Zacks Small-Cap Research
Sponsored – Impartial – Comprehensive

July 23, 2024
John D. Vandermosten, CFA
312-265-9588 / jvandermosten@zacks.com

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

Lexaria Bioscience Corp. (LEXX: NASDAQ)

LEXX: GLP-1 Agonist Program Updates

Our valuation methodology employs a DCF model and a 15% discount rate. The model applies a weighted average 13% probability of ultimate approval and commercialization of products employing DehydraTECH. The model includes contributions from the United States and Rest of World.

Current Price (7/22/2024)	$2.88
Valuation	**$8.00**

OUTLOOK

Lexaria is a biotechnology company seeking to enhance the bioavailability of multiple drug agents using DehydraTECH (DHT), its technology using oral and topical delivery. It combines lipophilic APIs with specific fatty acid and carrier compounds followed by dehydration.

DHT offers several attractive features: substantial improvement in bioabsorption in terms of time to measurable plasma levels & AUC, brain permeation, taste masking & side effect reduction. As DHT does not employ a covalent bond, it is not considered a new molecular entity and can rely on an API's previously conducted safety and efficacy data to obtain regulatory approval.

Lexaria receives revenues from licensing & product sales which can in part fund R&D operations. R&D activities are pursuing both preclinical and clinical programs. The lead program is investigating GLP-1 agonists for weight loss and diabetes. Other DHT candidates include antivirals, CBD, nicotine, PDE5 inhibitors, NSAIDS, hormones, colchicine & others.

We forecast penetration into global markets for hypertension, nicotine delivery and antiviral product categories.

SUMMARY DATA

52-Week High	**6.85**
52-Week Low	**0.76**
One-Year Return (%)	**233**
Beta	**1.0**
Average Daily Volume (sh)	**212,929**
Shares Outstanding (mil)	**15.8**
Market Capitalization ($mil)	**45.5**
Short Interest Ratio (days)	**0.6**
Institutional Ownership (%)	**5.7**
Insider Ownership (%)	**10.4**
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 2024 Estimate	**N/A**
P/E using 2025 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Drugs**

ZACKS ESTIMATES

Revenue

(In millions of USD)

	Q1 (Nov)	Q2 (Feb)	Q3 (May)	Q4 (Aug)	Year (Aug)
2023	$0.1 A	$0.0 A	$0.1 A	$0.0 A	$0.2 A
2024	$0.1 A	$0.1 A	$0.0 A	$0.2 E	$0.5 E
2025					$1.0 E
2026					$1.2 E

Earnings per Share

	Q1 (Nov)	Q2 (Feb)	Q3 (May)	Q4 (Aug)	Year (Aug)
2023	-$0.30 A	-$0.22 A	-$0.37 A	-$0.15 A	-$1.01 A
2024	-$0.13 A	-$0.06 A	-$0.13 A	-$0.12 E	-$0.44 E
2025					-$0.36 E
2026					-$0.34 E

© Copyright 2024, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

Lexaria Bioscience Corporation (NASDAQ: LEXX) reported fiscal third quarter 2024 results along with program updates, progress in its GLP-1 trials, a capital raise and a new role for the CFO. The investigational new drug (IND) application for hypertension was cleared in March and ethics board approval was given to start the second GLP-1 agonist human pilot study. Additionally, several new patents were granted bringing the total to 43. Lexaria's primary focus this year is to demonstrate that DehydraTECH (DHT) can be an effective delivery system serving the burgeoning GLP-1 agonist space. Oral options for GLP-1s are limited and initial data for DHT-GLP-1s promising leading to the development of a series of studies that seek to find the best approach for a more convenient delivery method. So far, we have seen preliminary data for the animal studies which look at DehydraTECH (DHT) formulated cannabidiol (CBD), liraglutide and semaglutide. Since our latest report in April, we have updated all of the GLP-1 agonist study detail sections to reflect their latest status.

Third Quarter 2024 Results

Lexaria filed its 3Q:24 Form 10-Q on July 12th, 2024. The company reported 3Q:24 revenues of $84,000, and total operating expense of $1.8 million resulting in net loss of ($1.8) million or ($0.13) per diluted common share.

For the fiscal quarter ending May 31st, 2024 and versus the comparable prior year period:[1]

- Revenue totaled $84,000, down 10% from $93,000 as increases in licensing revenues were more than offset by the absence of Product and Other revenues which together totaled $69,000 in the prior year. The rise in licensing revenues was due to an increase in minimum fees earned from the licensing agreement with Premier;
- Research and development expenses totaled $573,000, down 65% from $1,641,000 as a result of completing the manufacturing of DHT CBD drug for the company's clinical studies, and the completion of other studies for nicotine replacement, diabetes and seizures. Existing spending is tied to the DHT investigational research programs underway in GLP-1 agonists and CBD;
- General and administrative expenses totaled $1,254,000 up 52% from $823,000 due primarily to an increase in legal and professional fees due to patent filings and other miscellaneous legal advisory work. This was partially offset by lower consulting fees, departure of two employees and lower advertising and promotion;
- Other loss of ($41,000) represented unrealized loss on marketable securities related to a rise in stock price during 3Q:24;
- Net loss was ($1.8) million, or ($0.13) per share, compared to net loss of ($2.4) million or ($0.37) per share.

