Zacks Small-Cap Research

December 21, 2015
Nisha Hirani, MD
312-265-9442 / nhirani@zacks.com
David Bautz, PhD
312-265-9471 / dbautz@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Suite 1600, Chicago, IL 60606

Tenax Therapeutics, Inc. (TENX-NASDAQ)

TENX: Enrollment Picks Up for Phase 3 LEVO-CTS in LCOS as Phase 2b LeoPARDS in Septic Shock Nears Completion…

Current Recommendation	**BUY**
Prior Recommendation	N/A
Date of Last Change	09/16/2015
Current Price (12/21/15)	$3.13
Target Price	**$10.00**

UPDATE

On December 15, 2015, Tenax Therapeutics, Inc. (NASDAQ:TENX) announced financial results for the second quarter fiscal year 2016 ended October 31, 2015. The company reported a net loss of $3.5 million or $0.13 per share for the second quarter fiscal year 2016.

We continue to believe that Tenax's lead asset, levosimendan, is a relatively de-risked clinical development opportunity for the indication of low cardiac output syndrome (LCOS). The FDA approved the Phase 3 LEVO-CTS trial amendment in October 2015, which has helped expedite patient enrollment. Trial data is expected by the end of 2016, and if all goes well, we could see potential FDA approval occurring in 2017. The LeoPARDS trial for levosimendan in septic shock has enrolled 512 of the expected 516 patients, and we expect to see data during the first half of calendar year 2016.

We still view Tenax shares as undervalued, and as providing significant long-term upside potential. We are maintaining our "Buy" rating and a price target of $10.00 per share.

SUMMARY DATA

52-Week High	**$3.88**
52-Week Low	**$2.88**
One-Year Return (%)	**-16.89**
Beta	**0.42**
Average Daily Volume (sh)	**31,386**
Shares Outstanding (mil)	**28**
Market Capitalization ($mil)	**$89**
Short Interest Ratio (days)	**13.57**
Institutional Ownership (%)	**42**
Insider Ownership (%)	**16**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue

(In millions of $)

	Q1 (Jul)	Q2 (Oct)	Q3 (Jan)	Q4 (Apr)	Year (Apr)
2014	$0.19 A	$0.06 A	$0.04 A	-$0.01 A	$0.29 A
2015	$0.00 A	$0.00 A	$0.00 A	$0.05 A	$0.05 A
2016	$0.00 A	$0.00 A	$0.00 E	$0.00 E	$0.00 E
2017					$25.3 E

Earnings per Share

(EPS is operating earnings before non-recurring items)

	Q1 (Jul)	Q2 (Oct)	Q3 (Jan)	Q4 (Apr)	Year (Apr)
2014	-$2.06 A	-$1.23 A	-$0.43 A	-$0.52 A	-$2.71 A
2015	-$0.08 A	-$0.14 A	-$0.14 A	-$0.14 A	-$0.50 A
2016	-$0.11 A	-$0.13 A	-$0.15 E	-$0.15 E	-$0.55 E
2017					$0.09 E

© Copyright 2015, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

Financial Update

On December 15, 2015, Tenax Therapeutics, Inc. (NASDAQ:TENX) reported financial results for the second quarter fiscal year 2016 ended October 31, 2015. Tenax reported a net loss of $3.5 million or $0.13 per share for the second quarter fiscal year 2016, compared to a net loss of $4.0 million, or $0.14 per share in the same period in fiscal 2015.

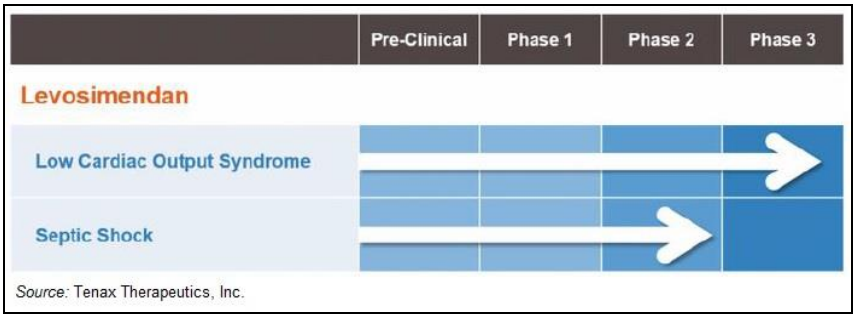
Total operating expenses for the three months ended October 31, 2015 were $3.7 million compared to $4.1 million for the same period in fiscal 2015. Research and development expenses for the second quarter fiscal year 2016 were $2.5 million, compared to $2.6 million in the same period in fiscal 2015. General and administrative expenses for the first quarter fiscal year 2016 were $1.2 million, as compared to $1.6 million in the same period in fiscal 2015. R&D expenses were higher than expectations, while G&A expenses were below expectations. We expect to see quarterly R&D increases as Phase 3 LEVO-CTS progresses through the remainder of calendar year 2015 and into 2016.

