pericarditis for which patient enrollment in the 110-patient Phase III MAVERIC trial should conclude this quarter & for which six-month efficacy data are thus expected during FH127 as indicated above, acute myocarditis for which Phase II data from the 109-patient ARCHER trial were reported in FQ126 (we expect this indication to occupy tertiary status in Cardiol's clinical priorities however), & heart failure with preserved ejection fraction (HFpEF, or diastolic heart failure) for which IND-enabling studies are ongoing with a subcutaneously-injectable PEG/elastin-like polypeptide-based cannabidiol formulation (CRD-38, for which supportive preclinical data were published last year also in the *Journal of the American College of Cardiology*) & for which IND filing & commencement of formal Phase I testing are expected by us during FQ426 & FQ127 respectively.
- As we show in Exhibit 4, HFpEF is actually a meaningful contributor to our consolidated cannabidiol (CardiolRx/CRD-38) royalty revenue forecasts by F2034-F2035 & we expect advances on that program, especially when considering that interest in novel HFpEF heart failure therapies should intensify with the patent expiration of Novartis' (NVS-NY, NR) multi-blockbuster sacubitril-valsartan combination therapy Entresto transpiring in recent quarters (in FQ325 specifically, with generics even available from Novartis itself, branding that formulation as PRSandoz Sacubitril-Valsartan).

Accordingly, we will be watching for clinical milestones to contribute materially to share price value in F2027/28 when CRD-38 clinical activities are expected to intensify.

- **ProMIS reports key pharmacokinetic data consistent with its intended mode of action – interim biomarker data from PRECISE-AD trial on the horizon.** Earlier this week at the annual Alzheimer's Association International Conference (AAIC), MA-based CNS-focused misfolded protein-targeted biologics developer ProMIS Neurosciences (PMN-Q, Spec Buy, US\$46.00) provided some legacy target binding data from its 40-patient Phase I healthy volunteer study testing basic safety/pharmacokinetic performance for the firm's beta-amyloid oligomer-selective mAb PMN310.
- Phase I patients did not present with Alzheimer's disease-associated cognitive deficit at enrollment so in a way it is a bit surprising that they exhibited any beta amyloid oligomer burden in their cerebrospinal fluid at all, but the fact that they did to a minimal degree & in some patients allowed for ProMIS to assess whether or not PMN310 was able to bind to CSF-residing beta-amyloid oligomers, which it does in laboratory cellular assays. Unsurprisingly the mAb did indeed bind to beta-amyloid oligomers even at low levels & in a mAb dose-dependent fashion, but by calling the observation unsurprising does not limit its significance in PMN310's overall medical prospects.

Exhibit 6. Income Statement & Financial Forecast Data for ProMIS Neurosciences, F2028E-to-F2038E

<i>Year-end December 31</i>											
<i>(C\$M, except per share data)</i>	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Royalty revenue, by mAb & indication											
PMN310/Alzheimer's disease (AD)	\$0.0	\$0.0	\$23.2	\$113.7	\$216.9	\$261.1	\$308.6	\$359.4	\$413.8	\$472.1	\$534.4
PMN442/Parkinson's disease (PD)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$10.2	\$34.9	\$61.6	\$90.4	\$121.4	\$154.8
PMN267/Amyotrophic lateral sclerosis (ALS)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$5.4	\$17.6	\$30.4	\$44.0	\$58.4	\$73.7
Royalty revenue, mAbs	\$0.0	\$0.0	\$23.2	\$113.7	\$216.9	\$276.8	\$361.1	\$451.4	\$548.3	\$651.9	\$762.8
Revenue growth (%)	NA	NA	NA	391%	91%	28%	30%	25%	21%	19%	17%
Cash operating expenses	\$33.4	\$34.2	\$30.2	\$26.2	\$27.3	\$28.5	\$29.9	\$31.4	\$33.0	\$34.8	\$36.8
Non-cash operating expenses	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8	\$0.8
Milestone & other revenue	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)
Operating income	(\$24.1)	(\$25.0)	\$2.2	\$96.7	\$198.9	\$257.6	\$340.5	\$429.3	\$524.5	\$626.4	\$735.3
EBITDA	(\$23.4)	(\$24.2)	\$3.0	\$97.5	\$199.6	\$258.3	\$341.2	\$430.1	\$525.3	\$627.1	\$736.0
EBITDA growth (%)	NA	NA	NA	NA	104.8%	29.4%	32.1%	26.0%	22.1%	19.4%	17.4%
EBITDA margin (%)	NA	NA	12.9%	85.8%	92.0%	93.3%	94.5%	95.3%	95.8%	96.2%	96.5%
Other non-operating expenses (Interest, income tax, deriv value)	\$0.0	\$0.0	\$0.9	\$30.1	\$90.0	\$77.5	\$102.4	\$129.0	\$157.6	\$188.1	\$220.8
Net income	(\$23.6)	(\$24.5)	\$1.8	\$67.1	\$109.4	\$180.6	\$238.6	\$300.8	\$367.5	\$438.8	\$515.0
Adjusted net inc, fully-taxed	(\$24.1)	(\$25.0)	\$1.3	\$67.5	\$139.0	\$180.1	\$238.1	\$300.3	\$367.0	\$438.3	\$514.5
EPS (fully-taxed, basic)	(\$2.69)	(\$2.79)	\$0.15	\$7.53	\$15.50	\$20.08	\$26.55	\$33.49	\$40.92	\$48.87	\$57.37
EPS (fully-taxed, fd)	(\$1.28)	(\$1.33)	\$0.07	\$3.59	\$7.40	\$9.58	\$12.67	\$15.98	\$19.52	\$23.32	\$27.37
S/O (basic, 000)	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968	8,968
S/O (fully-diluted, 000)	18,795	18,795	18,795	18,795	18,795	18,795	18,795	18,795	18,795	18,795	18,795
P/E (fd)	NA	NA	190.6x	3.8x	1.8x	1.4x	1.1x	0.9x	0.7x	0.6x	0.5x
EV/EBITDA (fd)	NA	NA	64.4x	2.0x	1.0x	0.7x	0.6x	0.4x	0.4x	0.3x	0.3x

Source: ProMIS Neurosciences financial filings, Leede Financial

- If indeed beta-amyloid oligomers are themselves neurotoxic to a degree that published population genetics studies predict that they are – the relevant paper to which we invariably refer on this theme characterized the so-called Osaka mutation, a specific deletion mutation in the beta-amyloid-encoding gene (a glutamate residue at position #22 in the beta-amyloid sequence, corresponding to position #693 in amyloid precursor protein from which it is derived, is missing) that if expressed facilitates the production of medium-sized beta-amyloid oligomers & no other oligomeric form, not protofibrils to which Eisai's (4523-JP, NR) lecanemab/Leqembi or Biogen's (BIIB-Q, NR) now-discontinued adcanumab/Aduhelm or Eli Lilly's (LLY-NY, NR) donanemab/Kisunla bind, not monomers that presumably are precursors to higher-order forms, & not plaques that are invariably observed in Alzheimer's patients as either a marker for disease, or a cause of disease, or both.

- Clear evidence of cognitive deficit is observed in patients harboring this mutation & for which beta-amyloid will only form oligomers (so oligomers are reasonably inferred to be associated with the cognitive deficits observed, instead of plaques or protofibrils or monomers previously thought to be more relevant to Alzheimer's disease etiology) & based on this observation, we have long believed that ProMIS' approach to selectively targeting oligomers, using CSO Neil Cashman's published techniques for raising mAbs against cyclic peptides that mimic conformational epitopes only exposed in oligomers & not other beta-amyloid forms.
- More definitive evidence of the oligomer hypothesis awaits data from ProMIS' more comprehensive 144-patient placebo-controlled Phase II PRECISE-AD trial, from which we expect six-month biomarker data within the next several days/weeks. But for now, we take comfort in the fact that PMN-310 does indeed exhibit the oligomer binding activity in a clinical setting that it so clearly exhibits in preclinical disease models & in cellular assays & we are maintaining our PT/rating on PMN as a consequence. As before, our PMN valuation is based on NPV (30% discount rate that is comparable to the rate we usually ascribe to Phase II-stage therapy developers) & multiples of our F2032 adjusted EBITDA/fd EPS forecasts of US\$199.7M & US\$7.40/shr, respectively.

