Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

July 21, 2023
Lisa Thompson
312-265-9154 / lthompson@zacks.com
scr.zacks.com
10 S. Riverside Plaza, Suite 1600, Chicago, IL 60606

IDEX Biometrics ASA (NASDAQ: IDBA)

IDBA: To Voluntarily Delist on NASDAQ on August 10th to Save Money; Remains Trading on the Oslo Bors

We are valuing IDEX on 2026 estimated revenues discounted to today using the average EV/Sales of other fabless semiconductor companies that trade at 6.3 times 2023 estimated sales.

Current Price (7/20/2023)	$5.24
Valuation	**$30.00**

OUTLOOK

IDEX Biometrics is a Norwegian-headquartered fabless semiconductor company largely operating from the US with a US-based senior management team that provides hardware and software systems to create biometric fingerprint-protected payment cards and other smart card solutions. Next-generation payment cards are being rolled out and starting to ship in volume now. Visa, Mastercard, and China UnionPay have already certified its technology. Its solution results in a payment card cost that is 30-50% less expensive than cards built with the competition's solution through leading-edge design and is protected by IP. Without a legacy product to cannibalize, IDEX provides a pure play in fingerprint-based biometric solutions.

SUMMARY DATA

52-Week High	**10.99**
52-Week Low	**4.79**
One-Year Return (%)	**-33.1**
Beta	**2.0**
Average Daily Volume (sh)	**1,647**
ADS Outstanding (mil)	**17.5**
Market Capitalization ($mil)	**$91.9**
Short Interest Ratio (days)	**0.1**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**2**
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/M**
P/E using 2023 Estimate	**N/M**
P/E using 2024 Estimate	**N/M**

Risk Level	**Average**
Type of Stock	**Small Growth**
Industry	**Elec Comp-Semis**

ZACKS ESTIMATES

Revenue

(In millions of US$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	$0.6 A	$0.7 A	$0.7 A	$0.8 A	$2.8 A
2022	$1.0 A	$1.1 A	$0.9 A	$1.1 A	$3.9 A
2023	$1.2 A	$1.6 E	$2.0 E	$4.0 E	$8.8 E
2024					$45.0 E

Earnings per ADS

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	-$0.65 A	-$0.59 A	-$0.61 A	-$0.80 A	-$2.66 A
2022	-$0.60 A	-$0.68 A	-$0.67 A	-$0.40 A	-$2.39 A
2023	-$0.47 A	-$0.44 E	-$0.42 E	-$0.29 E	-$1.61 E
2024					-$0.29 E

© Copyright 2023, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

IDEX Biometrics to Voluntarily Delist on NASDAQ

In order to save money, IDEX announced it will voluntarily delist its American Depositary Shares (ADSs) effective prior to the opening of trading on August 10, 2023. We believe this could save the company as much as $1.2 million per year and would be a meaningful saving with little incremental value lost as most of the trading happens on the Oslo Bors under the ticker IDEX.OL. The ordinary shares trade in Norwegian krone but the company will still report in US dollars. The company is working to get its operating expenses down to $5 million per quarter versus the $7.7 million reported in Q1 2023. IDEX expects to report earnings after delisting and will not be filing the second quarter results with the SEC. We intend to continue coverage under its IDEX.OL ticker.

The ADS delisting will have no impact on the company's accounting standards, and IDEX intends to continue its disclosures in compliance with applicable Norwegian financial market regulations, but will no longer file with the SEC. IDEX expects that the deregistration will become effective on or around October 29, 2023, when the depositary for the ADSs, Bank of New York Mellon, intends to end its agreement. ADS holders have until then to surrender ADSs for the underlying ordinary shares. ADS holders will have to pay a cable fee of $17.50 to exchange ADSs for shares. After October 19, 2023, the Depositary may elect to sell the underlying shares. If the Depositary has sold such shares, holders of ADSs must surrender such securities in order to obtain payment of the sale proceeds of the underlying ordinary shares, net of the expenses of sale, any applicable U.S. or local taxes or government charges, and a cancellation fee of up to $0.05 per ADS. For more information, investors should contact DRBrokerSolutions@bnymellon.com.

KEY POINTS

- IDEX Biometrics was founded in Norway in 1997 and since 2014 has largely become a US-centric product company with extensive expertise in fingerprint biometrics and semiconductor and systems design. It is a fabless semiconductor company that targets primarily the payment card industry and is just starting to ship production volumes of its next-generation sensors and solutions to major card providers.

