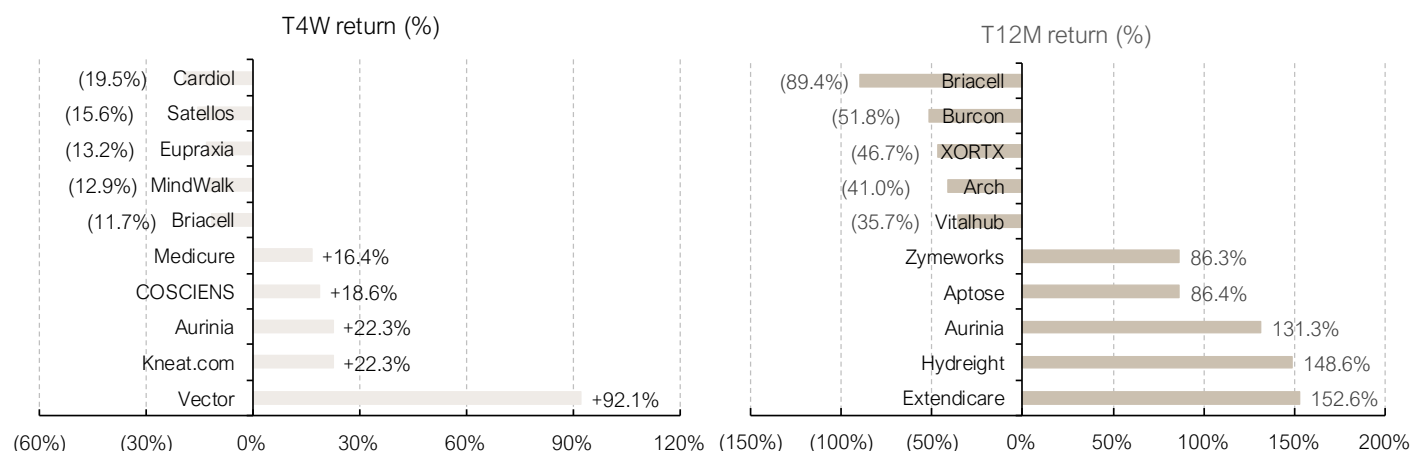


Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

Updates From Our Healthcare Universe

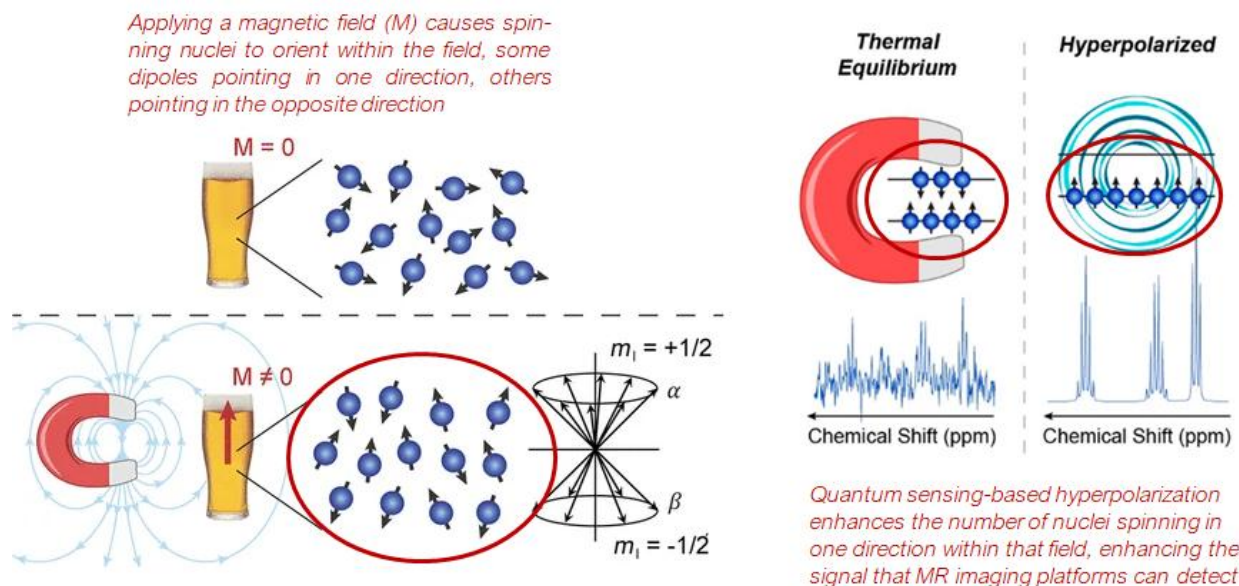
- Nanalysis provides a few details germane to its operations, but with minimal impact on our investment thesis or valuation.** AB-based security services & analytical instrument developer Nanalysis Scientific (NSCI-V, Spec Buy, PT C\$0.50) provided a corporate update this week & thus just a few days before the conclusion of its FQ226 financial period. The update did not provide any formal pre-announcements on revenue/gross margin/EBITDA generated in the trailing quarter nor any guidance on expectations for same in FH226, but details, while not overly impactful on our investment thesis or model (our PT is unchanged by the update) did provide us with some comfort on the underlying stability of Nanalysis' operations.

 - In order of importance (in our view of course), we were encouraged to see that Nanalysis partially de-risked its balance sheet without any disruption to its capital structure by successfully competing for a C\$1.0M non-repayable grant from Prairies Economic Development Canada (PEDC), a magnitude of new cash that exceeds that which was on Nanalysis' FQ126 March-end balance sheet (cash was \$0.73M) & which we assume will be deployed to fund working capital requirements & not debt reduction, though debt is still high relative to our projected annual EBITDA forecasts this year & in F2027/28.
 - Many of PEDC's recent grants in Alberta were deployed to AI technology developers, including but not limited to the University of Alberta's AI Compute Vault initiative, as well as to defense technology developers through the Regional Defence Investment Initiative, so we are encouraged to see PEDC expand its focus to include commercial imaging technology developers like Nanalysis that have correspondingly attractive expertise in related analytical/imaging fields. Recall that Nanalysis received \$5.0M from the organization back in Mar/22 to fund its MR manufacturing operations.
 - A separate \$0.13M in new equity capital as contributed by the firm's new Board members sends us a positive signal on the perceptions of value in the firm as viewed by its governance participants even if the amount of new cash is modest in comparison to other balance sheet elements contributing to Nanalysis' overall financial risk.

Please see end of report for important disclosures.

- On other more qualitative elements, the firm reminded the world of its technology alliance with intra-operative mobile MRI system developer MN-based IMRIS Imaging, a former coverage stock of ours, with the firm's Invision operating suite representing an evolutionary advance from its IMRISCardio, IMRISNeuro & Visius MRI platforms that formed the basis for our valuation back before IL-based Deerfield Management [private] acquired the firm in Q315 (it has since been acquired by FL-based Grovecourt Capital Partners in Feb/25). For now, this alliance does not overtly contribute to our financial forecasts since we have no direct evidence just yet of any specific low-field MR platforms that could emerge as unique imaging devices from the partnership. IMRIS does not itself acknowledge the alliance on its website.

Exhibit 2. Spin Hyperpolarization As A Core Principle Underpinning NVision's Quantum Sensing-Based POLARIS MRI Platform



Source: Adapted from *Chemical Reviews* (2023). Vol. 123, pp. 1417-1551

- But that qualification aside, we believe that Nanalysis' capabilities in designing low-field MR systems that can sustain magnetic field strength without the need to maintain superconductivity with low-temperature cryogens (usually liquid helium) could be valuable for any next-generation intra-operative mobile MR imaging modalities that IMRIS may design in coming quarters. We assume that development timelines if established would have been shared in Nanalysis' corporate update just released, so for now we will assume that IMRIS-derived economics are not yet germane to Nanalysis' achievable EBITDA during the next several financial periods.
- The collaboration with Germany-based NVision Quantum Technologies GmbH (private) does however intrigue us for its potential impact on our valuation & an initial order of six low-field NMR platforms from Nanalysis as part of that collaboration is encouraging evidence of future valuation augmentation. NVision has not previously been relevant to our coverage universe but we observe that its innovations in quantum sensing & quantum computing attracted the interest of IL-based molecular diagnostics & medtech giant Abbott Labs (ABT-NY, NR) in NVision's US\$55M financing announced last month.
- As Nanalysis indicated in its corporate update press release this week, NVision's flagship quantum sensing MRI platform POLARIS has the ability to enhance an MR imaging signal by multiples of its non-POLARIS baseline & thus could enhance the analytical firepower & sensitivity that Nanalysis' low-field NMR platforms could achieve in medical imaging markets. POLARIS is already installed in about twenty distinct cancer imaging centers in the US-Europe-Asia, each of which could be a prospective customer for any future quantum sensing-enhanced low-field MRI platform that the partners develop. NVision was founded 2016 by ex-McKinsey consultants & Ulm University/Hebrew University-based physicists who continue to conduct academic research in spin physics & quantum biology at their institutions.

Exhibit 3. Income Statement & Financial Forecast Data for Nanalysis Scientific,

Year-end December 31

(C\$000, except EPS)	F2018A	F2019A	F2020A	F2021A	F2022A	F2023A	F2024A	F2025A	F2026E	F2027E	F2028E
Revenue, categorized by acquisition history (F2018-to-F2022)											
Nanalysis, Quad Sys, One Moon	8,381	8,364	5,731	10,590	15,042	NA	NA	NA	NA	NA	NA
RS2D SAS	0	0	2,143	5,453	2,655	NA	NA	NA	NA	NA	NA
K'Prime Technol (CATSA)	0	0	0	0	7,124	NA	NA	NA	NA	NA	NA
Revenue, categorized by business segment (F2018A-to-F2028E)											
Scientific instruments	8,381	8,364	7,874	16,043	21,588	16,342	19,396	13,441	13,461	14,904	15,806
Security services	0	0	0	0	3,233	10,481	21,010	22,769	26,073	28,759	30,892
Total revenue	\$8,381	\$8,364	\$7,874	\$16,043	\$24,821	\$28,466	\$45,495	\$40,131	\$42,118	\$43,663	\$46,698
Revenue growth (%)	NA	(0.2%)	(5.9%)	103.7%	54.7%	14.7%	59.8%	(11.8%)	5.0%	3.7%	7.0%
Direct costs	2,983	2,304	2,707	5,803	11,079	9,609	9,188	5,743	5,850	6,208	6,268
Gross margin	5,398	6,060	5,167	10,240	10,469	3,971	12,746	9,964	12,986	16,430	18,034
Gross margin (%)	64.4%	72.5%	65.6%	63.8%	42.2%	13.9%	28.0%	24.8%	30.8%	37.6%	38.6%
Operating expenses	4,480	5,015	6,811	8,335	15,074	12,045	10,810	9,282	8,410	7,857	6,811
EBITDA	\$918	\$1,045	(\$1,644)	\$1,905	(\$4,605)	(\$8,074)	\$1,936	\$682	\$4,576	\$8,573	\$11,223
EBITDA margin (%)	11.0%	12.5%	NA	11.9%	NA	NA	4.3%	1.7%	10.9%	19.6%	24.0%
EBITDA growth (%)	NA	13.8%	NA	NA	NA	NA	NA	(64.8%)	570.9%	87.4%	30.9%
Loss (income) on Quad Systems	0	0	0	0	0	527	1,085	0	0	0	0
Non-operating expenses	\$630	\$2,290	\$2,365	\$3,641	\$6,224	\$4,494	\$5,381	\$4,954	\$4,191	\$4,032	\$4,032
EBIT	\$288	(\$1,245)	(\$4,009)	(\$1,736)	(\$10,829)	(\$12,568)	(\$3,445)	(\$4,272)	\$385	\$4,541	\$7,191
Int exp (income), curr exch	\$152	\$154	(\$34)	\$36	\$240	\$3,700	\$1,779	\$1,367	\$1,430	\$1,329	\$1,228
Tax expense	\$62	\$261	(\$297)	\$0	(\$484)	(\$11)	(\$22)	\$19	\$183	\$803	\$1,491
Net income, fully-taxed	\$74	(\$1,660)	(\$3,463)	(\$1,822)	(\$9,781)	(\$16,839)	(\$13,421)	(\$5,658)	(\$1,229)	\$2,409	\$4,472
Fully-taxed EPS (basic)	\$0.001	(\$0.024)	(\$0.053)	(\$0.025)	(\$0.104)	(\$0.169)	(\$0.119)	(\$0.050)	(\$0.011)	\$0.021	\$0.040
Fully-taxed EPS (fd)	\$0.001	(\$0.022)	(\$0.047)	(\$0.023)	(\$0.092)	(\$0.144)	(\$0.103)	(\$0.043)	(\$0.009)	\$0.018	\$0.034
P/E (basic)	NA	NA	NA	NA	NA	NA	NA	NA	NA	5.6x	3.0x
EV/EBITDA	31.0x	27.2x	NA	14.9x	NA	NA	14.7x	41.7x	6.2x	3.3x	2.5x

