

## Lantheus Holdings, Inc.

(LNTH - NASDAQ)

### LNTH: Competition Escalates in PSMA Imaging

We blend a multiple of EBITDA and earnings applied to 2026 estimates to generate our Lantheus valuation. The methodology applies a 13x multiple to 2026 EBITDA and a 16x multiple to 2026 EPS, which produces our one-year target price.

Current Price (8/6/2025) **\$51.87**  
Valuation **\$92.00**

### OUTLOOK

Lantheus is a leader in radiopharmaceutical offerings in oncology & precision diagnostics. It offers a portfolio of diagnostic & therapeutic products directly & via partnerships & licensing. The primary revenue driver is Pylarify, a PET tracer for PSMA-expressing prostate cancer. CMS finalized paying separately for PSMA-expressing radiopharmaceuticals above a threshold for 2025, thereby allowing broader patient access for providers to continue using the PSMA imaging agent.

Definity is used for improving echocardiogram imaging. Lantheus has announced that it will divest the technetium and Xenon-133 business by year end.

The development pipeline includes  $\beta$ -amyloid & Tau imaging agents for Alzheimer's, GRPR expressing prostate cancer & FAP for cancer/fibrosis assessment. Partnerships include POINT's PNT2002 & 2003, GE Health's Flyrcado & Perspective's  $\alpha$  therapy among others. Lantheus recognizes the AD imaging opportunity complementing recent therapeutic approvals & future development. Synergies with cancer treatment represent another prospect. Lantheus is well situated in the nuclear medicine space & has established a transportation & manufacturing network that is difficult to replicate, making it an excellent partner.

### SUMMARY DATA

52-Week High **118.21**  
52-Week Low **47.25**  
One-Year Return (%) **-47.2**  
Beta **0.1**  
Average Daily Volume (sh) **1,326,516**

Shares Outstanding (mil) **68.0**  
Market Capitalization (\$mil) **3,537**  
Short Interest Ratio (days) **8.9**  
Institutional Ownership (%) **116**  
Insider Ownership (%) **2.2**

Annual Cash Dividend **\$0.00**  
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates  
Sales (%) **34.5**  
Earnings Per Share (%) **53.7**  
Dividend (%) **N/A**

P/E using TTM EPS **8.1**  
P/E using 2025 Estimate **9.2**  
P/E using 2026 Estimate **8.4**

Zacks Rank **N/A**

Risk Level **Above Average**  
Type of Stock **Medium-Growth**  
Industry **Med-Products**

### ZACKS ESTIMATES

#### Revenue

(In millions of USD)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$370 A	\$394 A	\$379 A	\$391 A	\$1,534 A
2025	\$373 A	\$378 A	\$361 E	\$365 E	\$1,477 E
2026					\$1,475 E
2027					\$1,637 E

#### Earnings per Share

	Q1	Q2	Q3	Q4	Year
2024	\$1.69 A	\$1.80 A	\$1.70 A	\$1.59 A	\$6.78 A
2025	\$1.53 A	\$1.57 A	\$1.16 E	\$1.24 E	\$5.52 E
2026					\$6.20 E
2027					\$7.51 E

## WHAT'S NEW

Lantheus Holdings, Inc. (NASDAQ: LNTH) reported second quarter 2025 financial and operational results on August 6<sup>th</sup>, producing sales of \$378 million, a 4% decrease compared to 2Q:24 levels. Pylarify and TechnelLife saw a year over year decline which was partially offset by an increase in revenue from Other Precision Diagnostics, Strategic Partnerships and Definity sales. Free cash flow generation was \$79 million in 2Q:25; however, the cash balance decreased sequentially due to payments for the Evergreen acquisition and repurchase of common stock. Other notable events since our previous update include participation at several investment conferences, consummation of the Life Molecular Imaging acquisition, a new head of research and development and FDA acceptance of a new drug application (NDA) for a reformulated Pylarify.