- Next-generation payment cards have fingerprint authentication embedded sensors and chips. Importantly this generational switch will not require new POS equipment as with chip and PIN and the transition should occur much faster. This technology is expected to reduce fraud and increase usage easily providing payback for banks even with the incremental cost. IDEX's unique patent-protected *"off-chip"* design allows cards to be manufactured at less than half the price of competitors by separating the fingerprint sensor from its controller chip thus allowing the use of smaller, newer, and more powerful chips.

- Despite the existence of smartphone-based payment systems, market researcher Nilson still believes the market for payment cards will increase by 7.3% per year. There are 23.6 billion payment cards in use globally. In 2021, 2 billion of them were contactless. According to ABI biometric payment card units could grow to 250 million by 2026. IDEX could receive $3-4 per card of the market share it captures.

- IDEX has already had its design certified by the three major card networks, VISA, Mastercard, and China UnionPay. Banks around the world are now rolling out cards.

- As a fabless semiconductor company with high operating leverage, it is expected to be at very high pretax margins once it ramps revenues and it deserves an enterprise value to sales valuation in line with its peers that trade at 6.3 times 2023 revenues. It currently trades at a $92 million market cap and an $85 million enterprise value. Depending on how fast the industry ramps we believe that by 2026 it still has the potential of $375 million in sales at which point it could be valued as a $2.4 billion company.

OVERVIEW

IDEX Biometrics was founded in 1997 and is headquartered in Norway. The company has 106 employees and currently operates from offices in Wilmington, MA, Rochester, NY, Farnborough, UK, Shanghai China, and Norway. It files financials in Norway and is listed on the Oslo Bors, and NASDAQ trades its ADR.

It sells its system solutions which include fingerprint sensors, chips, and the software to make them function, to companies that incorporate fingerprint identification technology into their products. IDEX is targeting primarily the payments card market including contactless debit and credit cards. The company also supplies its products for access control and IoT. It has developed a unique design that fits the specific parameters required for cards including energy harvesting and low-power operation at industry-leading costs. Its only competitor is Fingerprint Cards AB (FPC) of Sweden, which has participated in more pilots with partners but is offering an older, more expensive, larger, and kludgy solution. IDEX believes customers will see its cost, design, and performance advantages and it will capture a large market share in this nascent industry.

VALUATION

IDEX is now at a run rate of $5.0 million in revenue but it will be entering the production ramp of its life cycle this year. To value the company, we need to look to future years and discount valuations back to today to calculate a current price for IDEX. The comp chart below shows that the average fabless semiconductor company trades at an average of 6.3 times enterprise value to 2023 estimated sales if you throw out NVDA. If the market reaches 250 million cards by 2026, and the company can take 50% of the market (since there are only two players) and gets paid at least $3 per card, by 2026 IDEX could easily reach $375 million in sales just from payment cards. That would result in an enterprise value of $2.4 billion. The company has a fully diluted share count of approximately 1.32 billion fully diluted shares. Dividing by 1.17 billion gives us a stock price of $1.79 per share. Discounting that by 30% per year to the current value gives a stock price of $0.81 per share. To be conservative we can cut that in half and get a valuation of $0.40 per share and will increase that as we see it ramp revenues and land design wins on the path to our earnings expectations. Translating that $0.40 price per share to ADS is approximately $30.00 per ADS.

