November 24, 2020

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

M. Marin
312-265-9211
mmarin@zacks.com

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

Windtree Therapeutics (WINT-NASDAQ)

WINT: Clinical Studies Moving Forward For Both Lead Treatment Programs

We are optimistic about the chances of WINT's two lead treatment programs, istaroxime and AEROSURF, receiving FDA approval and of the subsequent commercial demand of these treatment therapies. We estimate rapid growth for both once they are commercialized and believe WINT shares do not adequately reflect their prospects.

Current Price (11/23/20)	$6.56
Valuation	**$12.00**

OUTLOOK

Windtree Therapeutics, Inc. is advancing drug candidate istaroxime and drug/device combination AEROSURF toward FDA approval. The company is well-funded to advance these assets, with about $22.4 million in cash at September 2020, committed financing from a partner and potential licensing revenue to support its development efforts of multiple late-stage assets and programs focused on important markets with high unmet needs.

SUMMARY DATA

52-Week High	**$14.97**
52-Week Low	**$3.30**
One-Year Return (%)	**-32.71**
Beta	**0.11**
Average Daily Volume (sh)	**44,616**
Shares Outstanding (mil)	**17**
Market Capitalization ($mil)	**$112**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**1**
Insider Ownership (%)	**15**
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 2020 Estimate	**N/A**
P/E using 2021 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**High**
Type of Stock	**Small-Value**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	0.0A	0.2A	0.0A	0.0A	0.2 A
2020	0.0A	0.0A	0.0E	0.0E	0.0 E
2021					1.0 E
2022					5.2 E

Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	($0.61)A	($0.60)A	($0.66)A	($0.64)A	($2.51)A
2020	($0.48)A	($0.63)A	($0.54)A	($0.42)E	($2.07)E
2022					($1.95)E
2022					($1.71)E

Quarters might not add to annual reflecting rounding

Disclosures on page 12

© Copyright 2020, Zacks Investment Research. All Rights Reserved.

KEY POINTS

- **WINT's clinical studies are moving forward.** WINT is conducting research leveraging its istaroxime and AEROSURF technologies and expertise. In addition to study programs currently underway, WINT plans extension studies of both drug/treatment candidates down the road.

- WINT's cardiogenic shock (CS) clinical study is on-track with the original timeline. WINT dosed the first patient in its Phase 2 istaroxime study in patients with early CS last month. Early CS and acute heart failure (AHF) are WINT's two developmental programs for istaroxime. WINT is optimistic that istaroxime's dual mechanism of action (discussed in this report) could be critical in treating and stabilizing patients with severe AHF.

- Because of the unmet need to treat early CS, the company believes there may be an opportunity for istaroxime to be considered for breakthrough therapy designation that could expedite its development program. There is previous FDA precedent suggesting the opportunity for such designation and a possible accelerated pathway of development and approval.

- Against the backdrop of the COVID-19 pandemic, the company also plans to study KL4 surfactant for the prevention and treatment of lung injury resulting from severe COVID-19 that frequently leads to respiratory failure and ventilator use. The COVID-19 study, expected to become operational in 4Q 2020, and WINT's growing clinical trial database could lead to new applications for KL4 surfactant and potentially AEROSURF.

- The company is using its resources to move forward on multiple fronts. With WINT focused on the KL4 surfactant study in COVID-19 lung Injury patients, WINT's licensing partner, Lee's Pharmaceutical (HK), will execute the AEROSURF bridge study in premature infants with RDS within its licensed territory and will continue to fund AEROSURF clinical development, while WINT provides technical support.

- WINT had cash & equivalents of $22.4 million at the end of 3Q 2020. Management expects this cash balance to be sufficient to fund operations through at least the next 12-months.

CLINICAL STUDIES ARE MOVING FORWARD

Two Lead Drug Candidates; Multiple Programs

Pennsylvania-based Windtree Therapeutics, Inc. (NASDAQ: WINT) is a biopharma and medical device company developing therapies for a range of acute cardiovascular and pulmonary conditions that necessitate critical care, including acute heart failure (AHF), cardiogenic shock (CS) due to heart failure, respiratory distress syndrome (RDS) in premature babies and other lung injuries. The company has a diversified asset portfolio, with two lead drug candidates that are in advanced stages of development in multiple programs.