Source: Nanalysis financial filings, Leede Financial

- Most definitions of quantum sensing that we reviewed in the physics literature are candidly not very helpful in facilitating understanding of the terms, just repeated the words 'quantum' & 'sensing' multiple times without ever actually defining them. But we infer from a few sources that it uses computational methods to generate data on how individual atoms (not just groups of atoms, as are visible as radio-frequency energy absorption on an NMR spectrum or as contrasting shadows in a conventional MR image) behave in an electromagnetic field & in so doing enhancing the sensitivity of any analytical platform (including MR imaging) that incorporates its capabilities.
- As the term quantum sensing implies, it exploits principles of quantum mechanics (the concept of how atomic-scale particles & waves exist in discrete packages or levels, with various complex equations derived to quantify these packages/levels already described in the physical literature). In a way, MR imaging has always used the principles of quantum sensing/quantum mechanics, otherwise discrete peaks & valleys in an MR spectrum or the light & dark areas in an MR image would not be possible. The best explanation of quantum sensing that we were able to find was published by the *US National Institute of Standards & Technology*.
- Investors with long memories may recall that a private BC-based firm called CTF Systems (acquired by now-extinct VSM MedTech back in 2001) developed a brain-imaging platform called magnetoencephalography that was based on the concept of superconducting quantum interference devices (SQUIDS) to enhance electromagnetic signals emanating from the brain & then quantifying them both spatially & temporally to diagnose brain function & disease. Such weak brain signals would not be detectable without quantum principles underlying the technology.
- Summary & valuation.** We are encouraged by both the tone & the substance of Nanalysis' corporate update this week, notably on the non-repayable government of Canada funding that mitigates the firm's financial risk however modestly. But we candidly are cautious on the timing of the update, which by being provided near FQ226 quarter end sets off our spider senses on the possibility that tangible FQ226 financial data when provided later in Aug/26 could be soft. We hope we are wrong on that impression.

Exhibit 4. Valuation Scenarios for Nanalysis Scientific

Price/earnings multiple, F2028	5x	10x	15x	20x	25x	30x
Implied share price ¹	\$0.17	\$0.34	\$0.51	\$0.69	\$0.86	\$1.03
EV/EBITDA multiple, F2028	5x	7x	9x	11x	13x	15x
Implied share price ¹	\$0.27	\$0.41	\$0.54	\$0.68	\$0.82	\$0.95
One-year NSCI target price (C\$) ¹			\$0.53			

¹ Based on adjusted F2028 EBITDA of \$11.2M, F2028 EPS of \$0.034; EV incorporates pro forma cash of \$1.7M, including federal grant capital & LT debt of \$13.5M, fd S/O of 164.3M

Source: Nanalysis financial filings, Leede Financial

- But for now, we are maintaining our Speculative Buy rating & one-year PT of C\$0.50 on NSCI, with our valuation still based on multiples of our F2028 adjusted EBITDA/fd EPS forecasts of C\$11.2M & \$0.034/shr, respectively. The main value drivers that are most relevant to attaining those profitability metrics – metrics that we readily acknowledge appear aggressive on a FQ126 run-rate basis – are global NMR unit sale strength & improving gross margin for the firm's domestic security services operations, with the latter business unit causing us more concern historically than NMR unit sales that are historically lumpy & FQ4-dominant, as they are in our F2026-to-F2028 forecasts as well.
- Our regard for Nanalysis & its stock performance lies squarely on our positive view on the utility of benchtop NMR spectroscopy & NR imaging as flagship analytical & medical equipment platforms & thus on the expectation that the installed base for each instrumentation category can grow throughout our forecast period. Clarity on development timelines & thereafter on commercial traction for the IMRIS & NVision alliances will help.
- Medexus reports FQ426 financial results.** ON-based specialty drug developer/marketer Medexus Pharmaceuticals (MDP-T, Buy, PT C\$8.00) reported FQ426 financial data for the March-end quarter, concluding the first full fiscal period during which the firm's newly-FDA-approved bone marrow conditioning alkylating agent Treosulfan/Grafapex contributed measurably if modestly to top-line performance but with new marketing expense to promote the drug in US transplantation medicine markets essentially matching revenue generated & thus with minimal impact on EBITDA from those sales, at least so far. For that predictable reason, we have long assumed that FQ426 & F2026 in general were transitional periods for the firm, but with foundational marketing of Treosulfan/Grafapex's clinical data expected by us to swing sales upward during F2027/28 & to swing quarterly EBITDA & cash flow upward in lockstep.
 - Quarterly revenue was essentially flat sequentially throughout F2026 & FQ426 data were no exception to that trend, recording US\$24.7M in cumulative North American pharmaceutical sales as compared to US\$25.3M in FQ326, to US\$24.7M in FQ226, to US\$24.6M in FQ126 & y/y to US\$24.8M in FQ425. Revenue is down from trailing FQ223-to-FQ325 based on returning marketing rights of Medexus' brain imaging aminolevulinic acid formulation Gleolan to innovator KY-based NX Development/photonamic GmbH (private) in FQ425.
 - Medexus' adjusted gross margin (from which we exclude depreciation expense that Medexus itself incorporates into its own gross margin calculation) was US\$15.7M/63.5% & thus comparable if slightly down sequentially from US\$15.9M/62.9% in FQ326, from US\$16.1M/65.2% in FQ226 & from US\$16.1M/65.5% in FQ126. Relative gross margin in the quarter & in all F2026 quarters preceding it was within the 63%-to-65% band that our model projects can be sustained throughout our F2027/28 forecast period.
 - Medexus recorded its final milestone payment to its EU-based Treosulfan licensing partner medac GmbH (private), paying US\$7.5M to partner in Jan/26 & thus bringing total payment of US\$15.0M to conclusion in the period. Medac milestone payments have been a substantial burden on cash augmentation for Medexus in recent periods, but that burden will no longer be sustained during F2027 & going forward, allowing Medexus to deploy its free cash for new product licensing agreements that we assume are in active contemplation, probably in the oncology/transplantation medical market so that US hospital relationships being fostered through Treosulfan/Grafapex marketing can be leveraged in overlapping venues.

Exhibit 5. Income Statement & Financial Forecast Data for Medexus Pharmaceuticals,

<i>Year-end March 31</i> <i>(US\$000, except EPS)</i>	<i>F2023A</i>	<i>F2024A</i>	<i>F2025A</i>	<i>F2026A</i>	<i>F2027E</i>	<i>F2028E</i>	<i>F2029E</i>	<i>F2030E</i>
Product rev, US (exc Treo)	78,940	77,182	68,013	63,183	63,622	66,804	67,268	67,736
Treosulfan, US	0	0	601	11,559	29,744	52,902	81,152	109,217
Product rev, Canada	29,156	35,872	39,718	24,590	25,820	27,110	28,466	29,889
Total revenue	\$108,096	\$113,054	\$108,332	\$99,332	\$119,186	\$146,816	\$176,886	\$206,842
Revenue growth (%)	40.9%	4.6%	(4.2%)	(8.3%)	20.0%	23.2%	20.5%	16.9%
Direct costs	42,330	47,985	44,823	35,475	43,725	51,543	61,910	70,326
Gross margin	65,766	65,069	63,509	63,857	75,462	95,273	114,976	136,516
Gross margin (%)	60.8%	57.6%	58.6%	64.3%	63.3%	64.9%	65.0%	66.0%
SG&A/R&D/other expense	49,980	46,007	43,999	48,084	50,246	58,682	71,315	82,019
EBITDA	\$15,786	\$19,062	\$19,510	\$15,773	\$25,215	\$36,591	\$43,661	\$54,497
EBITDA growth (%)	(463.1%)	20.8%	2.4%	(19.2%)	59.9%	45.1%	19.3%	24.8%
EBITDA margin (%)	14.6%	16.9%	18.0%	15.9%	21.2%	24.9%	24.7%	26.3%
Non-operating expenses	\$8,172	\$8,268	\$11,287	\$10,637	\$9,011	\$8,818	\$9,727	\$10,512
Interest expense (income)	\$13,606	\$13,364	\$8,195	\$5,201	\$4,013	\$3,861	\$3,562	\$3,421
Other non-oper expenses	(\$3,135)	(\$2,691)	(\$1,412)	\$2,209	\$1,440	\$1,440	\$1,440	\$1,440
Tax expense (recovery)	(\$6,262)	\$320	(\$807)	\$120	\$2,688	\$5,618	\$4,066	\$3,566
Net income, fully-taxed	\$3,405	(\$199)	\$2,247	(\$2,394)	\$8,063	\$16,854	\$24,866	\$35,558
Fully-taxed EPS (basic)	\$0.17	(\$0.01)	\$0.08	(\$0.07)	\$0.25	\$0.53	\$0.78	\$1.11
Fully-taxed EPS (fd)	\$0.14	(\$0.01)	\$0.08	(\$0.07)	\$0.23	\$0.47	\$0.70	\$1.00
P/E (basic)	17.2x	NA	34.5x	NA	11.6x	5.6x	3.8x	2.6x
EV/EBITDA	6.9x	5.7x	5.6x	6.9x	4.3x	3.0x	2.5x	2.0x

Source: Medexus financial filings, Leede Financial

- Recall that earlier this month, Medexus consummated an alliance with regional cell therapy innovator ExCellThera (private) for its UM171-based stem cell transplantation platform dorocubicel (branded as Zemcelpro in the EU where it is already EMA-approved), a therapy not yet Health Canada-approved & thus not expected to impact our near-term financial forecasts but still with clear relevance to oncology/transplantation & thus to Canadian hospital relationships already established for Treosulfan (sold at Trecondyv in Canada). We described some of UM171's underlying pharmacology in an earlier *Healthcare Weekly* that we can send to interested investors at their request, but it is of course not relevant to our FQ426 financial results commentary or for now, to our MDP valuation.