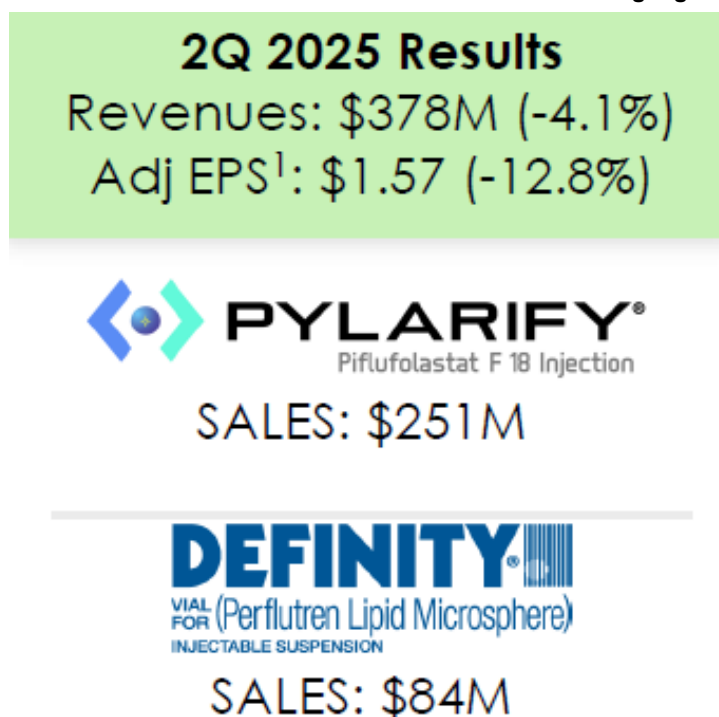
Along with its 2Q:25 report, the company reduced its revenue and earnings guidance. Competition intensified in PSMA PET imaging as lower pricing impacted Multiple Unit of Comparison (MUC) based reimbursements. This reduced reference prices thereby forcing providers to demand price reductions. Lantheus accepted some reductions and walked away from others with the goal of maintaining the long-term premium for Pylarify. This led to lower-than-expected second quarter Pylarify revenues. The change in the pricing environment led management to reduce full year revenue guidance by about 4.8% and lower EPS estimates by about \$1.00 to a range of \$5.50 to \$5.70.

Despite a reduction in our target price, we see substantial value in Lantheus' development pipeline. We think the management team has correctly identified neuroimaging as a substantial growth area and its investment into four assets in this space along with a commercialization team provides the company a head start when it obtains approval for its neuro-imaging assets. Beyond anticipated launch of four new products over the next 18 months, the company has relationships with other R&D companies providing an early look at innovative radiopharmaceuticals moving to approval. Strong cash flow provides the funds needed to advance Lantheus' pipeline in a financial environment where other development companies are having trouble raising capital and established companies are facing patent cliffs.

### 2Q:25 Financial and Operational Results

Lantheus announced second quarter 2025 results in an August 8<sup>th</sup> [press release](#) followed by a [conference call](#) before the market open. A [slide deck](#) was provided to guide investors through the event. The company subsequently filed [Form 10-Q](#) with the SEC. Second quarter revenues totaled \$378 million down 4% vs. prior year levels producing GAAP earnings of \$1.12 per share and adjusted earnings of \$1.57 per share.

#### Exhibit I – Lantheus Second Quarter 2025 Revenue Highlights



Source: Lantheus 2Q:25 Earnings Call Presentation

For the quarter ending June 30<sup>th</sup>, 2025 relative to the same prior year period:

