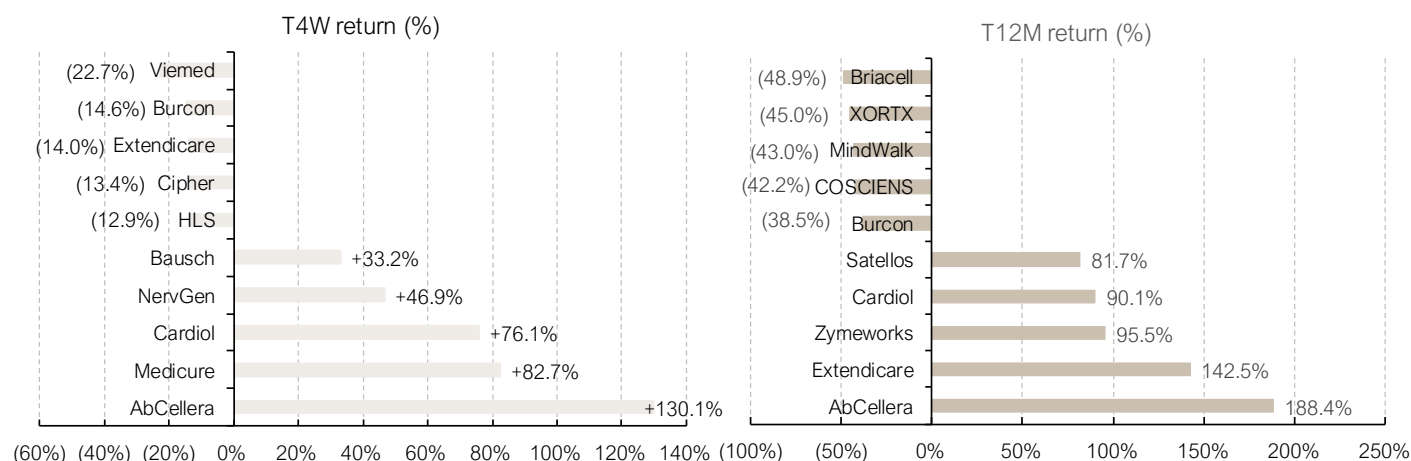


Core Highlights of the Week

Top Movers

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



Source: Leede Financial, Refinitiv

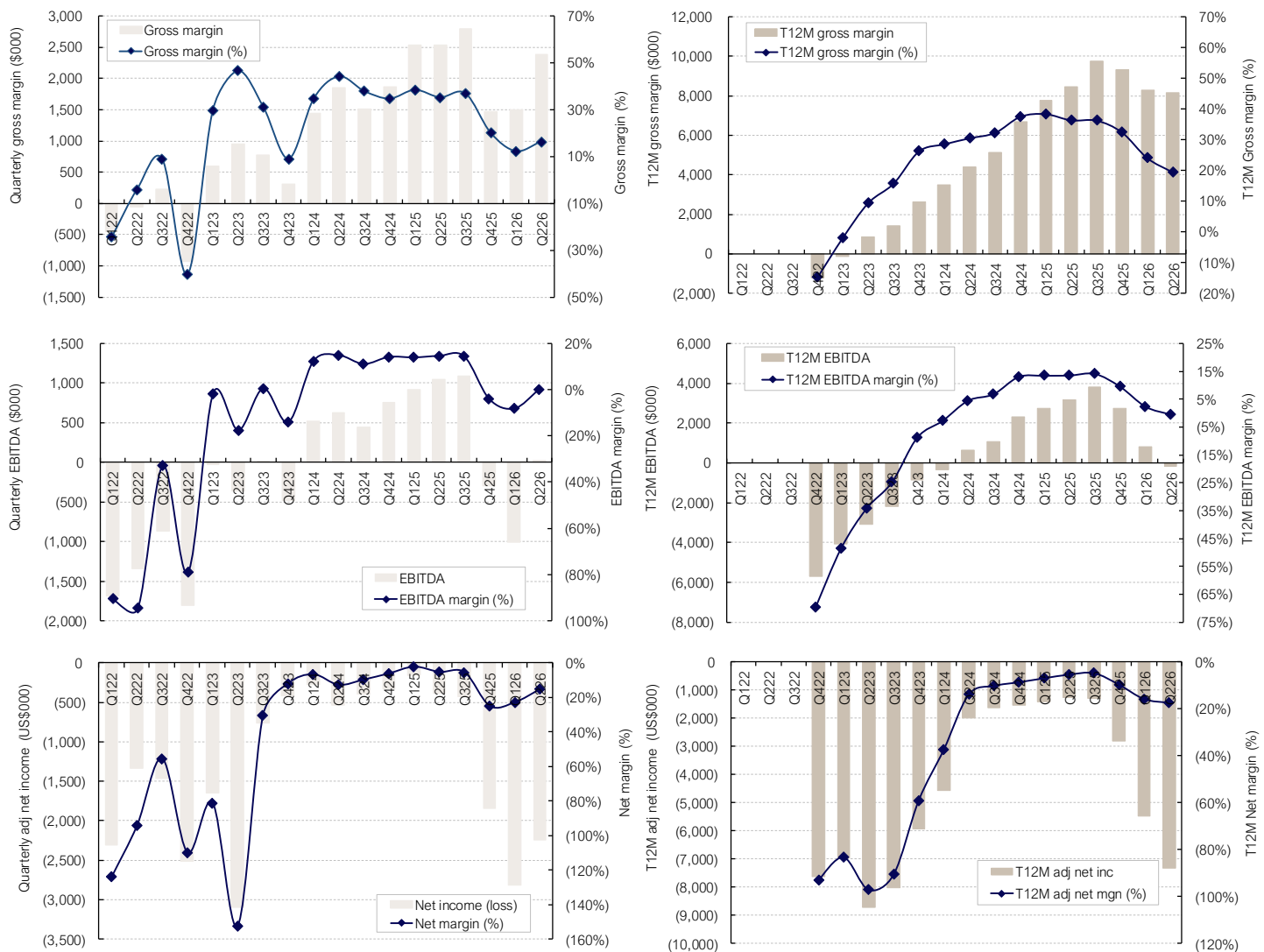
Significant Developments With Relevance To Our Coverage Universe

- LSL Pharma reports FQ226 financial results.** QC-based topical therapy manufacturing firm LSL Pharma (LSL-V, NR) reported FQ226 financial data for the June-end quarter that exhibited modest sequential strength on EBITDA/margin in the second quarter after integrating Juno Pharma's (private) OTC operations (now called LSL MedPlus) into consolidated income statement data, but with FQ226 EBITDA essentially at break-even by our calculation & thus serving only to provide a new foundation from which we assume quarterly EBITDA can grow to more lofty industry-standard levels in coming quarters.
 - On a consolidated basis, FQ226 revenue/EBITDA/margin of \$14.6M/\$0.02M/0.2%, favorably comparing to FQ126 data of \$12.3M/(\$1.0M)/NA but underperforming FQ225 data of \$7.2M/\$1.0M/14.5% on EBITDA/margin even though top-line growth was considerable & not entirely driven by Juno's OTC product sales actually – FQ226 revenue from the firm's topical therapy contract manufacturing operations were up solidly to \$8.5M from \$6.2M in FQ126 & \$6.5M in FQ226, presumably from sales of newly-Health Canada-approved topical therapies that we have summarized before but will re-summarize below. FQ226 sales for the firm's eye-care division were far more modest at \$1.2M & down from \$1.5M in FQ126 but up solidly from \$0.8M in FQ225 while sales for the firm's new private label (Juno's OTC product line) grew sequentially by 7.1% to \$5.0M from \$4.6m in FQ126 & of course generated no revenue last year (the \$5M transaction closed in Dec/25).
 - Importantly, LSL calculates its own adjusted FQ226 EBITDA value to be \$0.44M after excluding a non-recurring manufacturing cost generated by a Health Canada compliance shut-down (also characterized as a remediation plan in the MD&A) of its Steri-Med facilities in the quarter that augmented reported G&A expense by \$0.4M. Though our own bias is to exclude non-recurring operating expenses from our own EBITDA calculation as LSL itself did in its own analysis, we infer from MD&A commentary that the remediation plan could extend to end-of-year. LSL expects to re-establish inventory levels for its eye-care products during the present quarter & if so achieved, new product revenue in

Please see end of report for important disclosures.

FQ426 could offset regulatory costs even if of comparable magnitude to those recognized in FQ226. Accordingly, just as our FQ126 analysis concluded, we would consider FQ226 to also be a transition quarter for the firm & expect profitability measures to accompany revenue growth through new product launches during FH226-to-FH128.

Exhibit 2. Quarterly & T12M Gross Margin-EBITDA-Net Income Data for LSL Pharma, FQ122-to-FQ226



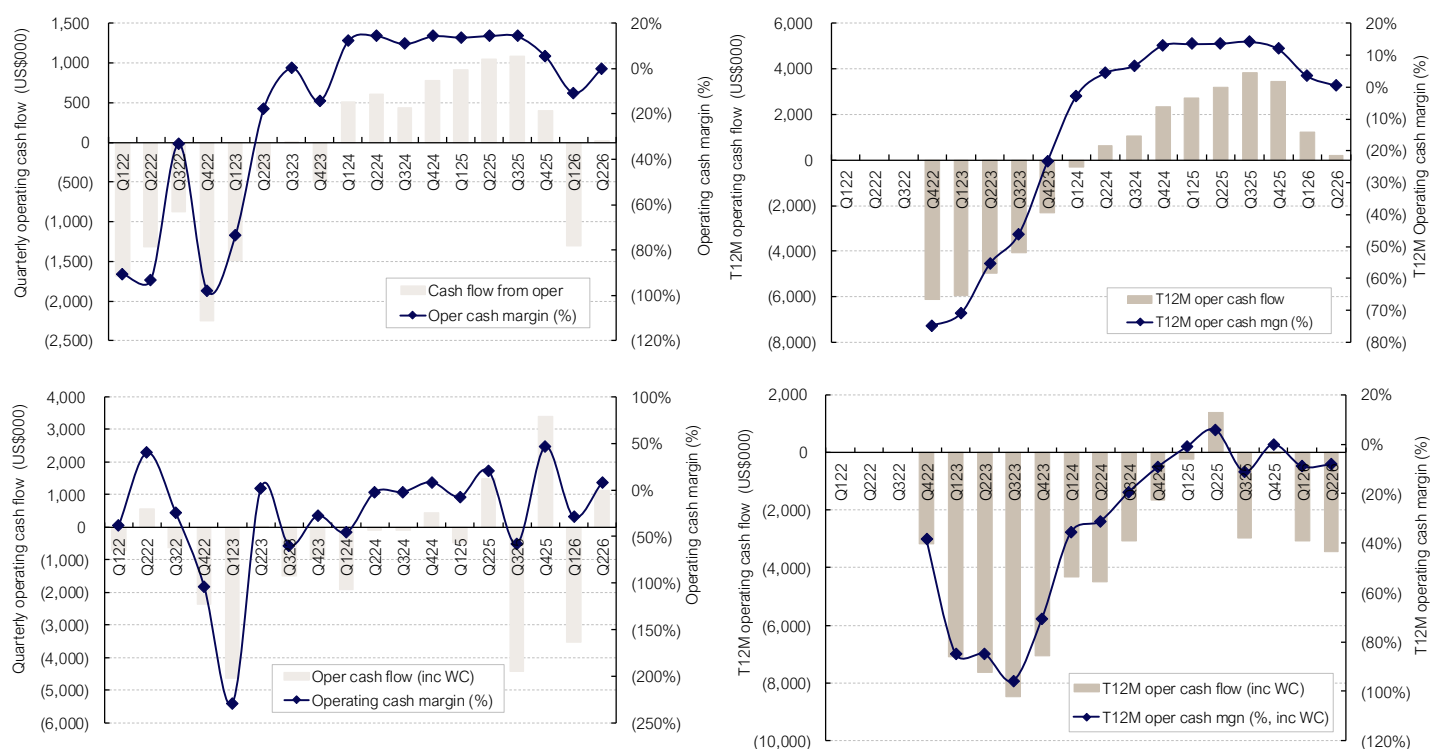
Source: LSL Pharma financial filings, Leede Financial

