June 24, 2025

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brian Lantier
312-265-9153
blantier@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

Viomi Technology Co., Ltd (NASDAQ: VIOT)

VIOT: Viomi hits a few speed bumps in the road. Adjusting our valuation target to $4.00

Concerns over the relative strength of the Chinese economy and the confidence of Chinese consumers, coupled with a delayed audit, have weighed on Viomi's shares over the past 3 months. As a result of the change in the company's risk profile due to the delayed 20-F filing and auditor change, we are lowering our 12-month valuation target to $4.00/ADS.

Current Price (6/23/25)	$1.35
Valuation	**$4.00**

OUTLOOK

Viomi recently launched a new filtration system that produces mineral water-like output, which could be a differentiated product in the market, enabling Viomi to gain a share in an increasingly crowded filtration market.

The company's inability to file a timely 20-F with the SEC, combined with a recent change in auditors, will likely raise concerns among investors.

Viomi's strong balance sheet could enable it to pursue multiple growth strategies (expansion, new products, M&A) over the next 3-5 years.

SUMMARY DATA

52-Week High	**$2.38**
52-Week Low	**$0.83**
One-Year Return (%)	**50%**
Beta	**0.16**
Average Daily Volume (sh)	**168,542**
Shares Outstanding (mil)	**68**
Market Capitalization ($mil)	**$92**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**1**
Insider Ownership (%)*	**34**
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 2025 Estimate	**4.2**
P/E using 2026 Estimate	**3.4**

Risk Level	**High**
Type of Stock	**Small-Value**
Industry	**Home water filtration**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023		102 A		123 A	225 A
2024		115 A		176 A	290 A
2025		129 E		202 E	331 E
2026		147 E		226 A	374 E

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023		$0.06 A		$0.17 A	$0.23 A
2024		$0.01 A		$0.11 A	$0.13 A
2025		$0.07 E		$0.26 E	$0.32 E
2026		$0.10 E		$0.30 E	$0.40 E

Zacks Projected EPS Growth Rate - Next 5 Years % **20%**

*2023 & 2024 Revenues Restated/EPS reflect continuing operations

*6 month revenues and EPS may not sum due to different exchange rates

***Insiders control 60% of voting rights**

© Copyright 2025, Zacks Investment Research. All Rights Reserved.

KEY POINTS



Source: company presentation

- Viomi's shares (NASDAQ: VIOT) have remained under pressure for the past three months since reporting year-end 2024 results in late March. Viomi's shares have slipped roughly 30% over that timeframe, while the Russell 2000 has been essentially flat in large part due to continued trade concerns, which we will discuss, and the company's inability to file its annual 20-F with the SEC on a timely basis.
- We continue to believe that investors are incorrect to assume that the prospect of a trade war and tariffs imposed on Chinese products will impact Viomi today. While the company was making a meaningful push to enter the U.S. market at the beginning of 2025, and the Viomi filters are currently for sale on sites like Amazon.com, the company's international expansion is likely to focus on Southeast Asian markets and North American markets (Ex-US) that will not be impacted by potential tariffs imposed by the U.S. on Chinese goods. The company's total U.S. exposure is currently minimal.
- In the company's core market (the domestic Chinese water purification market), the company introduced the Kunlun 4 Pro Alkaline Mineral Water Purifier in May. The ability to add minerals back to purified water has obvious appeal to health-conscious consumers, enabling users concerned about plastic waste to reduce their plastic consumption. We review the new Kunlun 4 Pro below.
- The company's inability to file its annual report on Form 20-F with the SEC is a greater concern for us. We believe that the inability to file the annual report is related to two transactions that the company's previous auditors identified. We will also review this issue in greater detail below.
- While we do not believe that Viomi has been directly impacted by the trade tensions between the U.S. and China, we do think that it is possible that weaker consumer confidence in China could impact Viomi's results in the near term. The trade tensions between the U.S. and China have increased job insecurity concerns, negatively affected property values, and are likely reducing consumer expenditures (including water purification). Having access to clean water in the home remains a critical need for consumers and we believe that offers some protection for investors in Viomi. However, we are still adjusting our valuation slightly to reflect a weaker domestic outlook and the potential risk associated with the delayed 20-F filing. Our 12-month target valuation is now $4.00 per ADS, which still offers significant upside from the current price.