Exhibit 7. Valuation Scenarios for ProMIS Neuroscience

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

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

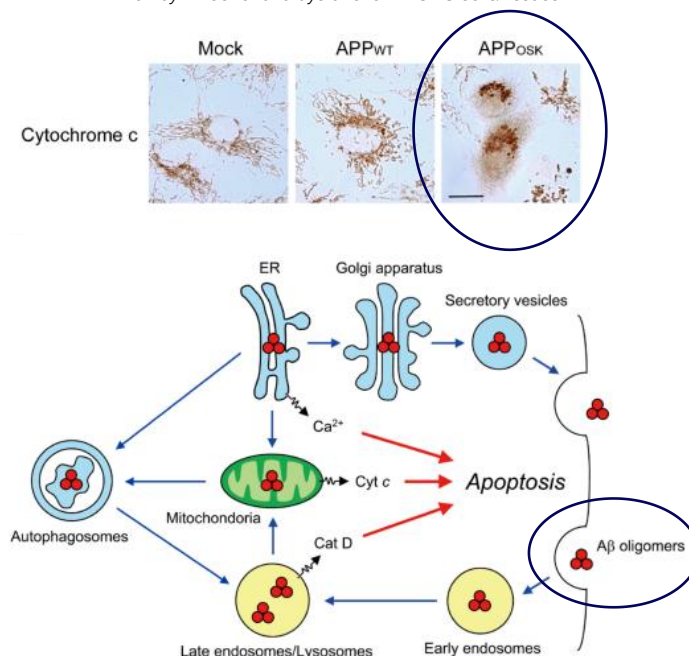
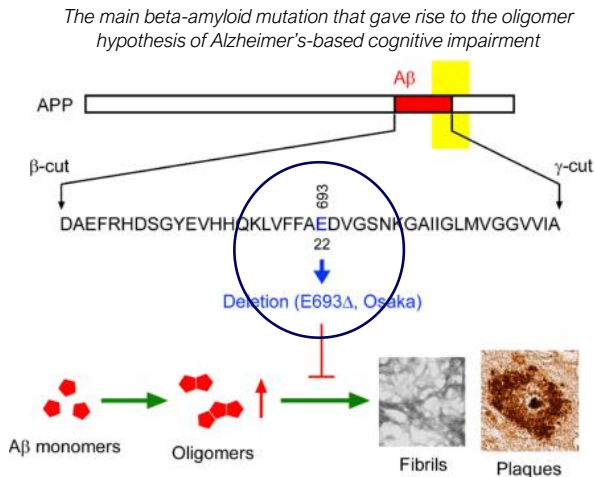
² EV incorporates FQ126 cash of US\$63.8M without giving effect to potential cash from derivative securities described in the Feb/26 equity offering; no LT debt, S/O (basic) 9.0M, S/O (fd) 18.8M.

Source: ProMIS Neurosciences financial filings, Leede Financial

- Our EV calculation incorporates FQ126 cash of US\$63.8M without giving effect to notional cash ascribed to derivative securities issued during the firm's Feb/26 equity offering, no LT debt, & fd S/O (that does give effect to those derivative securities) of 18.8M. Importantly, & as Exhibit 6 shows, we ascribe supplemental value to two other IND-pending mAbs in ProMIS' pipeline, the Parkinson's disease-focused misfolded alpha-synuclein-targeted mAb PMN442 & the amyotrophic lateral sclerosis (ALS)-focused misfolded TDP43-targeted mAb PMN267.
- We are of course mindful however that Phase II PMN310 activity is at present more impactful on ProMIS' capital markets profile & on the overall clinical risk ascribed to ProMIS' approach to raising conformational epitope-targeted mAbs & to the relevance to disease etiology of the misfolded proteins that they target. IND filings & then commencement of formal Phase I testing for both PMN442 & PMN 267 are expected milestones embedded into our PMN valuation, notwithstanding the obligation that ProMIS has to preferentially deploy capital into PMN310 Phase II/III Alzheimer's disease testing.

Exhibit 8. Foundational Pathology On Which The Beta-Amyloid Oligomer Model For Alzheimer's Disease Is Based

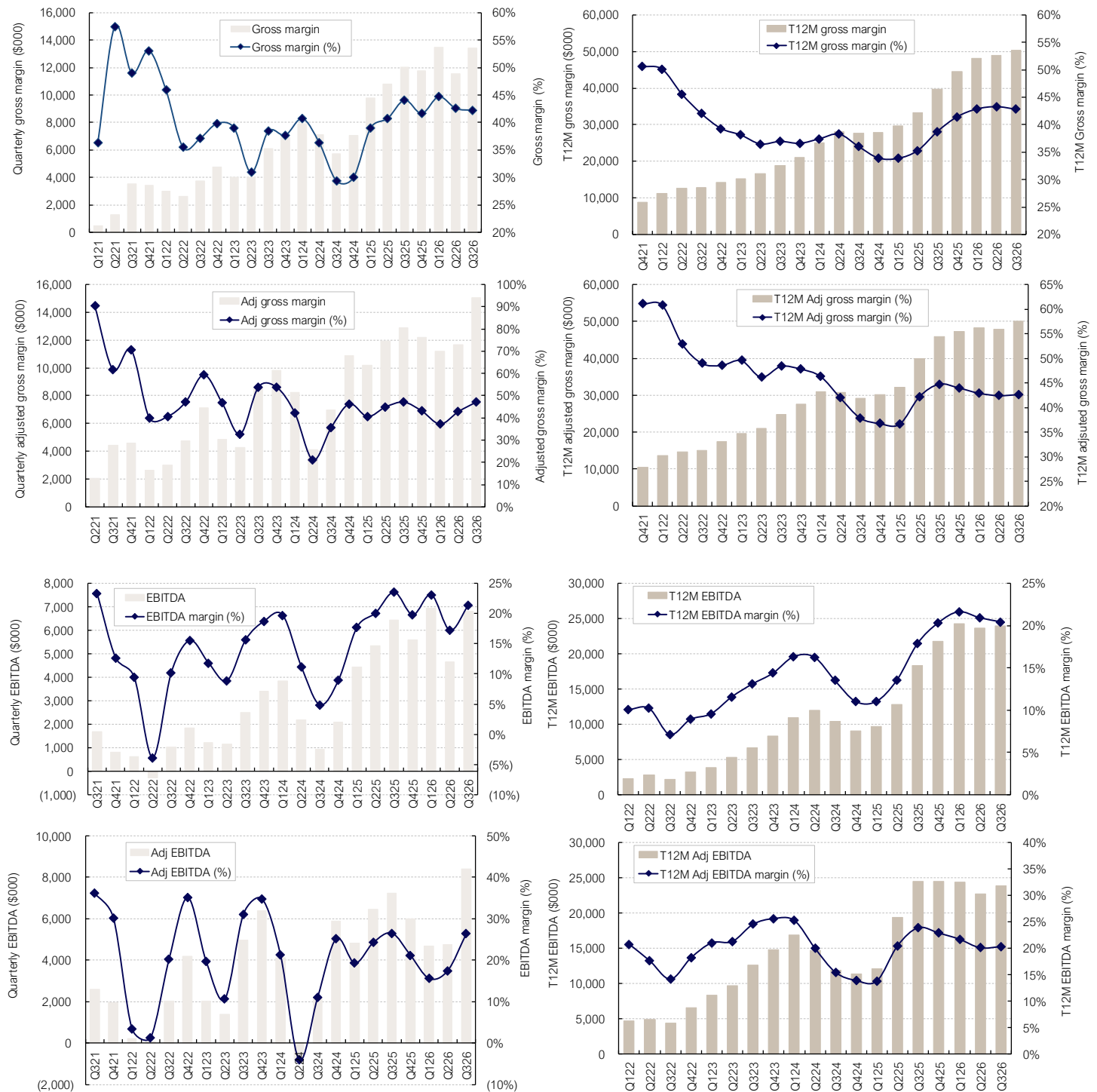
Beta-amyloid oligomer neurotoxicity is proposed to be Driven by mitochondria dysfunction in CNS cells/tissues



Source: Adapted from *International Journal of Molecular Sciences* (2020). Vol. 21, pp. 1413-1432.

- Cannara reports FQ326 financial results.** QC-based cannabis producer & marketer Cannara Biotech (LOVE-V, NR) reported FQ326 quarterly financial data for the May-end period that were strong both sequentially & y/y on top-line adjusted product/cannabis sales, with EBITDA also performing well sequentially though with slight EBITDA margin compression as compared to FQ325 data last year. As close followers of Cannara will know, the firm's operations were substantially altered when the firm acquired its Valleyfield QC cannabis production facility from The Great Organic Dutchman (delisted in Sept24) back in Jun/21 (Cannara's FQ421) for \$27M, less than 1x FQ326 EBITDA run-rate.
 - Cannara's quarterly financial data are somewhat nuanced in comparison to other EBITDA-positive healthcare firms in our coverage universe based on a few elements. First of all, the firm reports consolidated product revenue after making an adjustment for a 30%-to-31% excise tax on gross cannabis revenue that reduces total revenue by that magnitude (\$13.8M in FQ326) & so without that tax, Cannara's gross margin on core cannabis operations (excluding lease revenue that is usually modest as it was in FQ326 at \$1.0M) was 58.6% in FQ326; gross margin on tax-affected cannabis sales was far lower at 42.2%.
 - Separately, Cannara has two distinct income statement items that we infuse into our model below the EBITDA line while separately calculating adjusted EBITDA as shown in Exhibit 9. Those items relate to changes in value of the cannabis assets that Cannara manufactures at its Valleyfield facility, one of which is change in value of cannabis inventory sold & the other is change in biological asset value, both of which are usually of comparable absolute value, just with one recorded as a loss & the other as a gain. Our graphical depiction of adjusted EBITDA (Exhibit 9) makes an adjustment for those shifts in cannabis inventory valuation adjustments; we find both variations on calculated EBITDA to be useful in our conceptualization of Cannara's operations & market value.
 - With those qualifiers aside, Cannara's FQ326 net revenue/gross margin/EBITDA were \$31.8M/\$13.4M/\$6.8M as compared sequentially to FQ226 data of \$27.2M/\$11.6M/\$4.7M & y/y to FQ325 data of \$27.3M/\$12.1M/\$6.4M, with relative gross margin/EBITDA margin in FQ326 of 42.2%/21.4%, down sequentially in FQ226 on gross margin but up measurably on EBITDA margin of 42.6%/17.2%, respectively; FQ325 gross margin/EBITDA margin were slightly above FQ326 performance at 44.1%/23.5%, respectively. We consider subtle variations in both absolute & relative gross margin & EBITDA to be minor in lieu of solid cash flow/margin on average in most financial periods mentioned above.