As of May 31, 2024, cash and marketable securities totaled $8.5 million which compares to $1.5 million at the end of fiscal year 2023. Cash burn for the first nine months of FY:24 was approximately ($3.2) million. Cash from financing totaled $10.3 million over the last three quarters due to the exercise of warrants in the latest quarter and warrant issue and equity sales earlier in the fiscal year. Management estimates that the company holds sufficient cash to meet its financial obligations until at least summer of 2025.

Appointment of New Chief Financial Officer

In a March 14th press release, Lexaria announced the appointment of Nelson Cabatuan as Chief Financial Officer to lead the company's financial operations. Mr. Cabatuan has over 15 years of corporate finance and operations experience within the life sciences industry, most recently serving as SVP, Finance and Operations at Rain Oncology, a late-stage precision oncology biotech company. At Rain, Mr. Cabatuan built and led the company's financial organization that experienced significant growth during his tenure. Previously, Mr. Cabatuan served in various roles at Rigel Pharmaceuticals, Inc., including as Vice President, Finance. At Rigel, he was a key member of the executive team that developed and launched Tavalisse for the treatment of chronic immune thrombocytopenia.

Mr. Cabatuan has deep industry contacts with bankers and analysts which have so far led to a number of connections with these groups that has helped improve investor awareness of Lexaria with the investment community. As a result of these relationships, his role was shifted to Chief Strategic Financial Advisor in mid-July in order to devote additional focus to Lexaria's strategic opportunities. A new CFO will be appointed and announced in the future.

[1] Our year over year comparison uses originally reported data.

New Patent Grants

Following the end of the fiscal second quarter, Lexaria reported that the US Patent and Trademark Office had granted two new patents on April 2nd. This was followed by further press releases on May 21 and July 8 identifying two additional patents related to medical treatment which brings the portfolio to 43 granted worldwide.

- US Patent 11,931,369
  - Compositions and methods for treating epilepsy
  - Oral delivery of CBD
  - Expected expiration in 2042 unless extended
- US Patent 11,944,635
  - Compositions and methods for treating epilepsy
  - Oral delivery of CBD
  - Expected expiration in 2042 unless extended
- Japanese patent JP7415045B2
  - Compositions and methods for improved delivery of antiviral agents
  - Treating COVID, MERS & SARS among other viral infections
  - Follows previous grants in Australia and the US
  - Expected expiration in 2041
- Compositions and Methods for Treating Hypertension
  - Expected expiration in 2042
- Compositions and Methods for Treating Epilepsy
  - Expected expiration in 2042
- Transdermal and/or Dermal Delivery of Lipophilic Active Agents
  - Granted in EU
  - Expected expiration in 2039
- Compositions and Methods for Enhanced Delivery of Antiviral Agents
  - Granted in Canada
  - Expected expiration in 2041
- Compositions and Methods for Treating Epilepsy
  - Granted in United States
  - Expected expiration in 2044

Hypertension Investigational New Drug (IND) Submission and Clearance

After some delays related to the delivery of analytical and stability data from a supplier, Lexaria submitted its investigational new drug (IND) application in January 2024 for hypertension. About a month later, the IND was cleared by the FDA, which allows Lexaria to conduct a Phase Ib hypertension clinical trial (HYPER-H23-1). The study will evaluate DehydraTECH CBD in an effort to demonstrate safety, efficacy and the mechanistic performance of the candidate. While the company's main focus has turned to the weight and diabetes studies, Lexaria will continue to manufacture additional drug product batches though its third-party contract manufacturer. The company has begun certain administrative study start-up tasks associated with preparation to perform study HYPER-H23-1. We anticipate that the study will be launched following the satisfaction of certain FDA conditions and availability of sufficient funding.

Diabetes and Weight Loss GLP-1 Agonist Program

Following the report of final data for the DehydraTECH (DHT)-Rybelsus comparison study, Lexaria outlined an extensive research and development program for 2024 in a January 16th press release. The goal of the work is to further characterize the pharmacokinetics of DHT-semaglutide delivery. Additionally, the company seeks to identify the commercial applicability of DHT-formulated versions of semaglutide, liraglutide and tirzepatide. With this end in mind, Lexaria has planned one animal and three human studies along with long-term stability testing of DHT compositions of GLP-1 agonists. All human studies will be investigator-initiated, non-registrational studies and will require certain approvals before beginning. Third-party laboratories will be used exclusively.

National Research Council of Canada (NRC) GLP-1 Agonist Research Program
In early May, Lexaria announced yet another GLP-1 agonist research program; this one with the National Research Council of Canada (NRC). The partnership with the NRC will help further characterize the mechanism of action for DHT-GLP-1 drugs. It may provide valuable data that will help in partnering discussions with commercialization partners. This program will evaluate the molecular properties of DHT-processed pure semaglutide using simulated gastric fluid, mimicking conditions in the human gut. Several tests will be run such as polyacrylamide gel electrophoresis, size exclusion chromatography, matrix assisted laser desorption ionization mass spectrometry and dynamic light scattering. The research will look at the oligomerization potential of DHT-processed pure semaglutide in gastric fluid which will support the data package that will result from the spectrum of studies that Lexaria is doing. The company expects this work to be complete in August.