KUNLUN 4 PRO AKALINE MINERAL WATER PURIFIER

In May 2025, the company introduced its Kunlun 4 Pro Alkaline Mineral Water Purifier, which aims to reintroduce many of the minerals removed during the purification process back into the water before it is consumed. The reverse osmosis process of water purification is highly effective in removing all dissolved solids from water to purify it for consumption. However, in the process, it also removes beneficial minerals, such as sodium, potassium, calcium, and magnesium, which have health benefits.

Viomi believes that many consumers appreciate the purification tools of their core filtration products but want the added benefits that come from drinking mineral water. To achieve this, Viomi established the Kunlun Mineral Technology Research Center and invested roughly $14 million over the past three years developing the technology. The company claims that the new Kunlun filters remove "over 100 harmful substances" from incoming water while adding back sodium, magnesium, potassium, and calcium, which should give the water a flavor profile that mimics mineral water, along with the noted health benefits of natural mineral water.

It is worth noting that mineral water is an unregulated, undefined term, and various studies have determined that the amount of dissolved minerals in "mineral water" can vary significantly from one brand to another. Based on data that we have reviewed from various sources (USDA and National Institutes of Health), it is clear that bottled mineral water from a mineral water source still has an advantage over Viomi's Kunlun. Still, it remains to be seen if that difference will matter to consumers.

We have not been able to independently verify the mineral content of water from the Kunlun Pro filter at this point. If the filter becomes available in the U.S., we will attempt to recreate the company's test results. The company indicated that it developed a "Group Standard for Household and Similar Use Maternal and Infant Mineral Water Purifiers" that was jointly developed with the China Inspection and Testing Society and the China Household Electrical Appliances Research Institute. These standards, along with the company's work with the China University of Geosciences, will likely increase consumer interest in the Kunlun system.

FAILURE TO FILE 20-F ANNUAL REPORT

On May 21st, the company received a letter from the NASDAQ Stock Market notifying it that it was no longer in compliance with the requirements for continued listing, as the company had not filed its Form 20-F annual report in a timely manner. The company has 60 days from the date of the letter to file a plan to regain compliance (by roughly July 20th). If the NASDAQ accepts the compliance plan, the company could be granted an extension by the NASDAQ until mid-November 2025 to regain compliance.

We believe that the delay in filing the 20-F annual reports is tied to difficulties around completing the company's audit for the year ended 12/31/24. The 2024 audit was complicated by the significant divestiture of the Internet of Things (IoT) business to a related party, which required substantial adjustments to previous financial statements. Additionally, the company's auditors, PriceWaterhouseCoopers Zhong Tian (PwC), discovered issues with loans issued by the company in early 2024 to a Hong Kong-based company for approximately $2 million. In March 2025, the Hong Kong-based company repaid the loans in full at Viomi's request. However, PwC still indicated that the company should investigate the purpose of these loans. The company's audit committee has retained outside counsel and a forensic accountant to investigate this matter in greater detail.

In June 2025, the company dismissed PwC as its public accounting firm and engaged WWC, PC, as the new auditor going forward. WWC will need to reaudit the company's 2022 and 2023 financial statements before finalizing the 2024 audit. This means that it is likely that the company will publish its final audited financial statement until the fall of 2025, in our opinion.

WWC has been sanctioned in the past by the PCAOB for using audit work performed by unregistered affiliates in the past, and we believe that the combination of a delayed 20-F, PwC's concerns around the loan to the Hong Kong entity, and the auditor switch to WWC is likely to increase investor scrutiny of Viomi. We also believe that this increases the risk profile for the company and our new target reflects our lower confidence in the audited financial statements that have been published to date.