Exhibit 6. Valuation Scenarios for Medexus Pharmaceuticals

Price/earnings multiple, F2028	5x	7.5x	10x	12.5x	15x	20x
Implied share price ¹	\$2.37	\$3.56	\$4.75	\$5.94	\$7.12	\$9.50
EV/EBITDA multiple, F2028	4x	5x	6x	7x	8x	10x
Implied share price ¹	\$4.57	\$5.60	\$6.63	\$7.66	\$8.69	\$10.75
One-year MDP target price (US\$) ¹	\$5.69					
One-year MDP target price (C\$) ²	\$8.10					

¹ Based on adjusted F2028 EBITDA of US\$36.6M, F2028 EPS of US\$0.47; EV incorporates FQ426 LT debt of US\$22.3M, FQ426 cash (impacted by US\$7.5M milestone payment to medac GmbH in Jan/26) of US\$6.5M; fd S/O of 35.5M

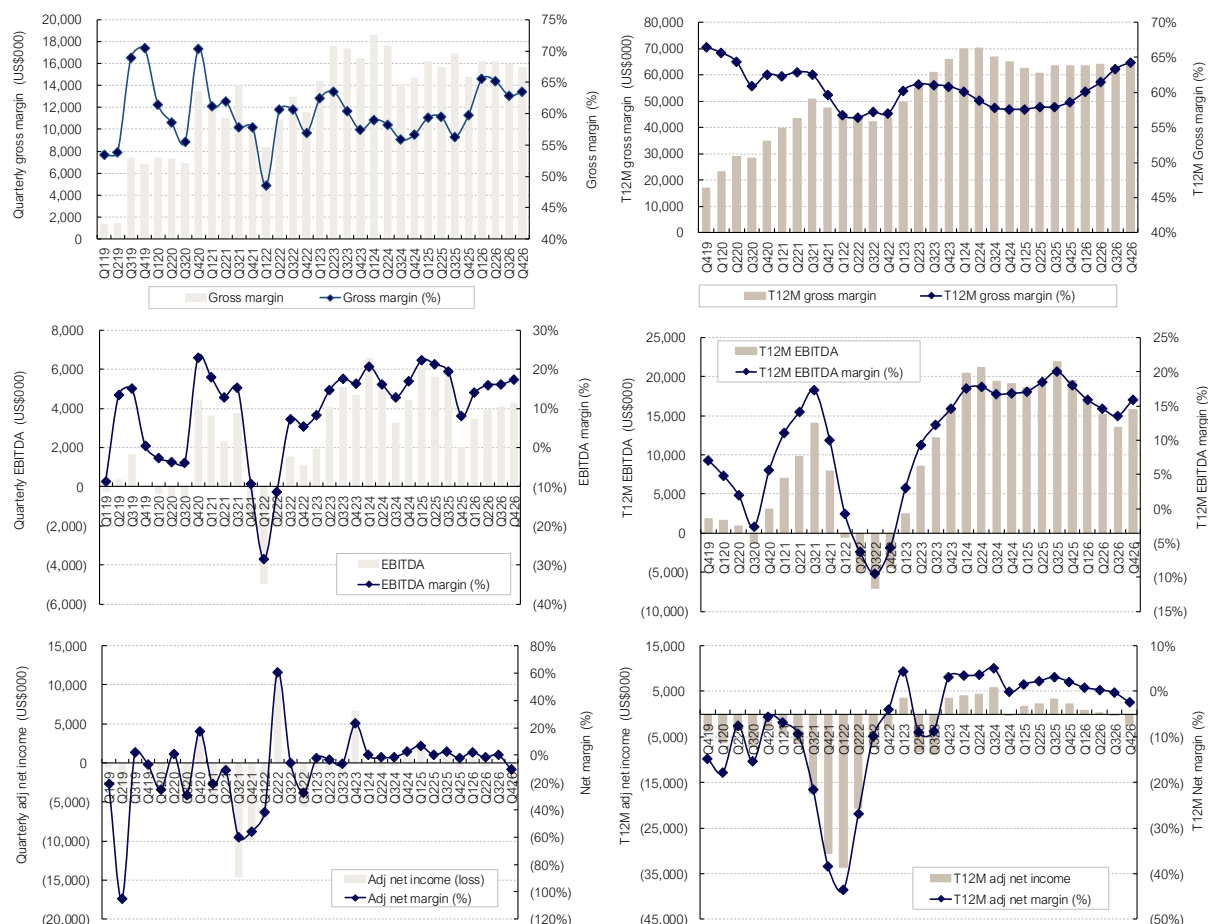
² PT converted to USD using current exchange rate of 1.42x

Source: Medexus financial filings, Leede Financial

- Shifting back to FQ426 data, Medexus generated adjusted EBITDA/margin in the quarter that was in line with our expectations at US\$4.3M/17.4%, comparing favorably if up only modestly from US\$4.1M/16.2% in FQ326 but more favorably to US\$2.0M/8.0% in FQ425 (FQ425 was the launch quarter for Treosulfan/Grafapex in US transplantation markets, during which product-specific marketing expense exceeded sales more dramatically than in the quarters that

followed, including FQ426). Our model assumes that Treosulfan/Grafapex quarterly sales will climb in comparison to what we assume will be stable product-specific marketing expenses in F2027/28, allowing EBITDA/margin to grow sequentially in parallel. As before, our model projects F2027/28 relative EBITDA margin of 21.2% & 24.9% respectively, more consistent with EBITDA margin that Medexus' North American specialty pharmaceutical peers typically generate.

Exhibit 7. Quarterly & T12M Gross Margin-EBITDA-Net Income Financial Data For Medexus, FQ119-to-FQ426



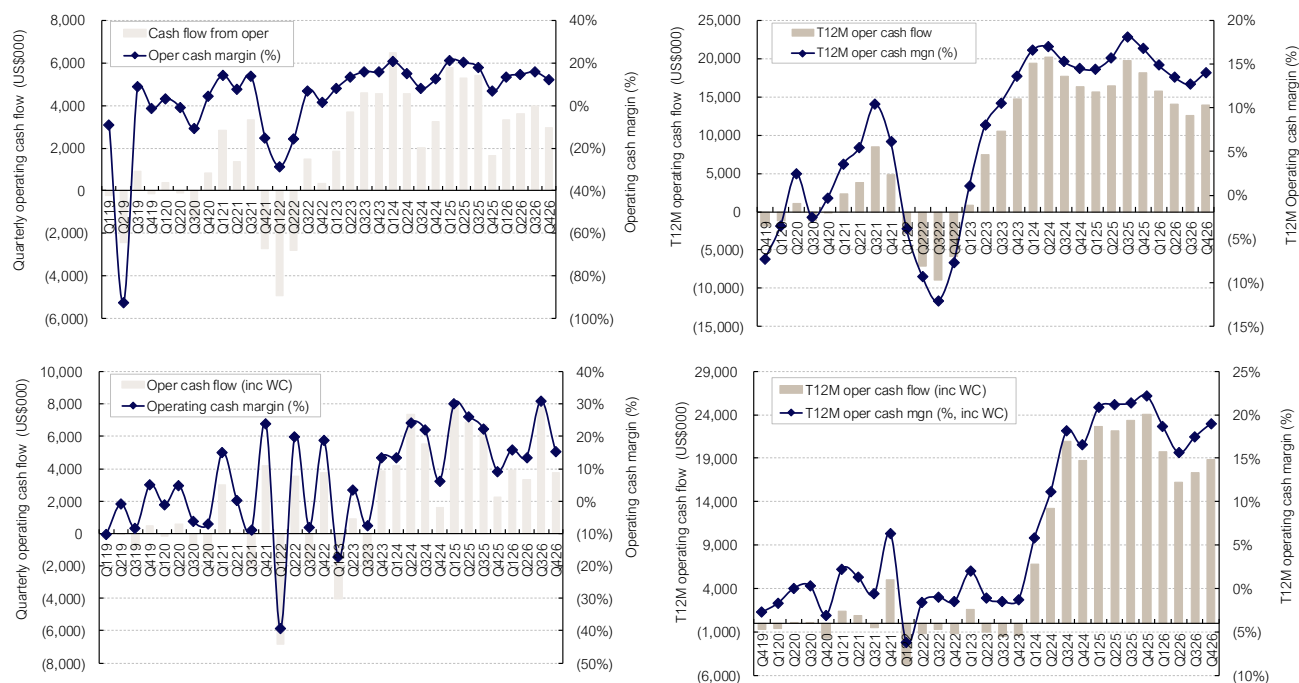
Source: Medexus financial filings, Leede Financial

- Treosulfan's clinical history continues to be favorable, independent of the two-year event-free survival data published back in 2020 in the *Lancet Haematology* for the 460-patient MC-FludT.14/L trial on which Treosulfan's FDA approval was based last year. For example, new data were published this month by Italy-based transplantation researchers in the journal *Bone Marrow Transplantation*, nicely showing in an 82-patient acute myeloid leukemia stem cell transplantation procedure study that one-year leukemia-free survival post-procedure was 81.7% (six-month event-free survival rate was a bit higher at 87.8%).
- Of those patients who did relapse, the average time to AML recurrence was 5.6 months, which seems consistent with the delta between six-month & one-year event rate data indicated above. As in all transplantation procedures using Treosulfan, the drug is co-administered with the purine nucleoside analog fludarabine (now widely-genericized but originally sold by (Sanofi's [SNY-NY, NR] as Fludara), as it was in MC-FludT.14/L & in most published transplantation trials we reviewed for this analysis. Two-year leukemia-free event rate data that will allow for comparison to MC-FludT.14/L are expected by mid-F2027.
- Though myelofibrosis is not a medical market for which Treosulfan/Grafapex is currently FDA-approved as a bone marrow conditioning agent, we were encouraged to see a review article published last month in the *Journal of Clinical Medicine* by Middle East-based hematology researchers that reflected favorably on Treosulfan's prospects in that stem

cell transplantation market. The article conducted a meta-analysis of eight published myelofibrosis-focused transplantation studies (>800 patients in total; all studies conducted between 2014-to-2024) for which engraftment rates were universally high (over 94% in all cases) & with a lower non-relapse mortality rate than for patients conditioned with busulfan-based conditioning regimens. Non-AML/non-MDS transplantation markets are not overtly embedded into our US Treosulfan/Grafapex quarterly revenue forecasts, but we have long believed that the drug could be part of any broader expansion of hematopoietic stem cell transplantation procedures into other indications, myelofibrosis included.

- In our FQ326 quarterly results commentary back in Feb/26, we also featured another relevant Treosulfan study - a 178-patient EU-based lymphoid malignancy-based transplantation study published in Feb/26 in the *British Journal of Haematology* – that also favored Treosulfan vs busulfan-based bone marrow conditioning. As we described at the time, comparison on event-free mortality substantially favored Treosulfan, with three-year non-relapse mortality rate of 14% for Treosulfan-conditioned patients comparing to 33% for busulfan-conditioned patients.

Exhibit 8. Quarterly & T12M Gross Margin-EBITDA-Net Income Financial Data For Medexus, FQ119-to-FQ426



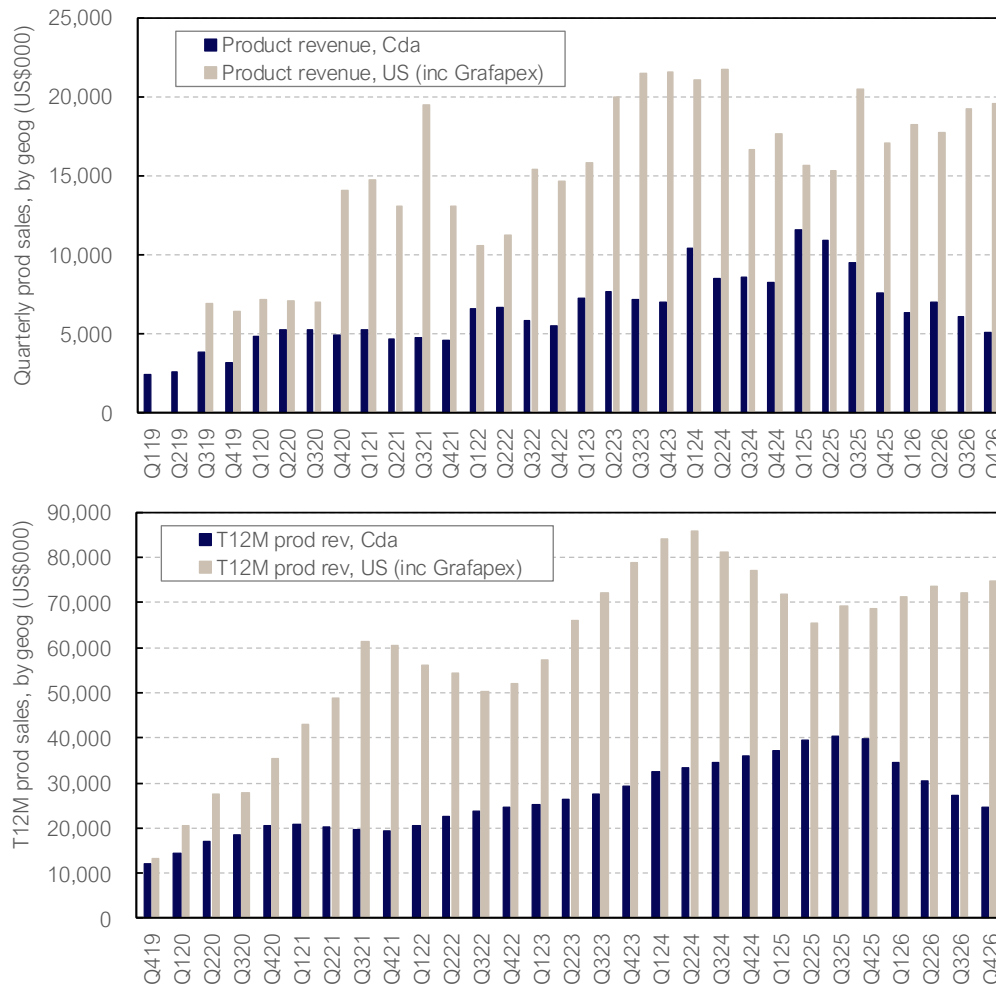
Source: Medexus financial filings, Leede Financial