Chronic Dosing Animal Study
In mid-May, Lexaria announced that the chronic dosing animal study had begun dosing the first 8 arms of the 12 arm study. It will be designated WEIGHT-A24-1 and will include 8 – 10 subjects in each arm. It is planned to run for 12 weeks to evaluate weight loss, pharmacokinetics and blood sugar control over the duration of the study. Following collection of the data, full analysis will be performed and results will be shared. DHT formulations of semaglutide and liraglutide, alone and together with DHT-CBD, will be evaluated. This study will incorporate both the synthetic N-acylated amino acid derivative of salicylic acid (SNAC) technology and a compounded formulation of semaglutide. A report of interim results was provided on July 17th in a press release and is discussed below.

A Health Canada licensed Canadian research laboratory was awarded the contract to run the study. Manufacturing of the CBD and GLP-1 compositions to be used in the study were completed in the spring. Lexaria provided details on each of the 12 study arms which will evaluate DHT CBD, DHT GLP-1 with reformulated Rybelsus, DHT GLP-1 pure semaglutide and combinations of these arms against a vehicle and positive control arm. The dosing arms included the following compositions:

- One pure liraglutide DHT;
- One pure semaglutide DHT;
- Two reformulated Rybelsus DHT; and
- Four different DHT CBD.

Work on the first eight arms has been completed and work on arms 9 – 12 has begun. Arms 9 and 10 will use the two best performing DHT CBD compositions along with the two best performing DHT semaglutide compositions.

Investigators estimate that over 1,500 samples will be taken from 72 rats for analysis. Body weight, glucose readings and brain tissue will be evaluated. Brain tissue will be examined to determine whether DHT is able to produce higher brain absorption compared with the non-DHT arms. The brain absorption is important as one of the proposed mechanisms of action for the GLP-1 agonists is its impact in the brain where it can regulate the appetite, particularly in the hypothalamus. Combined with delayed gastric emptying and other mechanisms, this approach provides a multi-pronged effort to help patients lose weight. Lexaria will seek to find if the DehydraTECH delivery of the GLP-1 agonists is able to achieve better central nervous system (CNS) delivery, thereby enhancing the brain regulation of the hunger mechanism.

Selected results from the first eight arms were shared with investors in a July 17th press release. The design of the animal study provided for unlimited food and water during its entire duration. In the first month of the study, prior to dosing of the treatment arms, the animals experienced a 10.9% weight gain. In the month after the start of dosing, DHT-liraglutide and DHT-CBD produced the greatest weight loss. Detail by arm is provided in the following exhibit.

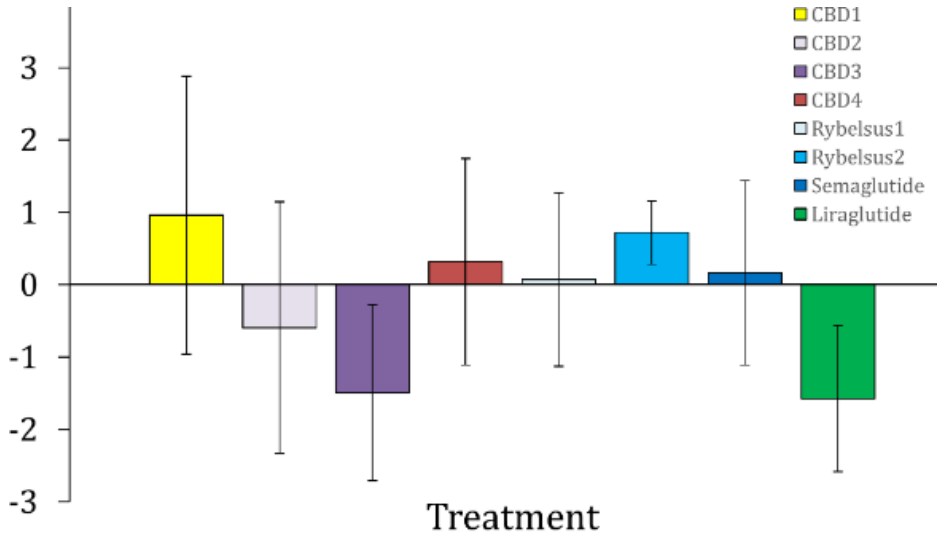
Exhibit I – Animal Weights by Group

DehydraTECH Groups	Arrival in Lab	End of Acclimation Period	% Change to End of Acclimation	End of 28 Days of Dosing	% Change to Day 28
A: CBD1	386.0	427.9	+10.9%	432.6	+0.96%
B: CBD2	360.6	394.6	+9.4%	393.3	-0.59%
C: CBD3	375.5	416.0	+10.8%	408.8	-1.50%
D: CBD4	377.2	431.2	+14.3%	431.7	+0.32%
E: Rybelsus1	365.1	394.9	+8.2%	394.6	+0.07%
F: Rybelsus2	364.5	406.2	+11.4%	409.1	+0.72%
G: Semaglutide	352.7	394.2	+11.8%	394.8	+0.16%
H: Liraglutide	354.6	392.2	+10.6%	385.7	-1.58%
Average	**367.0**	**407.1**	**+10.9%**	**406.3**	**-0.18%**

Source: Lexaria Press Release July 17, 2024

Six animals were assigned to each group. Both semaglutide (group G) and liraglutide (group H) used DehydraTECH processing to deliver the GLP-1 agonists orally. The following exhibit provides a graphic comparison of the weight change following treatment administration.