VALUATION

Viomi has completed the divestiture of its large, money losing IoT operations, but the delay in filing audited financial statements for 2024 and the dismissal of the company's auditors (PwC) are likely to give investors pause. The company's balance sheet, when reported in a press release, was slightly stronger than we forecast. However, we will have to confirm this information when the full audit is finally released.

The company's position in the Chinese water purification market appears to be solid as a result of the company's partnership with Xiaomi and the Kunlun product line appears to offer a unique product in the market that has significant potential. However, we have grown increasingly concerned about Chinese consumer spending in 2025, as trade talks have stalled and concerns about job security for many consumers in China have intensified. We are leaving our estimates unchanged for now as we would like to see some additional consumer sentiment data from China before adjusting our outlook.

Based on comparable valuations in the industry, concerns about consumer demand in China, and the increased risk to our estimates as a result of reduced consumer expenditures in China, we are lowering our twelve-month valuation target for Viomi slightly to $4.00/ADS, but we believe it still represents an excellent value relative to its peers which all trade at significantly higher multiples.

Figure 1: Comparable Valuations

Company	Ticker	Price*	Market Cap*	EV	EV/Sales	EV/Sales	P/E	P/E
Smart home/Appliance Cos in China			(Bil of USD)		**2024E**	**2025E**	**2024E**	**2025E**
Xiaomi Corporation	1810.HK	6.76	175,159	165,131	2.7x	2.2x	33	26
Midea Group Co	000333.SZ	9.92	75,880	65,739	1.1x	1.0x	12	12
Haier Smart Home	6690.HK	2.87	29,431	24,614	0.6x	0.6x	9	9
Gree Electric Appliance	000651.SZ	6.13	34,631	29,624	1.0x	1.0x	8	7
HiSense Appliance	600060.SZ	3.16	4,159	2,293	NA	NA	NA	NA
Skyworth Appliances	0751.HK	0.41	772	1,550	NA	NA	NA	NA
Water/Industrial machinery related companies								
A.O. Smith Corporation	AOS	63.08	8,964	8,728	2.3x	2.2x	17	15
Pentair PLC	PNR	96.94	15,950	17,873	4.4x	4.2x	23	20
Rinnai Corporation	5947.T	24.71	3,467	3,234	1.0x	1.0x	NA	NA
Private water companies								
Evoqua	Acquired by Xylem (XYL $30 Bil mkt cap)							
Culligan International	Acquired by BDT Capital Partners							
PUR	P&G sold to Helen of Troy							
Brita SE	Privately held							
Chinese water companies								
Qinyuan Group	Unilever 67% stake sold to Yong Chao Venture Capital							
Angel Group Global	Private							
Viomi	VIOT	$1.34	93	29	0.1x	0.1x	22.7x	11.3x

Source: Yahoo Finance and Zacks Small Cap Research

OVERVIEW

Viomi Technology Co., Ltd (NASDAQ: VIOT) operates in China, offering water filtration, mineralization systems, and related products as of September 2024. The company has undergone a significant transformation in the past few years and we feel that this transformation from a large, multi-line, unprofitable home appliance and connected home device company into a significantly smaller, yet profitable, water solutions and kitchen appliance company has not been fully understood by investors.

Since the company's IPO in 2018, Viomi has been principally engaged in manufacturing more than 60 products for the Internet of Things (IoT) and home appliance market that sought to offer consumers a cost-effective way to take advantage of increasing connectivity in the home. In the face of stiff competition for connected devices in the home and economic challenges after the COVID-19 pandemic, the company's overall business contracted meaningfully in recent years, with revenue falling from $832 million in 2021 to just $351 million in 2023.

The substantial drop in demand and revenue led the management team to completely reassess the company's position in the market in 2024. As a result of this analysis, the company announced in mid-July its intention to divest the company's money-losing IoT business to the company's founder and CEO, Mr. Xiaoping Chen, in exchange for RMB 65 million (just over $9 million USD). The divesture of what was historically the company's most significant revenue contributor for less than $10 million may have caused some concern for investors, but it appears to be the easiest way for the company to focus on its profitable water solutions business.