- Medexus' non-cash expenses, notably depreciation expense, are not trivial in comparison to its net loss incurred in most recent periods & we are thus not overly focused on net income as a measure of profitability, at least not yet. A sizable loss of (US\$2.7M) on change in fair value on a business combination (presumably relevant to Medexus' acquisition of Medac Pharma in FQ319 or of Aptevo BioTherapeutics in FQ120 or both) negatively impacted net income without impacting EBITDA or cash flow. Shifting to cash flow, Medexus recorded FQ426 pure cash flow (into which we incorporate income tax paid, which Medexus inserts into its cash flow statement below the operating cash flow line) of US\$3.0M/12.1% as compared sequentially to US\$4.0M/15.7% & to US\$1.7M/6.7% in FQ425. The delta between FQ426 vs FQ326 operating cash flow is predominantly due to tax expense impact that if excluded from the calculation (which Medexus does), both periods would have generated pure operating cash flow of US\$4.0M.
- Working capital balance in FQ426 was slightly into surplus territory at US\$0.8M, thus bringing working capital-adjusted consolidated operating cash flow to US\$3.8M in the quarter, well below FQ326 consolidated cash flow of US\$7.8M but with a sizable working capital surplus of US\$3.8M (mostly on inventory/payables surpluses) skewing sequential comparison. We expect operating cash flow to scale upward in forthcoming quarters if US Treosulfan/Grafapex sales climb sequentially in parallel. We see no evidence in the medical literature for US transplantation markets to maintain any caution on its use in the allogeneic hematopoietic stem cell transplantation markets for which it is FDA-approved

(for treating advanced cases of AML & myelodysplastic syndrome [MDS]) & thus for the first-generation bone marrow-conditioning alkylating agent (busulfan) to which Treosulfan is most frequently compared to be gradually displaced from stem cell transplantation standard-of-care.

- During what are still early days for Treosulfan/Grafapex US sales ramp, we are not overly concerned by debt-based financial ratios but even in FQ426 when those sales were up sequentially only modestly, those ratios were still attractive & thus conferred minimal financial risk to our MDP investment thesis. For the record, FQ426 debt-to-EBITDA run-rate ratio was 1.3x & FQ426 EBITDA-to-interest coverage ratio was 10.1x, both well away from threshold values (3x in each case) that we consider to be cautionary in this analysis.

Exhibit 9. Quarterly & T12M Revenue Data For Medexus, Stratified By Geography, FQ119-to-FQ426



Source: Medexus financial filings, Leede Financial

- Medexus guided capital markets to expect F2027 US Treosulfan/Grafapex sales of US\$30M-to-US\$32M, actually slightly above our current F2027 Treosulfan/Grafapex sales forecast of US\$29.7M, based on our expectation for cumulative market share in the US allogeneic hematopoietic stem cell transplantation surgery of 8.8%, still modest in comparison to our peak market share expectations of at least 25% by F2030. Treosulfan-specific gross margin is expected to be at/near 80%, thus contributing relative gross margin augmentation as Treosulfan grows as a proportion of consolidated sales. Other US-based products (the recombinant Factor IX formulation Ixinity & the injectable methotrexate formulation Rasuvo) were either stable or up y/y, thus contributing positively to US revenue independent of Treosulfan/Grafapex.

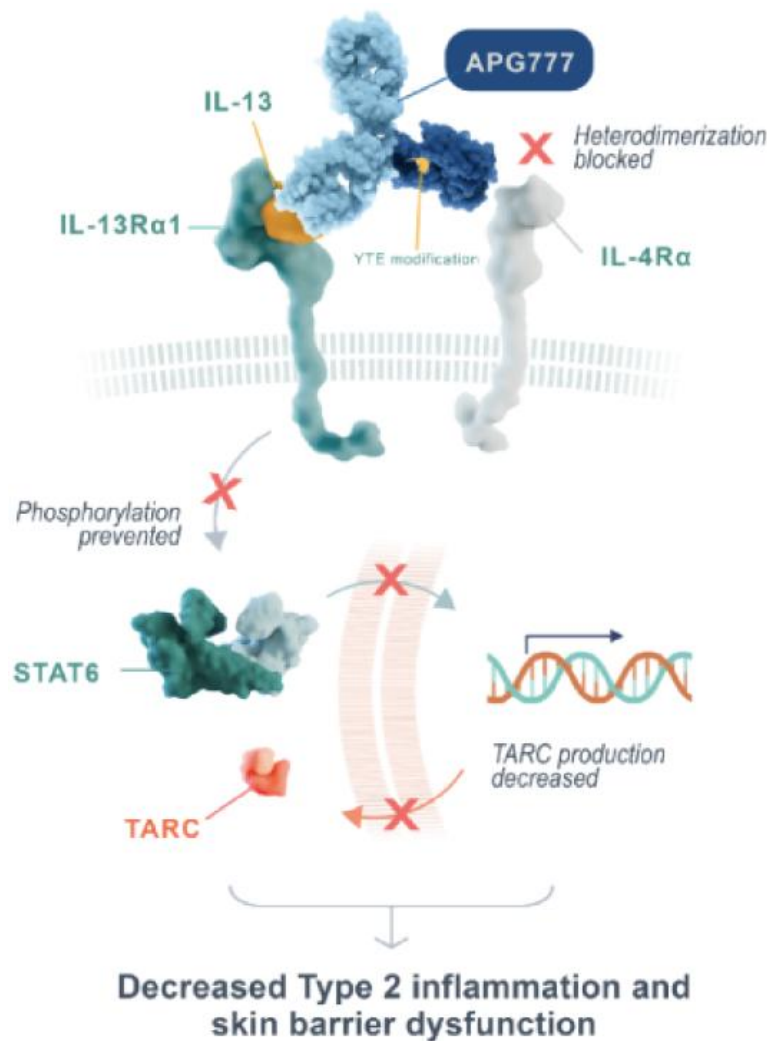
- With reference to geographic distribution of Medexus product revenue, we are certainly seeing a downward trend on both quarterly & T12M Canadian sales, driven in part by softening sales from now-genericized Metoject (injectable methotrexate for treating rheumatoid arthritis or plaque psoriasis) & also genericized Rupall (the antihistamine small-molecule drug rupatadine), but importantly, Canadian Treosulfan/Trecondyv sales are trending favorably in the wake of positive US marketing for the drug. Trecondyv Canadian unit sales are up 30% y/y; our expectations for sequential US Treosulfan/Grafapex sales are of course more aggressive than that, as we describe above.
- Summary & valuation.** Medexus' stable FQ426 revenue/EBITDA/cash flow were encouraging during what we still consider to be the launch phase for a major profitability-driving oncology/transplantation asset for the firm, but quarterly stability is not our expectation for F2027/28 & we are projecting most aggressive quarterly revenue ramp for US Treosulfan/Grafapex sales next year & thereafter. As indicated above, we expect US Treosulfan/Grafapex sales to grow from US\$11.6M last year to US\$29.7M in F2027 (the low end of company guidance) & to US\$52.9M in F2028, which is the reference year in our EBITDA/fd EPS-based valuation methodologies, as summarized in Exhibit 8. We project F2028 adjusted EBITDA of US\$36.6M & fd EPS of US\$0.47/shr, with our EV calculation incorporating FQ426 balance sheet data (cash of US\$6.5M, impacted by the US\$7.5M payment to partner medac GmbH as indicated in Exhibit 8; total debt of US\$22.3M) & fd S/O of 35.5M. Since we launched coverage on MDP, the stock is up 52.5%.

Other Significant Clinical Trial Updates With Relevance To Our Coverage Universe

- AbbVie acquires inflammatory/immunology disease-focused drug developer Apogee on attractive terms.** IL-based drug development giant AbbVie (ABBV-NY, NR) is bidding US\$10.9B to acquire MA-based biologics developer Apogee Therapeutics (APGE-Q, NR), we assume for its lead soon-to-be-Phase III-stage anti-interleukin-13 mAb zumilokibart/APG777 but perhaps also for the longer-term prospects of Apogee's anti-thymic stromal lymphopoietin (TSLP) mAb APG333, a mAb that has more relevance to lung pathologies like asthma or chronic obstructive pulmonary disease (COPD) because TSLP expression is more lung-specific. Anti-interleukin-4 receptor mAb APG 808 is also asthma-focused & could be relevant to deal economics down the road. The transaction is expected to close next quarter.
- Apogee's lead indication for zumilokibart/APG777 is atopic dermatitis, an indication successfully targeted by Sanofi/Regeneron's (SNY-NY, NR) multi-blockbuster multi-indication (including eczema, asthma & chronic obstructive pulmonary disease, all of which are relevant to interleukin/cytokine pro-inflammatory action) anti-interleukin-4 & interleukin-13 mAb dupilumab/Dupixent (FQ126 sales up 31% y/y to €4.2B). Dupixent targets atopic dermatitis as one of its approved indications but also many other inflammatory/immunology indications that are germane to this overall category, including eczema, asthma, chronic obstructive pulmonary disease & adult/pediatric urticaria (hives), the latter of which was FDA approval was just granted earlier this quarter.
- Accordingly, we believe that AbbVie has grander aspirations for zumilokibart/APG777 than just atopic dermatitis but because that indication is for now the drug's lead indication, we thought it might be instructive to review some epidemiological data that establishes market size & competitive landscape. According to commentary in a 2025 *Annals of Medicine & Surgery* paper we reviewed, the inflammatory skin disorder affects up to 20% of children & 3% of adults worldwide, with its underlying pathology caused by an over-active helper T-cell response to the skin, thus making immune therapies that intercede at the level of this T-cell type (which interleukin-13 therapies do, though not exclusively) most relevant to disease mitigation.
- Another interleukin, interleukin-31, is responsible for causing the chronic itching associated with disease & two other proteins (neurokinin B & endothelial PAS domain protein-1 [EPAS1]) are responsible for interleukin-31 production. Helper T-cell activation then causes a more comprehensive immune response involving release of other pro-inflammatory cytokines like interferon-gamma or interleukin-12 but it does seem more strategically sound in our view & in retrospect to target interleukin-13 action in atopic dermatitis therapy just because it is relevant at an earlier stage of helper T-cell action. Multiple pharma firms seem to agree based on the existing interleukin-13-based pharmacopeia for the indication.
- Eosinophilic esophagitis (EoE) is a separate indication that dupilumab/Dupixent targets that is on Apogee's (& now AbbVie's) radar screen (see below) & that indication is of course relevant to our coverage of BC-based drug delivery platform developer Eupraxia Pharmaceuticals (EPRX-Q, Buy, PT UC\$15.50) & its own Phase II efforts in the indication developing DiffuSphere-based fluticasone propionate formulation EP-104GI (a suitable Phase III dosing regimen is now

established in our view based on insights from the 117-patient RESOLVE trial, for which patient follow-up is expected to conclude later this year). It seems clear to us that AbbVie's interests in Apogee are keenly focused on capturing market share from Dupixent, a mAb against which it is actively comparing zumilokibart/APG777 in a fully-enrolled but still active 86-patient Phase I/II atopic dermatitis trial.