- Net sales were \$378 million down 4% from \$394 million recorded in the same prior year period. The decrease was driven by an 8.3% fall in Pylarify revenues due to lower pricing. The TechnoLite segment, which is expected to be divested by year end, fell 11.4%. Other segments partially offset the fall as Definity rose 7.5% on difficult prior year comparisons. Other Precision Diagnostics rose 18.3% with help from Neuraceq and Strategic Partnerships and Other increased 32.8%;
- Cost of goods sold fell 1% to \$137 million and gross margin was impacted by a decrease in Pylarify price partially offset by a reduction in vendor costs. Product gross profit margin fell to 62.6% from 64.1%<sup>1</sup>;
- Sales and marketing expenses were \$41.0 million, down 9% from \$45.0 million resulting from a reduction in employee-related costs and a decrease in third party vendor and other marketing spend;
- General and administrative expenses were \$66.5 million vs. \$47.4 million, increasing 40%. The change was attributable to the acquisition of Evergreen, related increases in headcount and settlement of Evergreen stock awards generating higher stock-based compensation and professional fees;
- Research and development expenses were \$45.5 million, down 25% from \$60.6 million. The decrease was related to prior year option payments to Life Molecular and Radiopharm Theranostics for development rights which did not recur in 2Q:25. This decline was partially offset by a payment to AstraZeneca to reduce future royalty obligations for NAV-4694, expenses related to the Evergreen acquisition and increases in project costs in 2Q:25. R&D was 12% of revenues;
- Interest expense was \$4.9 million, essentially flat with prior year levels of \$4.9 million and related to the 2.625% convertible senior notes due in 2027 and cost of maintaining access to the 2022 revolving facility;
- Investment in equity securities was a net unrealized gain of \$14.6 million related to the carrying value of Perspective and Radiopharm's common stock;
- Other income was (\$6.9) million vs. (\$9.0) million due to lower contributions from cash balance interest;
- Income tax of \$25.8 million represents a 24.6% tax rate with deferred and state income taxes explaining the difference between it and the US statutory rate;
- GAAP net income was \$78.8 million or \$1.12 per diluted share. Adjusted net income as presented by Lantheus was \$110.6 million or \$1.57 per diluted share. The difference between the two is explained in part by the removal of stock and incentive plan compensation, strategic collaboration and license costs, amortization of acquired intangible assets, acquisition, integration and divestiture-related costs partially offset by unrealized gain in investment securities and income tax effect of non-GAAP adjustments.

On June 30<sup>th</sup>, 2025, Lantheus held \$696 million in cash and equivalents compared to \$913 million at the end of 2024. Free cash flow for 2Q:25 was \$79 million vs. \$20 million in the same prior year quarter. Material items contributing to the quarter over quarter decline in the cash balance include a \$100 million repurchase of Lantheus stock and a \$269 million payment for Evergreen. After the end of the second quarter, Lantheus paid \$355 million to close its acquisition with Life Molecular Imaging. Also following the end of the quarter, the board approved a \$400 million share repurchase program. Due to severe pricing competition for PSMA imaging products, Lantheus lowered its 2025 guidance. The 2025 revenue range was reduced almost 5% to \$1.475 billion to \$1.51 billion and the earnings per share range was decreased by \$1.00 to \$5.50 to \$5.70. There was no modification to previous free cash flow guidance of \$550 to \$600 million which was provided in the 4Q:24 slide deck.

### **New Pylarify Formulation NDA Submission**

Prior to the second quarter earnings report, Lantheus [announced](#) that the FDA had accepted its new drug application (NDA) submission of a new formulation of its F-18 prostate-specific membrane antigen (PSMA) imaging agent through its affiliate, Aphelion. The agency has set the applications' target action date on March 6th, 2026. The new formulation increases batch size allowing wider effective distribution. The higher radioactive concentration will allow the product to reach new geographic locations. Based on management comments, we anticipate approval by March 2026, coding coverage in the following months and a transitional pass through (TPT) payment application by June 2026. The company estimates that TPT pricing could be available between October 2026 to January 2027. In parallel, Lantheus will need to modify its PET manufacturing facilities (PMFs) and have them approved to manufacture the new formulation.

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<sup>1</sup> We calculate gross margin as 1-COGS/(revenues from Pylarify, Definity, TechnoLite and Other Precision Diagnostics) as reported in company filings. We exclude revenues from Strategic Partnerships and Other from the calculation.