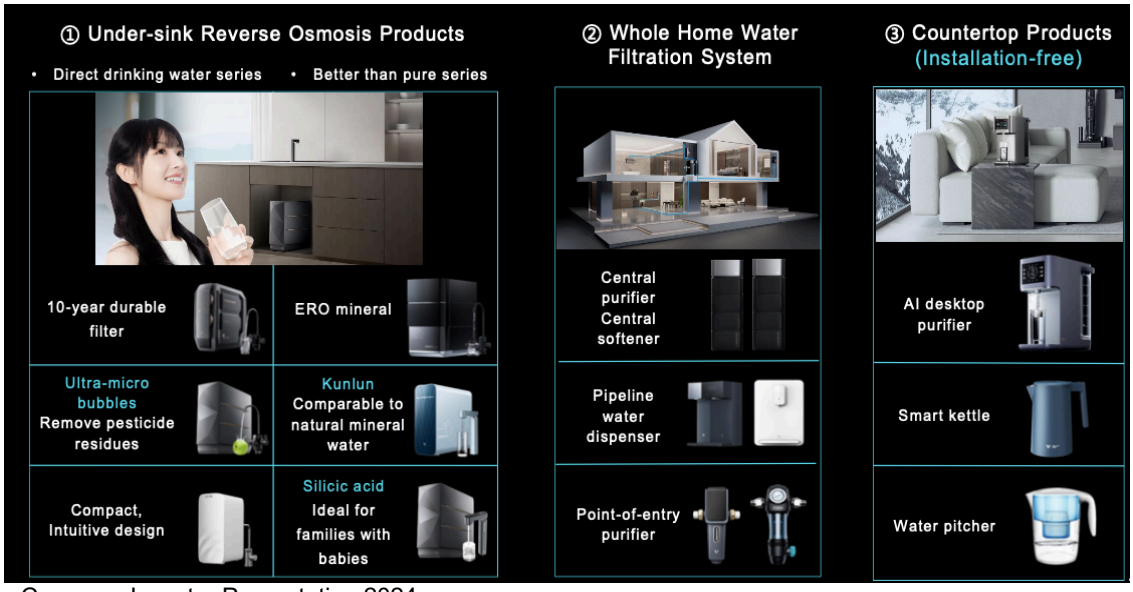
The ongoing operations of Viomi Technology as of the 8/31/24 divestiture are principally related to the sale of

1. Home water systems – under sink filters systems, whole house filters, water softeners, water heaters and water quality meters
2. Consumables – water filters
3. Kitchen appliances and other services – range hoods, gas stoves, small appliances and installation services.

The company's water purification products are sold under both the Viomi brand and the Xiaomi brand (1810.HK HKSE). Xiaomi is the $90 billion smartphone, EV, and consumer electronics giant based in China.

VIOMI'S PRODUCT LINEUP

Figure 3: Viomi's Water Filtration Products



Source: Company Investor Presentation 2024

Viomi's water filtration products consist of under-the-sink reverse osmosis filtration systems, whole house filtration systems, and various small countertop products.

1) **Under-the-sink reverse osmosis products** – The company has a variety of product offerings in the under-the-sink category but the flow rate of the water, the levels of filtration and the degree of connectivity are the key differentiators. Higher flow rates are valued by some consumers who wish to fill large bottles or pots for cooking but it should be noted that these higher flow rates may impact the life of the reverse osmosis membrane because the force of the water being pushed through the membrane will be higher. The company's standard models marketed under the Viomi brand sell for an average price of between RMB 2,000 and RMB 3,000 ($275-$400) while the carbon filter replacements are around RMB 300 – 400 ($40-$55 - higher if it includes mineralization) and the reverse osmosis filters are around RMB 800 – 1000 ($110-$140).