Cash burn for the quarter was $2.6 million. As of October 31, 2015, Tenax had $40.8 million in cash, including the fair value of its short and long term marketable securities, compared to $43.9 million at July 31, 2015. We believe that Tenax has enough cash to fund activities through calendar year 2017, which should be sufficient to fund completion of Phase 3 LEVO-CTS trial and a potential New Drug Application (NDA) for levosimendan for the low cardiac output (LCOS) indication. We do believe that the company will need additional capital to support Tenax's future commercialization activities including the anticipated commercial launch of levosimendan for LCOS.

As a side note, Tenax will be converting to a calendar year filer beginning January 1, 2016, and will be filing a transitional 10-K for the stub period of May 1, 2015 through December 31, 2015, followed by a first quarter 2016 for the period ended March 31, 2016.

Business Update

Tenax is currently evaluating levosimendan in a Phase 3 trial for low cardiac output syndrome (LCOS) in cardiac surgery and a Phase 2 trial for septic shock (*below*). Levosimendan has been granted Fast Track status by the U.S. Food and Drug Administration (FDA), which approved Tenax's Phase 3 LEVO-CTS clinical trial protocol under a Special Protocol Assessment (SPA) in 2012.



Source: Tenax Therapeutics, Inc.

FDA Approves Phase 3 LEVO-CTS Protocol Amendment

On October 8, 2015, Tenax provided a clinical progress update for the ongoing development of its lead product candidate, levosimendan. In the clinical progress update, Tenax announced that the FDA approved its requested protocol amendment for the Phase 3 LEVO-CTS trial.

Under the previous protocol, patients undergoing only a coronary artery bypass grafting (CABG) procedure were limited to those with a left ventricular ejection fraction (LVEF) of ≤ 25%. This amendment changes the inclusion criteria for the trial to cardiac surgery patients with a LVEF of ≤ 35% undergoing CABG, CABG and an aortic valve procedure, and CABG and/or a mitral valve procedure. Entry criteria was also clarified so that unjustified patient exclusions do not occur. Tenax believes that this amendment will significantly increase the potential patient

population that is eligible for enrollment in the trial. We see the approval of the protocol amendment by the FDA as good news for the company as it will simplify the enrollment process and could potentially expedite enrollment since more patients will now be eligible for the study. Thus far, 62 activated hospitals have IRB approval of the amendment, and 82 patients have been enrolled under the amended protocol. We are not quite sure at this point if the FDA will view the amended patient group differently, but management is pretty sure that the FDA will be looking at the event rates and should not need to look at the amended patient group separately.

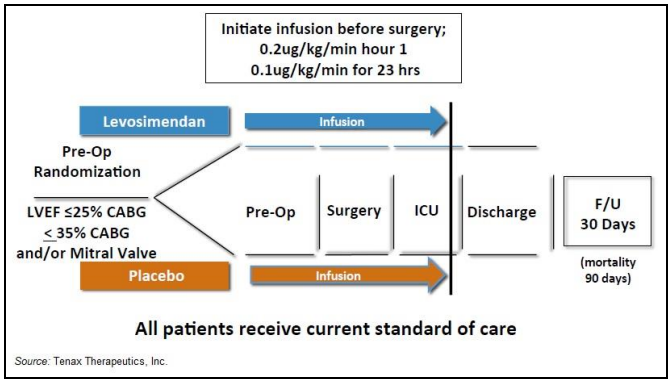
Levosimendan in Cardiac Surgery: Ongoing Phase 3 LEVO-CTS in LCOS Trial

As per the October 2015 clinical update, Tenax achieved the first milestone in its ongoing Phase 3 LEVO-CTS trial following the enrollment of its 200th patient on October 1, 2015. The LEVO-CTS trial is a double-blind, randomized, placebo-controlled study that is evaluating the use of levosimendan administered before and during cardiac surgery to reduce the incidence of low cardiac output syndrome and associated morbidity and mortality.