Windtree Therapeutics – Multiple Advanced Clinical Programs

	Lead Products	Pre-	Phase I	Phase II	Phase III	Next Milestone
FDA Fast Track Designation	**Istaroxime** (Acute Heart Failure)			Phase 2b		• Initiate study start up in 2H 2020 for second phase 2b clinical trial in ~300 patients targeted to start in 1H 2021
Potential for Breakthrough designation	**Istaroxime** (Cardiogenic Shock)			Phase 2		• Q3 2020- Initiate ~60 patient study in early cardiogenic shock
FDA, EMA Orphan Drug for RDS	**KL4 Surfactant – COVID 19** (COVID 19 Pilot; Possible invasive Tx for RDS in neonates)			Phase 2		• Q3-2020 File IND; Initiate trial
FDA Fast Track Designation, Orphan Drug	**AEROSURF** (Non-Invasive Tx for RDS)			Phase 2b		• Active study in ~80 patient with new ADS supported by licensee resources
	Rostafuroxin (Genetically Associated HTN)			Phase 2b		• Out-licensing opportunity
	Oral SERCA2a Activators (Chronic HF; including HFpEF)					• High interest target for partnership • Chronic and Acute Heart Failure

Source: Windtree Therapeutics

Istaroxime, fast track designation

- First in class, dual mechanism clinical-stage therapeutic for heart failure, istaroxime can improve both systolic contractions of the heart, as well as its diastolic relaxation. The mechanism includes SERCA2a activation mediated control of heart relaxation that could be a key differentiator
- Acute Heart Failure - positive phase 2a & phase 2b results
- Cardiogenic heart shock – represents a second program that could potentially attain FDA breakthrough designation

AEROSURF and KL4 Surfactant, fast track designation & orphan designation for RDS in US & EU

- AEROSURF is a drug/device combination for the treatment of respiratory distress syndromes (RDS) in pre-term infants. The company has completed three phase 2 studies and is currently in an active small study, with a new delivery system device, bridging to phase 3
- KL4 Surfactant (the drug in AEROSURF) is also part of a planned study in COVID-19 patients to improve respiratory parameters and treat lung injury in patients that have progressed to respiratory failure and require the support of a mechanical ventilator

WINT is conducting research leveraging its Istaroxime and AEROSURF technologies and expertise for treatment extensions and is moving forward on plans to study:

- **Oral SERCA2a compounds**, which is the unique mechanism of istaroxime, for chronic heart failure and possibly for AHF. Together with Istaroxime, these drug candidates create a platform addressing unmet needs for treatment of heart failure. Advancement might include potential partnership opportunities with large pharmaceutical companies.
- **KL4 surfactant** for the prevention of lung injury in COVID-19 respiratory failure patients and other lung injury patients, thereby leveraging preclinical studies in acute lung injury.

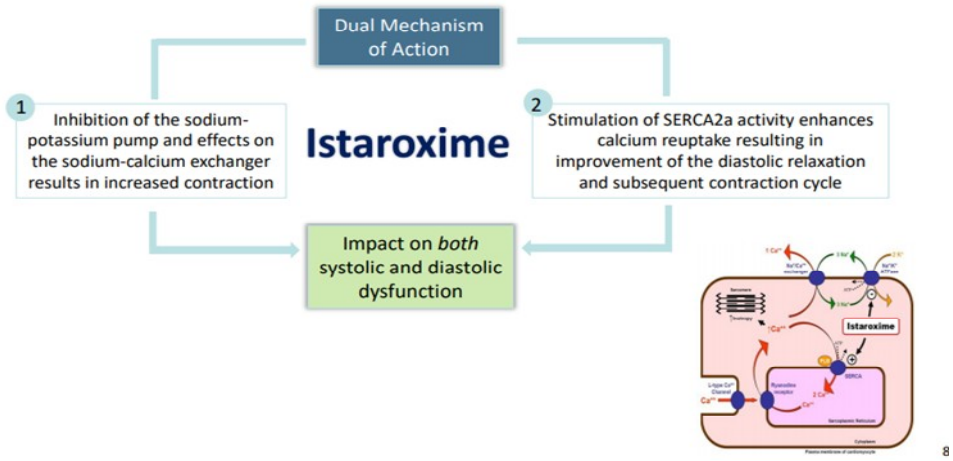
The company believes that each of its clinical programs addresses a large unmet need and provides another avenue of potential regulatory approval from the FDA.