Exhibit 9. Quarterly & T12M Gross Margin & EBITDA/Margin Data For Cannara Biotech, FQ121A-to-FQ326A

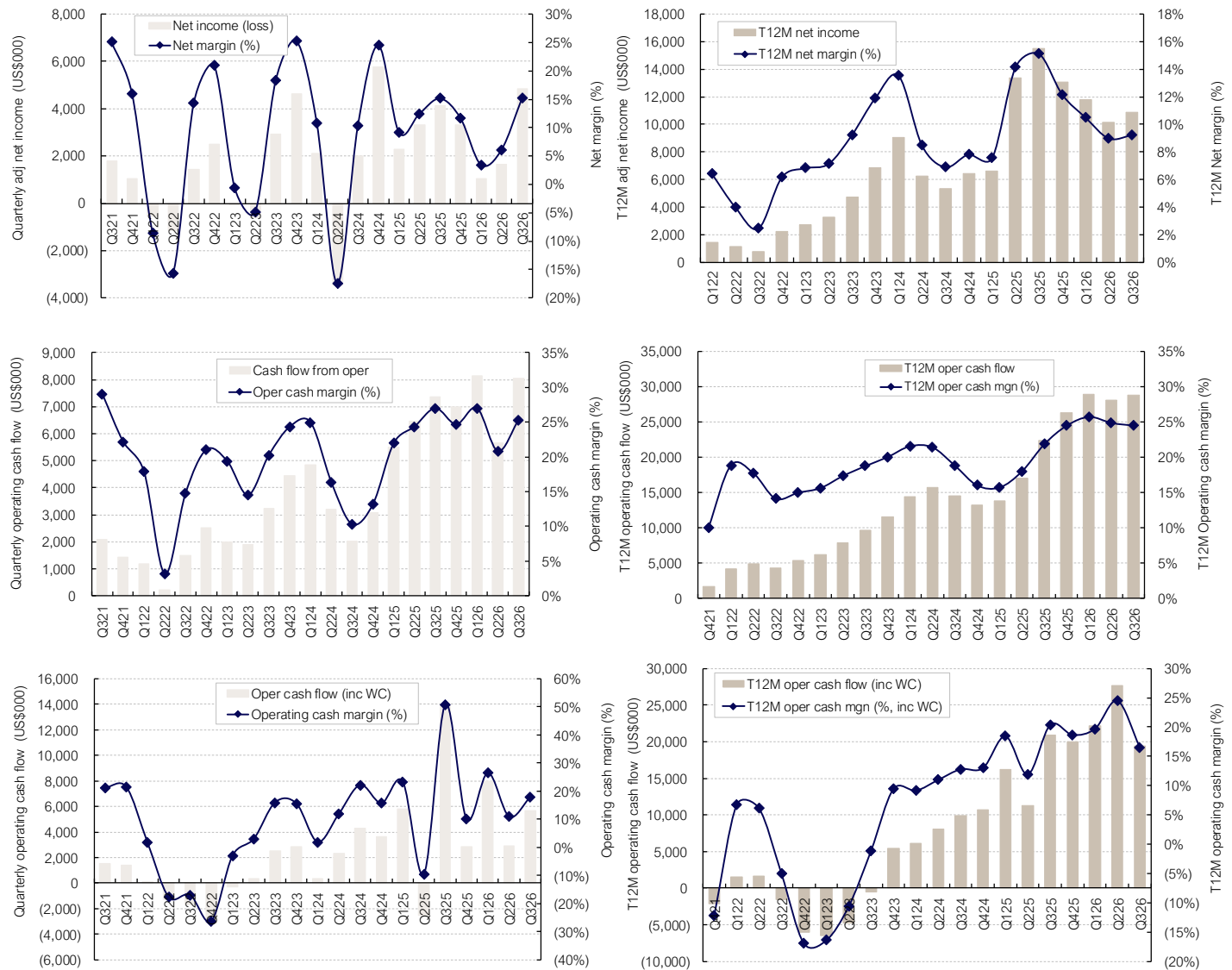


Source: Cannara Biotech financial filings, Leede Financial

- Operating cash flow/margin were up sequentially from \$5.6M/20.8% in FQ226 at \$8.1M/25.3%, though sequential comparison is tempered by our observation that FQ226 was soft by recent standard (FQ125 cash flow was just slightly lower at \$5.5M, FQ424 cash margin was far lower at 13.2%). Quarterly working capital oscillates between deficit & surplus quite dramatically & so we do not consider consolidated working capital-adjusted operating cash flow to be overly meaningful to the firm's operating risk, but for the record, working capital deficit in FQ326 of (\$2.4M) brought consolidated operating cash flow in the quarter to \$5.7M, up from FQ226 data of \$2.9M when working capital deficit

was comparable at (\$2.7M) but well below FQ325 consolidated operating cash flow of \$13.9M when working capital balance was well into surplus territory at \$6.5M.

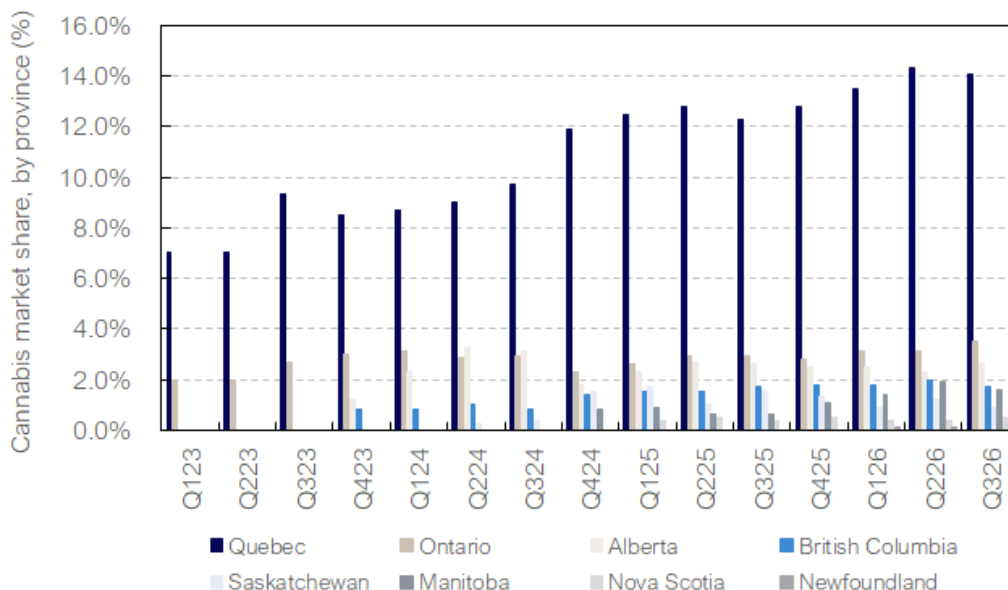
Exhibit 10. Quarterly & T12M Net Income & Cash Flow Data For Cannara Biotech, FQ121A-to-FQ326A



Source: Cannara Biotech financial filings, Leede Financial

- Since FQ122, Cannara's cumulative operating cash flow (excluding working capital in this calculation) is \$78.3M, or \$0.79/shr, using current basic S/O of 98.8M as the denominator in all quarters incorporated into the calculation. Cumulative working capital deficit is substantially negative over that same time period at (\$31.6M), almost entirely on cumulative inventory deficit that is much higher than the overall cumulative deficit itself at (\$44.1M). For comparison, the cumulative impact since FQ122 on change in value of inventory sold & loss on biological asset value collectively considered is (\$14.3M), substantially offset by cumulative gross margin/EBITDA during that same nineteen quarter period of \$146.0M/\$60.8M. We have no major concerns on debt-based financial ratios, with EBITDA-to-interest coverage ratio of 14.5x & debt-to-FQ326 EBITDA run-rate ratio of 1.4x well into safe territory on both metrics.

Exhibit 11. Cannara Continues To Grow Cannabis Market Share In QC While Generating Stable Sales in ON/AB & Other Newer Geographies



Source: Cannara Biotech financial filings, Leede Financial

- In its MD&A, Cannara predicted that it would activate four new cultivation zones in its Valleyfield greenhouse by the end-of-F2027 (so five quarters from now), bringing the total number of growth zones to twenty-four & bringing annual cannabis production capacity to 75 metric tonnes from 58 metric tonnes currently; full capacity in Valleyfield if all greenhouse zones are actively growing cannabis cultivars is 100 metric tonnes. In its macro-industry commentary, Cannara estimated that Canadian national cannabis retail sales in FQ326 alone were \$1.43B, just slightly up from \$1.41B last year, with QC (Cannara's largest retail market at present) generating about \$241M of that total.