- When LSL acquired Juno's OTC operations last year, the firms indicated in the relevant press release that this business was on pace to generate F2026 sales of \$25M, a level of annual sales performance that a FQ226 revenue run-rate of \$20.0M is clearly not approaching in the absence of FH226 revenue strength. We will be interested to see if Juno's OTC portfolio does exhibit some seasonality that we can factor into our LSL outlook in future periods. The transaction certainly lifted LSL's quarterly revenue to a substantial degree, but in the two quarters since the acquisition, LSL generated cumulative EBITDA loss of (\$1.0M), virtually all of which was admittedly in FQ126. But that said, LSL was routinely generating quarterly EBITDA margin of 11%-to-14.5% during FQ124-to-FQ425, a level that we are optimistic can be re-achieved in coming quarters through a combination of cost synergies through integration & through a suite of new product launches that are expected during FH226-to-FH128, as we describe below.
- Upon reviewing LSL's FQ226 MD&A, it is clear to us that many if not most of the product revenue drivers that we identified in our FQ126 analysis in a prior Healthcare Weekly are still germane to LSL's current growth prospects. For example, LSL still expects to generate strong manufacturing revenue not just from its topical antimicrobial therapy portfolio that includes the polymyxin B-bacitracin-zinc triple formulation Sterisporin & the topical broad-spectrum

antibiotic Erythromycin, but also from its partnered (with private firm Fera Pharmaceuticals) FDA-approved topical herpetic keratitis-targeted anti-herpes simplex virus-1 (HSV1) 3% acyclovir formulation branded as Avaclyr. Avaclyr will be manufactured at LSL's Steri-Med facilities but it is not expected to be launched by Fera until FH127. It seems plausible to assume that Fera can capture at least some acyclovir/HSV-1 US market share but the US market is certainly well-populated with multiple acyclovir generic forms, including multiple creams/ointments. The main branded form at present is Bausch Health's (BHC-NY, NR) 5% acyclovir cream/ointment Zovirax & Bausch Health's acyclovir/hydrocortisone combination topical brand Xerese.

- LSL also has eight ophthalmic generic drugs or devices in its development pipeline that are on pace to be launched either in FH226 or during F2027 that we will be tracking in future periods. None of these products are identified so we are not yet able to assess their pharmacology in comparison to other approved drugs in their respective disease categories, but we do know that two are ointment formulations that will compete in the OTC market in Canada/US & thus should fit seamlessly into the Juno/LSL MedPlus portfolio, while another five ointment formulations are conventionally prescribed therapies & a single product is a medical device of some description, perhaps a drug-delivering pump or a drug injection platform of some sort.

Exhibit 3. Quarterly & T12M Operating Cash Flow Data for LSL Pharma, FQ122-to-FQ226



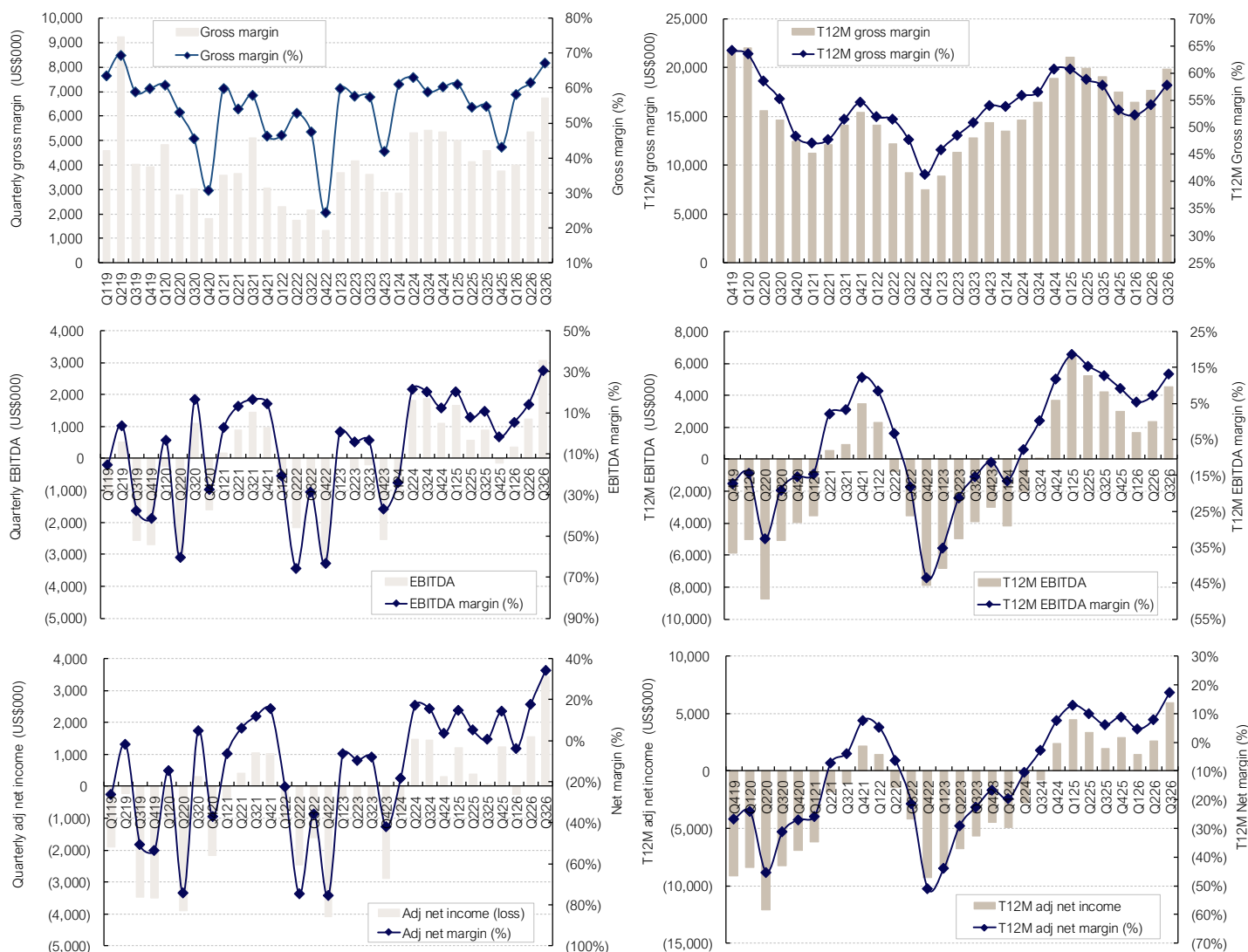
Source: LSL Pharma financial filings, Leede Financial

- Additionally, we know that LSL's Steri-Med division received Health Canada approval earlier this year for at least seven eye care anti-glaucoma topical formulations, all of which are archived on Health Canada's Therapeutic Products data base. These include two formulations of the prostaglandin analog latanoprost (Pfizer's [PFE-NY, NR] Xalatan, long ago genericized), one of which is a monotherapy & the other combines latanoprost with the beta-blocker timolol, plus a formulation of the carbonic anhydrase-inhibiting drug dorzolamide (Merck's [MRK-NY, NR] Trusopt) also formulated either as a monotherapy or with timolol.
- Other recently-Health Canada approved therapies include the alpha-2 adrenergic receptor agonist brimonidine (branded in the gel form Mirvaso by Galderma [GALD-SW, NR], as the eye drop form Lumify by Bausch & Lomb [BLCO-NY, NR] or as Alphagan/Alphagan P by Allergan/AbbVie [ABBV-NY, NR]) & the mast cell-targeted anti-histamine olopatadine, for which Alcon Laboratories (ALC-NY, NR) sells a branded version as Patanay. All of these Steri-Med topical Rx therapies are already approved & thus have either been launched by LSL (the brimonidine & dorzolamide

formulations are launched as indicated in LSL's FQ226 MD&A, but in late Jun/26 so presumably without much impact on FQ226 Rx eye care sales) or should be during FH226 (Canadian launches for the latanoprost formulations & the olopatadine formulation are pending). Nine other in-licensed eye drop formulations that are still identified by codenames & thus with no pharmacologic details for us to review just yet are either Health Canada-filed or are about to be, all of which if favorably reviewed by the agency should be launched during FH127-to-FH128.

- LSL exited the quarter with cash of \$1.0M & total debt of \$36.8M (& would be \$1.0M higher today after factoring in the 15% interest-bearing note that the firm secured in late July/26), a non-trivial magnitude of debt obligation even at the firm's pre-Juno OTC EBITDA run-rate, about \$4.4M if we use FQ325 EBITDA as our reference quarter. Accordingly, we will watch for quarterly EBITDA augmentation to offset financial risk in coming quarters. If imminent product launches are able to lift product sales without measurably impacting fixed operating costs, a concept that is at the core of any investment thesis for a manufacturing/operations-focused firm, it seems plausible to us that EBITDA margin could re-equilibrate at/near its previous range of 11%-to-14.5%.