As of December 15, 2015, 67 cardiac surgical sites in the U.S. and Canada are activated. We would like to point out that the number of sites Tenax is looking to activate is around 70, and that 5 sites have been closed due to slow enrollment. We believe that by closing some sites that have not been enrolling patients will allow for more focus on other sites that could potentially be more productive. We believe that a few more sites may be closed, while adding a handful of sites before shifting all focus to patient enrollment. As a reminder, patient enrollment began in September 2014, and as of December 15, 2015, a total of 302 patients are enrolled. We believe that the goal is to enroll approximately 760 patients undergoing coronary artery bypass graft or mitral valve surgery who are at a risk of developing LCOS. We believe that management continues to remain focused on increasing enrollment efforts, and continues to take numerous steps in order accelerate the process. For instance, these efforts include identifying additional sites for the trial (for example, by expanding to Canada), and increasing communication with current clinical sites by hiring two field based associates who will be in direct contact with the sites. Submission of the protocol amendment to the FDA to adjust inclusion criteria was one of these steps, and in our opinion, has helped expedite trial enrollment thus far. The next expected events in the trial will be two interim analyses testing for efficacy or futility after 50% and 70% of the planned primary endpoint events have been recorded in calendar year 2016. We believe that the 50% and 70% marks should fall somewhere in the second and third quarters of calendar year 2016, respectively. We do not expect to see any data at these points, but should see an acknowledgement from the company that it has reached these marks.

More on Phase 3 LEVO-CTS…

In 2014, Tenax initiated *"Levosimendan in Patients With Left Ventricular Systolic Dysfunction Undergoing Cardiac Surgery On Cardiopulmonary Bypass"* (LEVO-CTS) Phase 3 trial to evaluate the efficacy of levosimendan in the reduction of the incidence of morbidity and mortality in cardiac surgery patients at risk of LCOS when levosimendan is administered before and during cardiopulmonary bypass. The study looks at the 30-day composite event rate of all-cause death, perioperative myocardial infarction, the need for dialysis, or the use of mechanical assist (intra-aortic balloon pump [IABP], left ventricular assist device [LVAD], extracorporeal membrane oxygenation [ECMO]) in patients with left ventricular systolic dysfunction (reduced ejection fraction) preoperatively undergoing cardiac surgery via cardiopulmonary bypass. Duke Clinical Research Institute (DCRI) is conducting the trial, and helped design the Phase 3 protocol.



The trial has two arms, and in the experimental arm, patients will be administered 0.2 µg/kg/min of levosimendan for the first hour, followed by 0.1 µg/kg/min of levosimendan for an additional 23 hours (with infusion being initiated

prior to surgery). In the placebo comparator arm, patients will be given 0.2 µg/kg/min of placebo for the first hour, followed by 0.1 µg/kg/min of placebo for an additional 23 hours (*above*). We would like to mention that endpoints of the trial were selected based on available clinical scientific evidence. Cardiac surgery patient criteria now includes: (1) Isolated CABG LVEF ≤ 35% ; (2) ≤ 35% CABG and/or mitral valve surgery; and (3) EF ≤ 35% CABG and aortic valve surgery (which is a recent amendment, and is expected to increases patient pool by 25%). The inclusion parameters above are intended to enhance the event rate and treatment effect. As per Tenax, a 32% event rate appears conservative, and a 35% treatment effect is conservative relative to 60-80% relative risk reduction in low EF clinical trials (DCRI Meta-analysis; Levin *et al.*, 2012; Baysal *et al.*, 2014).

Co-primary endpoints in the trial include: (1) "Dual": death or mechanical assist (IABP, LVAD) through day 5, p<0.04 sufficient, and (2) "Quad": death (through day 30), perioperative non-fatal MI (day 5), renal dialysis (day 30), or mechanical assist (day 5), p<0.01 sufficient, while secondary endpoints, which also intend to show the pharmacoeconomic benefit of the drug, include duration of ICU/CCU stay following surgery, and the incidence of LCOS. The safety endpoint is all-cause mortality through day 90, and since this an event-driven trial, there was a event rate check at 200 patients with interim analysis expected at 50% and 70% total events to ensure anticipated event rate. The trial may be stopped for profound efficacy in "dual" endpoint.