   In March 2024, the company introduced a new line of purifiers called the Kunlun series that not only filters the water coming into a home but also adds up to 6 minerals back to the water to create a "mineral water"-like experience from the tap. While reverse osmosis systems are valued for the ability to remove all contaminants, the process also removes beneficial minerals like calcium, magnesium, or iron. Health-conscious consumers are looking for ways to ensure they have safe drinking water while still consuming these positive minerals and the Kunlun series allows consumers to add these minerals back to the water before consumption.

   In December 2024, the company provided an update on sales of the Kunlun series purifiers on the important Double 11 holiday in China. November 11 is an unofficial holiday in China commonly referred to as singles' day and it has evolved into a major shopping holiday in recent years. The company disclosed in a recent investor presentation that on 11/11/24 they received over 10,000 orders for their Kunlun series models with an average sales price of over RMB 3000 (just over $400/unit). The company also indicated that its water purifier ranking was in the Top 5 at both TikTok and Pinduoduo.

RISKS

- Xiaomi is an important partner, shareholder, and customer of the company. Sales to Xiaomi exceeded 85% of total revenues in the last six months of 2024. Obviously, the loss of Xiaomi as a customer would severely impact Viomi and the valuation of the company's ADSs. The company's relationship with Xiaomi is based on a series of contracts that are subject to early termination by Xiaomi under certain circumstances. The company has extended its relationship for the sale of water products to Xiaomi for another three years through 2027.

- The company is in the middle of a major manufacturing capacity expansion to be completed in 5 years. The first phase of this expansion was completed in 2023 which brought R&D and water purification smart manufacturing to the facility. The second phase of the expansion will include upgrading the water purification supply chain capabilities. If the company experiences delays or increased costs associated with this expansion it could impact the company's ability to operate profitably.

- The company and its auditors have identified material weaknesses in the company's internal controls over financial reporting, particularly with regard to staff's familiarity with US GAAP. The company has implemented a plan to address these concerns by hiring additional staff who are familiar with US GAAP rules and providing sufficient training to existing staff. The dismissal of PwC as the company's auditor after raising concerns around a loan is also worth noting.

- The company has a dual-class share structure with Class A and Class B shares. The Class B shares entitle the holders to 10 votes at the company's annual meeting versus just one vote for Class A shares. The holders of the Class B shares, principally the company's CEO and a subsidiary of Xiaomi, control over 90% of the voting rights of the company and will be able to exercise substantial control in directing all matters that come before the company for a vote.

- The company's operating entities currently conduct all of its operations in China and the People's Republic of China (PRC) and the government has "significant oversight and discretion" over its business. Additionally, economic challenges in China could have a material impact on the company's business.

- The company's core market – water purification solutions – is competitive in China and there can be no assurances that the company will be able to compete effectively with larger international companies when it enters other markets.