Exhibit 4. Quarterly & T12M Gross Margin-EBITDA-Net Income Data for Covalon Technologies, FQ119-to-FQ326



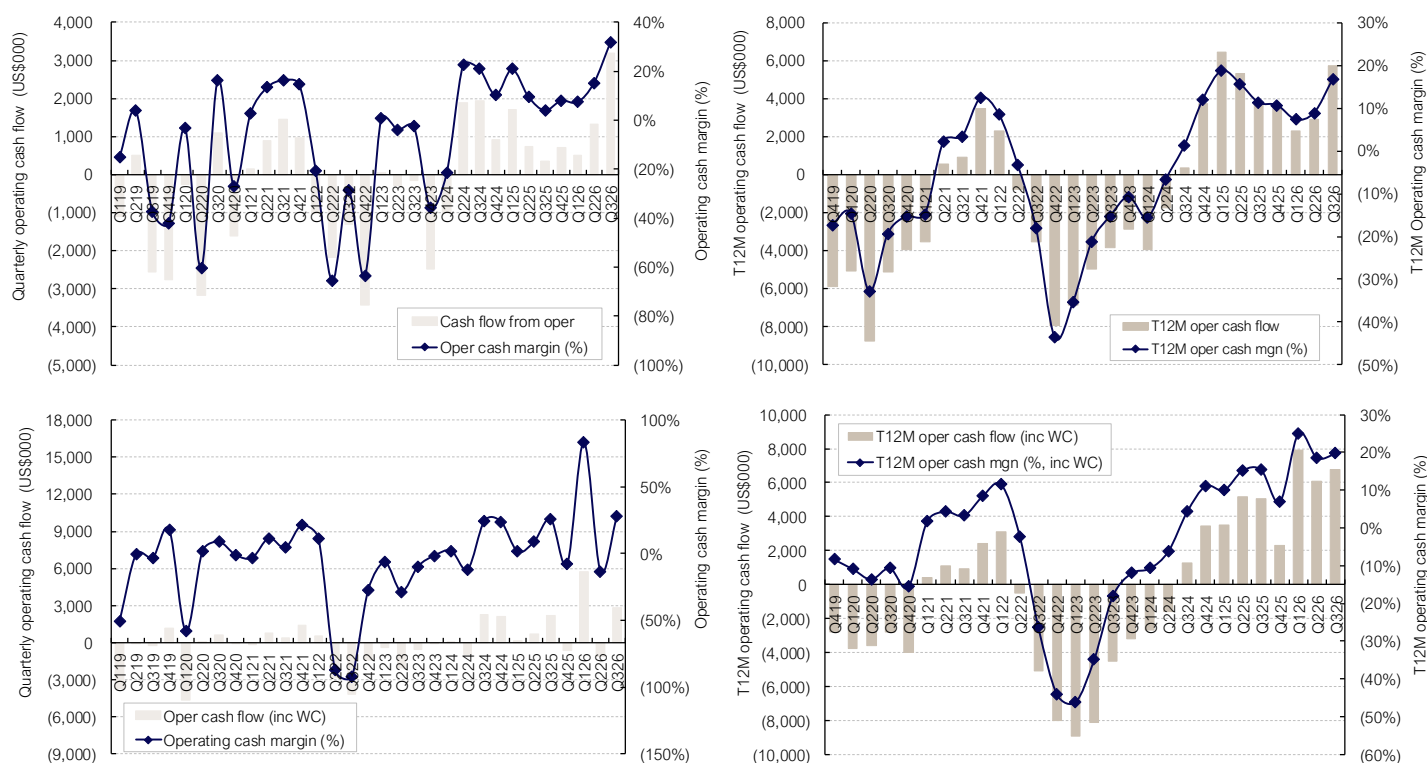
Source: Covalon Technologies financial filings, Leede Financial

- Covalon reports FQ326 financial results.** ON-based medical technology & wound care product developer/marketer Covalon Technologies (COV-V, NR) reported FQ326 financial data for the June-end quarter that were strong in our view both in absolute terms & by comparison to trailing financial periods dating back to FQ119 when our historic analysis of the firm's

financial performance commences (Exhibits 4-to-6). Covalon's FQ326 EBITDA/margin were at historic highs at least during the FQ119-to-FQ326 periods & by a considerable amount as we will describe.

- On a consolidated basis, Covalon generated FQ326 revenue/gross margin/EBITDA of \$10.0M/\$6.7M (67.2%)/\$3.1M (30.7%) that dwarf prior comparison quarters on all metrics. FQ226 data were \$8.7M/\$5.4M (61.5%)/\$1.2M (14.2%) while FQ325 data were \$8.4M/\$4.6M (54.8%)/\$0.9M (10.6%). As stated qualitatively above, FQ326 EBITDA margin leapt above trailing levels by scaling up to 30.7%; in three prior quarters, Covalon achieved EBITDA margin above 20% (21.5% in FQ224, 20.3% in FQ324, 20.4% in FQ125) but thus only in four of the trailing thirty-one quarters has the firm achieved EBITDA margin >20%, making FQ326 profitability a sizable historic achievement for the firm. Cumulative EBITDA during the FQ119-to-FQ326 period is actually negative at (\$5.9M), on cumulative revenue of \$222.3M. the firm has no LT debt & so it has no supplemental risk based on debt-based financial ratios.
- Covalon no longer has any LT debt & thus no fixed financial costs to encumber operating cash flow, nor did it incur any overt tax expense in the period, so cash flow trends in FQ326 mirror EBITDA trends described above. For the record, pure FQ326 operating cash flow was \$3.2M (\$0.12/shr) as compared sequentially to \$1.3M in FQ226 (\$0.05/shr) & to \$0.3M (\$0.01/shr) in FQ325. As with EBITDA, Covalon's cumulative operating cash flow since FQ119 is also negative at (\$4.9M). After considering modest working capital deficit in the quarter, FQ326 consolidated operating cash flow was a bit lower at \$2.8M but well above FQ226 consolidated operating cash flow of (\$1.2M) that by definition was compressed by a sizable (\$2.5M) working capital deficit (mostly but not exclusively driven by a sizable receivables deficit at FQ226 quarter-end). For added context, FQ325 pure operating cash flow was \$2.2M as driven by a correspondingly high working capital surplus of \$1.8M in that quarter (virtually all working capital elements were into surplus territory in FQ325 other than prepaid expenses).

Exhibit 5. Quarterly & T12M Operating Cash Flow Data for Covalon Technologies, FQ119-to-FQ326

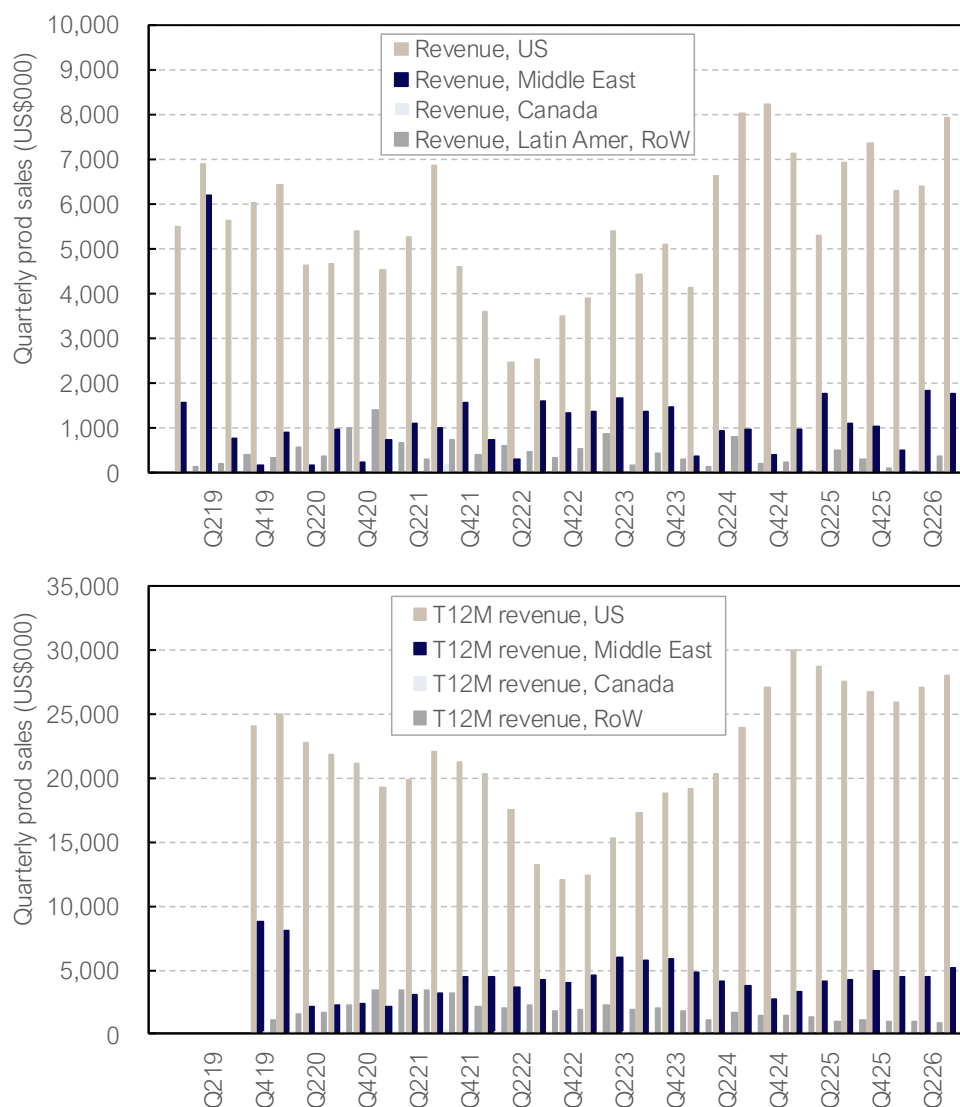


Source: Covalon Technologies financial filings, Leede Financial

- Recall that Covalon manufactures & markets wound care & vascular access products, usually with the underlying material based on collagen or silicone & with some sort of antimicrobial coating (usually based on the broad spectrum antimicrobial agents chlorhexidine or silver or both) incorporated into product design to facilitate healing or to mitigate opportunistic infections that can arise when the vasculature barriers are invaded by intravenous lines or urinary

catheters or PICC lines, among other forms of injection. The firm does not provide any product-specific sales data (and we would not either) but it does provide geographic segmentation of its target hospital clients, in so doing showing us that US-directed sales of \$7.9M were well above FQ226 level of \$6.4M & above FQ325 US sales data of \$6.9M, if not quite at historic highs in FQ324/FQ424 that were only incrementally higher at \$8.0M & \$8.2M, respectively. Sales to Middle East-based clients were \$1.8M & thus sequentially flat as compared to FQ226 sales but up solidly from \$1.1M in FQ325. Many times during the thirty-one quarter trailing period, Covalon generated quarterly sales in the Middle East that were in the \$1.6M-to-\$1.8M range, but not usually in the same financial period that US sales were similarly strong, as they were in FQ326 & this coupled with strong gross margin clearly flowed directly down to EBITDA/margin strength in the period.