Exhibit 10. Zumilokibart/APG777 Binds Interleukin-13 & Thus Prevents Formation of Interleukin-13 Receptor α 1/Interleukin-4 Receptor α Heterodimers



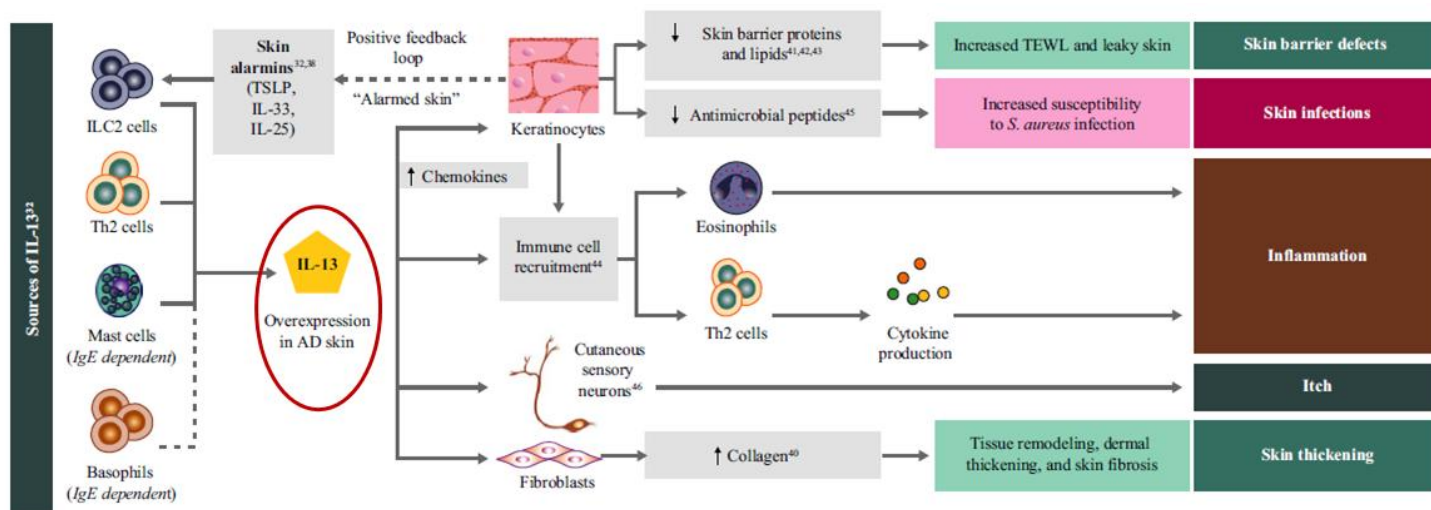
Source: *Journal of Allergy & Clinical Immunology. Global* (2025). Vol. 30, pp. 100545-100553.

- But while on the topic of Eupraxia & EoE as a target indication – in Eupraxia's case with a well-tested corticosteroid in fluticasone propionate as administered with a long-acting locally-delivered extended release platform in DiffuSphere & in AbbVie/Apogee's case with specific interleukin-13 binding/pathway inhibition with zumilokibart/APG777 (& by Dupixent of course), the clinical experiences are far more positive for atopic dermatitis than for EoE. In one recent example of modest success, Bristol Myers Squibb's (BMY-NY, NR) anti-interleukin-13 mAb cendakimab did not perform all that well as other analogous mAbs on histologic response rate in a 430-patient Phase III EoE trial published in the *New England Journal of Medicine Evidence* in Sept/25.
- Without context, Bristol's data were positive enough in relative terms – six-month histological response rate was 28.6% as compared to only 2.2% for placebo patients – but this was far weaker than the histological response rate of 59%-to-60% that Sanofi's dupilumab/Dupixent generated in its own Phase III EoE studies (published in 2022 in the *New England Journal of Medicine*). Dupilumab/Dupixent does have distinctive pharmacology through its direct binding to interleukin-

4 & not interleukin-13, but it does function by impeding the ability of the interleukin-4 & the interleukin-13 receptors to form a functional complex that once formed signals helper T-cells to generate other disease-relevant pro-inflammatory cytokines. Importantly, Bristol Myers Squibb discontinued cendakimab development after publishing its Phase III atopic dermatitis data, apparently believing that achieving its primary endpoint was insufficient to drive future dermatology market adoption when absolute histological response rates were clearly below that of dupilumab/Dupixent, the clear market leader in atopic dermatitis.

- There are certainly other anti-interleukin-13 mAbs that are FDA-approved for dermatologic or inflammatory or immunologically-relevant indications, not just dupilumab/Dupixent, & the relevance of interleukin-13 to this indication has been known for some time so Apogee's core attractiveness to AbbVie does not solely reside in the antigen that it targets. Among other mAbs in this category though, Apogee was able to achieve through recombinant DNA technology a formulation in zumilokibart/APG777 that sustains not just long-term action but extremely long-term action by pharmacologic standards – the mAb has a documented serum half-life of seventy-seven days, according to several publications by Apogee & its collaborators, including in a poster presentation to the *Society for Investigative Dermatology* in May/26.
- As described in a 2025 paper in the journal *Clinical & Translational Science*, zumilokibart/ APG777 achieves its ultra-long serum half-life through three amino acid substitutions that Apogee engineered into the constant Fc region of the anti-interleukin-13 mAb once generated – a methionine-to-tyrosine alteration at amino acid position #253 in the mAb, a serine-to-threonine alteration at position #255 & a threonine-to-glutamic acid alteration at position #257 (these are collectively called the YTE modification). Additionally, Apogee incorporated two other amino acid modifications – a leucine-to-alanine change at position #235 & #236 – to attenuate the engagement of the mAb with complement-dependent immune pathways that are independent of helper T-cell function.

Exhibit 11. Sources Of Impact Of Interleukin-13 In Skin (& Other Organs)



Source: Adapted from *Allergy* (2020). Vol. 75, pp. 54-62.

- The list of anti-interleukin-13 mAbs approved specifically (though in most cases, not uniquely) for treating atopic dermatitis includes Eli Lilly's (LLY-NY, NR) lebrikizumab/Ebglyss (FQ126 sales US\$145M, FDA-approved in Sept/24; the drug is licensed from Roche [ROG-SW, NR] & Ammiral SA [ALM-VI, NR] for worldwide & EU rights, respectively) & dermatology-focused Danish drug marketer LEO Pharma's (private) tralokinumab/Adbry (originally developed by Cambridge Antibody Technology plc [acquired by AstraZeneca – AZN-LN, NR – in 2006], FDA-approved in Dec/21, product-specific data not provided but North American Adbry sales were apparently flat y/y in FQ126, offset by growth in RoW markets).
- The serum half-lives of Ebglyss & Adbry are 24.5 days & 21 days, respectively, & were administered bi-weekly after an initial loading phase in their respective pivotal Phase III studies (the Advocate 1 & 2 trials for Ebglyss & the ECZTRA 1

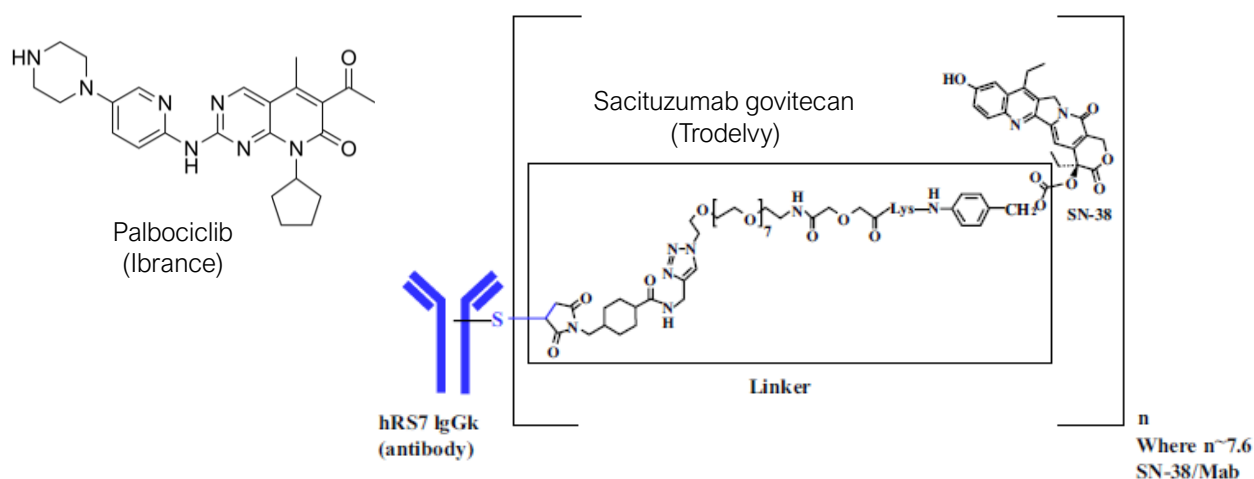
& 2 trials for Adbry). A third anti-interleukin-13 mAb developed years ago by Pfizer/Wyeth (PFE-NY, NR) called anrukinzumab/IMA-638 was originally intended to target asthma or ulcerative colitis (a 2015 paper in the *British Journal of Clinical Pharmacology* makes that intention clear) but to our knowledge it is not presently in active clinical testing either for those indications or for EoE or atopic dermatitis. It does however show us that the utility of targeting interleukin-13 is a long-recognized concept that next-generation mAbs are exploiting & to a multi-blockbuster degree at least by Sanofi/Dupixent.

- In a separate update, zumilokibart/APG777 performed well in a recently-completed 470-patient Phase II atopic dermatitis trial (the APEX trial) presented at the annual American Academy of Dermatology meeting in May/26. Data showed that at four month follow-up, 65.9% of zumilokibart/APG777-treated patients achieved an EASI-75 score (similar to a PASI-75 score in plaque psoriasis symptom monitoring, EASI-75 [short for eczema area & severity index] is defined as experiencing 75% skin pathology reduction at an indicated timepoint) as compared to 41.9% of placebo patients. In a previous Phase II atopic dermatitis trial, zumilokibart/APG777's impact on skin symptoms was sustained for up to one-year with three-month or six-month dosing.
- On the milestone watch, which presumably AbbVie will itself achieve post-acquisition, a Phase III atopic dermatitis trial is expected to commence enrollment during H226, with a Phase II eosinophilic esophagitis (EoE) trial also expected to commence over that timeframe & a Phase II asthma trial is expected to start some time during H127.
- In addition to Eupraxia & its focus on EoE as a flagship medical market for EP-104GI, the other firm in our universe that is relevant to interleukin biology is ON-based cancer-focused biologics developer Medicenna Therapeutics (MDNA-T, NR), which has multiple modified interleukin formulations in its portfolio. These include at present its albumin-fused genetically-modified beta-subunit-binding-enhanced interleukin-2 formulation MDNA11 (testing in the Phase II solid tumor ABILITY-1 trial is ongoing) & its interleukin-4-*Pseudomonas* exotoxin-fusion protein MDNA55 (Phase II glioblastoma data are in the public domain, Phase III testing is contingent on identifying a cash-contributing co-development partner).
- But more germane to interleukin-13 & the AbbVie-Apogee transaction is Medicenna's preclinical-stage MDNA113 that is a bispecific immune therapy that combines a masked PD-1 protein with interleukin-2 & is targeting interleukin-13 receptor-overexpressing solid tumors, as well as preclinical-stage MDNA209 that is an interleukin-2/interleukin-15-based antagonist targeting autoimmune disease & also-preclinical-stage MDNA413 that is an interleukin-4/interleukin-13 antagonist targeting inflammatory disease. We will thus be interested to see how Medicenna's capital markets regard is influenced by a sizable transaction that clearly ascribes blockbuster value to an interleukin-13-targeted asset, a target for which Medicenna's own admittedly earlier-stage pipeline has relevance.
- **Two FDA approvals that expand target indications for already-blockbuster-level cancer therapies caught our eye this week.** Earlier this week, the US FDA & the American Association for Cancer Research (AACR) both announced in separate press releases the US approval of two distinct existing therapies, one of which was the combination of Pfizer's (PFE-NY, NR) small-molecule cyclin-dependent kinase inhibiting drug palbociclib/Ibrance in combination with the long-ago-approved HER2-targeted mAb Roche/Genentech's (ROG-SW, NR) trastuzumab/Herceptin & some form of aromatase-inhibiting endocrine therapy (any one of ANI Pharmaceuticals' [ANIP-Q, NR] anastrozole/Arimidex or Novartis' [NVS-NY, NR] letrozole/Femara or Pfizer's exemestane/Aromasin, all of which are now genericized) for treating HER2-positive/hormone receptor-positive metastatic breast cancer.
 - Some form of PD-1-targeted checkpoint inhibition, in this case focused on Merck's (MRK-NY, R) pembrolizumab/Keytruda, is an optional co-administered therapy, or at least it was in the 518-patient Phase III PATINA trial on which this approval was based. In that trial, investigator-assessed progression-free survival was superior in patients treated with these therapies in combination as compared to patients who were treated without palbociclib in the trastuzumab/endocrine therapy combination (44.3 months vs 29.1 months, as published in Jan/26 in the *New England Journal of Medicine*). Overall survival data were not yet available from the trial.
 - Ibrance continues to perform well commercially for Pfizer, generating FQ126 sales of US\$1.0B (up 3% y/y) targeting HER2-negative/hormone-receptor-positive disease (so breast cancers that do not overexpress HER2 to which trastuzumab/Herceptin binds), but Herceptin is already being displaced by HER2-targeted mAbs that are conjugated to small-molecule anticancer agents, examples of which are Roche/Genentech's (ROG-SW, NR) own trastuzumab