ISTAROXIME CARDIOGENIC SHOCK STUDY

WINT is on-track with its clinical study timeline and dosed the first patient in its Phase 2 istaroxime study in patients with early CS last month. WINT is optimistic that istaroxime's dual mechanism of action (see below) that improves both systolic contraction of the heart and diastolic function, combined with istaroxime's positive effects on blood pressure, could be critical in treating and stabilizing patients with CS and severe acute heart failure (AHF), another developmental program for istaroxime.

Istaroxime's innovative dual mechanisms of action impact both systolic and diastolic dysfunction, as noted. By inhibiting the sodium-potassium ATPase, istaroxime creates a stronger contraction. By stimulating SERCA2a activity, istaroxime also aids the heart in relaxing between contractions, allowing it to fill with blood more effectively. This dual effect on both contraction and relaxation creates a stronger pumping action with a greater amount of blood ejected with each heartbeat. This dual mechanism of action is a key differentiator for istaroxime.

Designed to Improve Heart's Systolic Contraction & Diastolic Relaxation



Source: Windtree Therapeutics

Traditional treatments of patients with AHF include the use of diuretics, inhibitors of neurohumoral imbalances and beta blockers. There have been no recently approved novel treatments and there are multiple side effects associated with the use of other agents to address cardiac function, including hypotension, worsening renal function and even increased mortality in some cases. Istaroxime represents a novel treatment approach, with a dual mechanism of action to improve cardiovascular functions:

Improving cardiac function

Istaroxime inhibits the sodium-potassium ATPase activity, which makes more calcium available to improve myocardial contractility (inotropic). Istaroxime also activates the SERCA2a, which acts to decrease intracellular calcium by pumping it into sarcoplasmic reticulum (SR) after a contraction. This relaxes the heart muscle, which in turn allows the ventricle to fill more effectively for the next contraction. In combination, these mechanisms produce a stronger contraction and improved cardiac function.

Improvement comes in a novel profile that may offer greater utility

Unlike many other commercially available agents, istaroxime improves cardiac systolic and diastolic function with an increase (rather than decrease) in systolic blood pressure and has a generally positive profile on renal function. Moreover, there has not been a negative effect on heart rhythm / arrythmias profile, a lower heart rate (which is generally desired) and no measure of cardiac muscle injury, which is another important differentiator from many other agents.

WINT's istaroxime Phase 2 study is an international randomized double blind placebo controlled study to assess istaroxime efficacy in treating patients with early CS due to heart failure. The study will include 60 patients (30 of whom will be assigned to istaroxime and 30 assigned to placebo) receiving study drug infusion over 24 hours.

The primary endpoint of the study is the change in systolic blood pressure over six hours after initiating the infusion. Secondary endpoints will include:

- characterization of blood pressure changes over a 24-hour period
- number of patients requiring rescue therapy such as vasopressors, inotropes or mechanical devices
- assessment of renal function
- safety and tolerability

Istaroxime has already been evaluated in six studies, including two Phase 2 clinical trials. Results suggest that istaroxime significantly improves cardiovascular physiology with minimal adverse effects. Istaroxime treatment has shown decreases in PCWP (pulmonary capillary wedge pressure) and heart rate and increases in blood pressure (which is a desired effect in those with normal to low blood pressure) without adverse events such as heart rhythm disturbances or heart muscle damage. The most common adverse complaint associated with istaroxime treatment is nausea, particularly at the highest dose, and discomfort at the infusion site.