Exhibit 12. Comparable Publicly-Traded Firms For Which Recreational Cannabis Economics Contribute Materially To Valuation

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 16-Jul	Mkt Cap (M)	Mkt Cap (C\$M)	Ent. Value (M)	Ent. Value (C\$M)	EV/EBITDA (T12M)	FY1	FY2	Price/Earnings (T12M)	FY1	FY2
Mature Publicly-Traded Medical Marijuana Firms Or Cannabis Producers														
Aurora Cannabis Inc	CAD	ACB	62.0	\$3.74	232	232	139	139	NA	2.5x	4.5x	NA	NA	NA
Auxly Cannabis Group Inc	CAD	XLY	1,432.0	\$0.18	258	258	222	222	5.8x	4.8x	4.4x	5.7x	18.0x	18.0x
Canopy Growth Corp	CAD	WEED	448.4	\$1.34	601	601	616	616	NA	NA	NA	NA	NA	NA
Charlotte's Web Holdings	CAD	CWEB	270.5	\$0.34	92	129	196	275	NA	NA	NA	NA	NA	NA
Cronos Group Inc	CAD	CRON	373.0	\$3.88	1,447	1,447	334	334	NA	19.8x	5.9x	NA	59.7x	51.7x
Curaleaf Holdings Inc	CAD	CURA	233.4	\$13.69	3,195	3,195	4,041	4,041	14.9x	10.1x	8.7x	NA	NA	NA
Decibel Cannabis	CAD	DB	577.0	\$0.12	66	66	112	112	NA	3.9x	3.4x	4.3x	5.8x	3.8x
High Tide Inc	CAD	HITI	87.9	\$3.06	269	269	384	384	8.3x	7.1x	5.2x	NA	NA	14.6x
Organigram Global Inc	CAD	OGI	140.8	\$1.23	173	173	342	342	NA	10.6x	8.0x	8.5x	6.2x	18.2x
Terrascend Corp	CAD	TSND	373.1	\$0.81	302	302	621	621	7.7x	6.8x	6.4x	NA	NA	NA
Tilray Brands Inc	USD	TLRY	123.5	\$4.38	541	759	1,172	1,645	35.3x	18.9x	14.5x	NA	NA	NA
Village Farms International	USD	VFF	121.8	\$2.02	246	346	404	567	10.2x	8.2x	6.5x	14.0x	11.7x	5.8x
ZYUS Life Sciences Corp	CAD	ZYUS	78.0	\$0.50	39	39	54	54	NA	NA	NA	NA	NA	NA
Average									13.7x	9.3x	6.7x	8.1x	20.2x	18.7x
Cannara Biotech Inc		LOVE	98.8	\$1.88	186	186	198	198	8.4x	6.1x	5.2x	13.1x	14.5x	9.1x

Source: Refinitiv

- In summary, our interest in Cannara is clearly not driven by the impact of retail cannabis sales on human health & disease, notwithstanding the multiple cannabinoids & terpenoids found in cannabis/hemp that are gradually being characterized for specific pharmacologic applications (including cannabidiol of course that we described in our Cardiol Therapeutics clinical update). The word Biotech in Cannara's corporate brand is perhaps a bit deceiving in that it is a term normally preserved in our personal thesaurus for firms developing novel disease-targeted biologics or small-molecule therapies. But still, retail cannabis growth & harvesting is certainly a biotechnology activity & one that is clearly profitable on an EBITDA & cash flow basis under Cannara's stewardship. On that basis & for our own interest, we have been tracking Cannara's financial performance over the time frame we summarize in Exhibits 9-to-11. Cannara's average EBITDA margin since FQ122 is 16.3%, strong in comparison to other healthcare services firms in our coverage universe & actually much higher over the trailing two-year period at 19.2%.

Other Significant Clinical Trial Updates With Relevance To Our Coverage Universe

- **Telo Genomics provides a corporate update, ostensibly focused on recent advances with TeloView clinical testing in multiple myeloma.** Earlier this week, MB-based telomere visualization technology developer Telo Genomics (TELO-V, NR) provided a general corporate update on its mostly-oncology-focused cellular diagnostics development activities while focusing on new clinical data emerging in multiple myeloma from its collaboration with the University of Athens. Telo's core technology is based on the ability to use high-resolution microscopy & interpretive software to identify morphological changes in telomeres & to accurately correlate such changes to disease diagnosis, disease staging, responsiveness to therapy, or some combination of all three. Accordingly, the objective of the two-year trial is to determine if any specific characteristics of telomeres (the protein/DNA-based caps at the ends of chromosomes during mitosis) are predictive of patient responsiveness to standard-of-care therapies (see below). Comparisons in telomere architecture are & will be compared between patients who have relapsed after therapy & those who remain in remission.
- Recall that Telo had previously announced its University of Athens collaboration back in Dec/25 & so Telo's corporate update actually corresponds quite reasonably with our expectations for timelines to data on this collaboration. In the trial, Telo is focused on determining how well TeloView can identify multiple myeloma patients with so-called minimal residual disease (MRD), a disease manifestation whereby some small number of cancerous cells are still left behind after treatment, usually with some combination of the FDA-approved immunologically-active drugs like lenalidomide/Revlimid or pomalidomide Pomalyst or proteasome inhibitors like bortezomib/Velcade or carfilzomib/Kyprolis or ixazomib/Ninlaro. While such cells if identified are not indicative of active disease, they are predictive of future recurrence & it is essential when providing standard-of-care to know if patients have MRD & should be more closely monitored for the possibility of re-initiating prior therapy or exploring other treatment options if patients are refractory to any or all of the aforementioned drugs.
- Interim data as reported earlier this week were encouraging, with so-called ROC analysis (short for receiver operating characteristic, a hybrid measure of sensitivity & specificity in molecular diagnostics, analogous to for example a hybrid measure of baseball prowess like wins-above-replacement [WAR] or a hybrid measure of basketball proficiency like player-efficiency-rating [PER]) showing that TeloView could identify patients with a higher probability of multiple myeloma relapse status with an AUC (another acronym, in this case short for area-under-curve, the hybrid sensitivity/specificity output from an ROC analysis) of 0.849. An AUC of 1.0 corresponds to a perfect test, one that never misses a positive diagnosis in diseased likely-to-relapse patients & never makes a positive diagnosis in remission patients, & so a value of 0.849 is actually quite high by oncology standards (it would be low if ascribed to an infectious disease diagnostic assay, for which microbe identification assays are expected to be sensitive & specific, but this is a standard for which expectations in cancer diagnosis would be unreasonable). In our view, TeloView's performance in this University of Athens multiple myeloma study is highly encouraging & patient sample testing should continue, both for the benefit of Telo itself & for any future partners with which it may collaborate in coming quarters.
- Recall that Telo already has distinct clinical collaborations in multiple myeloma diagnosis with the OH-based Cleveland Clinic & the MN-based Mayo Clinic, for which clinical data were previously reported at several scientific meetings during F2024-to-F2026 & as published last quarter in the journal *BioTechniques* (which Telo itself sites in its press release but which we described in a previous Healthcare Weekly), in the journal *Cells* in late 2024, & in the *American Journal of Hematology* also in late 2024. TeloView is the clinically-applied manifestation of the academic work of University of Manitoba biomedical researcher (& Telo founder) Sabine Mai.

- Competitive landscape in MRD detection & multiple myeloma diagnosis in general is still led by WA-based cancer diagnostics firm & clonoSEQ developer Adaptive Biotechnologies (ADPT-Q, NR) on which we have commented many times in these pages. The firm uses its nucleic acid analysis platform to identify CDR3 sequences in the B- & T-cell receptors that are relevant to disease diagnosis or therapy responsiveness or both, & not just in multiple myeloma though that is the indication most relevant to Telo in the University of Athens study & the aforementioned Cleveland Clinic/Mayo Clinic collaborations. Indeed, Adaptive just announced a collaboration with MA-based private firm Imviva Biotech to use clonoSEQ for monitoring responsiveness to Imviva's anti-CD7 chimeric antigen receptor (CAR)-T cell therapy for treating acute lymphoblastic leukemia (ALL) in the TENACITY-01 trial. As an aside, Telo has published its own positive data in leukemia/lymphoma diagnosis though that suite of indications has been de-emphasized by the firm in recent years for strategic & not clinical reasons.
- Multiple myeloma diagnosis & specifically MRD-based laboratory services are a lucrative component of Adaptive's operations - 86% of the firm's FQ425 revenue of US\$71.7M & an even higher 95% proportion of FQ126 revenue of US\$70.9M - & its full-year MRD revenue guidance was modestly raised last month from US\$255M-to-US\$265M to US\$260M-to-US\$270M. The other multiple myeloma firm that Telo flagged in its press release this week was Euroflow NGF (short for next-generation flow), a flow cytometry-based assay developed by Netherlands-based private research consortium EuroFlow & available for laboratory use from Spain-based private firm Cytognos SL (acquired by BD Biosciences in Feb/22, itself combined with Waters corporation [WAT-NY, NR] in a US\$17.5B spin-out/merger in Feb/26).
- The test uses B-cell-specific surface markers to discriminate between cell populations that are more susceptible to new cancer growth & uses flow cytometry as the separating modality to identify such cells. EuroFlow has published a few multiple myeloma-specific papers in recent years, including a 2019 study published in the journal *Blood* & separately that year in the *Journal of Immunological Methods*, & a more recent 2021 study published in the journal *Cancers*. EuroFlow's flow cytometry platform is certainly of technical interest to us (and apparently to BD Biosciences/Waters as well) but Adaptive's documented commercial traction in MRD/multiple myeloma with clonoSEQ gives us confidence in the underlying attractiveness of this emerging oncology diagnostics market, a market to which TeloView is certainly not limited but one that provides the most expeditious path to adoption based on its existing suite of validating MRD/multiple myeloma & its parallel suite of academic alliances that are germane to the indication.
- Notwithstanding Telo's own focus on multiple myeloma in its recent press release, our own expectations for TeloView are not limited to that singular cancer diagnostics market & TeloView/telomere architecture assessment is certainly not technically limited to that market alone. Indeed, we have featured in prior Healthcare Weeklies that University of Manitoba researchers have already published studies showing that the platform has potential in prostate cancer (as described in a 2020 study in the journal *Cells*) & in Alzheimer's disease diagnosis (featured in a 2017 study in the *Journal of Alzheimer's Disease* that preceded the wave of FDA-approved anti-amyloid mAbs that are now part of the Alzheimer's disease pharmacopeia, joining legacy orally-active acetylcholinesterase inhibitor drugs on that list). Other indications have been explored for their relevance to telomere architecture assessment, with encouraging published findings that expand TeloView's medical & commercial prospects, at least to the limits of available capital.
- **The AI drug discovery alliances just keep coming – Insilico leverages its PandaOmics platform in a new partnership in Asia.** We are rapidly getting to the point in our healthcare commentary where mentioning a new AI-based drug development alliance will be more common than an alliance that does not, but on the assumption that we are not quite there yet & that there are still things to learn about how AI modalities will drive drug development in coming years, we will continue to monitor economic activity in that realm. So with that as background, we observe that China-based Insilico Medicine (3696-HK, NR) just signed a new US\$177M (1.2B RMB) AI-based drug discovery relationship with another China-based drug developer in China Medical System Holdings (867-HK, NR), focusing in this alliance on central nervous system disorders using Insilico's PandaOmics protein expression mapping platform.
- We have encountered Insilico before through its prior AI alliances, including with private France-based specialty pharma firm Servier (an US\$888M oncology-focused alliance was announced in Jan/26) & IN-based global pharma giant Eli Lilly (LLY-NY, NR; a US\$2.75B alliance was announced in Mar/26, for which no specific therapeutic areas were identified), to name two of many.