emtansine/Kadcyla & AstraZeneca/Daiichi Sankyo's (AZN-LN, NR & 4568-JP, NR) trastuzumab deruxtecan/Enhertu. Accordingly, new breast cancer data in a HER2-positive niche could be positive for Herceptin's oncology profile even while alternative HER2-targeted biologics (including biosimilar forms of the mAb) are now available.

- The other approval in the oncology space this week was of Gilead Sciences' (GILD-Q, NR) sacituzumab govitecan/Trodelvy, the firm's anti-Trop2 mAb conjugated to the small-molecule drug DNA topoisomerase inhibiting drug SN-38 (the active metabolite of irinotecan/Camptosar) that was already approved for targeting metastatic triple-negative breast cancer (so no over-expression of HER2 or the progesterone/estrogen receptors) but is now approved for use in combination with pembrolizumab/Keytruda for treating earlier-stage first-line triple-negative disease. The approval was based on data from the 558-patient Phase III ASCENT-03 trial & the 443-patient Phase III ASCENT-04 trials, whereby Trodelvy/Keytruda-incorporating chemotherapy outperformed chemotherapy alone (some combination of paclitaxel – with which Oncolytics Biotech's [ONCY-Q, Spec Buy, PT US\$3.00] pelareorep was combined in legacy breast cancer studies – albumin nanoparticle-based paclitaxel [Abraxane], or gemcitabine/carboplatin) on progression-free survival in each study. PFS benefit was 9.7 months vs 6.9 months in ASCENT-03 & 11.2 months vs 7.8 months in ASCENT-04.
- The augmented suite of approved indications for both Ibrance & Trodelvy show us that the mechanisms by which each therapy confers anti-cancer activity (inhibiting a specific cyclin-dependent kinase to mitigate cell division or inhibiting Trop-2 [short for trophoblast cell surface antigen-2, a widely expressed cell-surface glycoprotein in multiple solid tumor forms], respectively) through cancer-associated receptors that remain relevant to standard-of-care for many indications, not just those for which initial approvals were based. This theme is equally relevant to the various anti-PD1 or anti-PD-L1 mAbs that have been approved in recent years, with Merck's pembrolizumab/Keytruda specifically relevant to the combination therapies that we described above.

Exhibit 12. Breast Cancer-Targeted Therapies Ibrance & Trodelvy For Which Expanded FDA Approvals Into New Breast Cancer Niches Were Granted This Week



Source: *MedChemExpress; Drugs (2020). Vol. 80, pp. 1019-1025*

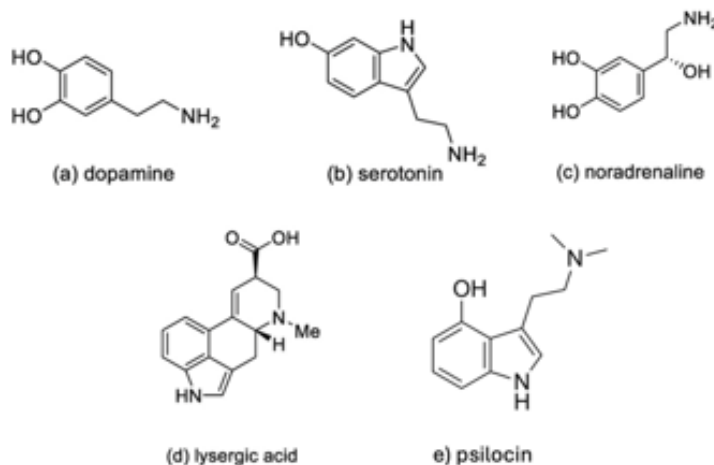
- A recurring theme in our Healthcare Weekly library – more acquisitions & drug development alliances creating value in our universe of clinical-risk equities. Acquisition & partnership activity between large well-capitalized pharma firms & development-stage equities continued into the trailing week as it has in many commentary periods for our Healthcare Weekly, with the following transactions catching our eye:
 - Novartis-Antares.** Swiss pharma giant just announced a multi-target drug discovery/development alliance with private MA-based drug developer Antares Therapeutics in a deal providing Antares with US\$105M in upfront cash & up to US\$1.8B in downstream development/commercial milestones based on leveraging Antares' predictive medicine, mass spectrometry/computational chemistry expertise & compound library platform to identify novel targets for developing anti-cancer therapies.

- ♦ For background, Antares was spun out of another MA-based drug developer Scorpion Therapeutics when the latter firm was effectively acquired by IN-based Eli Lilly (LLY-NY, NR) in a deal valuing Scorpion's suite of phosphatidylinositol-4,5-bisphosphate 3-kinase alpha (PI3K α) inhibiting drug tertsolisib/STX-478 (now called LY4064809 in Eli Lilly's pipeline) for US\$2.5B back in Jan/25. As an aside, STX-478 continues to be in active Phase II/III clinical testing for various advanced solid tumors in the 880-patient PIKALO-1 trial (final response rate/survival data expected by mid-F2030) & the 920-patient Phase III PIK3CA trial, in this case targeting HER2-negative/hormone receptor-positive advanced breast cancer, with response rate/survival data expected by mid-F2033.
- ♦ But back to Antares, the firm already has two other high-profile alliances, including a US\$553M relationship with Pierre Fabre Laboratories (private) to whom Antares granted global rights to two clinical-stage non-small cell lung cancer assets, targeting tumors harboring mutated EGF receptor that is known to be associated with a large subset of lung cancer patients. Additionally, Antares assumed responsibility over a legacy alliance that parent firm Scorpion signed with Astra-Zeneca (AZN-LN, NR) back in Jan/22, ostensibly to develop inhibitors of unnamed transcription factors associated with also-unnamed cancer forms.
- ♦ We assume that milestone payments ascribed to that alliance will now be received by Antares & not by Eli Lilly/Scorpion if ever triggered, though we do not know if the US\$75M upfront cash payment was acquired by Eli Lilly in the Scorpion acquisition or if it remained with Antares for it to deploy into operations relevant to the alliance. Antares did raise US\$177M in a private equity offering last year & now has UA\$105M more under its new Novartis alliance, but other than deal economics, we have few insights into Novartis' intentions under the alliance, other than they are oncology-focused & we will thus watch for new pipeline candidates for us to review in coming quarters. For now though, our key observation is that early-stage drug discovery alliance, especially but not uniquely in cancer biology, continue to attract blockbuster economics, albeit denominated in bioworld dollars & with measurable but comparatively modest upfront cash.
- **Eli Lilly-Abbisko.** And speaking of Eli Lilly, the firm expanded its existing drug discovery alliance with China-based Abbisko Therapeutics (02256-HK, NR) by augmenting existing deal economics with another layer of multi-target drug discovery initiatives that could be valued at up to US\$1.9B in downstream milestone payments. Deal economics are remarkably similar to the aforementioned Novartis-Antares alliance in both scale & scope (both contemplate multiple targets & thus multiple drugs to which they could bind/inhibit) but unlike that alliance, there is no indication that Eli Lilly & Abbisko will be cancer-focused, at least not in the press release describing supplemental details of their existing relationship. Abbisko is itself mostly focused on cancer therapy development.
 - ♦ Eli Lilly & Abbisko consummated a separate US\$258M small-molecule drug development alliance back in Jan/22, in that case focused on a cardiometabolic target, a description that is actually fairly vague as it could imply that the drug is targeting any number of cardiac or endocrinology or renal or pancreatic disorders, of which there are many. Abbisko itself is sponsoring at least fourteen distinct Phase I-II-III-stage oncology programs, the largest of which is a 401-patient Phase II solid tumor trial testing ABSK141 in patients harboring Kras mutations (the drug specifically targets Kras protein harboring a glycine-for-aspartic acid mutation at position #12 in Kras' amino acid chain; final data in H229).
 - ♦ A separate pending 110-patient Phase II pediatric cancer trial in achondroplasia (short-limb dwarfism, caused by mutations in the fibroblast growth factor receptor-3 gene [*FGFR3*]) testing the FGFR3-inhibiting drug ABSK061 could generate eighteen-month annualized growth velocity data by early 2031. Abbisko received approval in China last year for the colony stimulating factor-1 receptor (CSF-1R)-inhibiting small-molecule drug ABSK021/pimicotinib, initially for treating a form of solid tumor called tenosynovial giant cell tumor (TGCT)
- **Definium Therapeutics (DFTX-Q, NR) reports positive Phase III results in major depressive disorder (MDD); DT120 meets primary & all key secondary endpoints.** Definium Therapeutics (formerly MindMed/MNMD) reported positive topline results from the Emerge trial, its first pivotal Phase III trial evaluating a single 100 μ g dose of DT120 (lysergide tartrate, a pharmaceutical salt formulation of lysergic acid diethylamide [LSD]) versus placebo in 149 adults with moderate-to-severe MDD. Notably, DT120 is not actually a structurally-modified LSD analog; the active molecule is identical, but with the proprietary aspects residing in the manufacturing process & formulation composition required to achieve pharma-grade content uniformity & stability at microgram-level doses. The orally-disintegrating tablet (ODT) dosage form itself is

manufactured using Catalent's (Acquired by Novo Holdings, Private) Zydis lyophilized fast-dissolve platform under license. DT120 is also administered as a standalone therapy without concurrent psychotherapy, differentiating it from other psychedelic-directed programs such as Compass Pathways' (CMPS-Q) COMP360 psilocybin.