PROJECTED INCOME STATEMENT

Viomi Technology Co., Ltd.
In USD at RMB 7.18 = 1 USD
6/24/25

	June	Dec		June	Dec		June	Dec	
	H1 24 A	**H2 24 A**	**2024A**	**H1 25 E**	**H2 25 E**	**2025E**	**H1 26 E**	**H2 26 E**	**2026**
(Millions USD; December Year-End)									
Revenues:									
A related party (Xiaomi)	93.7	159.7	**253.4**	111.8	180.7	**292.5**	127.4	202.4	**329.9**
% change (yoy)									
Third parties	22.8	18.9	**41.8**	19.7	24.6	**44.4**	22.5	27.6	**50.1**
% change (yoy)									
Total Revenues	**117**	**179**	**295**	**131**	**205**	**337**	**150**	**230**	**380**
% change (yoy)									
Cost of Revenues	80	138	219	100	156	256	114	175	289
Gross Profit	**36**	**40**	**76**	**32**	**49**	**81**	**36**	**55**	**90**
% change (yoy)									
Gross Profit Margin	**31.0%**	**22.6%**	**25.9%**	**24.2%**	**23.9%**	**24.0%**	**24.0%**	**23.7%**	**23.8%**
Operating Expenses:									
Research & Development Expense	10	9	20	9	10	19	10	10	20
Selling & Marketing Expense	13	16	29	15	15	29	15	15	30
General & Administrative Expense	4	5	10	5	5	10	5	5	10
Total Operating Expenses	**28**	**31**	**59**	**29**	**29**	**59**	**30**	**31**	**61**
% change (yoy)									
other income, net	2.3	2.2	4.5	2.1	2.1	4.2	2.0	1.9	3.9
Operating Income (Loss)	**10**	**12**	**22**	**5**	**22**	**26**	**8**	**26**	**34**
Interest & Investment Income/(Loss)	1	(1)	1	1	1	2	1	1	2
Other non-operating Income	0	0	0	0	0	-	0	0	0
Income before Taxes	**11**	**11**	**23**	**6**	**23**	**29**	**9**	**27**	**36**
Income (Taxes)/Benefit	(1)	(1)	(2)	(1)	(5)	(6)	(2)	(6)	(8)
Net income from continuing operations	**10**	**10**	**20**						
Net (loss)/income from discontinued operations	(9)	(2)	(11)	0	0	-	0	0	-
Less: Net loss attributable to non-controlling interest	(0)	(0)	(0)	0	0	0	0	0	0
Net Income (Loss) reported	**1**	**8**	**9**	**5**	**18**	**22**	**7**	**21**	**28**
Net Income in $									
EPS reported	**0.00**	**0.04**	**0.04**	**0.02**	**0.09**	**0.11**	**0.03**	**0.10**	**0.13**
Earnings Per ADS	**0.01**	**0.12**	**0.13**	**0.07**	**0.26**	**0.32**	**0.10**	**0.30**	**0.40**
% change (yoy)									
Diluted Shares (weighted average)	206.5	207.0	**206.7**	208.0	208.5	**208.3**	209.0	209.6	**209.3**
ADS outstanding	68.8	69.0	68.9	69.3	69.5	69.4	69.7	69.9	69.8
Margins:									
Gross Margin	31.0%	22.6%	**25.9%**	24.2%	23.9%	**24.0%**	24.0%	23.7%	**23.8%**

1 ADS (American Depository Share) = 3 ordinary shares
* Disposed businesses now reclassified as discontinued operations

© Copyright 2025, Zacks Investment Research. All Rights Reserved.