## **Oral Presentations at SNMMI**

Lantheus representatives made several presentations at the Society of Nuclear Medicine and Molecular Imaging (SNMMI) Annual Meeting in June. The event was held in New Orleans, Louisiana June 21<sup>st</sup> to 24<sup>th</sup>, 2025 and is further described in a [press release](#).

- Oral presentation by Gengyang Yuan of Lantheus on LNTH-1363S
  - [Optimized Production and Quality Control of the FAP imaging Agent \[64Cu\]LNTH-1363S](#)
  - Maintaining sufficient molar ratios of precursor to trace metals in [64Cu]CuCl<sub>2</sub>, particularly copper, is key to ensuring a high radiochemical yield of LNTH-1363S
- Poster Presentation by Amir Iravani, University of Washington on Pylarify
  - [18F-Piflufolastat PET/CT in Patients with Biochemically Recurrent Prostate Cancer: a CONDOR Sub-analysis of Positive Predictive Value in the Prostate/Prostatic Bed Stratified by PSA](#)
  - Study of the positive predictive value of Pylarify finding 77-83% across all PSA ranges
- Poster presentation by Ida Sonni of the University of California Los Angeles on LNTH-1363S
  - [First Clinical Evaluation of 68Ga-LNTH-1363S, a Novel FAP-Targeting Radiopharmaceutical for PET Imaging: Physiological Biodistribution and Tumor Uptake in Cancer Patients](#)
  - 68Ga radiolabeled LNTH-1363S demonstrated favorable physiological uptake and tumor to background ratio
- Poster presentation by Gyu Seong Heo of Washington University on LNTH-1363S
  - [Preclinical assessment of 64Cu-LNTH-1363S for FAP PET imaging in mouse models of myocardial infarction](#)
  - Studies show that 64Cu-LNTH-1363S can noninvasively detect distinct regions of fibroblast activation protein (FAP)+ fibroblasts in the injured heart in two myocardial infarction mouse models

## **Sale of SPECT Business**

In early May 2025, Lantheus [announced](#) its intent to sell the single photon emission computed tomography (SPECT) business to Illuminated Holdings, Inc., the parent company of SHINE Technologies, LLC. The amount of the anticipated deal was not disclosed; however, the remuneration includes an upfront cash payment, a note convertible into SHINE preferred stock and additional consideration including earnout milestones. The SPECT business has been part of the company since its earliest days and includes Lantheus' technetium 99m and Xenon (Xe-133) gas businesses. The technetium product line includes Technelite, NeuroLite and CardioLite. The deal also includes real estate on the North Billerica campus that manufactures these products and the SPECT-related Canadian operations.

The divestiture of this business will help improve overall margins and corporate growth trajectory and allow Lantheus to focus its attention on novel radiopharmaceutical products and their development. We anticipate that the funds received from SHINE will enhance Lantheus' ability to further invest in development products and support existing assets in the pipeline. The deal is not expected to close until near year end. Assumptions in our model assume that there will be no contribution from these assets from January 1<sup>st</sup>, 2026 onward.

## **Data Readout for MK-6240**

An April 30<sup>th</sup> [press release](#) announced results from Lantheus' two pivotal studies in MK-6240 for Alzheimer's Disease (AD). MK-6240 is an F-18 PET radiodiagnostic that images tau proteins in the form of neurofibrillary tangles (NFTs). The data from the studies will be used to submit a new drug application (NDA) to the FDA, which is scheduled for 3Q:25. MK-6240 is being used in clinical trials to guide therapies that address tau tangles. Approval and marketing of the product are expected in 2026 along with the soon to be acquired PI-2620 from LMI. We expect that data from the trial will be available some time in the next few quarters as data is presented in posters and articles at major scientific conferences.

Lantheus anticipates a substantial growth opportunity in AD diagnostics and a total addressable market size of \$1.5 billion in 2030 and \$2.5 billion by mid-2030. The combination with LMI is expected to advance Lantheus' entry into the AD market by one year and into the beta amyloid market by two years. This will pave the way for the launch of NAV-4694 and MK-6240. When the LMI acquisition is consummated, Lantheus will immediately have a marketed product, NeuraCeq, and a sales force in place.