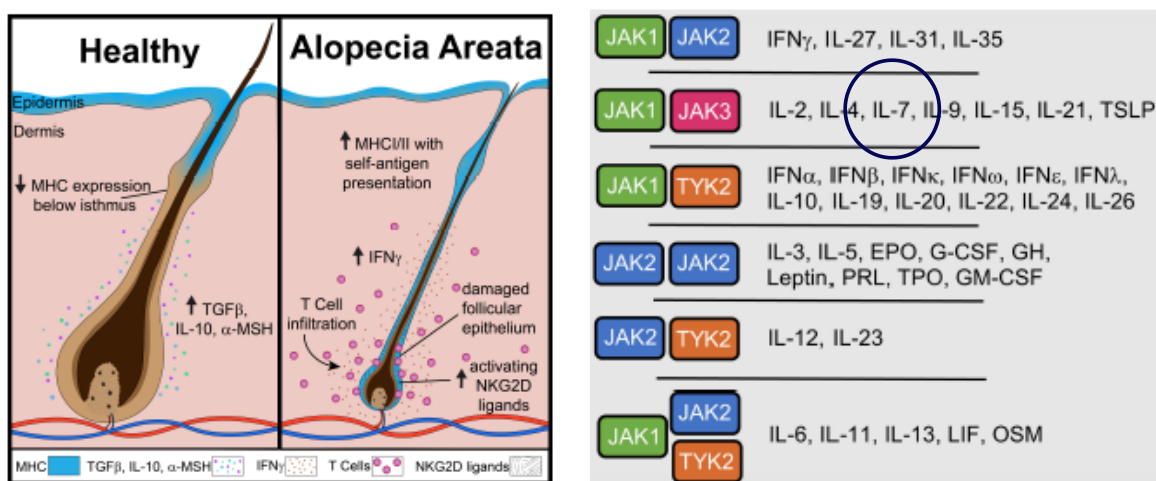
- Through independent effort, Insilico is already advancing two oncology assets in TEAD (short for transcription enhancer with TEA domain) inhibitor ISM6331 & MAT2A (short for methionine adenosyltransferase 2A) inhibitor ISM3412, both of which are advancing in ongoing Phase I/II trials (ISM6331 is being tested in a 100-patient open-label mesothelioma trial; one-year response rate data could be available during F2028 & ISM3412 is being tested in a 114-patient Phase I/II solid tumor trial; thirty-month response rate data are expected by early F2030).
 - We have been featuring AI-based drug discovery alliances & the economics ascribed to them in several recent Healthcare Weeklies, only two of which we mention above just because they are directly relevant to Insilico, but momentum on this IT-based mode of discovery is clearly building & we will continue to track themes in this space in coming months. The primary AI-focused firm in the Canadian healthcare landscape with overt AI drug discover capabilities is BC-based Rakovina Therapeutics (RKV-V, NR) which has an early-stage small-molecule oncology program focused on inhibiting mechanisms of DNA repair in cancer cells & for which a key alliance with regional AI developer Variational AI (private, developer of the Enki platform) is in the public domain.
 - Separately, there is material overlap between the executive teams of Rakovina & emerging private AI-based drug developer Artemis Therapeutics (developer of the DeepDocking platform) that we are separately tracking. Rakovina just consummated a modest capital raise, for which we underline the term modest when comparing to the scale of alliances that AI platform developers are consummating with well-capitalized global pharma partners, including but not limited to Insilico. As a parting point, we summarized a few of the clinical-stage small-molecules that we can clearly identify as being discovered using AI-based tools in a recent Healthcare Weekly & we can send that document to any interested readers on request. But the key takeaway in our view is that with only a few exceptions, AI-discovered drugs are actually performing well on balance in ongoing clinical trials & we expect that trend to continue.
- **Sanofi receives FDA approval for a new formulation of its multiple myeloma drug isatuximab.** Late last week, EU-based pharma giant Sanofi (SNY-NY, NR) received FDA approval for a subcutaneous formulation of its anti-CD38 mAb drug isatuximab, already marketed since 2020 as Sarclisa & now branded in its CirCLIQ On-Body injector-based subcutaneous formulation as Sarclisa Escena. Sarclisa in its original intravenous form generated FQ126 sales for treating multiple myeloma of €167M.
- We have not commented on this novel injectable drug delivery modality before, but the platform does seem to be effective at delivering mAb therapies that until recent years – really since CA-based Halozyme Therapeutics developed its recombinant human hyaluronic acid-based rHuPH20/Enhance formulation on which multiple subcutaneously-injected mAb formulations are now based. The technology on which Sarclisa Escena delivery is based was developed by OH-based Enable Injections (private) with which Sanofi was already partnered, making a US\$50M investment in the firm in Oct/18 & a supplemental US\$30M investment in Jan/26, & with other global pharma firms establishing their own relationship, including AL-based polymer drug delivery (poly[2-oxazoline]-based POZ platform) developer Serina Therapeutics (SER-Q, NR; specifically in Parkinson's disease with Phase I-stage POZ-apomorphine formulation SER-252 – a 40-patient PK study is on pace to conclude early next year; alliance announced in May/24) & with Swiss pharma giant Roche (ROG-SW, NR; also announced in May/24 though with no specific pipeline candidates identified at the time).
 - Originally branded as enFuse, Enable's subcutaneous drug delivery platform works like an on-body wearable patch, designed to incorporate large volumes & thus large dosage strengths of mAbs & other macromolecule drugs that would otherwise need to be administered intravenously in order to preserve pharmacologic action. The device is shaped like a circular disc, with a filling adaptation from which either syringes or vials can be attached to load the device with active drugs that would otherwise be administered intravenously. The device is not overtly described in many peer-reviewed papers but one that Enable itself cites on its website is a 23-patient immune globulin delivery trial in patients with primary immune deficiency that was published in Nov/22 in the journal *Immunotherapy*.
 - In that study, which interestingly was co-authored by several representatives of Australia-based plasma products giant CSL Behring (CSL-ASX, NR), data showed that what is now called the CirCLIQ On-Body injector (it was just called an Investigational Wearable Infusor in the paper) performed well in comparison to an alternative wearable infusion pump (the Crono S-PID-50 manufactured by Italy-based Cane SpA [private]). CSL's participation is on further inspection not that surprising – its FDA-approved proline-stabilized immune globulin formulation IgPro20/Hizentra was the form of the drug that was tested in the *Immunotherapy* trial, though interestingly it appears not to incorporate enFuse into its infusion

pump-based approved platform. FH126 Hizentra sales for the Dec/25-end period were A\$1.05B, interestingly still below sales for the firm's intravenous immune globulin formulation Privigen which generated sales in the corresponding FH126 period of A\$1.96B.