Exhibit 6. Quarterly & T12M Revenue Data For Covalon Technologies, Stratified By Customer Geography, FQ119-to-FQ326



Source: Covalon Technologies financial filings, Leede Financial

- In its FQ326 MD&A, Covalon attributed gross margin strength to geographic product mix, implying that margins are superior in North American vs RoW markets, with transatlantic delivery costs possibly providing some of the explanation for that distinction. But in the same section in the MD&A, the firm indicated that the major costs of selling into the firm's OEM sales model is incurred by RoW customers, facilitating EBITDA strength in the process. Fixed costs were not materially different from trailing quarters, thus allowing revenue strength to fall substantially into EBITDA generation. Sales of vascular access & surgical consumables to US hospitals apparently contributed to gross margin strength as well. Y/y comparison benefited from the lack of an inventory write-down of \$0.7M recognized in FQ325, but for the

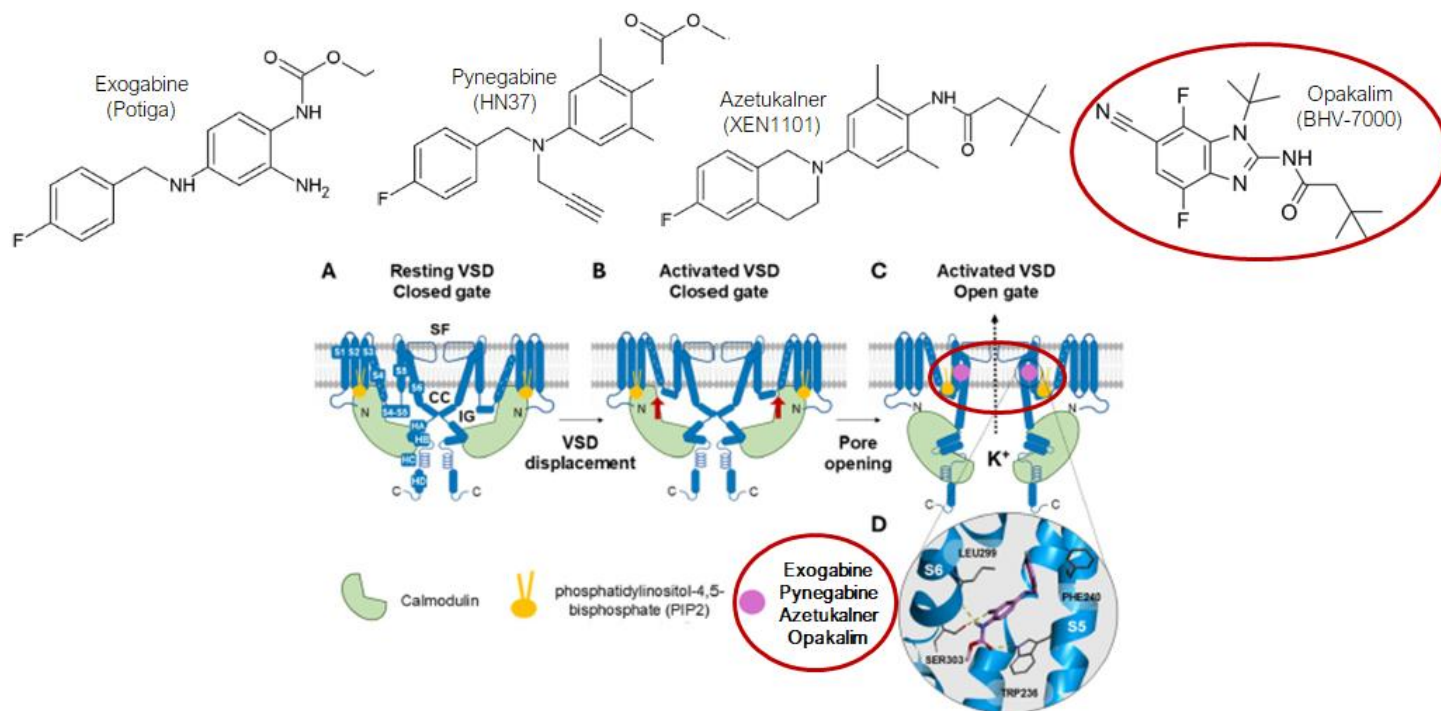
record, we ourselves inserted this write-down below the EBITDA line in our own analysis of FQ325 data; this adjustment is incorporated into the EBITDA/margin value in FQ325 that we depict graphically in Exhibit 4.

- **Biohaven & SK Biopharmaceuticals announce a new licensing agreement for Biohaven's lead K-channel-targeted epilepsy drug Opakalim.** Earlier this week, CN-based drug developer Biohaven (BHVN-NY, NR) consummated a US\$795M product licensing agreement with South Korea-based peer SK Biopharmaceuticals (326030-KS, NR) in a deal that provides SK with global rights to Biohaven's entire voltage-gated Kv7 channel-targeted drug development program, a program that has already identified a potassium channel isoform-specific Phase II/III-stage epilepsy-targeted small-molecule drug opakalim/BHV-700. Phase II/III efficacy data in focal epilepsy (seizure frequency over a twenty-week follow-up period) from the 390-patient placebo-controlled four-arm RISE 2 trial are expected before end-of-FQ426.
 - Deal economics are considerable but certainly not to the >US\$2B level that we have seen in multiple drug licensing deals that we have described in these pages before. But on the details, Biohaven receives US\$400M in upfront cash (the upfront cash component to deal value – US\$350M payable on deal closing & then a separate US\$50M non-contingent payment next year - is conversely at the top end of recent deal activity by our analysis) & then up to US\$395M in contingent milestone payments based on pending clinical/regulatory milestones presumably including RISE 2 data quality for which an efficacy signal should be in the public domain within the next quarter or two & for which SK must have some early insights into opakalim/BHV-7000's anti-seizure activity already.
 - Interestingly, opakalim/BHV-7000 did not perform well in a 336-patient Phase II major depressive disorder (MDD) study that was reported back in Jan/26, failing in the overall study population to document any meaningful impact on reducing depressive symptoms as measured by the MADRS (short for Montgomery Asberg Depression Rating Scale) at six-week follow-up; MDD patients with more severe symptoms at baseline did perform better than other enrolled patients, but clearly Biohaven & now SK have moved on to a different CNS indication (focal epilepsy) for which other Kv7 channel-targeted drugs have performed well on clinical/regulatory metrics. Opakalim/BHV-7000 also failed to show significant impact on bipolar disorder symptoms (as measured by the YMRS; Young Mania Rating Scale) at three-week follow-up in a 256-patient Phase II study reported back in Mar/25. In the bipolar disorder study, opakalim/BHV-7000 was administered at a 75mg daily dosage strength, which is the highest dosage strength undergoing testing in the four-arm (three of which are BHV-7000 study arms) RISE 2 focal onset epilepsy trial.
 - Kv7 potassium channels are as its name implies a specific isoform of potassium channels that are distributed throughout the body, usually playing a role in transmitting electrical signals through or around tissues that require those signals for activity, such as the beating heart or neurons in the central nervous system or in the brain. Followers of the Canadian drug development universe will recall that BC-based Cardiome Pharma (CRME-Q was the ticker at the time, changing the ticker to CORV-Q when it rebranded as Correvio) developed a cyclohexane-derivatized small-molecule drug called Vernakalant (branded as Brinavess; approved in Canada-Europe but not the US) that exhibited mixed sodium- & potassium-channel (specifically a rapid delayed rectifier potassium channel form called Kv1.5 as summarized just last month in an editorial in the journal *Heart Rhythm Open*) inhibiting activity to a degree that made it relevant as a therapy for rapid-onset atrial fibrillation, but without exhibiting any unique inhibitory action against Kv7 channels.
 - Because potassium channels are so ubiquitously distributed throughout the body in many cells/tissues, the ability to selectively inhibit only one type of channel & in only one cell type has been the goal of drug developers for decades & in recent years, that goal has been achieved at least partially & not just by Biohaven. Voltage-gated Kv7 channels are often described as the brake for stopping electrical signalling in neurons, especially in the brain where complex body functions are coordinated. Neurons once stimulated to create an action potential are predisposed to continue sending action potential-enabled signals unless signalled to stop somehow. Kv7 channels are one of the 'stop' mechanisms that discontinue neuronal firing & in epilepsy patients, these channels experience a loss of function that impedes their ability to open & let potassium pass through in a voltage-dependent fashion. The inability to stop neuron firing if occurring in the brain is a hallmark symptom of epileptic activity, hence the interest in focusing on this particular channel for epilepsy drug development.
 - The Kv7 channel protein is encoded by two distinct genes called *KCNQ2* & *KCNQ3*, both of which produce subtypes of Kv7 channels (predictably called Kv7.2 & Kv7.3 channels) that when deployed into the membrane of functioning neurons serve to create a so-called M-current that slows down the firing of neurons that would just keep on firing without that offsetting current to slow down the firing. When this insight was established through genetic & biochemical analysis,

it was clear that targeting Kv7 channels specifically was a plausible way to stem the overactivation of neurons in the brain & attenuating epileptic seizure activity in parallel. M-currents derive their name from the fact that they are themselves regulated by so-called muscarinic acetylcholine receptors also found in neurons.

- One of the early clues into how influencing potassium channels encoded by *KCNQ2/KCNQ3* could be relevant to epilepsy therapy was the observation that mutations in these genes that impeded or eliminated the M-current they cause led to the development of seizure-like activity in experimental animals. Indeed, one of the first drugs in this class to be FDA-approved for treating epilepsy was the Kv7 channel-targeted drug ezogabine, branded as Potiga by GSK (GSK-LN, NR) when approved back in Jun/11, but Potiga marketing was discontinued in 2017 based on pigmentation changes on the skin & in the eyes that materialized with chronic use, presumably from degenerate agonist activity directed at other analogous but functionally distinct potassium channels in those organs.

Exhibit 7. Molecular Structures Of Known Kv7 Potassium Channel-Opening Drugs, Including Biohaven's Opakalim/BHV-700



Source: *CNS Drugs* (2025). Vol. 39, pp. 263-288 ; MedChemExpress

- A next-generation analog of ezogabine that navigated clinical testing was azetukalner/XEN1101 as developed by BC-based Xenon Pharmaceuticals (XENE-Q, NR), the drug for which Xenon reported positive Phase III epilepsy data earlier this year from the 380-patient X-TOLE2 focal onset seizures trial. At final analysis presented in Mar/26, Xenon reported that azetukalner/XEN1101-treated patients experienced far fewer focal onset seizure episodes over a three-month follow-up period as compared to placebo patients, specifically showing a 53.2% median percent change in monthly seizure frequency at the highest dosage strength tested (25-mg daily).
- Capital markets responded favorably to the Phase III update both in terms of acute share price augmentation & then by participating in a US\$747.5M equity offering thereafter that was coincidentally quite similar to deal economics ascribed by SK to Biohaven's opakalim/BHV-700. Azetukalner/XEN1101 was characterized pharmacologically in an Apr/25 paper published by Xenon & its academic collaborators in the journal *Neurology* & in similar detail in a separate review article published in Apr/24 in the journal *Expert Review of Clinical Pharmacology*. Xenon is separately funding the 360-patient X-TOLE3 trial in focal onset seizure patients, for which three-month seizure frequency data are expected from the three-arm placebo-controlled trial by end-of-FQ426.
- Other Kv7-targeted anti-seizure medications that are in various stages of clinical development, as described in a 2025 review published by University of Melbourne/University of Monash-based researchers in the journal *CNS Drugs* include the ezogabine derivative pynegabine/HN37 (Exhibit 7) developed by the Shanghai Institute of Materia Medica (private)

for which a 32-patient Phase II placebo-controlled focal epilepsy trial is ongoing in China (the protocol is described in a 2024 paper in the journal *CNS Neuroscience & Therapeutics*) & the isoquinoline analog drug CB03-154 also developed in China (this time by Shanghai Zhimeng Biopharma [private]) for which commencement of a 180-patient Phase II focal epilepsy trial is pending.