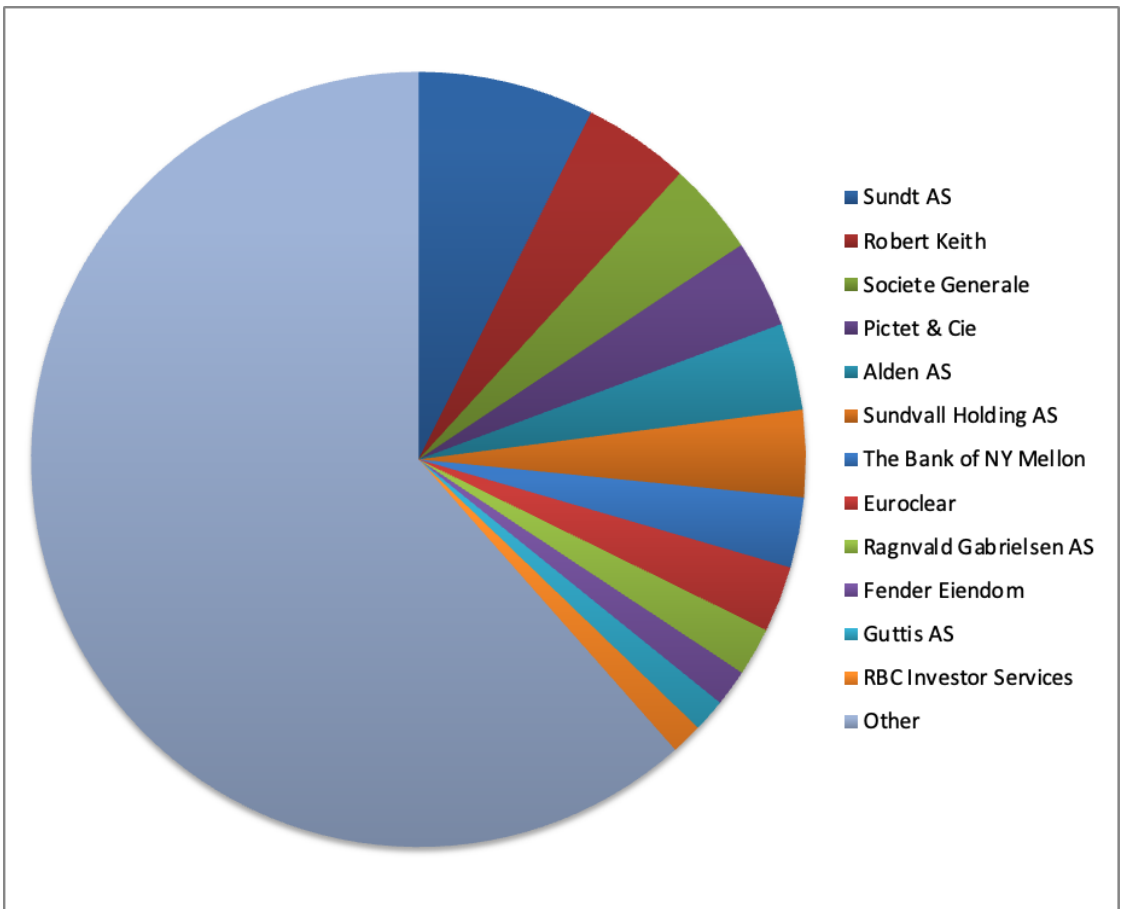
		Calendar				EBIDTA	Enterprise Value / Sales			EV/EBITDA	Included	
Company	Ticker	2024E	2023E	LTM	EBITDA	Margin	2024E	2023E	LTM		in Average?	Ent. Value
AMD	AMD	$27,480	$23,000	$23,070	3,980	17%	6.4x	7.7x	7.6x	44.2x	y	176,000
Broadcom	AVGO	NA	$36,300	$35,040	20,290	58%	NA	0.0x	0.0x	0.0x	y	400
Cirrus Logic	CRUS	NA	$1,655	$1,900	417	22%	NA	2.3x	2.0x	9.3x	y	3,880
Lightwave Logic	LWLG	NA	NA	$0	(18)	NM	NA	NA	NA	-43.5x	n	793
Marvell	MRVL	$6,490	$5,520	$5,790	1,590	27%	8.9x	10.5x	10.0x	36.4x	y	57,800
Monolithic Power Sys	MPWR	$2,150	$1,840	$1,870	601	32%	11.4x	13.3x	13.1x	40.8x	y	24,500
NVIDIA	NVDA	$58,190	$43,340	$25,880	6,090	24%	18.9x	25.4x	42.5x	180.6x	n	1,100,000
Qualcomm	QCOM	NA	$36,200	$41,070	14,490.0	35%	NA	4.2x	3.7x	10.6x	y	153,500
Average						**18%**	**8.9x**	**6.3x**	**6.1x**	**23.5x**		**216,583**

RISKS

- The use of biometric payment and security cards is just beginning to be offered and adopted by end-user customers. There is no assurance more customers will ultimately choose to use this technology or that it will work as expected.
- IDEX is just starting to move to produce larger volumes of products. There is no assurance they will be able to successfully manufacture products in the volumes needed at the cost expected.
- Production ramps, customer acceptance, and rollouts may continue to take longer than expected and forecasts may not be achieved in the time frame we predict. This is the biggest risk to current valuations as it is unknown when the inflection point will hit.
- The company is still losing money and is cash flow negative. We expect it could need further funding before reaching cash flow break even, and if it chooses equity to raise the cash it will dilute current shareholders.