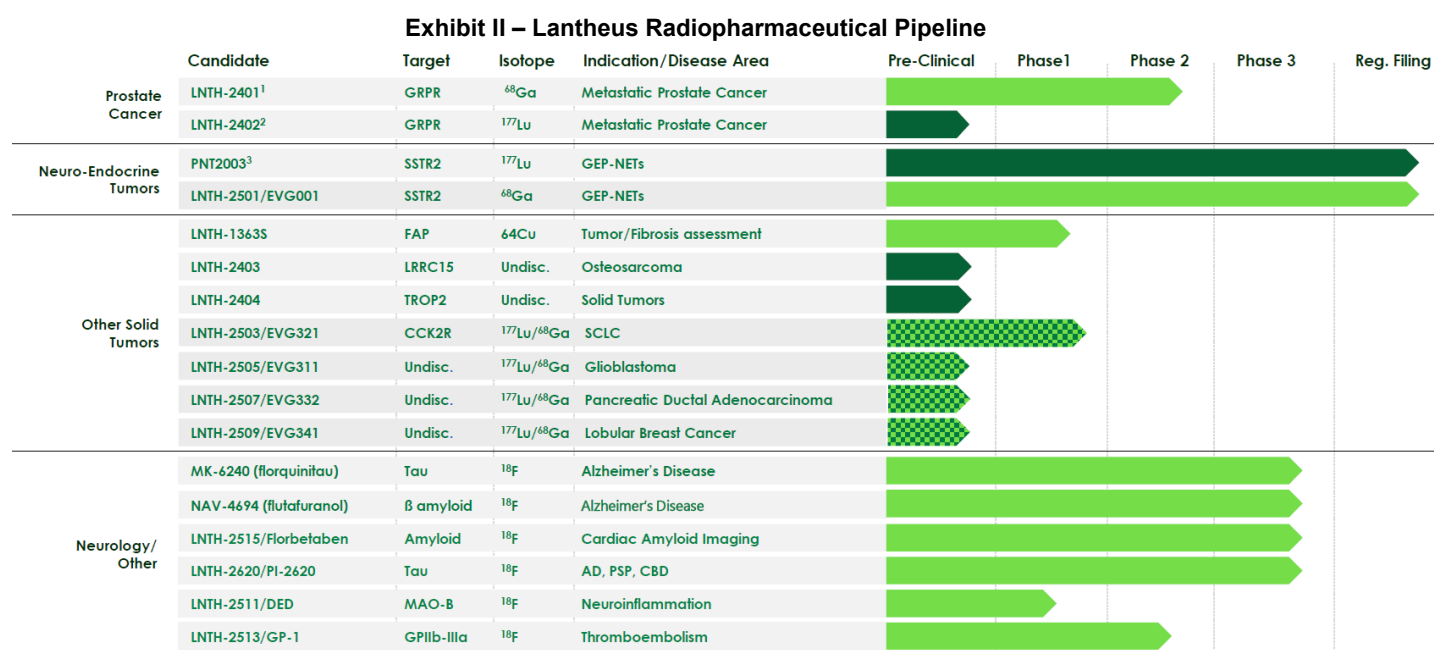
## Life Molecular Imaging Acquisition Closes

On July 22<sup>nd</sup> Lantheus [completed](#) its acquisition of Life Molecular Imaging (LMI). \$355 million in cash was paid to shareholders in late July. Along with the close of the transaction, Lantheus appointed CEO and managing director Ludger Dinkelborg, PhD, as head of research and development. He will oversee Clinical Development, Regulatory Affairs, Clinical Operations, Program Management, and AI/Biomarkers Solutions and will report directly to Brian Markison.