Exhibit II – 28 Day Percent Body Weight Change



Source: Lexaria Press Release July 17, 2024

56 days of treatment remain for the animals in the study. Results from this trial will guide the arms that will be populated in the final four study arms in cohort 2. Cohort 2 is expected to be complete in mid-October.

Human Pilot Study #2

Lexaria announced the start of the second human pilot study in early May following the independent third-party review board grant of approval. A July update announced that dosing was complete for all participants. The third and final arm is expected to be complete by early July. Nine healthy volunteers were administered a single dose of DHT-semaglutide (what we termed DHT-Rybelsus above) capsules, similar to the formulation used in the first human pilot study. An oral dissolvable DHT-semaglutide tablet was also administered to evaluate whether or not it can be effectively delivered using the sublingual/buccal tissue route. When all of the data is collected, tolerability, side effects, pharmacokinetics, and blood sugar control will be evaluated. As with the first human pilot study, the formulation of DHT-semaglutide will use Rybelsus tablets as source material for the composition.

Human Pilot Study #3
Planned for later in 2024, the third human pilot study will enroll up to eight healthy human volunteers. Subjects will be administered a single dose of DHT-tirzepatide, which will be compounded from Eli Lilly's Zepbound and manufactured into capsules. Study endpoints include tolerability, pharmacokinetics and blood sugar. The trial will evaluate DHT effectiveness in combination with a dual action GLP-1 agonist and a glucose-dependent insulinotropic peptide (GIP) drug absent the SNAC formulation used in the Rybelsus semaglutide composition from the first two human pilot studies. As of late May, Lexaria has hired a contract research organization (CRO) to run the study.

Chronic Dosing Human Study
Planned for 3Q:24, a 70-90 subject human study in pre-diabetic and Type 2 diabetic individuals will dose daily using DHT-CBD and DHT-Rybelsus capsules. It will evaluate tolerability, pharmacokinetics, weight loss and blood sugar among other metrics over a 12-week period. While the study is not registered as a phased study, it is equivalent to a Phase Ib based on its design. The study seeks to compare the performance of DHT-CBD product with DHT-Rybelsus product both separately and together relative to a placebo arm. A secondary goal for the study is to confirm glycemic control and weight loss shown in the first pilot human study.

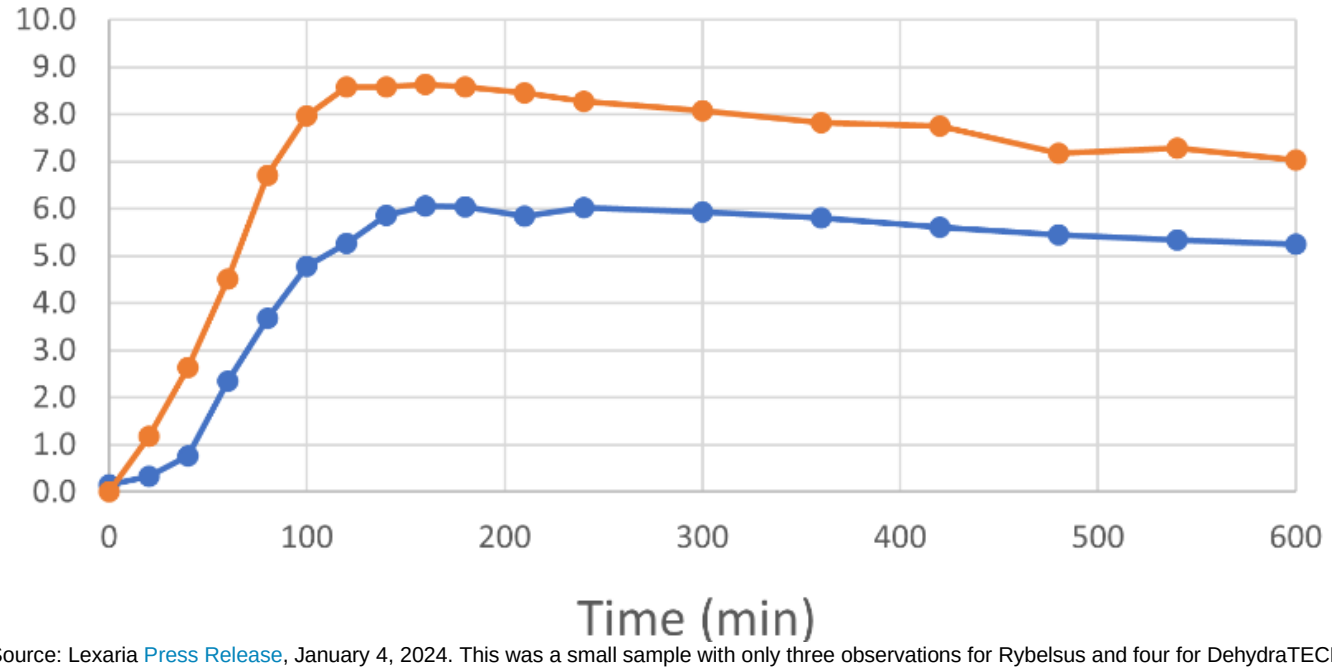
Lexaria anticipates that this trial will be run in Australia and will test the best performing formulations identified in previous studies. This includes Rybelsus as a positive control, DHT-CBD, DHT-semaglutide, DHT-CBD-semaglutide and DHT-tirzepatide. Results from this study should be available before the end of the year. A CRO was engaged to run the study which has begun preparations including a full clinical protocol design and writing in consultation with medical experts, regulatory authority submissions and data management planning.