OWNERSHIP

As of July 11, 2023



INCOME STATEMENT

US$ in Thousands	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23E	Q3 23E	Q4 23E	2021	2022	2023E	2024E
Product sales	989	1,005	844	1,051	1,242	1,600	2,000	4,000	2,837	3,889	8,842	$ 45,000
Other operating income	0	103	84	16	0	0	0	0	3	203	-	0
Total Revenue	**$ 989**	**$ 1,108**	**$ 928**	**$ 1,067**	**$ 1,242**	**$ 1,600**	**$ 2,000**	**$ 4,000**	**$ 2,840**	**$ 4,091**	**$ 8,842**	**$ 45,000**
Yr-to-yr growth	58.5%	59.0%	26.8%	35.6%	25.6%	44.4%	115.5%	274.9%	159.4%	44.0%	116.1%	-10.0%
Cost of revenue	676	1,034	819	715	913	1,120	1,300	2,400	1,254	3,244	5,733	24,750
Gross margin	313	74	109	352	329	480	700	1,600	1,586	847	3,109	20,250
Gross margin %	31.6%	6.7%	11.7%	33.0%	26.5%	30.0%	35.0%	40.0%	55.8%	20.7%	35.2%	45.0%
Operating expenses												
Compensation and benefits	4,978	4,776	5,081	4,378	4,408	4,300	4,200	3,800	21,107	19,213	16,708	15,000
Research & Development	1,029	958	1,033	230	933	900	900	200	2,680	3,250	2,933	3,000
Other operating expenses	1,938	2,314	1,783	2,367	2,055	2,000	1,900	1,900	7,347	8,402	7,855	6,000
Amortization and depreciation	369	334	333	316	340	295	290	285	1,802	1,352	1,210	1,000
Operating expenses	8,314	8,382	8,230	7,291	7,736	7,495	7,290	6,185	32,936	32,217	28,706	25,000
Operating income	(8,001)	(8,308)	(8,121)	(6,939)	(7,407)	(7,015)	(6,590)	(4,585)	(31,350)	(31,370)	(25,597)	(4,750)
Net financial items	(120)	(936)	(903)	631	174	100	100	100	(1,112)	(1,328)	474	0
Pretax loss from operations	**(8,121)**	**(9,244)**	**(9,024)**	**(6,308)**	**(7,233)**	**(6,915)**	**(6,490)**	**(4,485)**	**(32,462)**	**(32,698)**	**(25,123)**	**(4,750)**
Income taxes	0	0	0	(36)	5	0	0	(25)	90	(36)	(20)	100
Net loss	(8,121)	(9,244)	(9,024)	(6,272)	(7,238)	(6,915)	(6,490)	(4,460)	(32,552)	(32,662)	(25,103)	(4,850)
Non-GAAP net loss	(7,341)	(8,586)	(8,653)	(5,869)	(6,836)	(6,515)	(6,090)	(4,060)	(32,552)	(30,449)	(23,501)	(4,850)
Exchange differences on foreign operations	297	397	869	(189)	(207)	0	0	0	10	0	(207)	0
Total comprehensive income	(7,824)	(8,847)	(8,155)	(6,461)	(7,445)	(6,915)	(6,490)	(4,460)	(32,542)	(32,662)	(25,310)	(4,850)
Basic net loss per share	**$ (0.008)**	**$ (0.009)**	**$ (0.009)**	**$ (0.005)**	**$ (0.006)**	**$ (0.006)**	**$ (0.006)**	**$ (0.004)**	**$ (0.035)**	**$ (0.032)**	**$ (0.021)**	**$ (0.004)**
Yr-to-yr growth	-6.7%	15.8%	9.6%	-49.7%	-22.8%	-35.2%	-37.7%	-29.1%	1.6%	-10.2%	-32.5%	3.0%
Non-GAAP loss per share	$ (0.007)	$ (0.008)	$ (0.008)	$ (0.005)	$ (0.006)	$ (0.005)	$ (0.005)	$ (0.003)	$ (0.035)	$ (0.030)	$ (0.019)	$ (0.004)
Basic shares outstanding in mil	1,011.1	1,012.5	1,012.6	1,166.3	1,167.2	1,169.0	1,169.5	1,170.0	918.9	1,026.9	1,168.9	1,263.6
Yr-to-yr growth	15.6%	10.4%	10.2%	20.9%	15.4%	15.5%	15.5%	0.3%	19.8%	11.8%	13.8%	6.8%
Diluted shares	1,026.7	1,034.1	1,093.2	1,246.9	1,170.4	1,251.1	1,251.6	1,252.1	940.4	1,032.0	1,231.3	1,343.6
Yr-to-yr growth	14.3%	13.0%	18.5%	26.4%	14.0%	21.0%	14.5%	0.4%	21.6%	9.7%	19.3%	6.3%
Basic net loss per ADS	**$ (0.60)**	**$ (0.68)**	**$ (0.67)**	**$ (0.40)**	**$ (0.47)**	**$ (0.44)**	**$ (0.42)**	**$ (0.29)**	**$ (2.66)**	**$ (2.39)**	**$ (1.61)**	**$ (0.29)**
Non-GAAP loss per ADS	$ (0.54)	$ (0.62)	$ (0.59)	$ (0.35)	$ (0.44)	$ (0.39)	$ (0.36)	$ (0.24)	$ (2.60)	$ (2.21)	$ (1.43)	$ (0.27)
Basic ADS outstanding in millions	13.5	13.5	13.5	15.6	15.6	15.6	15.6	15.6	12.3	13.7	15.6	16.8
Diluted ADS	13.7	13.8	14.6	16.6	15.6	16.7	16.7	16.7	12.5	13.8	16.4	17.9
Adjusted EBITDA	(6,852)	(7,380)	(7,404)	(6,220)	(6,665)	(6,320)	(5,900)	(3,900)	(25,593)	(27,218)	(21,587)	250