It appears that low left ventricular ejection fraction (LVEF) cardiac surgery patients represent a high-risk population that experiences a higher incidence of LCOS and more severe outcomes. Based on levosimendan's established clinical profile that has demonstrated potential benefits in LCOS, we see the potential in the drug to reduce mortality and morbidity in cardiac surgery patients at risk for LCOS, as well as lowering hospital related / pharmacoeconomic costs. In our opinion, the data that is available appears to be promising; however we do believe larger multi-site randomized controlled trials, like LEVO-CTS, with the proper dosage protocols in place will offer much needed data to confirm the benefit of levosimendan in cardiac surgery patients. We view levosimendan as potentially being able to address an unmet need with the dual value proposition mentioned above.

As per management, the FDA has provided guidance that a single successful trial will be sufficient to support approval of the drug for this particular indication. The LEVO-CTS data readout is expected near the end of calendar year 2016, and we are looking forward to reviewing the results once available. From start to finish, we believe that the trial will cost approximately $18 to $20 million. If all goes well, the company plans to request FDA Priority Review (6 months), and we think approval could occur at some point during the first half of calendar 2017. We are very much interested in watching the Tenax story unfold.

Levosimendan in Septic Shock: Phase 2b LeoPARDS trial

In August 2014, Tenax announced a collaboration with the Imperial College London to provide an additional $0.5 million funding for the ongoing Phase 2 LeoPARDS trial ("Levosimendan for the Prevention of Acute oRgan Dysfunction in Sepsis") in the UK evaluating levosimendan in sepsis. The trial is being managed by NIHR, and led by the Imperial College London, with Tenax helping to accelerate the enrollment process. The trial is designed to evaluate if levosimendan reduces the incidence and severity of acute organ dysfunction in adult patients with septic shock, the effect of the drug on organ function, in addition to evaluation of the drug's safety profile in sepsis. The trial was initiated in the first quarter 2014, and as of December 15, 2015, 512 out of 516 patients are enrolled. Management believes that enrollment will be complete before the end of December 2015. Once the last patient is enrolled, it will be 28 days to lock the database, and we believe that topline data will be presented by the Imperial College of London during the first half of calendar year 2016.

LeoPARDS is a randomized, double-blind, placebo-controlled multi-center trial based on previous smaller studies that have evaluated levosimendan as it pertains to sepsis. Adult patients with suspected or confirmed infection and 2 or more SIRS (systemic inflammatory response syndrome) criteria [fever or hypothermia: temp >38°C/100.4°F or <36°C/96.8°F; tachycardia: heart rate >90bpm; tachypnea or need for mechanical ventilation: respiratory rate >20 or PaCO2 <32mmHg; leukocyte count (>12,000cells/mm3, <4000cells/mm3, or >10% immature band forms)] who are dependent on vasopressors to maintain their blood pressure are eligible for LeoPARDS enrollment. Once eligibility criteria are met there is a 24 hour window for recruitment to the trial, and enrolled patients are randomized to receive either levosimendan (0.05 to 0.20µg/kg/min) or placebo for 24 hours in addition to the standard of care.

The primary outcome measure will be the mean SOFA (sequential organ failure assessment) score on ICU after randomization between treatment groups. Secondary outcomes that are also being evaluated include oxygen delivery (ScvO2) & cardiac output; incidence & duration of renal failure (AKIN criteria); serum bilirubin; time to extubation; 28-day, hospital and three & six-month survival; ICU and hospital length of stay, and ICU-free days; duration of renal replacement therapy; and days free from catecholamine therapy.

LeoPARDS data are expected in early calendar year 2016. The data collected from the LeoPards trial will help guide Tenax regarding the future plans for U.S. development. We believe that positive LeoPARDs data could support an NDA filing. If all goes well and the data are positive, Tenax plans to request a pre-NDA meeting with the FDA regarding that path forward. We believe that Tenax could file an NDA in late 2017, and management believes that it may not be required to conduct a Phase 3 trial in the U.S. if the data are positive. At this point, we are taking a wait and see approach in regards to levosimendan in septic shock.