- The highest-profile alliance that Enable has to this point is probably still with Apellis Pharmaceuticals (acquired by Biogen [BIIB-Q, NR] in Mar/26) & UCB (UCB-BR, NR), with the paroxysmal nocturnal hemoglobinuria (PNH)-targeted PEGylated di-pentadecapeptide targeted C3 complement inhibitor pegcetacoplan/Empaveli Injector based on enFuse in its current form (Apellis' FQ126 Empaveli sales were US\$41.3M, up from US\$19.7M last year). Empaveli Injector was originally FDA-approved in Oct/23.
- But returning to Sarclisa Escena itself, clearly the core anti-CD38 mAb was already shown to be effective at treating multiple myeloma & so the parameter being scrutinized was the extent to which EnFuse-based infusion delivery mimicked IV isatuximab/Sarclisa in a controlled patient population, which it did in the 531-patient Phase III IRAKLIA trial. In this controlled study, in which both subcutaneous isatuximab & intravenous isatuximab were coadministered with the FDA-approved immunologically-active small-molecule drug pomalidomide/Pomalyst (3-amino-thalidomide, as developed by Bristol Myers Squibb/Celgene [BMJ-NY, NR]) along with the corticosteroid dexamethasone with which virtually all multiple myeloma chemotherapy is combined. Response rates for the respective therapies were virtually identical at 71.1% for subcutaneous isatuximab/Sarclisa Escena & 70.5% for intravenous isatuximab/Sarclisa at what we assume was twenty-eight month follow-up as per IRAKLIA's study protocol. All patients exhibited refractory disease, with at least one course of therapy in their medical history (likely some combination of pomalidomide/Pomalyst or lenalidomide/Revlimid, or a proteasome inhibitor like bortezomib/Velcade or carfilzomib/Kyprolis).
- We are emphasizing Sarclisa Escena's regulatory success for a couple of reasons – first of all, it is yet another signpost on the path to generating subcutaneously-injectable biologics therapies from intravenous biologics, usually in recent years through adapting the relevant biologic to a Halozyme-enabled ENHANZE formulation but now with expectations that enFuse infusion pump formulations could gather momentum in future clinical programs. And no sooner did we write the preceding sentence than MA-based Biogen (BIIB-Q, NR) announced the FDA approval of its own subcutaneously-formulated Alzheimer's disease-targeted anti-beta amyloid protofibril mAb lecanemab/Leqembi. We have described this mAb before within the context of our coverage of MA-based ProMIS Neurosciences (PMN-Q, Spec Buy, PT US\$46.00) & its own beta-amyloid oligomer-targeted PMN310, which for now is being tested in the 110-patient Phase III PRECISE-AD trial in an intravenous form. Biogen makes no mention of any specific technology that was leveraged to adapt lecanemab/Leqembi to subcutaneous delivery other than to state that it is now administered by autoinjector, of which we assume there are several designs already available.
- But also, we are tracking innovations in multiple myeloma pharmacopeia vis a vis our interest in telomere architecture-analyzing diagnostics firm Telo Genomics (TELO-V, NR) & its TeloView platform. We have independent commentary on Telo in a separate section of this document. The firm has clinical alliances with the MN-based Mayo Clinic & the OH-based Cleveland Clinic to use TeloView for assessing multiple myeloma stage of disease & responsiveness to therapy, along with an independent collaboration with the University of Athens that formed the basis for the aforementioned Telo update. The platform is notably effective at correlating telomere morphologic features with minimal residual disease (MRD) in multiple myeloma, a medical market currently dominated by peer firm Adaptive Biotechnologies with its clonoSEQ platform (MRD service revenue in FQ126 was US\$58.1M & total MRD revenue including regulatory milestones was US\$67.1M).
- **Q32 Bio reports positive Phase IIa data for bempikibart in severe alopecia areata, raising US\$255M in new growth capital in parallel.** MA-based biologics developer Q32 Bio (QTTB-Q, NR) disclosed 36-week topline results from Part B of the open-label SIGNAL-AA trial early this week, driving shares up roughly 37% & prompting a same-day US\$200M underwritten public offering that augments a smaller-but-still-sizable US\$55M private placement completed just two months earlier. Capital markets enthusiasm for the relevant drug, the anti-interleukin-7 receptor alpha antagonizing mAb bempikibart/ADX-914, shows us that there is clear recognition of value from the financial community in targeting this niche endocrinology-dermatology indication. The trial on which we provide commentary below is a 33-patient Phase IIa program, enrolling patients with severe-to-very severe alopecia areata (so patients with baseline scores of 50-to-100 on the Severity of Alopecia Tool [SALT] scale, several of which [36.4% of patients] had a history of prior oral JAK-inhibitor therapy).

- The company describes the primary efficacy analysis as prespecified on the modified intent-to-treat (mITT) population, with the endpoint being mean percentage of SALT reduction from baseline, which came in at 35.3%. Less symptomatic patients with SALT scores of about 20 (so still with at least 80% scalp hair coverage) met the primary endpoint in 40.0% of mITT patients (10/25) & 30.3% of the full ITT set (10/33); more symptomatic SALT30 & SALT50 each reached 44.0% mITT (11/25) & 33.3% ITT (11/33). The release does not disclose the exclusion criteria that reduced the number of evaluable patients from 33 to 25, a 24% exclusion rate that is clearly material in such a small clinical study. But according to an archived investor presentation from the firm described in a Dec/24 8K filing, Q32 Bio's mITT data analysis excluded patients with no evaluable post-baseline SALT measure & there was one clinical site where protocol violations were identified & those patients were properly excluded from data analysis. There were no safety concerns disclosed & management guided capital markets to expect a pivotal Phase III program to commence in FH127.

Exhibit 13. Collapse of Immune Privilege In Hair Follicles Is Common In Alopecia Areata – Multiple Cytokines (Including Interleukin-7) Are Relevant To This Indication



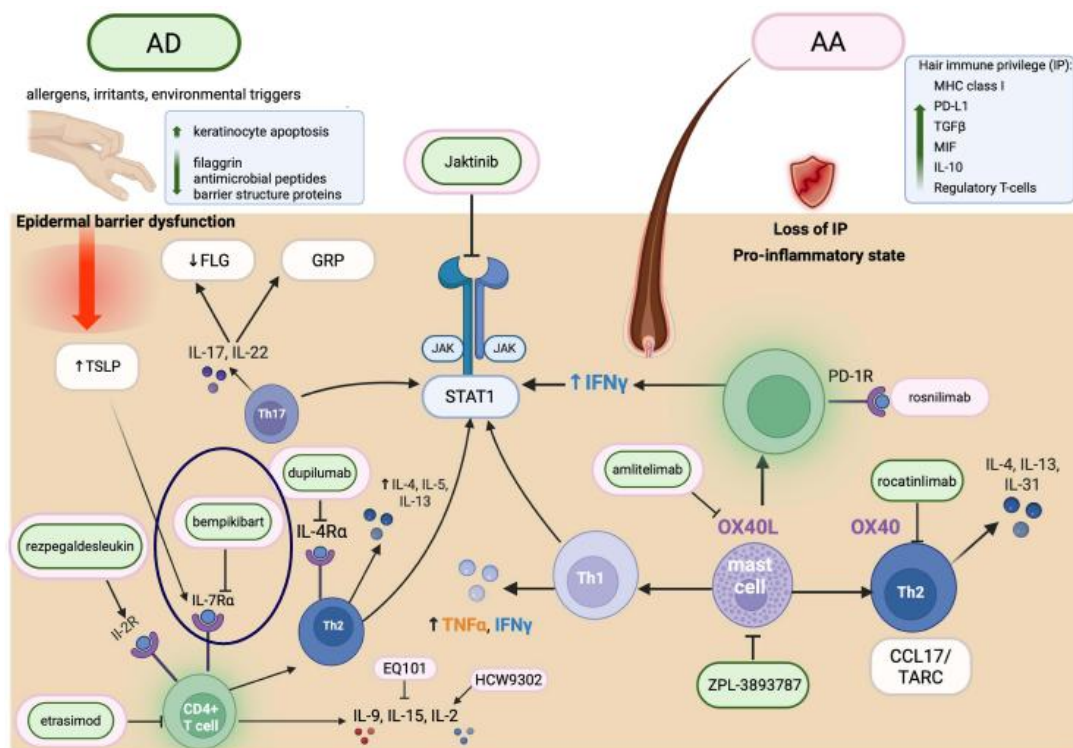
Source: Adapted from *Frontiers in Immunology* (2022). Vol. 13, pp. 955035-955052

- We do not at present have any alopecia areata-targeted therapies being developed in our coverage universe but this indication interests us because of the underlying pharmacology of drugs like bempikibart/ADX-914 that are being tested for the indication, as we will describe. As background, Alopecia areata is a polygenic autoimmune disease (which means that there are multiple gene mutations/alternations that contribute to the body's immune attack on its own hair follicles, not just one) in which genetic susceptibility & follicular stress signals converge on the collapse of hair-follicle immune privilege, enabling CD8⁺ cytotoxic T cells to attack follicles, with sustained inflammation through an interferon-gamma & interleukin-15 (IFN-γ & IL-15) feedback loop. The follicles are generally not destroyed, but are driven prematurely out of the growth phase, thus permitting regrowth when inflammation is controlled which interleukin-17 inhibition by bempikibart/ADX-914 proports to do. There are limited current & emerging therapies, each intervening at different levels of this circuit.
- Oral JAK inhibitors block intracellular signaling downstream of IFN-γ, IL-15 & other cytokines & represent the most clinically-validated standard-of-care for this indication even though virtually all JAK inhibitors because they are immunologically-active confer risk of serious infections, cancer emergence & cardiovascular events like thrombosis. Bempikibart/ADX-914 blocks IL-7Rα, a receptor subunit shared by IL-7 & the protein thymic stromal lymphopoietin that resembles IL-7 in its mode of action, aiming further upstream at signals supporting pathogenic effector & memory T-cell survival. Nektar's (NKTR-Q, NR) PEGylated interleukin formulation rezpegaldesleukin instead agonizes the IL-2 pathway to expand regulatory T cells & restore immune tolerance. Alopecia areata's polygenic architecture therefore supports several mechanistically distinct entry points, potentially favouring broad over targeted immunomodulation (Xing & coworkers, *Nature Medicine*, 2014; Dai & coworkers, *Science Advances*, 2021).
- These systemic approaches are concentrated in severe disease, where the extent of scalp involvement makes local treatment impractical & supports greater tolerance for systemic risk. Licensed oral JAK inhibitors are recommended for

severe alopecia areata (SALT ≥ 50), while potent topical corticosteroids & intralesional triamcinolone remain first-line for limited-to-moderate disease (*British Association of Dermatologists AA Guidelines, 2024*). A clinician-adjudicated U.S. prevalence study (Benigno & coworkers, *Clinical & Cosmetic Investigations in Dermatology, 2020*) estimated approximately 700,000 patients with active alopecia areata, of whom roughly 400,000 have SALT ≤ 50 & 300,000 have SALT > 50 .

- The QTTB, NKTR, & pivotal JAK programs are therefore initially competing for the smaller, albeit commercially valuable, severe segment. None of the approved JAKi developers have disclosed alopecia areata-specific revenue (Pfizer [PFE-NY, NR], ritlecitinib/Litfulo; Eli Lilly [LLY-NY, NR], baricitinib/Olumiant; Sun Pharma [SUN-NS, NR], deuruxolitinib/Leqselvi), but AbbVie (ABBV-NY, NR), which filed its upadacitinib/Rinvoq sNDA in April, has framed Rinvoq's combined new dermatology indications (described as predominantly driven by alopecia areata) as exceeding prior peak estimates of approximately US\$2B (competing with 2-3 other same-class therapeutics in a fraction of the overall alopecia areata population), with management characterizing their outlook as increasingly bullish (AbbVie Q1 2026 earnings call, April 29, 2026).