- The study met its primary endpoint with a placebo-adjusted least-squared mean Montgomery-Asberg Depression Rating Scale (MADRS) reduction of -8.1 points at Week 6 (DT120: -13.3 vs. placebo: -5.2; $p < 0.0001$), along with all prespecified key secondary endpoints. Onset was rapid, with a -14.2 point placebo-adjusted MADRS reduction at Week 1 ($p < 0.0001$), & the effect was durable through Week 12 at -7.3 points ($p < 0.0001$). CGI-S scores separated from placebo as early as Day 2 (-0.9; $p < 0.0001$). MADRS response ($\geq 50\%$ reduction) at Week 6 was 35% vs. 7% on placebo, & remission (MADRS ≤ 12) was 24% vs. 3%. DT120 ODT was generally well tolerated: 99% of TEAEs were mild to moderate, transient, & concentrated on the day of dosing, with no SAEs, no suicidality signal, & low discontinuation rates comparable across arms. All participants met structured end-of-session criteria by hour 8 (median 5.1h).
- The active compound, lysergide (LSD), is a potent partial agonist at the serotonin 5-HT_{2A} receptor. While its precise therapeutic mechanism in psychiatric illness remains incompletely characterized, the prevailing pharmacological model holds that acute 5-HT_{2A} agonism triggers downstream increases in neuroplasticity across cortical & limbic circuits, potentially resetting pathological network connectivity patterns that sustain depressive states. LSD's broader receptor pharmacology extends to other serotonin receptor subtypes (5-HT_{1A}, 5-HT_{2B/C}), dopamine D_{1/D2}, & adrenergic receptors, though the 5-HT_{2A} interaction is understood to be necessary for its characteristic perceptual & cognitive effects (Nichols as published in 2016 in *Pharmacological Reviews*)

Exhibit 13. Structural Similarities Between Lysergic Acid, Psilocin & Endogenous Monoamine Neurotransmitters Implicated In The Neurobiology of Major Depressive Disorder



Source: Adapted from *MedChemExpress*

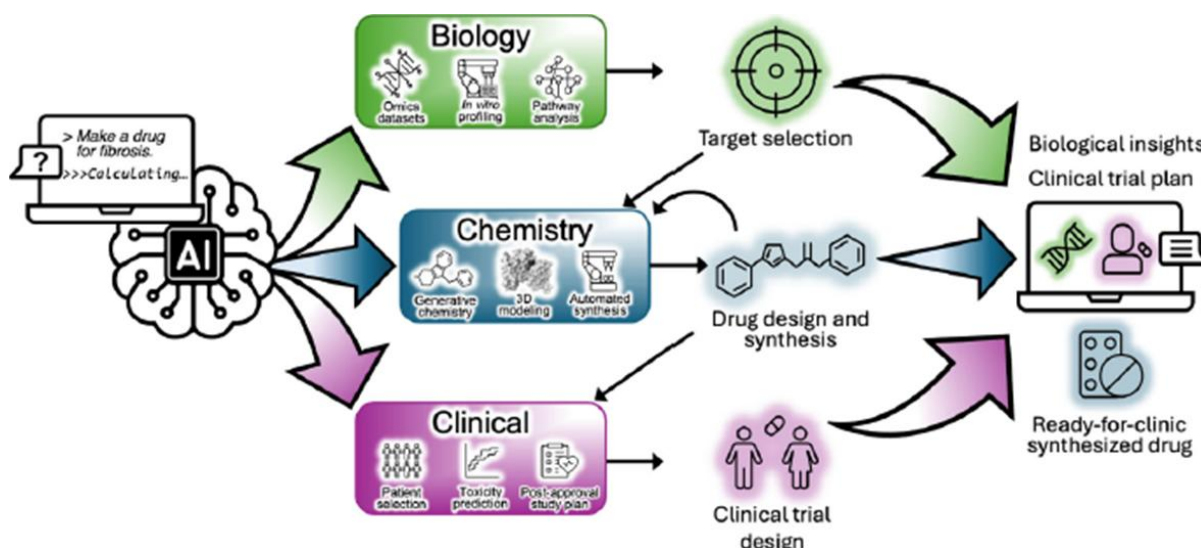
- As we have briefly covered in past Healthcare Weeklies, Compass Pathways' COMP360 psilocybin + psychological support program demonstrated MADRS reductions of -3.6 points versus placebo (COMP005) & -3.8 points versus a 1 mg active control (COMP006) at Week 6 (both $p < 0.001$); Compass plans to submit an NDA for TRD in Q4 2026. While direct cross-trial comparison warrants caution (Emerge enrolled a broader MDD population, whereas COMP360 studied treatment-resistant patients with ≥ 2 prior treatment failures & mean episode durations exceeding three years) the absolute effect sizes are worth noting.
- DT120 drove an absolute MADRS reduction of -13.3 points as a standalone therapy without psychological support, versus -7.6 (COMP006 25 mg arm) to approximately -9.7 (COMP005 25 mg arm) for COMP360 *with* structured psychological support sessions built into the protocol. LSD's broader receptor pharmacology may be relevant here: unlike psilocin, which acts almost exclusively through serotonergic pathways, LSD engages dopamine D_{1/D2} & adrenergic α receptors at submicromolar concentrations. These are systems associated with energy, motivation, & hedonic tone that are centrally disrupted in MDD (Rickli & coworkers, published in 2016 in *European Neuropsychopharmacology*)

pharmacology). Population differences, the absence of psychotherapy, & a pharmacologically plausible mechanism all point in the same direction, though head-to-head data would be needed to confirm a genuinely differentiated clinical profile.

- The Emerge trial is the first of four pivotal trials for DT120 ODT. Ascend, the second MDD Phase III, dosed its first patient in May/26 & is expected to enroll 175 participants. The two GAD Phase III studies, Voyage & Panorama, have topline readouts anticipated in early Q3 2026 & 2H 2026, respectively. Definium reported US\$411.6M in cash & investments at end-of-FQ425, corresponding to over two years of growth capital at its trailing operating cash loss run-rate.
- **Pfizer's (PFE-NY, NR) acquired antibody-drug conjugate sigvotatug vedotin fails in a Phase III non-small cell lung cancer trial, representing the first pivotal data set from its US\$43B Seagen acquisition.** Earlier this week, Pfizer disclosed that sigvotatug vedotin, the first new ADC to reach a pivotal readout since the Seagen acquisition that closed in Dec/23, failed to demonstrate statistically significant improvement in overall survival versus docetaxel in the Phase III SigVie-002 trial (NCT06012435, N=703). The open-label, randomized study enrolled adults with locally advanced or metastatic nonsquamous non-small cell lung cancer (NSCLC) who had received one or more prior lines of therapy. Pfizer reported a stronger trend for OS & PFS in the approximately two-thirds of patients who had received only one prior line, but no clear IB6 expression-response relationship emerged in exploratory analysis. Pfizer withheld hazard ratios & median survival data, noting detailed results will be submitted for presentation at a future congress.
- Sigvotatug vedotin targets integrin beta-6 (IB6), a transmembrane receptor expressed on approximately 90% of NSCLC tumors but minimally in healthy tissue. IB6 forms the $\alpha\beta6$ heterodimer, which activates latent TGF- β in the tumor microenvironment, driving epithelial-to-mesenchymal transition & immune evasion, & is associated with poor prognosis across solid tumor types (Niu & Li, published in 2017 in *Cancer Letters*). The ADC employs an MMAE (monomethyl auristatin E) cytotoxic payload, a synthetic tubulin inhibitor that blocks cell division by preventing microtubule assembly (necessary to divide DNA chromosomes during mitosis), the same payload class used across several marketed ADCs including Seagen's Adcetris (brentuximab vedotin). Sigvotatug vedotin exerts anti-tumor activity through direct MMAE-mediated cytotoxicity, bystander killing of adjacent antigen-negative cells, & immunogenic cell death (ICD), the last of which underpins the rationale for checkpoint inhibitor combination. The absence of an IB6 expression-response relationship in SigVie-002 is a meaningful negative signal for the biomarker-directed patient selection thesis & raises questions about whether IB6 expression, despite its prevalence, is functionally actionable as a therapeutic target in this setting.
- Phase I monotherapy data had shown a confirmed ORR of 19% across NSCLC subtypes (n=116; 31% in nonsquamous taxane-naïve patients, n=42) with mDOR exceeding 11 months (Peters et al., ASCO Abstract, 2024). The disconnect between single-arm Phase I activity & failure to beat docetaxel in a randomized setting now mirrors outcomes for Gilead's sacituzumab govitecan in EVOKE-01 (Paz-Ares & coworkers, published abstract at the 2024 ASCO meeting) & the narrowed trajectory for AstraZeneca/Daiichi Sankyo's datopotamab deruxtecan. That ADCs spanning distinct antigens & payload classes (MMAE, SN-38, DXd) have all struggled against docetaxel in 2L+ NSCLC. Optimists would suggest the issues may be the heavily pretreated patient population itself, where bone marrow depletion, evolved multi-drug resistance, & immune exhaustion limit the incremental benefit of targeted payload delivery, as opposed to any target-specific shortcoming.
- The program is not finished, however. The ongoing Phase III Be6A Lung-02 (NCT06758401) evaluates sigvotatug vedotin plus pembrolizumab versus pembrolizumab monotherapy in first-line NSCLC with PD-L1, a setting where the ICD-mediated immunotherapy synergy rationale is more biologically plausible & conceptually parallels the combination thesis underpinning Oncolytics' (ONCY-Q, Spec Buy, PT US\$3.00) pelareorep program, where reovirus-induced immunogenic cell death is similarly designed to prime anti-tumor immunity for checkpoint inhibitor potentiation in treatment-naïve patients. Phase I combination data showed a confirmed ORR of 42.9% (n=21) including a 9.5% CR rate (Sehgal et al., ASCO Abstract, 2025); results from the Phase III are expected in 2027. Pfizer is also advancing fetrastobart vedotin (PD-L1-directed ADC) in Phase III in 2L+ NSCLC & developing a next-generation IB6 ADC with a Topo1 payload in place of MMAE, both programs leveraging Seagen's ADC engineering platform & linker-payload chemistry rather than inherited pipeline assets, a distinction that matters for framing the deal's ROI: the legacy Seagen commercial portfolio (Padcev, Adcetris, Tukysa) continues to generate revenue, but pipeline candidates developed using the acquired platform capabilities have so far produced a string of clinical & strategic setbacks.

- The steady stream of AI-based drug discovery alliances continues with the Insilico-SK partnership announced this week.** We are certainly getting to a point in the history of drug development when a new AI-based alliance will no longer be news, but today is not that day. On that theme, MA-based Insilico Medicine (3696-HK, NR) announced a new discovery partnership with Korea-based SK Biopharmaceuticals (326030-KS, NR) in a CNS/neuroimmune-focused deal that could be valued at up to US\$2.5B. Deals valued at or above that level, even when not AI-dependent, are certainly becoming the norm and not the exception in recent quarters but we will be watching for sustainability (or perhaps augmentation) of deal economics in coming quarters, especially if AI innovators show positive impact on clinical trials data for lead molecules that AI engines identify.
- Insilico will receive US\$18M in upfront capital & near-term milestones that are probably based on lead identification alone, but most deal economics are predictably based on future clinical-regulatory-commercial milestones as these discovery deals tend to be. In its press release announcing the SK alliance, Insilico claimed that it already has identified thirty-one preclinical-stage drug candidates, thirteen of which are already IND-enabled & thus poised to commence formal Phase I testing in coming quarters.
- Founding researcher Alex Zhavoronkov has published extensively in the field of AI-predictive drug discovery, including quite recently in the journal *Aging Diseases* in which he characterized how Insilico uses AI to find RNA transcript alternations that are associated with age-related chronic inflammatory diseases. Alterations in IL-6 signalling were identified, an observation that we would consider more platform-validating than destined to find new chemical entities since IL-6 was long ago identified as a plausible target for rheumatoid arthritis/plaque psoriasis drugs like tocilizumab/Actemra or siltuximab/Sylvant, but other pathways of interest to us include the NLRP3 inflammasome pathway that we believe is relevant to CardiolRx/cannabidiol's mode of action in recurrent pericarditis (Cardiol Therapeutics [CRDL-T, Spec Buy, PT C\$7.00] is on pace to complete its 110-patient Phase III MAVERIC recurrent pericarditis trial later this year; disease recurrence data probably in early H127). Dr. Zhavoronkov published on multiple other applications for AI-based drug discovery & on a broad array of clinical indications so there are few insights from his publication history alone on what specific AI-based activities could be germane to the SK alliance just announced.
- But that said, it is no surprise that SK is exploring AI's utility in finding CNS-relevant lead candidates since much of its existing R&D pipeline is CNS-focused. Pipeline drugs include epilepsy-focused cenobamate, narcolepsy—focused solriamfetol, Lennox-Gastaut Syndrome-targeted carisbamate & a series of earlier-stage programs targeting Parkinson's disease (with SKL32276), attention deficit hyperactivity disorder (with SKL13865) or schizophrenia (with SKL20540). SK does have a few oncology projects targeting novel cancer antigens but all are either in Phase I-stage of development or earlier.

Exhibit 14. Conceptualization Of How AI Impacts Drug Discovery



Source: Adapted from *ACS Central Science* (2026). Vol. 12, pp. 265-279.