Long Term Stability Testing
Lexaria will evaluate the chemical and microbiological purity and stability of select DHT compositions over a period of 6 to 12 months. Long-term stability is a necessary feature if the DHT-formulations are to be commercially successful and replace injectable versions of GLP-1 agonists.

Human Pilot Study Final Data

Lexaria had provided preliminary data in late November 2023 with respect to the pilot study which compared 7 mg of DHT-Rybelsus versus a matching amount of drug substance in a Rybelsus tablet. Rybelsus has distinguished itself with strikingly low bioavailability of 1% or less, providing an opening for an alternative that achieves better results. The exhibit below is updated from the previously released data and illustrates final blood plasma levels of DHT-Rybelsus and Rybelsus tablets over a 10-hour period with the DHT formulation achieving higher blood levels at each measurement point. We note that compared to the initial report of the data back in November, the separation of the two curves is greater in the final report with the Rybelsus control generating slightly lower blood levels in comparison.

Exhibit III – Blood Levels of Semaglutide (Rybelsus, Blue; DehydraTECH, Orange)



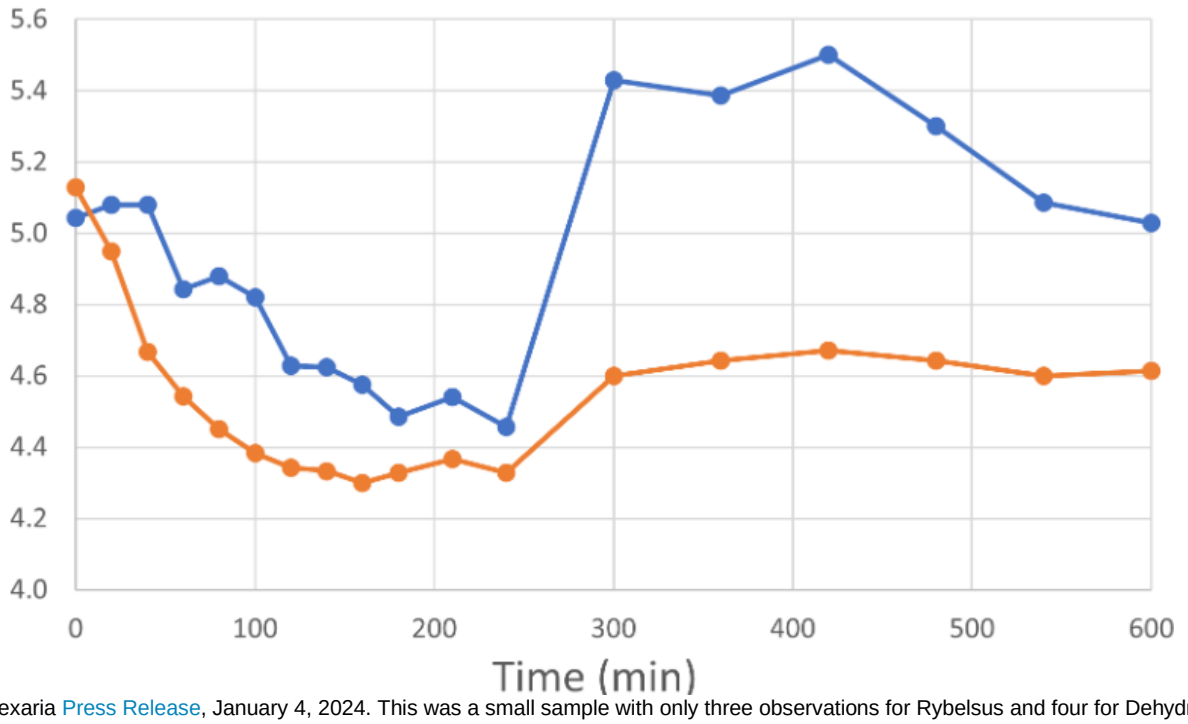
Source: Lexaria Press Release, January 4, 2024. This was a small sample with only three observations for Rybelsus and four for DehydraTECH.

The separation between the DHT and Rybelsus curves was maintained for the entire 24-hour measurement period and was about 25% higher at the final hour. For the 24-hour observation period, blood levels for the DHT-Rybelsus arm averaged 15% higher than the control.

Two of the three control subjects and none of the four DehydraTECH GLP-1 subjects reported experiencing moderate nausea. All three control subjects reported experiencing mild nausea at both the 2-hour and 10-hour timepoints whereas only one DehydraTECH semaglutide subject reported mild nausea and only at the single, 2-hour timepoint.

Updated data for blood glucose levels was also provided in the final results for the pilot study. Compared with the first report, both curves were generally lower than before. The final results demonstrated lower overall blood glucose levels and less variability for the DHT-Rybelsus formulation compared with Rybelsus tablets. The study evaluated blood glucose levels every 20 minutes for the first few hours then every hour over the measurement period. Subjects consumed a standardized meal at the 240-minute (4 hour) mark and a snack at the 360-minute (6 hour) mark. As can be observed in the following exhibit, the spike in blood glucose levels for the DHT-Rybelsus subjects was less pronounced than that for the Rybelsus tablet group following the meal at the 240-minute mark.