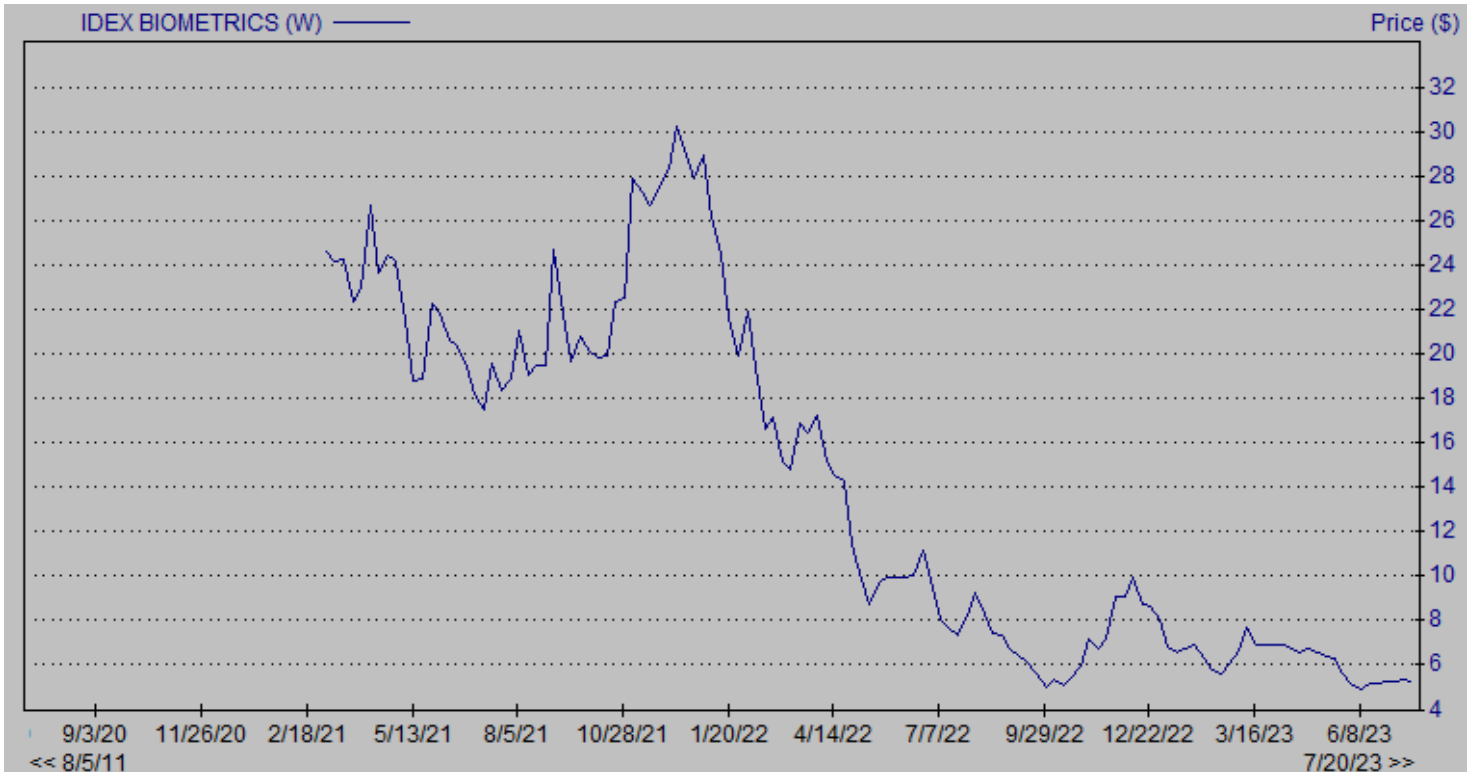
BALANCE SHEET

Thousands US $	Mar 31, 2023	Dec 31, 2022	Qtr-Qtr % Growth	Mar 31, 2022	Yr-Yr % Growth
Current					
Cash and cash equivalents	**$ 7,381**	**$ 16,124**	-54%	**$ 25,532**	-71%
Inventory	5,320	4,447	20%	2,010	165%
Trade receivables	1,241	1,349	-8%	1,306	-5%
Prepaid expenses	1,962	986	99%	867	126%
Other current receivables	894	929	-4%	671	33%
Current Assets	16,798	23,835	-30%	30,386	-45%
Goodwill	968	968	0%	968	0%
Other intangible assets	1,369	1,488	-8%	1,846	-26%
Property, plant and equipment	995	1,107	-10%	1,228	-19%
Right of use asset	1,506	1,545	-3%	224	572%
Long-term receivable	60	73	-18%	80	-25%
Total Assets	21,696	29,016	-25%	34,732	-38%
Liabilities					
Accounts payable	1,047	1,540	-32%	813	29%
Current lease liabilities	280	402	-30%	228	23%
Public duties payable	27	394	-93%	365	-93%
Other current liabilities	3,106	2,697	15%	2,286	36%
Current Liabilities	4,460	5,033	-11%	3,692	21%
Non-current lease liability	1,254	1,142	10%	7	17814%
Total liabilities	5,714	6,175	-7%	3,699	54%
Shareholders' Equity					
Share capital	22,800	22,762	0%	20,446	12%
Share premium	4,180	22,036	-81%	9,768	-57%
Share-based payment reserve	23,978	23,576	2%	22,194	8%
Total paid-in capital	50,958	68,374	-25%	52,408	-3%
Foreign currency translation effects	(11,839)	(11,632)	2%	(12,015)	-1%
Capital reduction reserves	287,500	269,500	7%	0	NM
Accumulated loss	(310,639)	(303,401)	2%	(9,360)	3219%
Total shareholder's equity	15,980	22,841	-30%	31,033	-49%
Tot Liabilities and Share. Equity	21,695	29,016	-25%	34,732	-38%
Cash	$ 7,381	$ 16,124	-54%	$ 25,532	-71%
Current ratio	3.8	4.7	-20%	8.2	-54%
Quick ratio	2.6	3.9	-33%	7.7	-67%
Working capital	12,338	18,802	-34%	26,694	-54%
Debt	0	0	0%	0	0%