Based on previous data showing that istaroxime significantly improved cardiac function and increased systolic blood pressure without an increase in clinically significant arrythmias or increases in cardiac troponins, WINT believes Istaroxime could present a novel treatment strategy for acute treatment of early CS due to progression of heart failure. Positive phase 2b data supports shows that istaroxime could be a better way to treat AHF patients – particularly those patients that can be the most challenging to manage and where many of the existing therapies have unwanted side effects in this population. If the data from the ongoing study is positive, as management anticipates, WINT intends to expand the study population in future studies.

Potential For Breakthrough Therapy Designation

Because of the unmet need to treat early CS, the company believes there may be an opportunity for istaroxime to be considered for breakthrough therapy designation that could expedite its development program by increasing the chances that a marketing application for istaroxime receives priority review. Previous FDA precedent also point to the potential opportunity for a breakthrough designation and a possible accelerated pathway of development and approval.

Istaroxime Market Opportunity

According to the Journal of the American Heart Association (JAHA), cardiovascular diseases are the leading cause of death and disability in many global markets. In the U.S., these diseases represent a large portion of the economic cost of overall healthcare expense.

CS is caused by severe impairment of myocardial performance that leads to reduced cardiac output, organ hypoperfusion, and hypoxia, according to JAHA. It is a severe presentation of heart failure characterized by extremely low blood pressure and hypo-perfusion to critical organs. CS can be caused by an acute myocardial infarction / heart attack (the most common reason), by severe heart failure (what WINT is focusing on for their study) or other causes which damage the heart and compromises function

Cardiogenic shock is an area of extreme unmet need with no satisfactory pharmacologic interventions to reverse the condition. Thus, it has a high associated mortality and morbidity of approximately 30-50%. Because of the unmet need, there are potential opportunities for an accelerated regulatory pathway and review.

According to the National Institute of Health (NIH), globally at least 26 million people are affected with heart failure where the heart cannot pump blood at the rate the body needs. The most critical presentation of heart failure, acute heart failure (AHF), requires immediate treatment in a hospital to stabilize the patient. Stabilization is usually achieved using strong intravenous diuretics and often requires that the patient be placed in an intensive care unit with treatment that can take many days. The clinical goal is to get the patient out of crisis, resolve the fluid overload and improve the patient's condition so that the patient can be discharged in a condition to begin out-patient chronic therapies and lower the risk of being readmitted to the hospital. There have been no significant advances in effective cardiac therapies to aid this process in decades, which management believes implies that this is a niche that istaroxime could fill.

According to the CDC, roughly 6.5 million adults in the U.S. have heart failure. Of these, about 50% are expected to die within five years of diagnosis; AHF and low cardiac output also increase the risk of other organ dysfunction such as renal failure. The disease costs the country more than $30 billion per annum in medical treatment and hospital stays and work days missed. In the U.S., EU and Japan combined, more than 18 million patients suffer from heart failure. The company estimates this represents a potential addressable market of about $1.6 billion.

SERCA2a Activation for Chronic and Acute Heart Failure – Potential Partnerships and Deal Value

Istaroxime is the foundation of the heart failure program but there are follow-on compounds, with pure SERCA2a stimulatory activity, in preclinical stage of development. Windtree believes that these programs represent a heart failure platform that has already provided novel intellectual property and additional potential opportunities.

- **Selective SERCA2a Activators** The selective SERCA2a activators are devoid of Na^+/K^+ pump inhibitory activities.
- **Dual Mechanism Compounds** Like istaroxime, these compounds have a dual mechanism of action as SERCA2a activators with Na^+/K^+ pump inhibitory activity.

WINT hopes to develop these compounds to be potential oral (with potential intravenous administration) therapies for AHF and/or chronic HF (CHF). The company is in discussions with pharmaceutical companies for potential partnering and/or licensing opportunities with SERCA2a activators.

COVID-19 STUDY: KL4 SURFACTANT ACUTE PULMONARY CARE

COVID-19 Study Could Lead to New Applications for KL4 surfactant and potentially AEROSURF

The company has produced substantial pre-clinical data in a variety of lung injury models. WINT is also moving forward on its plans to leverage its findings and expertise and the potential of its KL4 surfactants to mitigate lung injury in a small study in COVID-19 patients. WINT expects this study to be operational in 4Q 2020, with the first patient enrolled shortly. Given that COVID-19 cases are spiking, the company expects to enroll patients in this study relatively quickly.