BALANCE SHEET

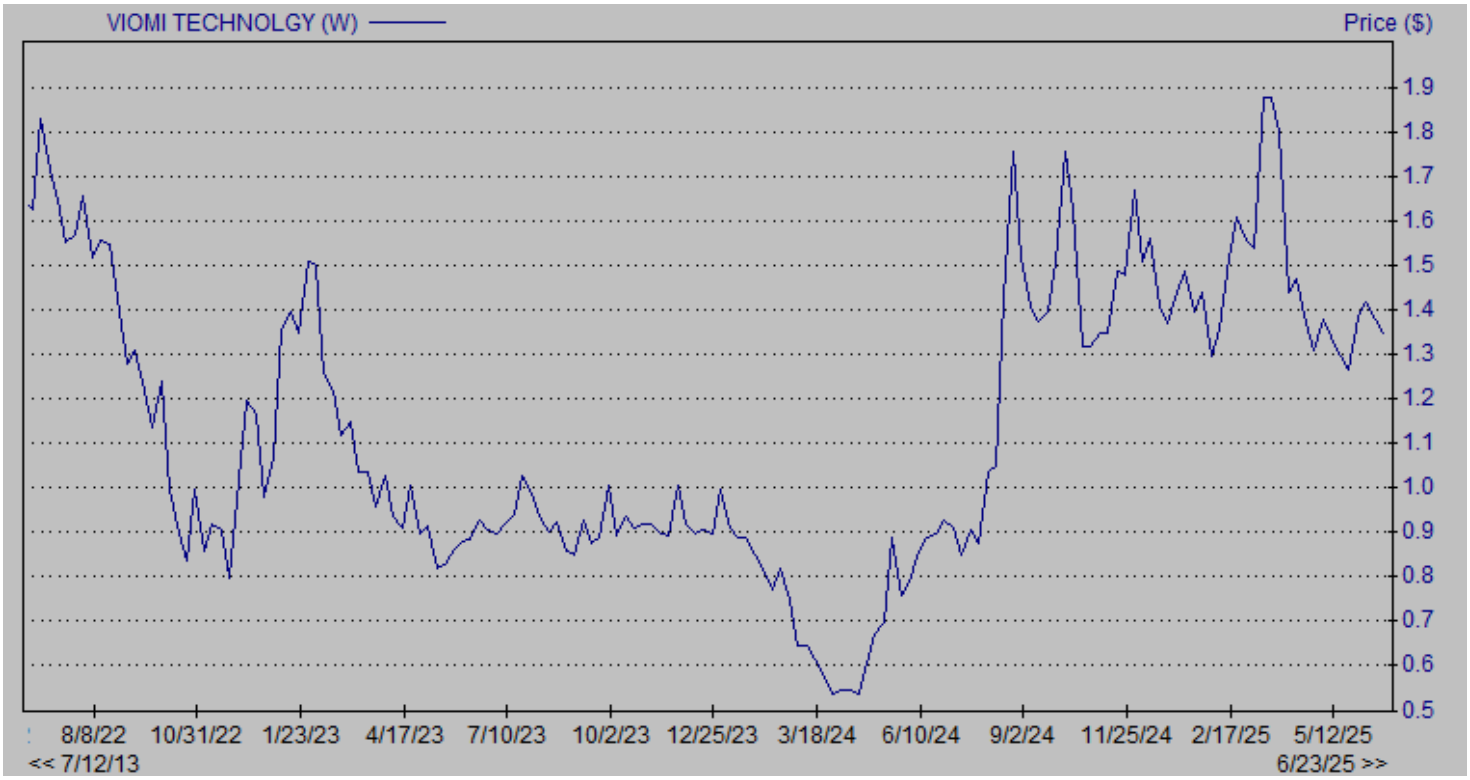
Viomi Technology Co., Ltd.
Balance Sheet in RMB (RMB 7.2993to US $1.00)
12/31/24

(Renminbi RMB in Millions) 12/31/24		
Assets		
Current Assets	RMB	USD
Cash and Cash Equivalents	1,026	141
Restricted Cash Current	141	19
Short-term Deposits	115	16
Short-term Investments	73	10
Accounts and Notes Receivable from 3rd Parties (net)	24	3
Accounts and Notes Receivable from Related Party (net)	591	81
Inventories	112	15
Prepaid expenses and other current assets	71	10
Other receivables from related parties	11	2
Total current assets	2,165	297
Non-Current Assets		
Prepaid expenses and other non-current assets	18	2
Property & Equipment (net)	315	43
Deferred Tax Assets	10	1
Intangible Assets (net)	9	1
Right of use asset	3	0
Land use rights, net	58	8
Long-term investment	8	1
Total non-current assets	420	58
Total Assets	**2,586**	**354**
Liabilities		
Current Liabilities		
Short-Term borrowing	50	7
Accounts and notes payable	772	106
Advances from customer	12	2
Amount due to related parties	1	0
Accrued expenses and other liabilities	168	23
Income Tax Payable	10	1
Lease liabilities due within one year	2	0
Long-term borrowing-current portion	29	4
Total current liabilities	1,044	143
Non-Current Liabilities		
Accrued expenses	15	2
Long-term borrowing	76	10
Lease liabilities	2	0
Total Liabilities	**1,136**	**156**
Shareholder's Equity		
Ordinary Shares	0	0
Treasury Shares	-85	-12
Additional Paid-in Capital	1,374	188
Accumulated Other Comprehensive Loss	2	0
Retained Earnings	153	21
Non-controlling interests	5	1
Shareholder's Equity (Deficiency)	**1,450**	199
Total Liabilities & Shareholder's Equity	**2,586**	**354**

Source: Company Press Release

© Copyright 2025, Zacks Investment Research. All Rights Reserved.

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

I, Brian Lantier, 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.