As an aside, in November 2014, Tenax had a meeting with the FDA regarding the development of levosimendan in septic shock, and received guidance on how LeoPARDS data might be analyzed to support regulatory filing. As per management, the Imperial College London recently submitted the statistical analysis plan (SAP), with an addendum from Tenax, to the FDA. The SAP included additional secondary endpoints around clinically-meaningful measurements. We believed that this submission was going to occur by the end of the third quarter 2015, and so it is nice to see its submission earlier than expected. We look forward to receiving more updates on the clinical and regulatory path forward in the near future.

More on Tenax & Sepsis…

In September 2015, Tenax announced that it would be a national event partner for Sepsis Alliance in 2015 and 2016 to raise awareness of sepsis and septic shock. As part of this collaboration, Tenax will be the second Lead Sponsor of Sepsis Alliance's Sepsis Challenge National Events program during the remainder of 2015 and 2016.

The Path Forward for Tenax

We look forward to the upcoming expected milestones and events for Tenax in 2016, which are summarized below:

- Two interim analyses during LEVO-CTS trial testing for efficacy or futility after 50% and 70% of the planned primary endpoint events have been recorded, in calendar year 2016
- Data reported from LeoPARDS trial in first half of calendar year 2016
- Data reported from Phase 3 LEVO-CTS trial in calendar year 2016
- Updated regulatory strategy for levosimendan in septic shock following LeoPARDS data in first half of calendar year 2016

Conclusion

Tenax made progress in enrollment trends in addition to focusing efforts on its levosimendan program in calendar year 2015. The company is poised to have two-late stage readouts in calendar year 2016. In our opinion, the Tenax development portfolio includes a product candidate that has the potential to address various critical care conditions with high unmet medical need. There are currently no pharmacologic agents that are approved for the management, prevention and/or treatment of post-cardiac surgery LCOS. Tenax hopes to offer a solution with levosimendan, and believes that if administered pre- and peri-operatively, the incidence of LCOS and the associated morbidity and mortality could be decreased. Tenax is currently developing the drug in the U.S. and Canada for the reduction of morbidity and mortality in cardiac surgery patients at risk for developing low cardiac output syndrome (LCOS).

Outside of the U.S., the drug is currently approved and marketed as Simdax® (levosimendan i.v.) in more than 60 countries around the globe for patients with ADHF. According to the company, over 1 million patients worldwide have been prescribed the drug, with significant off-label use of the drug in the EU. We view levosimendan as a relatively de-risked clinical development opportunity for the indication of LCOS due to the usage of the drug in over 1 million patients outside of North America. There is extensive scientific evidence that supports the use of levosimendan in cardiovascular surgery, with over 35 published clinical trials, meta-analyses, and articles. We also believe that the interest surrounding the drug continues to increase. We also view septic shock as an area of unmet clinical need, as the condition is often associated with high mortality, morbidity and critical care costs. In our opinion, LCOS and septic shock are potential large market opportunities because of the present day high mortality rates and insufficient standard of care practices in these patients. We think there is a demand for superior

therapeutics in order to improve patient outcomes in both LCOS and septic shock, in addition to reducing the high costs associated with complications surrounding cardiac surgical patients.

We believe that the Tenax management team has the critical care, clinical, and commercial experience necessary to obtain North American approval of levosimendan. However, we do believe it is taking longer than initially expected to enroll patients in the Phase 3 LEVO-CTS trial. Although the LEVO-CTS trial timeline has been adjusted from when the first patient was enrolled back in September 2014, we are hoping that by continuing to focus efforts on accelerating patient enrollment that the company stays on track with the currently projected second half of 2016 trial completion date, with data readout expected in the latter part of 2016. We view the recent news of the FDA approving the protocol amendment to be good news for the company, and appears to be helping to expedite the enrollment process.

We assume approval of levosimendan in the U.S. during calendar year 2017, with product launch later in the year. We believe there is a high probability of approval given the success of the drug outside of the U.S, but will be dependent on positive Phase 3 data. In our opinion, Tenax shares remain significantly undervalued given the potential market opportunity for levosimendan.

Based on our assumptions, we calculate fair value for levosimendan and Tenax to be approximately $306 million. With a fully diluted share count of 34.6 million, this equates to a fair value target price of approximately $10 per share. If levosimendan proves to be successful in the cardiac surgical market, and if the company makes further progress with additional indications, including septic shock, we believe that there is the possibility for significant upside to this valuation. Additionally, we also believe that the company continues to evaluate other products and critical care opportunities to add to the pipeline, which could also provide investors with additional upside in the future.