Against the backdrop of the COVID-19 pandemic and with many studies demonstrating a positive impact to reducing acute lung injury including in highly-pathogenic viral pneumonia, the company also plans to study KL4 surfactant for the prevention and treatment of lung injury resulting from severe COVID-19 that frequently leads to respiratory failure and ventilator use.

The virus that causes COVID-19 infections can also destroy surfactant-producing cells within the lungs. There are parallels to the patient condition in these cases with those of prenatal infants prior to the advent of surfactant replacement therapy. WINT is working through the investigational new drug (IND)

application process with the FDA for an initial pilot clinical trial in the U.S. to assess the impact of non-aerosolized KL4 surfactant on key respiratory parameters in ventilated COVID-19 patients to show the physiologic improvements that occur when KL4 surfactant is administered. The primary outcome measure will be an assessment of oxygenation.

Studies suggest that surfactant replacement therapy could improve lung function and decrease pulmonary inflammation, often reducing or even eliminating the need for mechanical ventilation. This has the dual benefit of helping patients breathe on their own earlier and freeing ventilators up for other patients. Treatment of COVID-19 could provide additional data on AEROSURF's efficacy for treatment of lung injury generally.

In March 2020, WINT entered into an agreement with Lee's Pharmaceutical (HK), a major pharma company based in China. Lee's agreed to provide up to $2.8 million in project financing for WINT to continue to develop AEROSURF for RDS treatment of premature babies in a phase 2b bridge study intended to transition AEROSURF into phase 3-ready clinical product development. In August 2020, WINT and Lee's (HK) entered into a project financing agreement. Lee's agreed to pay additional amounts as the development budget is updated.

WINT is focused on the KL4 surfactant study in COVID-19 lung Injury patients. Thus, Lee's Pharmaceutical will execute the AEROSURF bridge study in premature infants with RDS within its licensed territory and will continue to fund AEROSURF clinical development, while WINT provides technical support.

RECENT FINANCIAL RESULTS

WINT reported a 3Q 2020 operating and net loss of ($8.7) million and ($9.0) million respectively, compared to ($7.2) million and ($7.1) million in 3Q 2019. R&D expenses were up slightly at $3.9 million compared to $3.8 million, reflecting the company's studies and corollary increases in clinical program costs.

General and administrative expenses were $4.8 million in 3Q 2020, up from $3.4 million in 3Q 2019, reflecting higher professional fees and $0.9 million in severance costs associated with the departure of two executives during the quarter.

WINT had cash & equivalents of $22.4 million at the end of 3Q 2020. Management expects this cash balance to be enough to fund operations through at least the next year.

VALUATION

We are optimistic about the chances of istaroxime and AEROSURF receiving FDA approval and of the subsequent commercial demand of these treatment therapies. Particularly telling of the difficulty in developing effective novel cardiac therapeutic advances, the FDA has issued new heart failure guidance to provide greater development flexibility that the FDA itself describes as designed "to spark" development of novel heart failure drugs.

Once WINT's assets are commercialized, we estimate rapid growth for both, supported by the dearth of effective therapies that have the limited side effects of istaroxime or AEROSURF and high related healthcare costs of alternate existing treatments, commencing in approximately 2023 – 2024. We forecast $5.2 million and $28.1 million in revenue in 2023 and 2024 respectively. While it is difficult to

know the revenue arc for WINT at this stage, these forecasts are supported, we believe, by the large unmet need each addresses and the current cost of standard care.

Although not directly comparable to WINT, which we would expect would exhibit higher growth in early years of commercialization, we believe the average price-to-sales and EV/sales multiples of other public companies, 14x and 13x respectively, provide valuation benchmarks.