The deal was [signed](#) back in January when Lantheus announced its intent to acquire LMI for \$350 million in cash along with an additional \$400 million in potential earn out and milestone payments. LMI's sole commercial product is [NeuraCeq](#), a globally approved<sup>2</sup> F-18 radioactive diagnostic agent for positron emission tomography (PET) imaging of the brain to evaluate  $\beta$ -amyloid neuritic plaque density. Neuraceq was approved in 2014 and is protected by various patents that expire over the years of 2029 to 2032. Lantheus management provided guidance for Neuraceq, anticipating revenues of \$40 to \$45 million in 2H:25. The deal also includes LMI's commercialization force and five development candidates including a Tau agent designated PI-2620. Details of the transaction were included in a [press release](#) and [Form 8-K](#) filing. A [conference call](#) was held on January 13<sup>th</sup> providing additional color.

In addition to providing an established beta amyloid imaging agent, a global manufacturing network and a commercialization team, LMI's leaders can help accelerate the launch of Lantheus' other neuroimaging products such as MK-6240 and NAV-4694. The team's relationships with manufacturers, hospitals, imaging centers and neurologists around the world are expected to advance and accelerate the commercialization process by about a year. The combination is also expected to enhance Lantheus' R&D capabilities and drive organic revenue growth by 200 to 300 basis points over the next three years. It is anticipated to be accretive to adjusted EPS within twelve months.

## Lantheus Pipeline



1. Also known as <sup>68</sup>Ga-RM2. 2. Also known as <sup>177</sup>Lu-RM2. 3. Collaboration with POINT Biopharma Global Inc.

Source: Lantheus 2Q:25 Earnings Call Presentation

## Valuation Update

Our valuation uses a blend of an EPS and EBITDA multiple of 2026 estimates. As we update our model to reflect future expectations, this generates a price target of \$92 per share.

<sup>2</sup> NeuraCeq is commercially approved in the US, Canada, Europe, the UK Switzerland, China, Japan, South Korea and Japan. The product is supplied to Australia on a named patient basis, to Chile according to local legislation and Brazil by simplified notification scheme.

## Corporate Milestones

- Acquisition announcement for Life Molecular Imaging – January 2025
- Acquisition announcement for Evergreen Theragnostics – January 2025
- Purchase of additional Radiopharm Theranostics shares – January 2025
- [Close](#) of Evergreen Theragnostics acquisition – April 2025
- Sale of SPECT business announced – May 2025
- Participation in the Goldman Sachs Global Healthcare Conference – June 2025
- Participation in the Truist Securities MedTech Conference – June 2025
- Participation in the Society of Nuclear Medicine and Molecular Imaging Annual Meeting – June 2025
- Life Molecular Imaging acquisition [completed](#) – July 2025
- \$400 million share repurchase program authorized – July 2025
- Submit NDA for MK-6240 to FDA for approval in Tau imaging – 3Q:25
- Initiate Phase I/IIa study for LNTH-2401/-2402 (RM2) – 2H:25
- Completion of SPECT business unit transfer to Shine – year end 2025
- Reformulated Pylarify [target action date](#) – March 6<sup>th</sup>, 2026
- MK-6240 market launch – 2026
- NAV-4694 NDA market submission – 2026
- FDA approval and launch of PNT2003 - 2026

## Summary

Lantheus faced substantial competition for its PSMA PET diagnostic during the second quarter with price cuts from other contenders accelerating in May and June. The reductions led to reimbursement resets that forced contract re-negotiation and the loss of some business. Management is taking the long-term view and focusing on the imaging superiority of Pylarify and executing a strategy to win back the business. In the near term, this has led to a reduction in revenue and earnings guidance that will carry over into 2026. All is not lost as the FDA has accepted an NDA for a new formulation of Pylarify that, if approved, will offer improved distribution and allow for an upward reset in pricing and TPT status for three years, likely materially impacting revenues by 2027. The company offers an impressive pipeline with four new radiopharmaceutical assets to launch over the next 18 months and others that recognize the benefits of theranostic pairs and other areas outside of oncology. We think this could drive topline growth into the double digits by 2027.<sup>3</sup>