Exhibit 14. There Are Both Convergent & Divergent Immunological Pathways That Are Relevant To Both Atopic Dermatitis & Alopecia Areata, With Read-Through To Target Medical Markets For DiffuSphere/Fluticasone Propionate & EP-104GI



Source: Adapted from *Journal of Inflammatory Research* (2026). Vol. 19, pp. 549496-549516

- The moderate segment (roughly SALT 25–50, where corticosteroid response is intact, but lesion extent makes visit frequency burdensome) remains underserved by systemic therapy & poorly addressed by existing local options. Intralesional triamcinolone is effective per injection site but requires repeat sessions every 4–6 weeks, & the frequency of puncture burden scales with lesion count, creating a practical ceiling on patient compliance. The transition from local to systemic therapy at SALT ≥ 50 is also not purely a clinical-severity decision; it forces patients & prescribers to accept the JAK-inhibitor class boxed warnings for serious infections, malignancy, MACE, thromboembolism, & mortality, risk tolerances that are difficult to swallow for a non-life-threatening cosmetic condition, particularly in younger patients who represent a significant share of the alopecia areata population. That safety trade-off creates patients who are JAKi-eligible on severity grounds but JAKi-averse on risk grounds, & who default back to suboptimal local therapy or go untreated.

- For **Eupraxia (EPRX-Q/TSX, Buy, PT US\$15.50)**, this represents some intriguing read-through for the DiffuSphere fluticasone propionate platform. EPRX has disclosed no alopecia areata program or preclinical alopecia areata data, but the company's latest corporate presentation identifies dermatology as a key target market for extended-release formulation development beginning in 2028. In the alopecia areata funnel, a DiffuSphere depot's edge is duration per injection site, potentially extending the interval between treatment sessions from 4-6 weeks to multiple months & meaningfully reducing the visit burden that limits intralesional steroid adherence. That positions it not only in the moderate band where delivery frequency is the binding constraint, but potentially as a safer-profile alternative for patients at the lower end of the severe band who are unwilling to accept systemic JAKi risk. That population is significant, but it sits between the mild segment (where generic triamcinolone already serves patients cheaply) & the upper severe/AT/AU segment (where the regrowth ceiling may be biological rather than delivery-mediated).
- Independent of alopecia areata, fluticasone propionate has been shown to impact the same critical inhibited signaling molecules seen in JAKi's. Fluticasone propionate reduces IFN- γ mRNA-positive cells in nasal mucosa & suppress IFN- γ production by activated human T cells (Kleinjan & coworkers, *Clinical & Experimental Allergy*, 2000; Umland & coworkers, *Journal of Allergy & Clinical Immunology*, 1997). Inhaled fluticasone propionate also reduced bronchial tissue IL-15 expression in association with increased T-cell apoptosis, while IL15 mRNA declined with disease improvement in -treated eosinophilic esophagitis (O'Sullivan & coworkers, *Thorax*, 2004; Zhu & coworkers, *Gastroenterology*, 2010). These findings support broad suppression of the pathogenic T-cell circuit, although direct evidence that fluticasone propionate represses IL15 or IFNG transcription in alopecia areata scalp is lacking. Rising systemic efficacy with improving safety profiles across the biologic entrants, particularly bempikibart/ADX-914 & rezpegaldesleukin, which aim to match JAKi-range response without the boxed-warning liabilities, raises the competitive ceiling directly above this wedge from both directions.
- **Eli Lilly (LLY-N, NR) to acquire AtaiBeckley (ATAI-Q, NR) for up to US\$3.8B, providing some large-pharma validation of psychedelic-based psychiatry.** Eli Lilly will pay US\$2.8B in upfront cash & up to US\$1.0B in contingent payments based on pending milestones related to starting a VLS-01 Phase III trial in the next four years (& receiving FDA approval/DEA rescheduling within three years thereafter), as well as gaining FDA approval for lead drug BPL-003 (see below) & achieving DEA rescheduling for this drug within five years. As indicated, two categories of contingent payments depend on DEA scheduling action for compounds with no established rescheduling precedent, thus with AtaiBeckley shareholders & not Eli Lilly shareholders retaining operating risk on those parameters.
 - The lead asset is BPL-003 (mebufotenin benzoate), an intranasal 5-MeO-DMT (short for 5-methoxy-N,N-dimethyl-tryptamine, a modified form of the amino acid tryptophan, as so many psychoactive agents are) formulation with Breakthrough Therapy Designation for treatment-resistant depression. In the Phase IIb trial (n=193, quadruple-masked, 38 sites across six countries), a single 8 mg dose produced a 12.1-point MADRS reduction at Day 29 versus 5.8 points for the 0.3 mg active comparator (P=0.0025), with the majority of patients meeting discharge readiness at 90 minutes post-dose. The 8 mg dose has been selected for Phase III. The pipeline also includes VLS-01, a buccal film formulation of DMT in Phase IIb for treatment-resistant depression (the Elumina trial, data expected Q4 2026).
 - The deal follows the FDA's July 14 finalization of its clinical trial guidance for psychedelic compounds, combined with Executive Order 14401 (Apr/26), directing agencies to accelerate psychedelic drug review. Consequently, the regulatory landscape has shifted materially from the environment that produced the Lykos Therapeutics (private) MDMA rejection in Aug/24. The guidance endorses active-comparator designs to address functional unblinding, the methodology BPL-003's Phase IIb trial already employed, providing prospective regulatory alignment for the Phase III program.
 - The transaction also suggests successful commercialization may be better suited to large-pharma ownership in this complicated asset class, given the FDA's formalized two-clinician session monitoring mandate, controlled-substance distribution complexity, & DEA rescheduling requirements. Lilly's entry follows AbbVie's acquisition of Gilgamesh's (private) brexisillocin (Phase II, MDD) for up to US\$1.2B in August 2025, making this the second major-pharma psychedelic acquisition in twelve months & a meaningful step-up in deal value for a more clinically advanced lead asset.

Capital Markets Summary

Exhibit 15. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 16-Jul	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 ^{2,4}														
DRI Healthcare Trust	CAD	DHT.UN	55.0	\$18.00	989	989	1,555	1,555	6.7x	6.5x	6.6x	NA	7.6x	7.3x
Jamieson Wellness	CAD	JWEL	41.5	\$41.93	1,740	1,740	2,217	2,217	13.8x	12.4x	11.1x	23.8x	19.6x	16.7x
K-Bro Linen	CAD	KBL	13.0	\$46.13	600	600	885	885	8.0x	8.1x	7.9x	29.1x	22.7x	18.8x
Medical Facilities ¹	CAD	DR	16.2	\$12.76	207	291	324	455	5.4x	5.8x	5.7x	15.1x	6.3x	19.0x
Microbix Biosystems	CAD	MBX	137.2	\$0.30	40	40	39	39	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.1	\$31.52	2,272	2,272	2,447	2,447	12.9x	12.0x	11.0x	28.6x	22.9x	20.4x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales ²														
Aurinia Pharma	USD	AUPH	128.6	\$16.10	2,070	2,907	2,467	3,463	12.3x	NA	NA	7.1x	16.8x	13.0x
Bausch Health	USD	BHC	373.5	\$4.89	1,826	2,564	31,302	43,951	6.2x	5.7x	5.9x	NA	1.1x	1.2x
BioSynt	CAD	RX	11.5	\$14.60	168	168	162	162	12.6x	10.2x	8.7x	18.2x	16.4x	13.5x
Cipher Pharma ¹	CAD	CPH	25.4	\$11.85	301	423	414	581	15.4x	13.7x	11.7x	9.8x	13.2x	11.3x
HLS Therapeutics ¹	CAD	HLS	31.3	\$2.99	94	131	176	247	10.6x	9.0x	7.6x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	\$9.72	955	955	881	881	10.0x	11.2x	10.7x	NA	51.2x	44.2x
Medexus Pharma ¹	CAD	MDP	32.0	\$3.67	117	165	187	262	12.1x	11.9x	8.1x	49.5x	NA	12.1x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.5	\$3.37	214	214	277	277	9.0x	7.7x	6.7x	7.8x	28.1x	14.9x
Chartwell Retirement	CAD	CSH.UN	325.2	\$22.81	7,418	7,418	10,118	10,118	23.4x	19.8x	17.9x	NA	NA	55.6x
Extencicare	CAD	EXE	95.0	\$36.99	3,516	3,516	3,519	3,519	18.2x	14.0x	12.3x	26.8x	26.6x	24.3x
Vital Infrastructure	CAD	VITL.UN	250.0	\$5.51	1,378	1,378	2,737	2,737	12.0x	13.1x	12.9x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	\$0.38	33	33	35	35	11.9x	NA	NA	NA	NA	NA
Sienna Senior Living	CAD	SIA	110.8	\$23.05	2,553	2,553	3,807	3,807	24.5x	19.1x	16.7x	49.0x	40.4x	35.5x
Profitable Canadian healthcare firms - medical equipment distribution/sales ³														
Covalon Technologies	CAD	COV	27.6	\$2.05	57	57	42	42	45.2x	10.9x	8.6x	34.4x	22.8x	17.1x
Viemed Healthcare	USD	VMD	38.3	\$11.88	455	455	641	901	8.6x	7.0x	6.1x	30.7x	26.1x	19.5x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms ⁵														
Healwell AI	CAD	AIDX	303.5	\$0.72	219	219	283	283	NA	40.4x	17.7x	NA	NA	NA
Hydreight	CAD	NURS	53.7	\$4.80	258	258	242	242	49.3x	10.6x	6.7x	56.8x	16.0x	9.5x
Kneat.com ⁵	CAD	KSI	96.7	\$6.45	624	876	599	599	NA	35.8x	23.1x	NA	NA	NA
Vitalhub	CAD	VHI	63.3	\$7.42	470	660	351	351	13.2x	10.1x	8.6x	NA	34.4x	24.5x
Well Health	CAD	WELL	255.5	\$4.26	1,088	1,088	1,807	1,807	8.4x	9.8x	8.8x	40.4x	18.0x	21.2x
Average									15.2x	13.3x	10.5x	28.5x	21.7x	20.0x
Recently-acquired Canadian healthcare firms														
Andlauer	CAD	AND	39.2	\$54.97	2,152	2,152	2,165	2,165	13.4x	NA	NA	32.0x	NA	NA
Dentalcorp Holdings	CAD	DNTL	192.0	\$11.00	2,112	2,112	3,112	3,112	10.9x	NA	NA	NA	NA	NA
Quipt Home Medical	USD	QIPT	44.5	\$3.65	162	223	235	323	5.4x	NA	NA	2.1x	NA	NA
Theratechnologies	CAD	TH	46.0	\$4.47	206	206	238	238	12.3x	NA	NA	NA	NA	NA