Applying a 14x multiple to our $28.1 million 2023E revenue forecast and discounting back to the present at 11%/year results in a present value of nearly $320 million for WINT, or about $12.00/share on a fully diluted basis. We believe our forecast could be conservative particularly as the company expands the number of programs leveraging its therapies and expertise. For example, we believe that the incremental value of the company's COVID-19 studies could be understated. While it is still early, the in-hospital cost of treating COVID-19 has been estimated at roughly $14,000 per patient.

We think the current share price of about the $6.60 level does not reflect the fundamental value of the company's pipeline and prospects. As the company continues to advance its candidates, we would anticipate multiple expansion. We also believe there are several factors that imply potential upside to our valuation, including: pre-approval partnerships that provide milestones and/or R&D cost sharing; a faster, or less-costly path to US approval; and the opportunities in other geographies (such as China).

Any delay or failure in clinical development or regulatory approval could cause the share price to decline and represent a potential risk to our valuation but we believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

RECENT NEWS

- WINT reported 3Q 2020 results and provided a business update on November 16, 2020.
- On October 1, 2020, WINT announced that the first patient in its Phase 2 study of Istaroxime for the acute treatment of early CS in patients experiencing heart failure had been dosed.
- WINT announced FDA acceptance of its IND application for a Phase 2 clinical study of KL4 surfactant in acute lung Injury in patients with COVID-19 on September 29, 2020.
- The company reported 2Q20 results on August 13, 2020 and provided a business update.
- On July 21, 2020, WINT expanded its team with the appointment of three industry veterans.
- The company appointed a new CFO, John Hamill, on July 20, 2020.
- On May 20, 2020, WINT shares began trading on the Nasdaq concurrent with a public financing of $23 million.
- On April 29, 2020, WINT implemented a 1-for-3 reverse split stock, which reduced the outstanding share count from 41.1 million to 13.7 million shares.
- In April 2020, the company presented at the American College of Cardiology 2020 virtual meeting a new subset analysis from a phase 2b study of istaroxime in patients hospitalized with AHF.
- In April of 2020, WINT received a Small Business Administration Paycheck Protection Program loan of roughly $0.5 million and subsequently announced that it was repaying the loan.

RISKS

Risks to Windtree achieving its objectives, and to our valuation, include the following.

- WINT might need to raise additional capital earlier than expected.
- COVID-19 might delay the company's clinical and commercialization timelines.
- Despite their *Fast Track* designations, istaroxime and AEROSURF might experience clinical failure and/or might not receive FDA approval.
- The company might not find strategic partners or a licensee for rostafuroxin, a drug candidate that it does not plan to develop internally.
- Production of istaroxime, which is manufactured in China, could be disrupted.

PROJECTED INCOME STATEMENT

Windtree Therapeutics Income Statement & Projections ($M)