- Many years ago, Pfizer (PFE-NY, NR) was developing – or more specifically, a firm that it acquired in Jul/11 (NC-based Icagen [ICGN-Q, NR]) was developing - a Kv7 channel-targeted drug called PF-04895162 for which a ten-patient Phase I trial concluded back in F2013, but a 2019 paper in the journal *Pharmacology Research & Perspectives* reported dose-limiting hepatotoxicity, largely explaining why the drug does not appear to be in active clinical testing, at least not by that name. Various other Kv7-targeted preclinical-stage small-molecules were described in the *CNS Drugs* review, any one of which we may feature in a forthcoming Healthcare Weekly if new efficacy data materializes.
- Shifting to competitive landscape in the focal epilepsy clinical universe, we see that a few Phase III studies are being sponsored by corporate entities, including the following:
 - ♦ **UCB pharma continues clinical testing of already-approved brivaracetam/Briviact.** The Belgium-based drug development giant UCB Pharma (UCB-BB, NR) is testing its already-approved (in F2016 but is already widely genericized) orally active, high-affinity synaptic vesicle protein 2A-binding small-molecule drug brivaracetam/Briviact in a 70-patient Phase III pediatric partial onset seizures trial for which final seizure event rate data are expected by FH230. We consider brivaracetam to be part of the existing epilepsy pharmacopeia already.
 - ♦ **Praxis tests antisense RNA drug elsunersen for down-regulating the SCN2A gene.** Praxis Precision Medicines (PRAX-Q, NR) is testing the intrathecally-administered antisense RNA drug elsunersen in early onset SCN2A developmental & epileptic encephalopathy, a form of epilepsy caused by mutations in the neuronal Nav1.2 sodium channel-encoding *SCN2A* gene. Elsunersen mitigates expression of *SCN2A* transcripts that if expressed can cause hyperactivity in the Nav1.2 sodium channels that they encode & this was nicely documented in a single-patient case study published in Jul/25 in the journal *Nature Medicine* by University of Muenchen researchers. A 40-patient Phase III trial is ongoing for which seizure frequency data are expected by end-of-FQ428.
 - ♦ **Another antisense drug targeting overactive sodium channels is advancing through Phase III by Stoke Therapeutics.** MA-based Stoke Therapeutics (STOK-Q, NR) is testing voltage-gated sodium channel protein Nav1.1-targeted antisense oligonucleotide drug zorevunersen/STK-001 as a therapy for Dravet's syndrome. Similar to but distinct from ensenersen, zorevunersen/STK-001 is designed to silence expression levels of the *SCN1A* gene. The RNA-based drug serves to enhance activity of wild-type *SCN1A* sodium channel activity by silencing mutated forms of the channel that are expressed in Dravet syndrome patients. A 162-patient Phase III study (the EMPEROR trial) is ongoing for which interim seizure frequency data are expected during FH127 & final seizure frequency data are expected by FQ428. Data presented at the Apr/26 American Association of Neurology meeting showed that zorevunersen/STK-001 sustained reduced seizure frequency compared to baseline frequency in virtually all evaluable subjects in an open-label Phase II extension study.
 - ♦ **Jazz continues testing of its already-approved cannabidiol formulations.** Unsurprisingly, CA-based Jazz Pharmaceuticals (JAZZ-Q, NR) continues to test its purified semi-synthetic cannabidiol formulation CBD-OS in various epilepsy-based seizure indications, including in an ongoing 120-patient Phase III developmental & epileptic encephalopathy trial for which data are expected by end-of-F2029. Recall that Jazz's initial cannabidiol formulation Epidiolex (FQ226 sales US\$292.1M) was acquired as part of the UK-based GW Pharmaceuticals transaction back in FQ121 for US\$7.2B. As with UCB's Briviact, we already consider Epidiolex/cannabidiol to be part of the epilepsy pharmacopeia already. Separately, Jazz is testing the same cannabidiol formulation (this time called JZP926 in its pipeline) in a 260-patient Phase II/III juvenile myoclonic epilepsy trial for which data are expected by FH228.
 - ♦ **Rapport tests its imidazole-derivative TARPγ8-targeted drug RAP-219 in two pivotal epilepsy trials.** MA-based Rapport Therapeutics (RAPP-Q, NR) is testing RAP-219 in a 333-patient Phase III focal seizure trial (the FOCUS1 trial) & a 312-patient Phase III focal seizures trial (the FOCUS2 trial), with seizure episode rate data expected from both studies by end-of-FQ429. RAP-219 was formerly called JNJ-64300912 when it was part of J&J's (JNJ-NY, NR) pipeline & is an AMPA receptor negative allosteric modulator (AMPA is short for α-amino-3-hydroxy-5-methyl-4-isoxazolepropionic acid), one of the many glutamate receptors in neurons that modulate their electrical signal-

transmitting activity. However, RAP-219 is specific for one particular isoform of this receptor called TARPγ8 that is mostly expressed in the parts of the brain (the memory-relevant hippocampus & the neocortex) where seizure activity frequently arises.

- ♦ RAP-219 performed well in a Phase IIa four-month focal seizure trial for which data were presented in Apr/26 at the American Academy of Neurology meeting in Chicago. Data showed that RAP-219-treated patient experienced a 90% median reduction in seizure frequency as compared to baseline frequency at enrollment at 9-to-12-week follow-up, though sustaining a drop to a 59% reduction in seizure frequency at sixteen-week follow-up. Rapport has not published the drug's structure just yet but based on the patents that Rapport claims are relevant to protecting RAP-219 composition of matter, we believe it is an azabenzimidazole derivative (the amino acid histidine has an imidazole side chain so we conceptualize RAP-219 as a sort of derivatized histidine variation).
- ♦ **Ona Pharma is testing already-approved cenobamate/Xcopri in pediatric epilepsy markets.** Japan-based pharma firm Ona Pharmaceutical (4528-JP, NR) is testing voltage-gated sodium channel blocker cenobamate/Xcopri (US)/Ontozry (EU) (called ONO-2017 in Ono's pipeline) in a 20-patient pediatric Phase III partial-onset seizure trial for which data are expected by end-of-FQ429. The drug selectively blocks the inactive form of the channel, thus inhibiting sustained voltage-driven sodium transport through the channel & the electrical activity that it facilitates. Ironically, this is an already-FDA-approved epilepsy drug that is in SK Pharmaceuticals' commercial portfolio for treating adult partial-onset seizures. Accordingly, the ongoing trial if favorably concluded would expand Xcopri's target market to include children/adolescent patients but not impede its existing commercial prospects in adult epilepsy medical markets. The drug was FDA-approved in Mar/20, generating generated FQ226 sales US\$178M.
- ♦ **Regenerative stem cell approaches to epilepsy therapy advance with Neurona's Rezanecel/NRTX-1001.** Exploring a distinct regenerative medicine approach is CA-based Neurona Therapeutics (private) with its neural cell therapy Rezanecel/NRTX-1001 for which testing in mesial temporal lobe epilepsy is ongoing in an 88-patient Phase III trial (the EPIC trial) for which longer-term data are expected way down the road in FH243 but with interim data expected during F2029. Like Rapport, Neurona reported Phase II data from a 31-patient mesial temporal lobe epilepsy trial at the AAN meeting in Apr/26, nicely showing a 89% reduction in seizure frequency during a 7-to-12 month follow-up period in test animals to which Rezanecel/NRTX-1001 was administered.
- ♦ NRTX-1001 is derived from human stem cells & are signalled to differentiate into so-called MGE-pallial interneurons that have high GABAergic activity (which means that channel proteins stimulated by the amino acid GABA [a major chemical signalling molecule in the brain] are highly active in NRTX-1001 stem cell derived neurons). These cells express gamma-amino butyric acid (GABA)-binding receptors in mature MGE-pIN cells & when expressed in host tissue are less susceptible to seizure activity & have been shown to behave in this manner in test animals (a high-profile proof-of-concept paper was published by Neurona in Oct/25 in the journal *Neuron* but earlier studies on the utility of Neurona's stem cell platform date as far back as 1997 & probably earlier).
- **REGENXBIO (RGNX-Q, NR) discloses another FDA clinical hold for its adenovirus-based Hunter syndrome gene therapy, focusing our attention on long-term adenovirus safety, with relevance to competitive landscape in DMD – readthrough to our Satellos coverage.** The agency placed the hold on RGX-121 (clemidsogene lanparvovec), an investigational AAV9-based therapy for mucopolysaccharidosis type II, after expanded spine MRI surveillance identified asymptomatic small nodules or cystic masses in five of 48 participants in the Phase I/II/III CAMPSIITE trial. The affected patients received intracisternal or intraventricular RGX-121 approximately three to six years ago. Investigators classified the findings as nonserious & radiologists assessed them as likely benign, but the company does not expect to resubmit the RGX-121 Biologics License Application in the near term. Shares fell 25% to about US\$8.00 at market close from US\$10.72 on the previous day of trading, partially recovering share value since then to equilibrate near US\$9.00.
- **The findings arise against a backdrop of accumulating questions regarding the long-term consequences of AAV vector administration.** In Jan/2026, the FDA halted RGX-121 & the closely related RGX-111 (MPS I/Hurler syndrome) after a routine brain MRI identified an asymptomatic intraventricular CNS tumor in a child who had received RGX-111 four years earlier. The case has since provided the first compelling molecular evidence of AAV-associated insertional oncogenesis in a human patient. Ahrens-Nicklas, George, & colleagues at CHOP subsequently published the tumor's molecular characterization in the *New England Journal of Medicine*, demonstrating AAV vector integration at the PLAG1 proto-oncogene locus across the majority of tumor cells. Mechanistically, part of the AAV vector integrated into PLAG1

in a way that effectively placed the normally silenced gene under the control of the vector's strong expression machinery, generating a chimeric AAV-PLAG1 transcript & driving ~300-fold PLAG1 overexpression relative to other pediatric CNS tumors. PLAG1 is a developmentally regulated transcription factor that is normally silenced after embryogenesis, while downstream genes associated with PLAG1 activity were also strongly expressed, supporting the view that the integration was biologically active rather than a passive finding. The same integration was present across much of the tumor, consistent with expansion from an ancestral cell carrying the AAV-PLAG1 event (Ahrens-Nicklas et al., *NEJM*, 2026). The tumor was successfully resected & the patient continues to show advanced cognitive function, indicating that the gene therapy did mitigate MPS I, but the molecular findings converted what had largely been a theoretical risk into a documented clinical precedent.