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

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

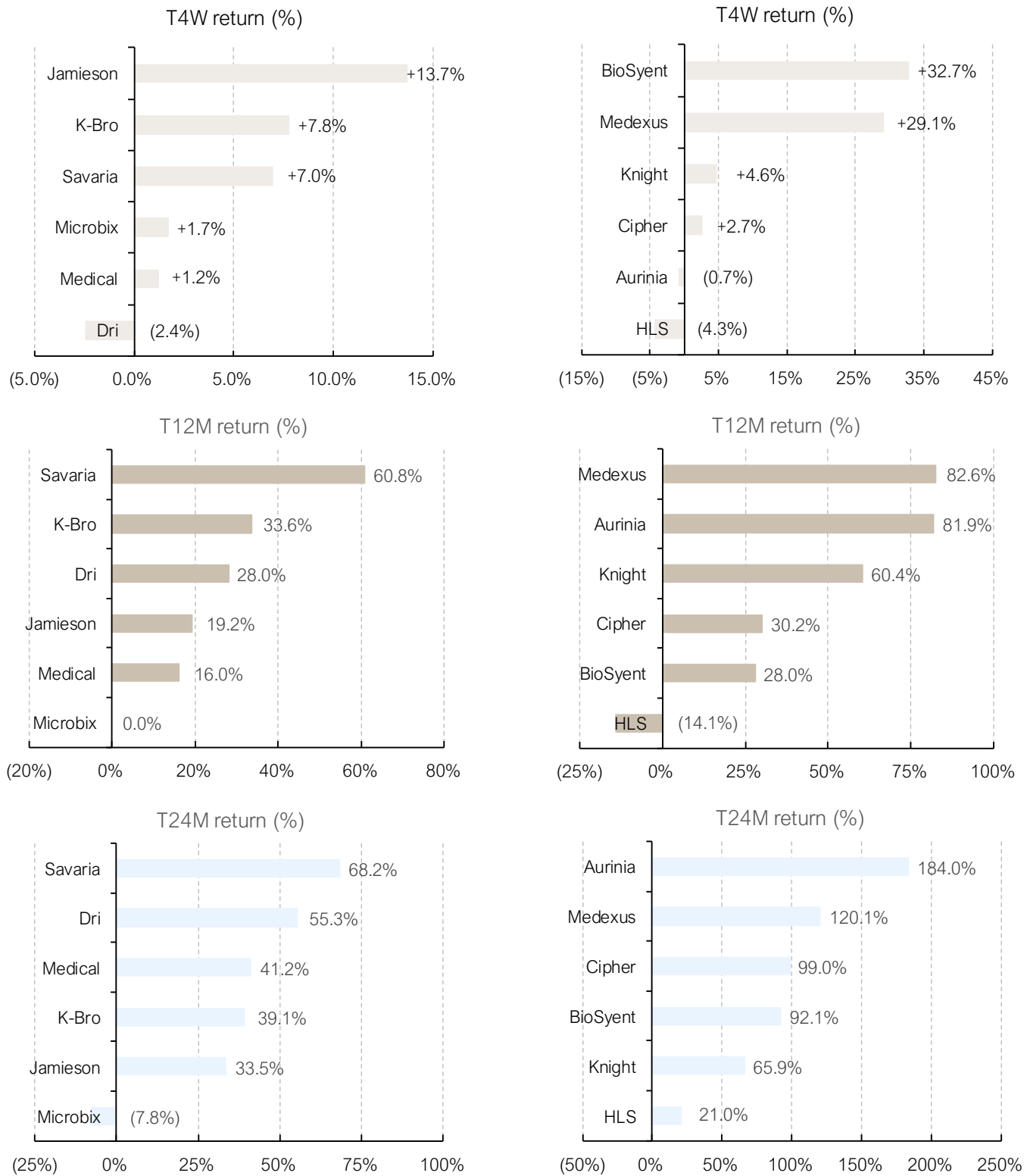
³ Quipt Home Medical was acquired by Kingswood Capital & Forager Capital for US\$3.65/shr in Dec/25, transaction closed in Mar/26

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

⁵ Kneat.com was bid to be acquired in Jun/26 by Thoma Bravo LP for C\$650M; transaction close expected during FQ3/26

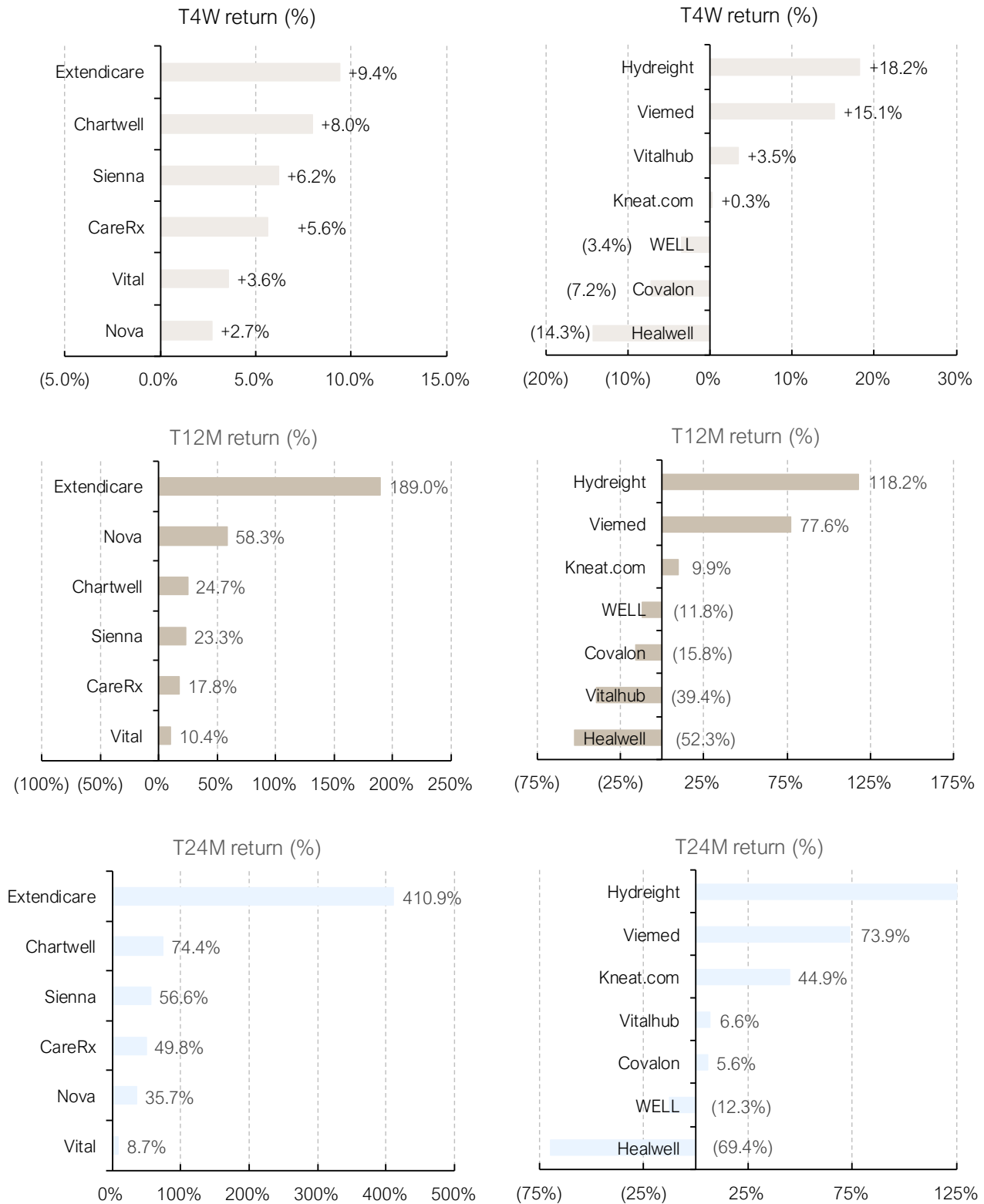
Source: Refinitiv, company reports, Leede Financial

Exhibit 16. 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 17. Trailing Four-Week, One-Year & Two-Year Relative Share Price Performance For EBITDA/EPS-Positive Canadian Healthcare Equities – Eldercare Services & Medical Technology Distribution/Healthcare IT Services



Source: Refinitiv, company reports, Leede Financial (*Hydreight [NURS-V, NR] T24M return 1,424%*)

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

Historical Target Price

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