### Exhibit III – Expected New Product Launches

<b>4 KEY PRODUCT LAUNCHES</b> anticipated in the next 18 months <sup>3</sup>	<b>MK-6240</b>	Next-generation tau imaging agent for Alzheimer's disease
	<b>OCTEVY</b>	Ga-68 PET imaging agent for neuroendocrine tumors
	<b>PNT2003</b>	Radiotherapeutic for neuroendocrine tumors
	<b>NEW PSMA PET</b>	NEW formulation of F-18 PET imaging agent

Source: Lantheus 2Q:25 Earnings Call Presentation

Lantheus has also completed its acquisitions of Evergreen and LMI, filling out its pipeline and building the global range of its team. The company has generated impressive cash flow and the company's board has authorized a new \$400 million share buyback program that follows \$100 million in share repurchases in 2Q:25. Other important recent events in an updated label for Neuraceq expanding its use and participation at several investment conferences. With respect to valuation, we apply our multiple of EPS and EBITDA approach to updated estimates. As a result, we reduce our valuation to \$92 per share.

<sup>3</sup> This ignores the impact of the TechnoLite and Xenon business which are expected to be fully divested by year end 2025.



## PROJECTED FINANCIALS

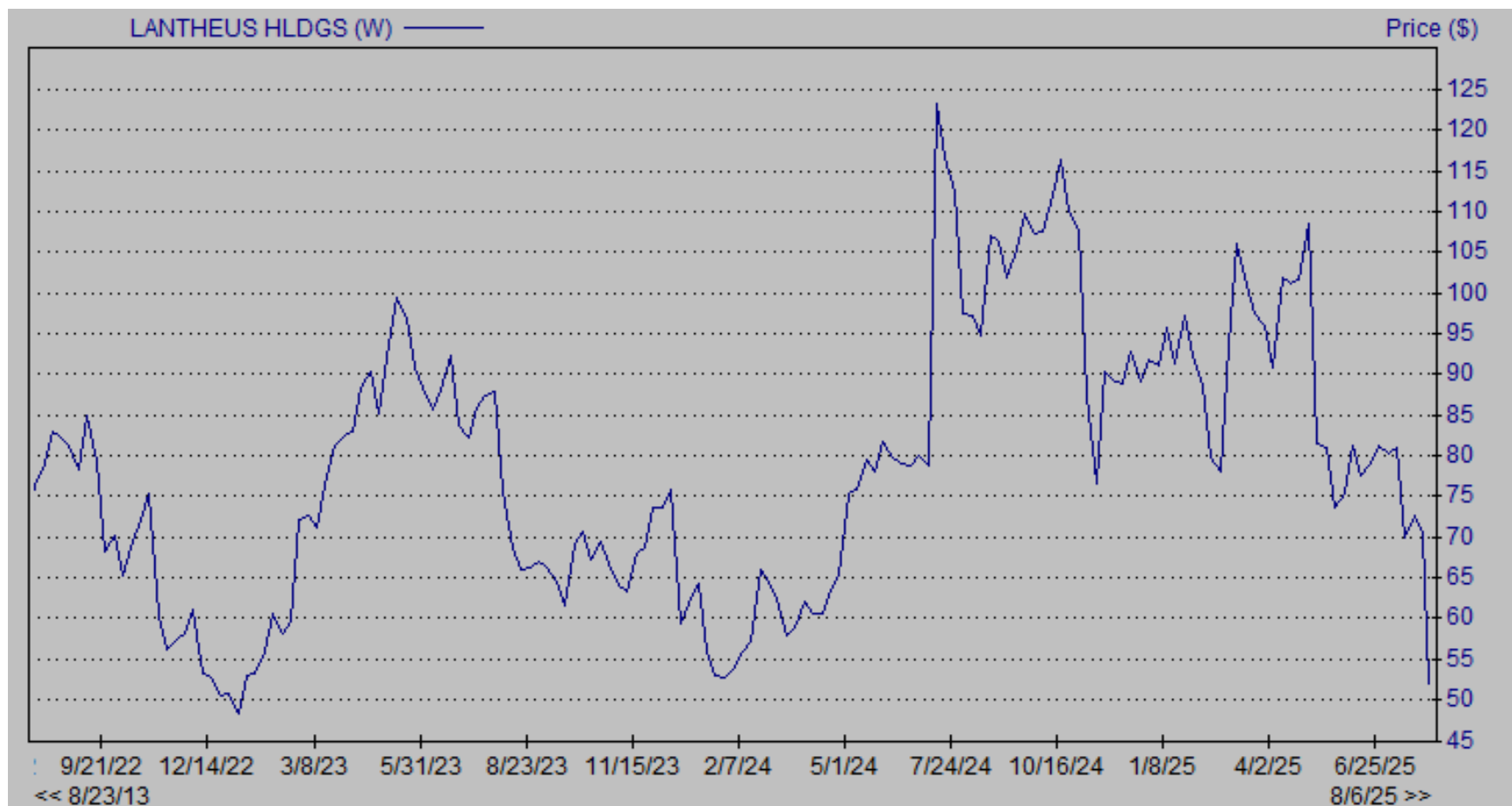
### Lantheus Holdings, Inc. - Income Statement