- The specific RGX-111 oncogenic mechanism does not guarantee translation directly across the AAV classes/targets. AAV vectors are predominantly non-integrating, with the delivered DNA generally persisting separately from the chromosomes as circular episomes, although rare genomic integration events have long been documented preclinically. The CHOP case demonstrates that such an event can occur in the human pediatric CNS following direct administration of an AAV9 vector, but it remains unclear how much risk is determined by capsid, route of administration, local vector exposure, patient age or the proliferative state of the target tissue.
- Both REGENXBIO MPS programs use the same NAV AAV9 capsid delivered directly into the cerebrospinal fluid, whereas RGX-202 uses NAV AAV8 delivered intravenously to skeletal muscle. REGENXBIO reported in May 2026 that Phase III AFFINITY DUCHENNE of RGX-202 met its primary endpoint (reaching at least 10% microdystrophin expression) with high statistical significance ($p < 0.0001$), with microdystrophin expression correlating with one-year functional improvement on the North Star Ambulatory Assessment ($n=9$); the confirmatory study completed enrollment in June 2026 & a BLA submission is planned for Q3 2026. There are DMD programs with closer capsid lineage: Precision BioSciences' (DTIL-Q, NR) PBGENE-DMD uses AAV9 delivered intravenously at 1×10^{14} vg/kg to transiently deliver ARCUS gene editors, while Solid Biosciences' (SLDB-Q, NR) SGT-003 uses POLARIS-101, a muscle-tropic capsid derived from AAV9. However, route & target tissue remain materially different from RGX-111, & PBGENE-DMD is designed to permanently edit the endogenous dystrophin gene rather than depend on sustained expression of an AAV-delivered therapeutic transgene, making an analogous promoter-driven AAV-host gene chimera less directly relevant to its intended mechanism.
- **For systemic DMD gene therapies, the more immediate safety consideration is not genomic integration but the high vector exposure & acute organ toxicities already demonstrated clinically.** The most consequential precedent is Sarepta's (SRPT-Q, NR) ELEVIDYS, an AAVrh74-based gene therapy delivered intravenously at $\sim 1.33 \times 10^{14}$ vg/kg. In Mar/2025, Sarepta disclosed the death of a non-ambulatory patient from acute liver failure following ELEVIDYS treatment, followed by a second fatal case in Jun/2025. A third death occurred in 2025 in a 51-year-old patient treated with Sarepta's investigational SRP-9004 for limb-girdle muscular dystrophy type 2D/R3, which uses the same AAVrh74 serotype as ELEVIDYS; the FDA indicated that this death also appeared related to acute liver failure, extending the hepatotoxicity signal beyond ELEVIDYS into a second indication with the same capsid.
- The FDA subsequently requested a temporary pause in ELEVIDYS shipments, including a brief pause in the ambulatory population in early Jul/25, before recommending that ambulatory shipments resume at end-of-Jul/25. In Nov/2025, the agency approved a Boxed Warning for acute serious liver injury & acute liver failure, including fatal outcomes, & removed the non-ambulatory indication, restricting ELEVIDYS to ambulatory DMD patients aged four years & older. The current prescribing information also requires extensive liver monitoring following infusion & warns of immune-mediated myositis & myocarditis, highlighting a broader immune & organ-toxicity burden associated with systemic AAV administration. For systemic DMD gene therapies more broadly, this exposure-related toxicity profile may be the more relevant near-term safety consideration than the specific PLAG1 integration event observed with intracisternal RGX-111. Systemic vector doses across the DMD landscape reinforce that point: PBGENE-DMD & SGT-003 are each being evaluated at 1×10^{14} vg/kg, ELEVIDYS is dosed at $\sim 1.33 \times 10^{14}$ vg/kg, & RGX-202 at 2×10^{14} GC/kg, the highest of the four.
- The commercial trajectory of ELEVIDYS provides a useful precedent for how an AAV safety signal can alter an otherwise successful gene therapy launch. ELEVIDYS net product revenue reached \$384.2 million in Q4/2024 & remained at \$375.0 million in Q1/2025, before declining to $\sim$ \$282 million in Q2/2025, \$131.5 million in Q3/2025, \$110.4 million in Q4/2025, \$102.0 million in Q1/2026 & \$98.1 million in Q2/2026, representing a $\sim$ 74% decline from the Q4/2024 peak.

The deterioration began around the safety disclosures & subsequent interruption to treatment, while removal of the non-ambulatory indication further reduced the addressable population. Sarepta has maintained that underlying demand among eligible ambulatory patients remains intact & has attributed some of the slower uptake to disruption & an ongoing information gap following the 2025 safety events. Regardless, the experience illustrates that even when a safety signal appears concentrated in a particular patient subgroup, the resulting regulatory action & physician/patient uncertainty can have significant commercial consequences.

- **For Satellos Bioscience (MSLE-Q/MSCL-TSX, Spec Buy, PT US\$16.00), the accumulating AAV safety record reinforces differentiation for SAT-3247 that extends beyond mechanism of action.** As an oral small-molecule AAK1 inhibitor, SAT-3247 avoids AAV-associated oncogenesis, capsid immune responses & is re-dosable, unlike current AAV gene therapies, where anti-capsid immune responses preclude repeat administration. Each incremental AAV safety signal further distinguishes a viral-vector platform whose long-term risk profile continues to evolve from a pharmacological approach whose safety monitoring follows more established small-molecule conventions.
- As a reminder, SAT-3247's differentiation from gene therapy also extends to a biomechanistic gap that current microdystrophin constructs cannot address. Full-length dystrophin contains 24 spectrin-like repeats, designated R1 through R24, of which R8-R9 form the binding site for MARK2/Par1b, a polarity kinase required for asymmetric satellite stem cell division & maintenance of the regenerative pool (Dumont et al., *Nat Med*, 2015). Current microdystrophin constructs, including those used in ELEVIDYS, RGX-202, & SGT-003, omit R8-R9 due to AAV packaging constraints & consequently cannot restore this dystrophin-dependent regenerative signaling axis. SAT-3247 instead acts downstream of this gap, promoting satellite cell self-renewal through AAK1 inhibition independently of dystrophin. The differentiation is not limited to SAT-3247's dystrophin-independent, mutation-agnostic mechanism; it increasingly extends to the modality itself.
- **China's Haisco Pharmaceutical Group (002653-SZSE, NR) licenses preclinical oral small molecule to newly formed US biotech Sentivera (private) in deal valued at up to US\$1.5B – readthrough to our Eupraxia coverage.** Sentivera, co-founded by ARCH Venture Partners & Population Health Partners, was spun up as a purpose-built single-asset vehicle designed to develop & commercialize a specific licensed compound rather than licensing to an existing company through a conventional deal structure. The duo are the same investors that launched Metsera in 2022, subsequently acquired by Pfizer (PFE-NY, NR) for US\$10B in 2025. Under the agreement, Sentivera receives exclusive global rights (excluding Greater China) to develop, manufacture & commercialize HSK60002, a Class 1 innovative oral small molecule that received investigational new drug (IND) clearance from China's NMPA earlier this month, permitting the compound to advance into first-in-human clinical trials. Haisco retains all Greater China rights. Financial terms include US\$40M cash upfront plus approximately US\$36M in equity consideration (17.5% stake in Sentivera), up to US\$1.46B in development, regulatory & commercial milestones, & mid-single-digit to low-double-digit tiered royalties on net sales.
- HSK60002, which appears to be the undisclosed asset referenced in Haisco's transaction filing, is described only as an oral small molecule targeting type 2 inflammatory diseases, a category spanning asthma, atopic dermatitis, chronic rhinosinusitis & eosinophilic esophagitis. The molecular target has not been disclosed; Chinese regulatory filings confirm the compound is a Class 1 innovative chemical drug with preclinical efficacy in animal models & a clear but unspecified mechanism of action. HSK60002 is distinct from HSK44459, Haisco's PDE4B inhibitor already in Phase II for atopic dermatitis & IBD (UC/Crohn's), & from HSK31858, a DPP1 inhibitor licensed to Chiesi Farmaceutici [private] for bronchiectasis & asthma.
- The US\$1.5B headline valuation for a preclinical asset with no clinical proof-of-concept stands out. Type 2 inflammation is a massive & well-validated therapeutic area, anchored by Dupixent (dupilumab; Sanofi [SNY-Q, NR] / Regeneron [REGN-Q, NR]), which reached approximately US\$18.7B in global net sales in FY2025. But the vast majority of the Sentivera deal value sits behind clinical, regulatory & commercial milestones that are years from realization.
- The pattern of forming a NewCo around a high-conviction molecule licensed from a Chinese innovator, building it with US capital, & positioning for a partnering or M&A exit also stands out as an emerging approach. Haisco alone has completed five major out-licensing deals in 2026, including collaborations with Eli Lilly [LLY-NY, NR] (up to US\$3B for five programs), AbbVie [ABBV-NY, NR] (up to US\$715M for pain assets), Nuvectis [NVCT-Q, NR] (up to US\$1.4B for two late-stage programs), AirNexis (private; US\$955M for a clinical-stage lung disease asset) & now Sentivera; the company has established itself as one of the significant China-to-US licensors in the current cycle.