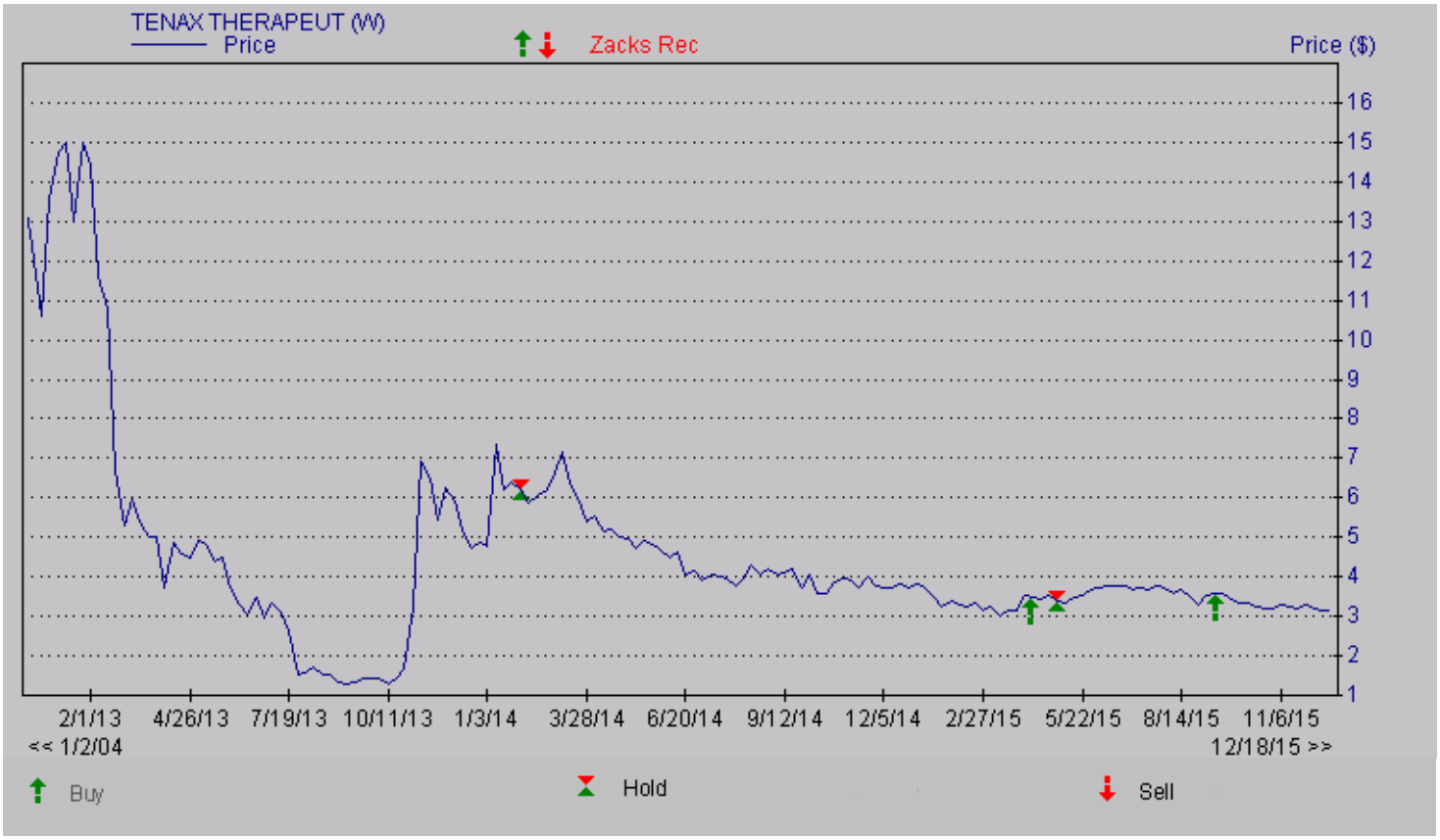
PROJECTED FINANCIALS

Tenax Therapeutics, Inc. - Income Statement

Tenax Therapeutics, Inc.	FY-15 A	Jul. 2015 Q1 A	Oct. 2015 Q2 A	Jan. 2016 Q3 E	Apr. 2016 Q4 E	Apr. 2016 FY-16 E	2017 E	2018 E
Product Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$25.3	$54.6
YOY Growth	*-100%*							*116%*
Government Grant Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
YOY Growth	*-81%*				*0%*	*-100%*		
Total Revenues	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$25.3**	**$54.6**
YOY Growth	*-83%*							*116%*
Cost of goods sold	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5.1	$10.9
Product Gross Margin							*80%*	*80%*
Research and development	$6.7	$1.7	$2.5	$2.5	$2.5	$9.3	$9.7	$10.2
General & administration	$7.2	$1.4	$1.2	$1.8	$1.9	$6.2	$8.0	$8.4
Restructuring & Other Opex	$1.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Finance costs	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Margin							*10%*	*46%*
Interest Income (expense)	($0.0)	($0.0)	($0.0)	$0.0	$0.0	($0.0)	$0.0	$0.0
Other expense	($0.8)	($0.1)	($0.2)	$0.0	$0.0	($0.3)	$0.0	$0.0
Pre-Tax Income	($14.1)	($3.0)	($3.5)	($4.3)	($4.4)	($15.5)	$2.5	$25.1
Income Taxes Paid	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	**($14.1)**	**($3.0)**	**($3.5)**	**($4.3)**	**($4.4)**	**($15.5)**	**$2.5**	**$25.1**
Net Margin							*10%*	*46%*
Reported EPS	**($0.50)**	**($0.11)**	**($0.13)**	**($0.15)**	**($0.15)**	**($0.55)**	**$0.09**	**$0.81**
YOY Growth	*-81%*	*33%*	*-13%*	*12%*	*8%*	*9%*	*-116%*	*849%*
Basic Shares Outstanding	28.08	28.12	28.12	28.12	28.75	28.28	29.00	31.00

Source: Company Filing // Zacks Investment Research, Inc. Estimates

HISTORICAL ZACKS RECOMMENDATIONS



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

We, Nisha Hirani, MD, and David Bautz, PhD, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities and issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. We believe the information used for the creation of this report has been obtained from sources we considered to be reliable, but we can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESMENT BANKING, REFERRALS, AND FEES FOR SERVICE

Zacks SCR does not provide nor has received compensation for investment banking services on the securities covered in this report. Zacks SCR does not expect to receive compensation for investment banking services on the Small-Cap Universe. Zacks SCR may seek to provide referrals for a fee to investment banks. Zacks & Co., a separate legal entity from ZIR, is, among others, one of these investment banks. Referrals may include securities and issuers noted in this report. Zacks & Co. may have paid referral fees to Zacks SCR related to some of the securities and issuers noted in this report. From time to time, Zacks SCR pays investment banks, including Zacks & Co., a referral fee for research coverage.