Exhibit IV – Blood Glucose Levels (Rybelsus, Blue; DehydraTECH, Orange)



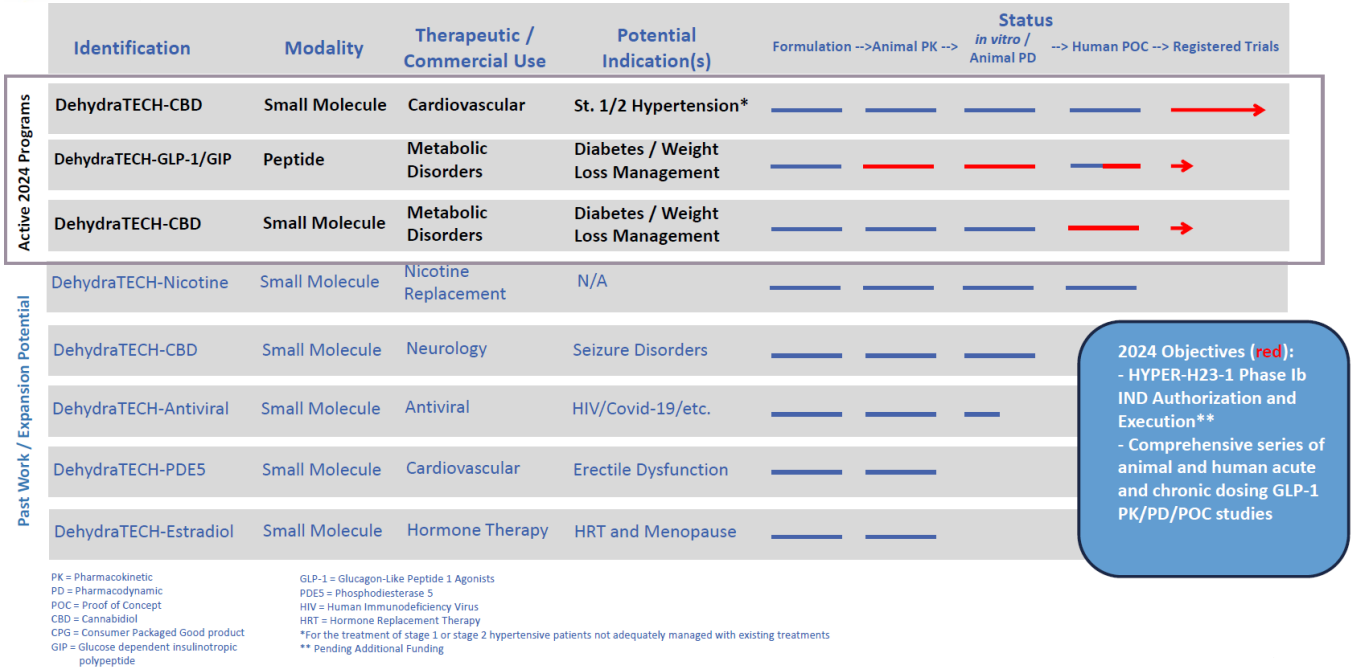
Source: Lexaria Press Release, January 4, 2024. This was a small sample with only three observations for Rybelsus and four for DehydraTECH.

The semaglutide study is intended to provide pharmacokinetic and pharmacodynamic data to help guide future work. Since there were only seven subjects in the trial, there are insufficient data to provide significant results; however, as shown in the information provided, initial indications show improved performance from the DehydraTECH formulations. Study investigators surmised that the improved delivery of DHT-Rybelsus is most likely responsible for the observed greater efficacy in achieving sustained blood glucose reduction, which also suppressed the after-meal spikes in blood glucose produced by the control group.

Lexaria used crushed Rybelsus tablets as source material for its DHT formulated product, which combined two delivery technologies that may together have had an impact on performance. Rybelsus uses the SNAC technology which is a synthetic N-acylated amino acid derivative of salicylic acid. From the first pilot study, it is unclear what effect SNAC had on the results generated by DHT-Rybelsus. Lexaria will conduct further studies with alternate formulations that may be able to determine if SNAC impacted the results. Another important element to consider is the value Novo Nordisk attributed to the technology. The Danish company acquired Emisphere and its royalty obligations for $1.8 billion in 2020. While it is too early to determine the capabilities of DHT-delivered semaglutide, this transaction gives some idea of what even a weakly effective delivery system could be worth to a large pharmaceutical company.