- For Eupraxia Pharmaceuticals (EPRX-Q, Buy, PT US\$15.50), the continued deal flow at scale into type 2 inflammatory diseases validates the commercial opportunity across this space, including EoE. EP-104GI competes directly with systemic approaches for the same patient population but is differentiated by local esophageal delivery via DiffuSphere fluticasone depot, offering once-yearly administration during routine surveillance endoscopy versus weekly biologic injections, at a substantially lower projected cost, & with the broad-spectrum anti-inflammatory pharmacology of fluticasone rather than a single-pathway biologic mechanism. EP-104GI is also substantially de-risked relative to a preclinical-stage entrant, with Phase I/II RESOLVE data in hand & a Phase IIb readout expected in Q4 2026. The Sentivera asset remains years from clinical data in any indication, & no EoE development plans have been disclosed.
- Another EoE-targeted antibody therapy generates positive traction in Phase III testing.** While on the topic of Eupraxia, we observed yesterday that CA-based Amgen (AMGN-Q, NR) in partnership with UK-based AstraZeneca (AZN-LN, NR) reported positive Phase III data for a 360-patient eosinophilic esophagitis (EoE) trial (the Crossing trial) testing the partner's already-approved anti-thymic stromal lymphopoietin (TSLP) mAb tezepelumab (branded as Tezspire). Data showed statistically significant improvement in histologic remission (reduced numbers of eosinophils recruited into esophageal tissue) at six-month follow-up compared to placebo patients. Neither Amgen nor Astra provided any quantifiable data in support of this efficacy claim but we assume that formal data will be reported in abstract form at a forthcoming scientific conference. The mAb was already FDA-approved in 2021 for treating severe asthma & chronic rhinosinusitis, generating FQ226 sales for Amgen of US\$486M. Amgen/Astra are separately testing Tezepelumab/Tezspire in Phase III chronic obstructive pulmonary disease (COPD) in the ongoing 990-patient Journey trial & the comparably-sized 990-patient Embark trial, for which COPD lung function data are expected in early FH129.
- We stand by our view that EP-104GI's clinical prospects in future Phase III EoE will rest or fall on the drug's own impact on histological remission or overall EoE symptomatic relief, impact that interim RESOLVE data already showed us could be significant. The DiffuSphere formulation also has the added advantage of being more sustainable with single intra-tissue injection & at more favorable cost to patients & insurers. But the journey to Phase III EoE data for EP-104GI is still ongoing & our EPRX valuation continues to be based on the drug's intrinsic pharmacologic prospects that we obviously consider within the context of competitive landscape, but without being overly indulgent in the clinical successes of Eupraxia's peers.
- FDA approves Revolution Medicines' (RVMD-Q, NR) daraxonrasib/Rasonque for metastatic pancreatic adenocarcinoma, marking the first approval of a broad RAS(ON) inhibitor.** The label covers adults who have received at least one prior systemic therapy or who are not candidates for multiagent systemic therapy, & importantly is not restricted by RAS genotype, allowing use without selection for a specific KRAS mutation. The approval was supported by the Phase III RASolute 302 trial, where daraxonrasib nearly doubled median OS versus investigator's-choice chemotherapy (13.2 vs. 6.7 months; HR 0.40, $p < 0.0001$) & improved median PFS (7.2 vs. 3.6 months; HR 0.49, $p < 0.0001$). FDA approved Rasonque approximately 6.5 months ahead of its goal date following review through the Commissioner's National Priority Voucher program, Real-Time Oncology Review & Project Orbis, with Health Canada participating in the latter. Rasonque is dosed orally at 300 mg once daily & is now available in the U.S.
- We provided more comprehensive commentary on Revolution & daraxonrasib & their relevance to targeting Ras-activated cancer forms in an earlier Healthcare Weekly & we can send that document to interested investors on request, just let us know. The approval provides further validation of RAS biology across gastrointestinal cancers, with a relevant read-through for **Oncolytics Biotech (ONCY-Q, Spec Buy, PT US\$3.00)**. Daraxonrasib's substantial survival benefit & now regulatory validation reinforce the therapeutic relevance of targeting RAS-driven tumors. While pancreatic cancer currently appears to rank behind second-line colorectal & squamous cell anal cancer within Oncolytics' development priorities, pelareorep has documented pharmacology overlapping with KRAS-mutant tumor biology, & we continue to view PDAC as a plausible future indication rather than one that should necessarily be deprioritized on competitive grounds alone. We maintain our rating/PT.
- Jazz receives FDA approval for zanidatamab in gastric & esophageal cancer.** The other FDA approval that caught our eye this week was received by CA-based specialty pharmaceutical firm Jazz Pharmaceuticals (JAZZ-Q, NR, which we featured in our epilepsy drug development landscape section above) for zanidatamab/Ziihera, the firm's bispecific mAb that targets two different epitopes on the ubiquitous cancer cell surface marker HER2 & which was licensed from BC-based bispecific mAb developer Zymeworks (ZYME-Q, NR). Zymeworks independently announced the approval, not just because the

approval is highly relevant to validating its bispecific mAb development platform overall (which the firm brands as Azymetric) but because the approval triggered a US\$250M milestone payment from Jazz, representing only part of the US\$1.3B in cumulative milestones that Zymeworks could receive under its Jazz alliance. Cumulative milestones received from Jazz during the two firm's mAb development alliance is now US\$650M.

- The approval is for the use of zanidatamab/Ziihera in treating locally advanced or metastatic gastric or esophageal cancer, which requires that the HER2-targeted mAb be combined with a few other anticancer agents, including another mAb called tislelizumab/Tevimbra (an anti-PD1 mAb that was already FDA-approved in 2024 for treating gastric/esophageal cancer by NJ-based drug developer BeOne Medicines [6160-HK, NR]) & at least two other categories of small-molecule DNA repair-impeding therapies, one a fluoropyrimidine therapy that almost always means 5-fluorouracil though it could mean the pancreatic cancer drug gemcitabine/Gemzar or capecitabine/Temodar (which it does in pivotal Phase III testing in this circumstance, see below), & platinum-containing chemotherapy that used to mean cis-platin but in current times probably means oxaliplatin. Jazz recorded Ziihera FQ226 sales of US\$15.5M, presumably for treating biliary tract cancer for which approval was granted in Nov/24.
- In parallel, Roche's (ROG-SW, NR) immunohistochemical assays branded as PATHWAY anti-HER2/neu Rabbit Monoclonal Primary Antibody & as VENTANA HER2 Dual ISH DNA Probe Cocktail are indicated to identify patients with HER2-positive gastric/esophageal cancer, with expression of that epidermal growth factor receptor form obviously being necessary for zanidatamab/Ziihera to exert its cancer cell binding activity.
- The zanidatamab/Ziihera combination therapy now approved was tested in the 914-patient Phase III HERIZON-GEA-01 trial that was described in abstract form at the 2026 ASCO meeting, showing at final analysis that overall survival in the three-arm trial was superior for zanidatamab/tislelizumab-treated patients in comparison to patients alternatively treated with Roche/Genentech's long-ago approved also-HER2-targeted trastuzumab/Herceptin (26.4 months vs 19.2 months). A similar benefit in progression-free survival was observed in parallel (12.4 months vs 8.1 months).
- Interestingly, a different study arm in which zanidatamab was tested with co-administration of tislelizumab showed a benefit in progression-free survival in comparison to trastuzumab-treated patients but not on overall survival, at least not at the time of FDA review. Roche's parallel diagnostic assays that quantified levels of HER2 expression level predictably showed that magnitude of HER2 expression correlated with response, with patients presenting with HER2 levels above a defined threshold (designated at 3+ in the ASCO abstract) responded better on median progression-free survival (14.2 months for zanidatamab-treated patients [without anti-PD1 mAb tislelizumab being administered in this study arm] vs 7.6 months for trastuzumab-treated patients).
- The clear distinction in progression-free survival outcomes for two different mAbs that target the exact same cancer cell surface marker does intrigue us & speaks to the benefits of developing bispecific mAbs that can bind to a single disease biomarker at more than one site. In its approval announcement, Jazz indicated that about 20% of gastric/esophageal patients express HER2 at a level that makes them amenable to anti-HER2 mAb therapy, so about 6,200 of the 31,000 new gastric cancer cases that are diagnosed in the US each year.
- On the milestone watch for Jazz, it has two other ongoing Phase III cancer programs that incorporate zanidatamab into study protocol & these include a 286-patient Phase III HER2-positive biliary tract cancer trial that is testing zanidatamab in combination with cisplatin-gemcitabine (a platinum-based drug & a fluoropyrimidine, as described above for the HERIZON-GEA-01 trial) along with an anti-PD1 mAb (in this case, Merck's [MRK-NY, NR] pembrolizumab/Keytruda) & an anti-PD-L1 mAb (in this case, AstraZeneca's [AZN-LN, NR] durvalumab/Imfinzi). Final survival data are expected during F2030. The other trial that caught our attention is 550-patient Phase III HER2-positive metastatic breast cancer study that as in HERIZON-GEA-01 will compare zanidatamab directly to trastuzumab in distinct randomized study arms. Various other small-molecule anticancer agents will be coadministered, including a fluoropyrimidine of some sort (capecitabine or gemcitabine) that seems to be intrinsic to any of the zanidatamab-relevant clinical programs that we surveyed. Survival data are also expected during F2030, though probably later in the year.