Zacks SCR has received compensation for non-investment banking services on the Small-Cap Universe, and expects to receive additional compensation for non-investment banking services on the Small-Cap Universe, paid by issuers of securities covered by Zacks SCR Analysts. Non-investment banking services include investor relations services and software, financial database analysis, advertising services, brokerage services, advisory services, equity research, investment management, non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per client basis and are subject to the number of services contracted. Fees typically range between ten thousand and fifty thousand USD per annum.

POLICY DISCLOSURES

Zacks SCR Analysts are restricted from holding or trading securities placed on the ZIR, SCR, or Zacks & Co. restricted list, which may include issuers in the Small-Cap Universe. ZIR and Zacks SCR do not make a market in any security nor do they act as dealers in securities. Each Zacks SCR Analyst has full discretion on the rating and price target based on his or her own due diligence. Analysts are paid in part based on the overall profitability of Zacks SCR. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by Zacks SCR for services described above. No part of analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports are based on data obtained from sources we believe to be reliable, but are not guaranteed as to be accurate nor do we purport to be complete. Because of individual objectives, this report should not be construed as advice designed to meet the particular investment needs of any investor. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

ZACKS RATING & RECOMMENDATION

ZIR uses the following rating system for the 1216 companies whose securities it covers, including securities covered by Zacks SCR:
Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters.
Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters.
Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution is as follows: Buy/Outperform- 25.3%, Hold/Neutral- 56.9%, Sell/Underperform – 13.7%. Data is as of midnight on the business day immediately prior to this publication.