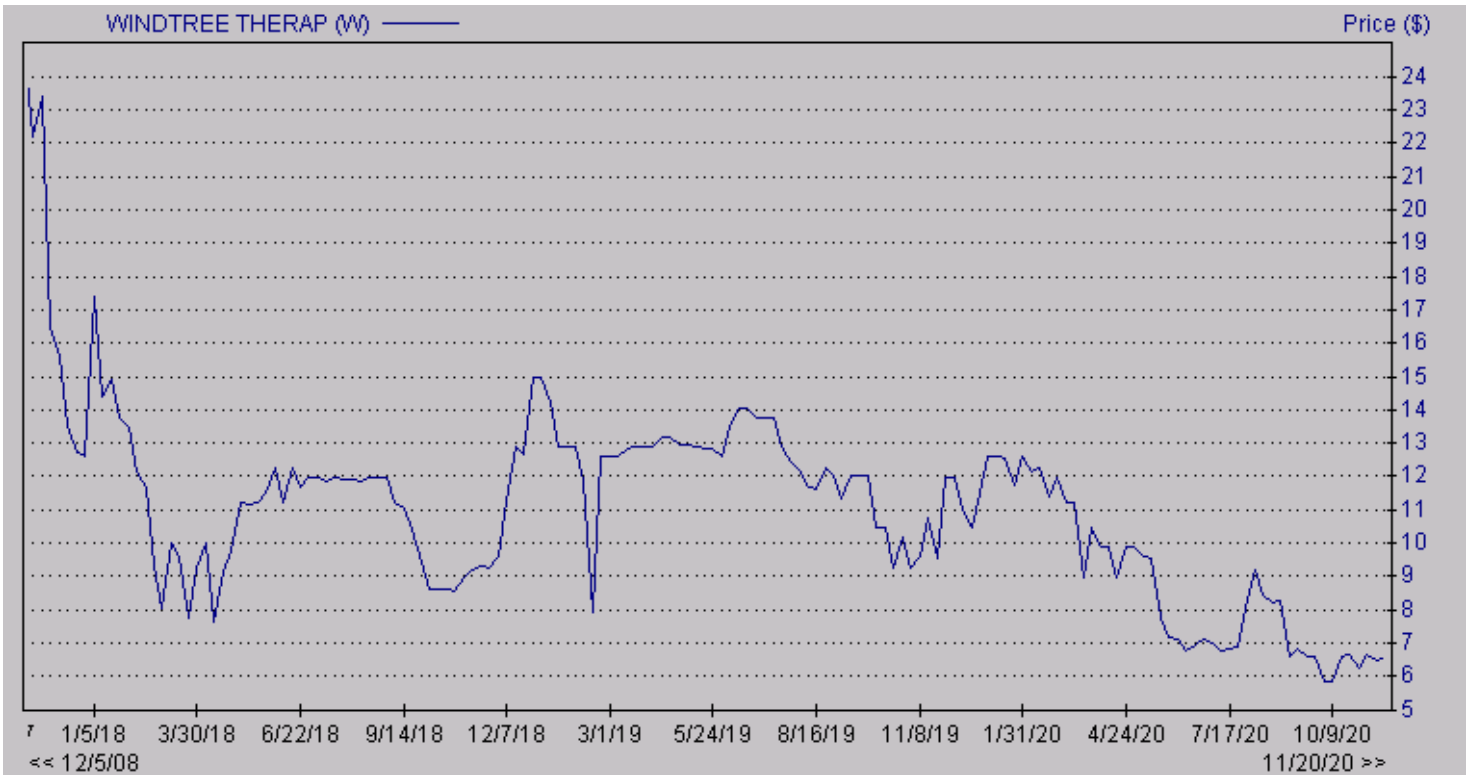
	2019	1Q20	2Q20A	3Q20A	4Q20E	2020E	2021E	2022E
Total revenues	$0.2	$0.0	$0.0	$0.0	$0.0	$0.0	$1.0	$5.2
Expenses:								
R&D	12.7	3.5	4.5	3.9	3.8	15.6	16.3	16.5
General & administrative	12.4	3.2	3.5	4.8	3.5	15.0	16.1	16.2
Total operating expenses	25.1	6.7	7.9	8.7	7.3	30.7	32.4	32.7
Operating loss	(24.9)	(6.7)	(7.9)	(8.7)	(7.3)	(30.7)	(31.4)	(27.5)
Other income (expense):								
Interest income	0.2	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Interest expense	(0.5)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	(0.1)	(0.1)
Other (expense) income, net	(0.4)	0.1	(1.6)	(0.3)	0.3	(1.5)	(1.0)	(1.0)
Total other (expense) income, net	(2.6)	0.2	(1.6)	(0.3)	0.2	(1.5)	(1.0)	(1.0)
Net loss	(27.5)	(6.5)	(9.6)	(9.0)	(7.1)	(32.2)	(32.4)	(28.6)
Per share data:								
Net loss per common share	($2.51)	($0.48)	($0.63)	($0.54)	($0.42)	($2.07)	($1.95)	($1.71)
Average shares outstanding*	10.9	13.7	15.1	16.6	16.7	15.5	16.6	16.7

*Adjusted for April 2020 1:3 reverse stock split

Source: Company reports, Zacks estimates

© Copyright 2020, Zacks Investment Research. All Rights Reserved.

HISTORICAL STOCK PRICE



© Copyright 2020, Zacks Investment Research. All Rights Reserved.

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.

ANALYST DISCLOSURES

I, M. Marin, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I 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.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of 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 and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

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

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.