Capital Markets Summary

Exhibit 8. EBITDA Or EPS-Positive Canadian Healthcare Stocks

Company	Filing Curr.	Sym.	Shrs Out. (M)	Share Price 28-Aug	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	\$17.60	968	968	1,498	1,498	6.1x	6.3x	7.1x	NA	6.9x	7.5x
Jamieson Wellness	CAD	JWEL	41.5	\$45.74	1,898	1,898	2,379	2,379	14.4x	13.2x	12.0x	24.3x	21.2x	18.8x
K-Bro Linen	CAD	KBL	13.0	\$45.12	587	587	880	880	7.6x	8.0x	7.6x	26.7x	22.1x	18.0x
Medical Facilities ¹	CAD	DR	16.2	\$11.35	184	255	317	439	5.5x	5.3x	12.8x	16.2x	6.2x	14.9x
Microbix Biosystems	CAD	MBX	137.2	\$0.29	39	39	38	38	NA	NA	NA	NA	NA	NA
Savaria	CAD	SIS	72.1	\$28.25	2,038	2,038	2,193	2,193	11.3x	10.7x	9.7x	23.1x	20.4x	17.9x
Profitable Canadian healthcare firms - specialty pharmaceuticals development/sales ²														
Apotex	CAD	APTX	228.5	\$32.37	7,397	7,397	11,940	11,940	NA	NA	11.7x	NA	NA	14.8x
Aurinia Pharma	USD	AUPH	133.1	\$16.17	2,151	2,981	2,297	3,182	9.5x	NA	NA	6.8x	17.1x	13.7x
Bausch Health	USD	BHC	374.0	\$6.89	2,577	3,570	31,187	43,206	5.6x	5.6x	6.0x	NA	1.5x	1.7x
BioSynt	CAD	RX	11.5	\$14.75	170	170	172	172	13.3x	10.8x	9.2x	18.4x	16.6x	13.7x
Cipher Pharma ¹	CAD	CPH	25.4	\$10.36	263	365	420	582	15.2x	14.1x	12.0x	9.1x	12.9x	10.7x
HLS Therapeutics ¹	CAD	HLS	30.9	\$2.79	86	120	173	239	10.3x	8.7x	7.5x	NA	NA	NA
Knight Therapeutics	CAD	GUD	98.2	\$9.82	965	965	836	836	8.5x	10.0x	9.5x	NA	NA	40.5x
Medexus Pharma ¹	CAD	MDP	32.0	\$3.66	117	162	181	250	10.5x	11.4x	8.4x	48.6x	NA	13.4x
Profitable Canadian healthcare firms - eldercare services or infrastructure developers														
CareRx	CAD	CRRX	63.5	\$3.23	205	205	272	272	8.8x	7.9x	6.9x	7.6x	36.9x	15.9x
Chartwell Retirement	CAD	CSH.UN	328.3	\$21.08	6,920	6,920	10,087	10,087	22.2x	19.8x	17.8x	NA	NA	NA
Extencare	CAD	EXE	95.0	\$31.39	2,984	2,984	3,516	3,516	15.9x	13.9x	12.2x	23.7x	22.9x	20.7x
Vital Infrastructure	CAD	VITL.UN	250.0	\$5.50	1,375	1,375	2,569	2,569	12.8x	12.1x	12.1x	NA	NA	NA
Nova Leap Health	CAD	NLH	87.3	\$0.50	43	43	47	47	13.4x	NA	NA	32.1x	NA	NA
Sienna Senior Living	CAD	SIA	110.8	\$21.78	2,413	2,413	3,599	3,599	21.5x	17.7x	15.6x	41.5x	40.3x	34.6x
Profitable Canadian healthcare firms - medical equipment distribution/sales ³														
Covalon Technologies	CAD	COV	27.6	\$2.05	57	57	66	66	NA	10.8x	9.5x	27.3x	12.1x	10.3x
Viemed Healthcare	USD	VMD	38.1	\$11.88	452	452	468	648	6.0x	5.1x	4.4x	31.4x	28.0x	20.0x
Profitable Canadian healthcare firms - healthcare IT or digital IT services firms ⁵														
Healwell AI	CAD	AIDX	303.5	\$0.82	249	249	293	293	NA	39.5x	20.4x	NA	NA	NA
Hydreight	CAD	NURS	53.7	\$3.91	210	210	194	194	39.6x	8.5x	5.3x	46.3x	13.0x	7.7x
Vitalhub	CAD	VHI	63.4	\$7.91	502	695	368	368	12.5x	10.7x	8.9x	NA	42.1x	22.6x
Well Health	CAD	WELL	255.5	\$4.51	1,152	1,152	2,022	2,022	9.6x	10.7x	9.8x	NA	17.8x	12.6x
Average									12.7x	11.9x	10.3x	25.5x	19.9x	16.5x
Recently-acquired Canadian healthcare firms														
Andlauer	CAD	AND	39.2	\$54.97	2,152	2,152	2,165	2,165	13.4x	NA	NA	32.0x	NA	NA
Dentalcorp Holdings	CAD	DNTL	192.0	\$11.00	2,112	2,112	3,112	3,112	10.9x	NA	NA	NA	NA	NA
Kneat.com	CAD	KSI	96.7	\$6.50	628	868	604	604	NA	34.1x	22.4x	NA	NA	NA
Quipt Home Medical	USD	QIPT	44.5	\$3.65	162	223	235	323	5.4x	NA	NA	2.1x	NA	NA
Theratechnologies	CAD	TH	46.0	\$4.47	206	206	238	238	12.3x	NA	NA	NA	NA	NA

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

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

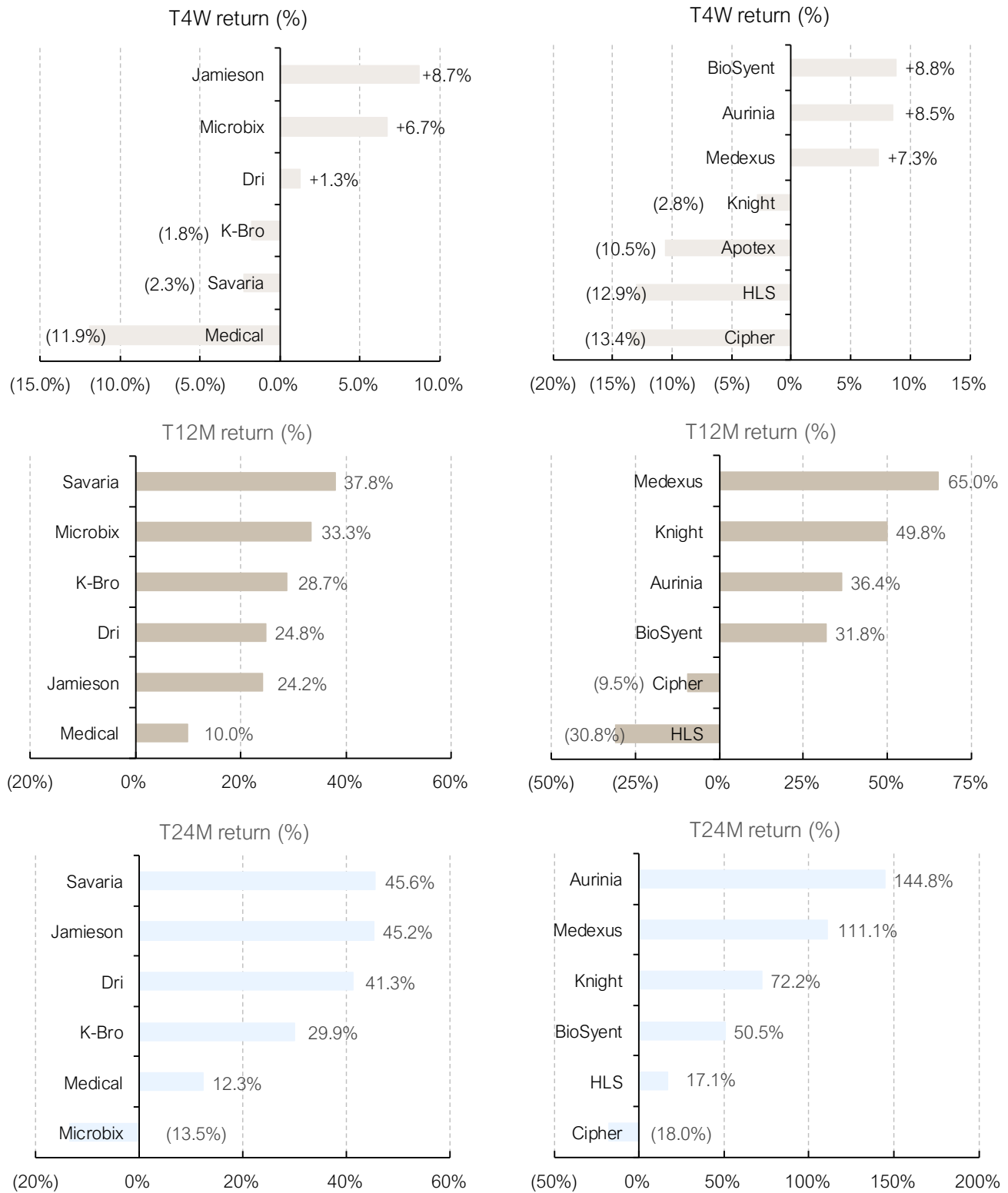
³ Quipt Home Medical was acquired by Kingswood Capital & Forager Capital for US\$3.65/shr in Dec/25, transaction closed in Mar/26

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 closed in Aug/26

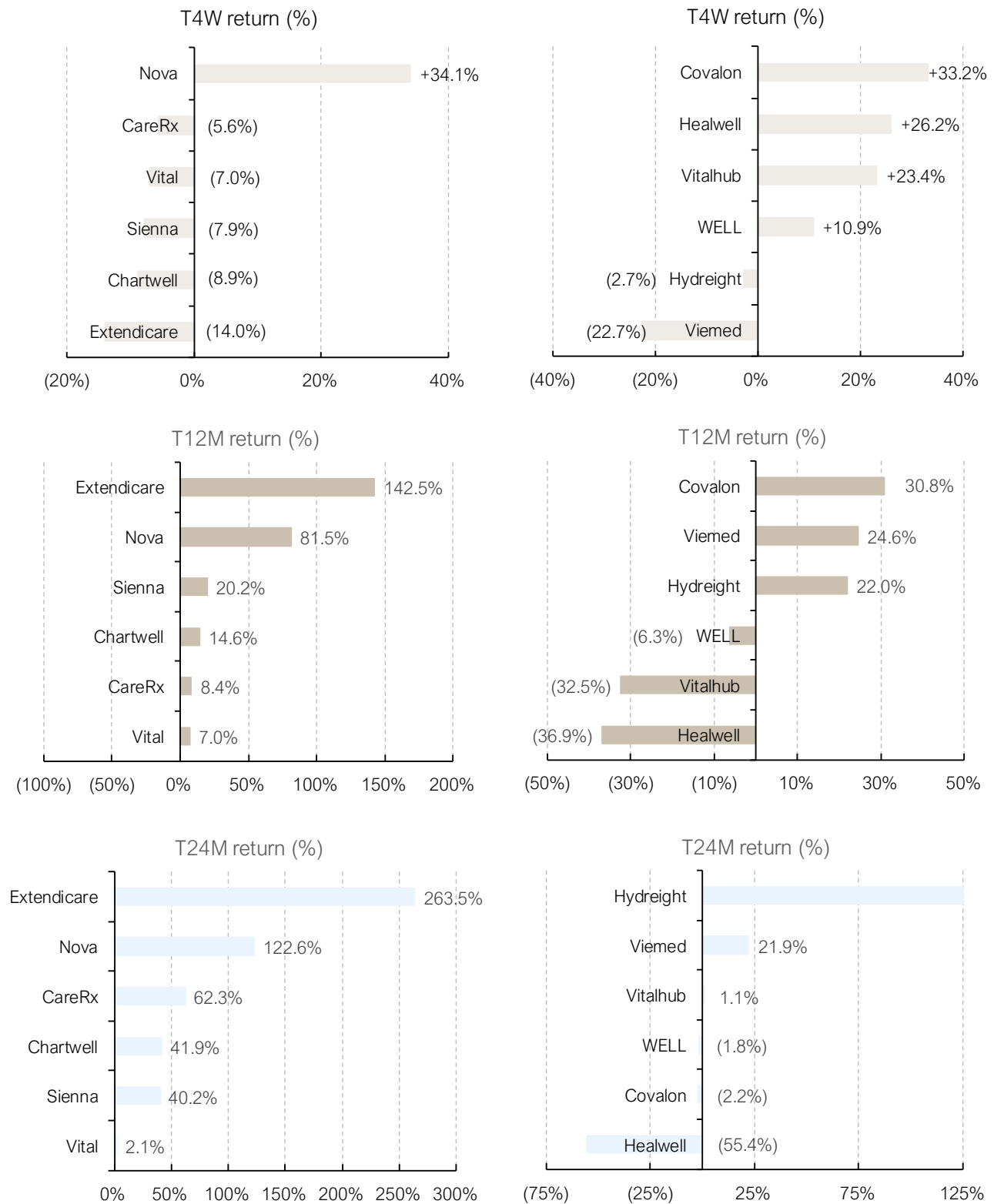
Source: Refinitiv, company reports, Leede Financial

Exhibit 9. 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 10. 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 1,800%*)

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

Historical Target Price

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