CASH FLOWS

	YR 2020	Mar. 31, 2021	June 30, 2021	Sept 30, 2021	Dec. 31, 2021	YR 2021	Mar. 31, 2022	June 30, 2022	Sept 30, 2022	Dec. 31, 2022	YR 2022	Mar. 31, 2023
Cash flows from operating activities:		3 month	3 month	3 month	3 month		3 month	3 month	3 month	3 month		3 month
Net loss	$ (26,853)	$ (7,529)	$ (7,236)	$ (7,469)	$ (10,844)	$ (32,462)	$ (8,121)	$ (9,244)	$ (9,024)	$ (6,308)	$ (32,698)	$ (7,233)
Adjustments to reconcile net loss to net cash used in operating activities:												
Amortization and depreciation	1,719	454	460	460	428	1,802	369	334	333	316	1,352	340
Stock-based compensation	2,755	806	558	534	852	2,750	780	594	384	403	2,161	402
Other non-cash operating expenses					(141)	95	-	-	-	(1,344)	525	-
Inventories	(139)	(52)	(87)	(95)	(43)	(375)	(776)	(13)	(904)	(1,522)	(3,215)	(873)
Accounts receivables	(414)	(50)	(186)	(35)	58	(314)	(505)	(104)	259	(198)	(548)	109
Accounts payable	141	(39)	402	(368)	1,456	53	129	(220)	47	902	858	(492)
Change in other working capital	(618)	(247)	(653)	611	187	482	(426)	(806)	410	958	136	(1,193)
Other operating activities	579	(218)	59	67	-	-	142	456	1,272	-	-	-
Interest expense	(27)	(5)	(2)	-	(4)	(11)	(6)	(17)	(34)	(40)	(97)	(24)
Income taxes	(437)	-	-	-	447	447	-	-	-	(372)	(372)	(5)
Net cash flows from operating activities	(23,294)	(6,880)	(6,685)	(6,295)	(7,604)	(27,533)	(8,414)	(9,020)	(7,257)	(7,205)	(31,898)	(8,970)
Cash flows from investing activities:												
Purchases of property, plant & equipment	(333)	(70)	(39)	(20)	(12)	(141)	(51)	(51)	(112)	(53)	(267)	18
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-
Settlements of non-current receivables	-	-	-	-	-	-	-	7	7	(5)	9	14
Payments on non-current receivables	75	(4)	-	(25)	16	(13)	6	(6)	-	-	-	-
Interest received	26	4	3	-	4	11	6	17	34	40	97	91
Net cash flows from investing activities	(232)	(70)	(36)	(45)	8	(143)	(39)	(33)	(71)	(18)	(161)	122
Cash flows from financing activities:												
Proceeds from issue of shares	18,731	25,755	295	257	28,685	54,992	369	(1)	234	14,334	14,936	181
Payments on lease liabilities	(793)	(215)	(216)	(221)	(192)	(844)	(134)	(102)	(105)	(92)	(433)	(82)
Payment related to financed asset purchase	(500)	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by financing activities	17,438	25,540	79	36	28,493	54,148	235	(103)	129	14,242	14,503	99
Net increase (decrease) in cash	(6,088)	18,590	(6,642)	(6,304)	20,897	26,472	(8,218)	(9,156)	(7,199)	7,019	(17,556)	(8,748)
Effect of exchange rate changes on cash	(740)	4	5	(13)	(8)	(11)	(9)	(51)	(66)	46	(80)	6
Cash at beginning of period	14,126	7,298	25,892	19,255	12,870	7,298	33,759	25,532	16,325	9,059	33,759	16,123
Cash at end of period	7,298	25,892	19,255	12,938	33,759	33,759	25,532	16,325	9,060	16,124	16,123	7,381
Cash flow	(22,379)	(6,269)	(6,218)	(6,475)	(9,564)	(27,910)	(6,972)	(8,316)	(8,307)	(5,589)	(29,185)	(6,491)
Free cash flow	(22,712)	(6,339)	(6,257)	(6,495)	(9,576)	(28,051)	(7,023)	(8,367)	(8,419)	(5,642)	(29,452)	(6,473)

HISTORICAL STOCK PRICE



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

Zacks SCR Analysts hereby certify that the view expressed in this research report or blog article accurately reflects the personal views of the analyst about the subject securities and issuers. Zacks SCR also certifies that no part of any analysts' compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report or blog article. Zacks SCR believes the information used for the creation of this report or blog article has been obtained from sources considered 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. The Zacks SCR Twitter is covered herein by this disclosure.

INVESTMENT BANKING AND FEES FOR SERVICE

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 include 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.

Each issuer has entered into an agreement with Zacks to provide continuous independent research for a period of no less than one year in consideration of quarterly payments totaling a maximum fee of $40,000 annually.

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 and, 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.