Capital Markets Summary

Exhibit 15. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 24-Jun	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	\$17.39	956	956	1,537	1,537	6.7x	6.6x	6.6x	NA	7.2x	6.9x
Jamieson Wellness	CAD	JWEL	41.5	\$36.39	1,510	1,510	1,983	1,983	12.3x	11.1x	9.9x	20.6x	17.0x	14.6x
K-Bro Linen	CAD	KBL	13.0	\$43.40	566	566	852	852	7.7x	7.8x	7.6x	27.4x	21.9x	17.8x
Medical Facilities ¹	CAD	DR	17.4	\$12.77	223	316	351	498	5.9x	6.3x	6.3x	15.1x	6.3x	19.1x
Microbix Biosystems	CAD	MBX	137.5	\$0.29	40	40	39	39	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.1	\$28.64	2,064	2,064	2,197	2,197	11.6x	10.8x	9.9x	25.9x	20.8x	18.5x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales ²														
Aurinia Pharma	USD	AUPH	128.6	\$18.62	2,395	3,403	2,961	4,207	14.8x	NA	NA	8.3x	19.4x	15.1x
Bausch Health	USD	BHC	373.5	\$4.99	1,864	2,648	31,642	44,954	6.3x	5.8x	6.0x	NA	1.2x	1.2x
BioSynt	CAD	RX	11.6	\$14.00	163	163	158	158	12.2x	9.9x	8.5x	17.5x	15.7x	13.0x
Cipher Pharma ¹	CAD	CPH	25.4	\$11.59	294	418	408	580	15.3x	13.7x	11.7x	9.6x	12.9x	11.0x
HLS Therapeutics ¹	CAD	HLS	31.3	\$3.04	95	135	184	261	11.2x	9.5x	8.0x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	\$9.35	918	918	833	833	9.5x	10.6x	10.1x	NA	49.2x	42.5x
Medexus Pharma ¹	CAD	MDP	32.0	\$2.93	94	133	145	206	11.0x	9.4x	6.7x	NA	NA	10.6x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.5	\$3.33	211	211	274	274	8.9x	7.6x	6.6x	7.7x	27.8x	14.7x
Chartwell Retirement	CAD	CSH.UN	325.2	\$22.62	7,356	7,356	9,916	9,916	23.0x	19.3x	17.4x	NA	NA	55.2x
Extendicare	CAD	EXE	95.0	\$35.37	3,362	3,362	3,248	3,248	16.8x	12.9x	11.4x	25.6x	25.4x	23.3x
Vital Infrastructure	CAD	VITL.UN	250.0	\$5.47	1,368	1,368	2,710	2,710	11.8x	13.0x	12.8x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	\$0.41	36	36	33	33	11.4x	NA	NA	NA	NA	NA
Sienna Senior Living	CAD	SIA	106.1	\$22.28	2,365	2,365	3,593	3,593	23.1x	18.0x	15.8x	47.3x	37.1x	32.3x
Profitable Canadian healthcare firms - medical equipment distribution/sales ³														
Covalon Technologies	CAD	COV	27.6	\$2.23	62	62	47	47	51.1x	12.4x	9.7x	37.4x	24.8x	18.6x
Viemed Healthcare	USD	VMD	38.3	\$11.47	440	440	628	892	8.4x	6.8x	6.0x	29.7x	25.2x	18.8x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms ⁵														
Healwell AI	CAD	AIDX	303.0	\$0.78	236	236	307	307	NA	43.8x	19.1x	NA	NA	NA
Hydreight	CAD	NURS	53.7	\$4.30	231	231	216	216	44.0x	9.5x	5.9x	50.9x	14.3x	8.5x
Kneat.com ⁵	CAD	KSI	96.1	\$6.46	621	882	595	595	NA	35.6x	23.0x	NA	NA	NA
Vitalhub	CAD	VHI	63.3	\$7.05	446	634	321	321	12.1x	9.2x	7.9x	59.6x	33.0x	23.3x
Well Health	CAD	WELL	255.4	\$4.19	1,070	1,070	1,773	1,773	8.2x	9.6x	8.7x	39.8x	17.7x	20.8x
Average									14.9x	13.0x	10.2x	28.2x	20.9x	19.3x
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

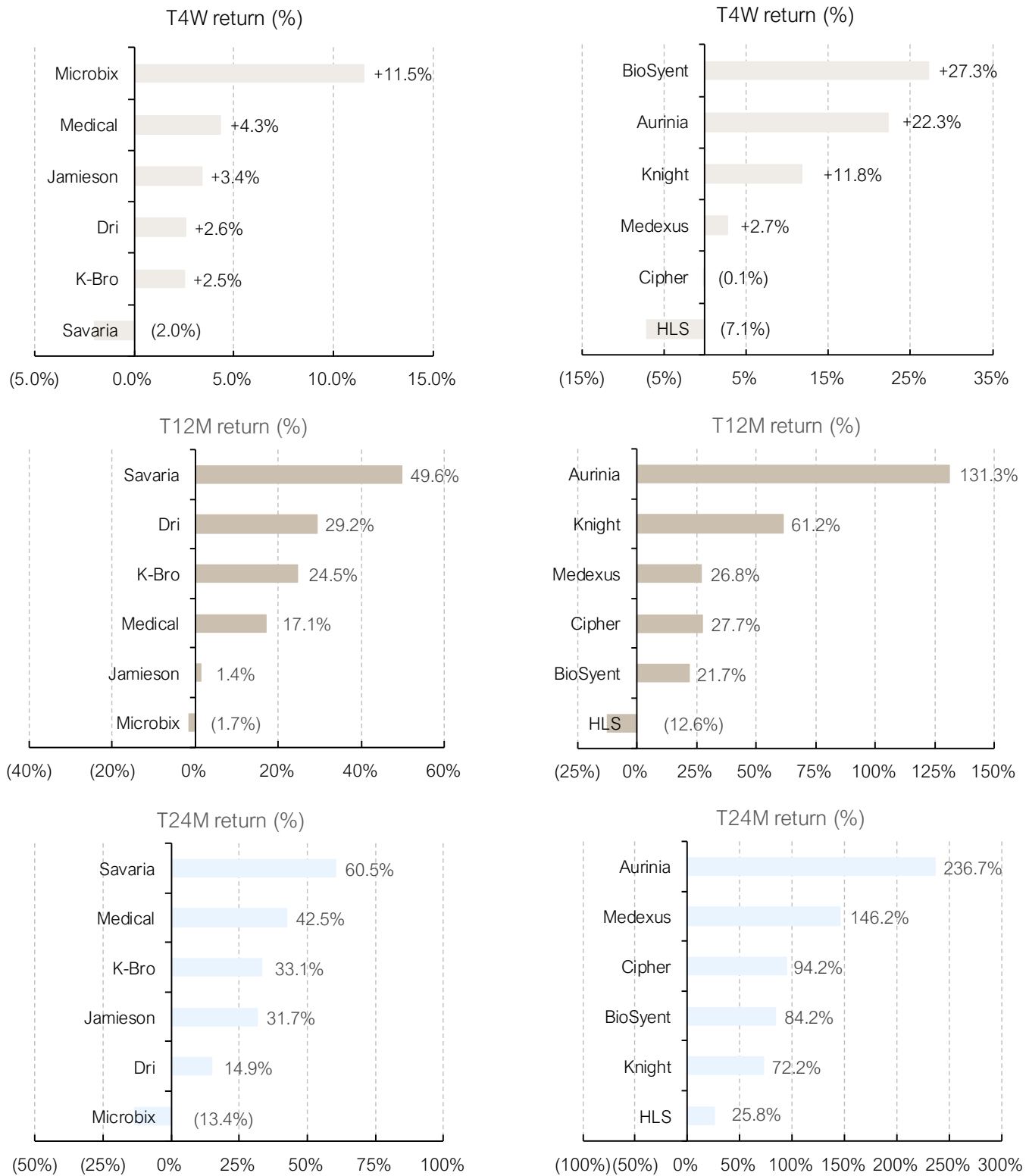
³ Quipt Home Medical was acquired by Kingswood Capital & Forager Capital for US\$3.65/shr in Dec/25, transaction closed in Mar/26

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

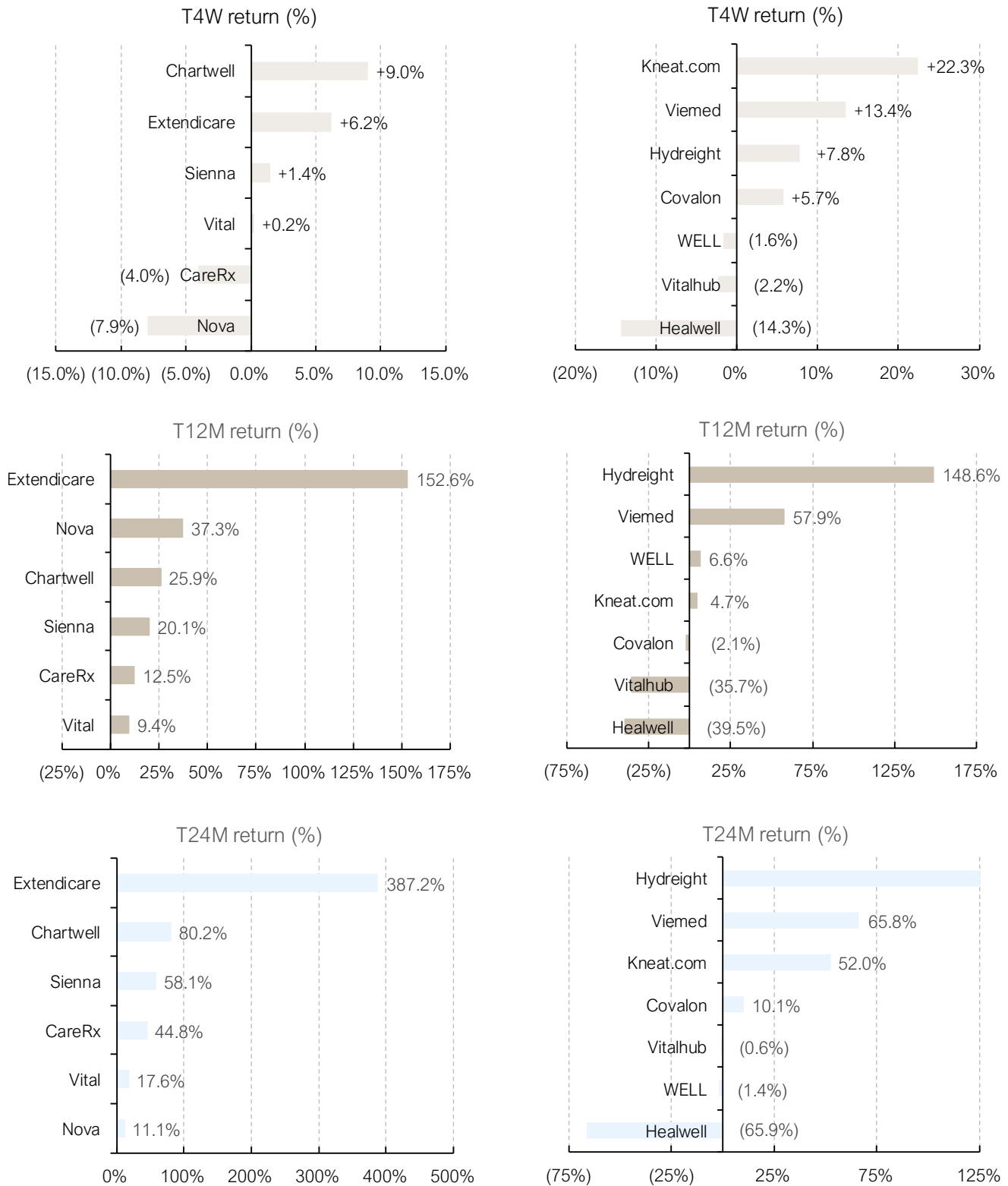
Source: Refinitiv, company reports, Leede Financial

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 1,333%*)

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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