Pipeline

Exhibit V – DehydraTECH Pipeline

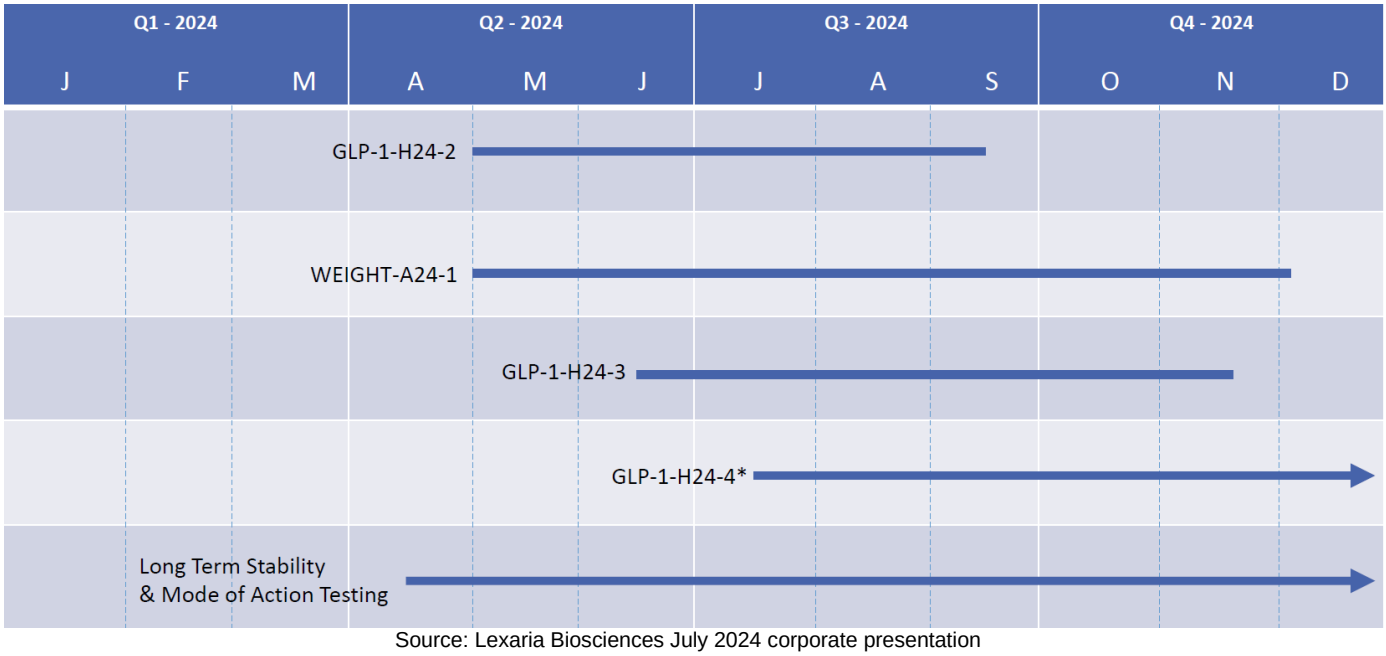


Source: Lexaria Biosciences July 2024 corporate presentation

Milestones

- Diabetes study results – January 2024
- IND submission for DHT-CBD Phase Ib – January 2024
- IND clearance for DHT-CBD Phase Ib – February 2024
- CFO Nelson Cabatuan appointed – March 2024
- Chronic Dosing Animal Study (GLP-1) – April 2024
- IRB clearance for Human Pilot Study #2 – April 2024
- Start human Pilot Study #2 (GLP-1) – May 2024
- Start human Pilot Study #3 (GLP-1) – July 2024
- Chronic Human Dosing Study (GLP-1) – 3Q:24
- Animal study interim results – mid-2024
- Human Pilot Study #2 results – September 2024
- Human Pilot Study #3 results – Late 2024
- Animal study final results – November 2024
- Chronic dosing human study results – December 2024
- NIC-H22-1 (nicotine comparison with on! & ZYN) update to final results – 2024
- DHT-CBD hypertension study – TBD

Exhibit VI – Research and Development Program Timeline



Source: Lexaria Biosciences July 2024 corporate presentation

Summary

Lexaria has continued the advancement of its GLP-1 agonist program providing several interim updates and demonstrating early signs of efficacy. The company has planned its studies to produce an effective delivery regimen that will be evaluated in its chronic dosing human study slated to begin in the fall. While the IND for the hypertension program has been cleared by the FDA, the highest and best use of Lexaria's efforts is to find an effective oral delivery mechanism for sponsors in the GLP-1 agonist space. 2023 revenues for this product class were in excess of $31 billion and are expected to expand dramatically over the next several years.

GLP-1 agonists have shown safety and effectiveness in treating diabetes and weight loss, with the latter one of the most difficult indications to address over the last decades. This class of drug is now almost exclusively infused in patients which is costly, inconvenient and can result in wide variations in systemic drug concentration between administrations. While there is one oral formulation of a GLP-1 available, it offers limited bioavailability. If DehydraTECH is able to improve delivery systemically including the CNS, recognition by one or more the numerous commercial and in-development sponsors of products in this class could lead to a substantial revaluation in Lexaria's share price. Furthermore, success in the ongoing studies could provide the ammunition necessary to negotiate with multiple large biopharmaceutical companies who can benefit from this technology to effectively deliver GLP-1s and other classes of drug orally. We maintain our valuation of $8.00 per share.

PROJECTED FINANCIALS

Lexaria Bioscience Corp. - Income Statement

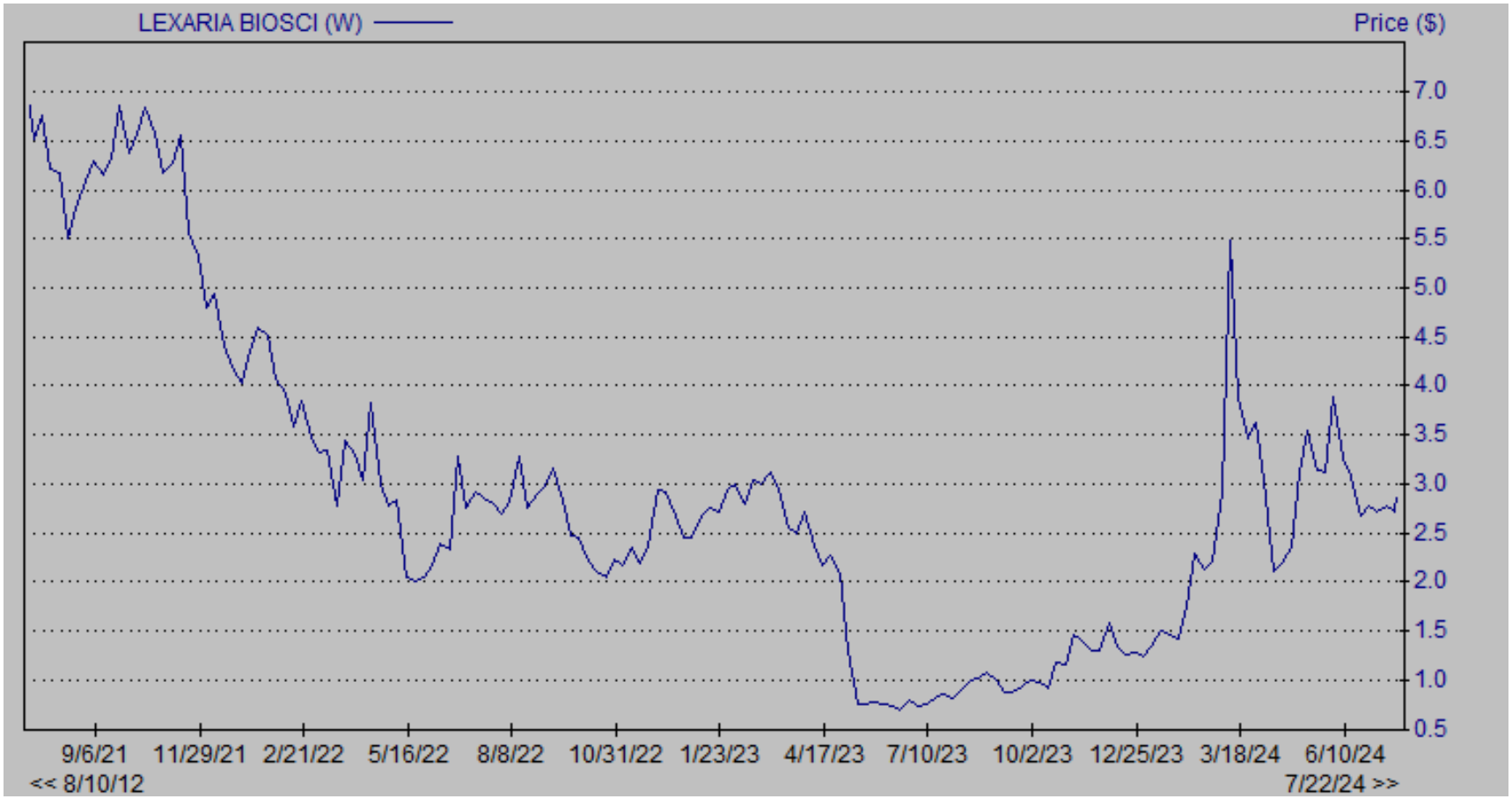
Lexaria Bioscience Corp.	2023 A	Q1 A	Q2 A	Q3 A	Q4 E	2024 E	2025 E	2026 E
Total Revenues	**$226**	**$151**	**$145**	**$84**	**$150**	**$530**	**$975**	**$1,169**
YOY Growth	-11%	49%	314%	-10%	-4469%	134%	84%	
Gross Profit	$195	$146	$145	$84	$149	$524	$780	$936
Research & Development	$3,667	$574	$246	$573	$1,252	$2,645	$3,890	$4,007
General & Administrative	$3,062	$711	$567	$1,254	$805	$3,337	$3,312	$3,444
Income from operations	($6,534)	($1,139)	($668)	($1,743)	($1,908)	($5,458)	($6,422)	($6,516)
Non Controlling Interest	($48)	($6)	($3)	($3)	$0	($12)	($38)	
Pre-Tax Income	($6,665)	($1,179)	($650)	($1,782)	($1,908)	($5,519)	($6,384)	($6,516)
Net Income	**($6,665)**	**($1,179)**	**($650)**	**($1,782)**	**($1,908)**	**($5,519)**	**($6,384)**	**($6,516)**
Net Margin	*-2946%*	*-780%*	*-448%*	*-2121%*	*-1272%*	*-1041%*	*-655%*	*-557%*
Reported EPS	**($1.01)**	**($0.13)**	**($0.06)**	**($0.13)**	**($0.12)**	**($0.44)**	**($0.36)**	**($0.34)**
Basic Shares Outstanding	6,614	9,052	10,765	13,855	16,400	12,518	17,670	19,221

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

© Copyright 2024, Zacks Investment Research. All Rights Reserved.

HISTORICAL STOCK PRICE

Lexaria Bioscience Corp. – Share Price Chart[2]



[2] Source: Zacks Research System

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, John Vandermosten, hereby certify that the views 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. This research report was prepared under the aforementioned engagement.

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 DISCLAIMER

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.

© Copyright 2024, Zacks Investment Research. All Rights Reserved.