Lantheus Holdings, Inc.	2024 A	Q1 A	Q2 A	Q3 E	Q4 E	2025 E	2026 E	2027 E
Pylarify	1,057,834 24.3%	257,654 -0.5%	250,642 -8.3%	216,000 -16.8%	218,000 -18.0%	942,296 -10.9%	961,142 2.0%	1,038,033 8.0%
Other Radiopharma Oncology	384 -87.7%							
<b>Total Radiopharm Oncology</b>	<b>1,058,218</b> 23.9%	<b>257,654</b> -0.6%	<b>250,642</b> -8.3%	<b>216,000</b> -16.8%	<b>218,000</b> -18.0%	<b>942,296</b> -11.0%	<b>961,142</b>	<b>1,038,033</b>
Definity	317,792 13.6%	79,211 3.5%	83,939 7.5%	81,100 5.4%	82,820 -3.9%	327,070 2.9%	349,965 7.0%	374,462 7.0%
TechneLite	95,487 9.3%	19,711 -9.2%	24,982 -11.4%	23,990 17.1%	24,320 -3.1%	93,003 -2.6%		
Other Precision Diagnostics	24,231 5.4%	5,441 -8.3%	6,892 18.3%	29,840 375.0%	29,598 378.0%	71,770 196.2%	120,890 35.0%	181,335 50.0%
Strategic Partnerships & Other	38,182 -26.4%	10,747 65.1%	11,590 32.8%	10,250 -32.8%	10,310 34.0%	42,897 12.3%	43,326 1.0%	43,759 1.0%
<b>Total Revenues (\$US '000)</b>	<b>\$1,533,910</b>	<b>\$372,764</b>	<b>\$378,045</b>	<b>\$361,180</b>	<b>\$365,048</b>	<b>\$1,477,037</b>	<b>\$1,475,323</b>	<b>\$1,637,590</b>
YOY Growth	18%	1%	-4%	-5%	-7%	-4%	0%	11%
Cost of Goods Sold	\$545,619	\$135,064	\$137,034	\$138,266	\$138,702	\$549,067	\$551,319	\$572,185
Product Gross Margin	63.5%	62.7%	62.6%	60.6%	60.9%	61.7%	61.5%	64.1%
Sales & marketing	\$177,940	\$42,503	\$41,041	\$47,730	\$48,241	\$179,515	\$185,930	\$206,511
General & administrative	\$193,689	\$56,816	\$66,515	\$65,400	\$66,800	\$255,531	\$228,743	\$201,425
Research & development	\$168,098	\$36,314	\$45,489	\$38,652	\$35,014	\$155,469	\$129,000	\$150,000
Other	(\$8,415)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Income from operations</b>	<b>\$456,979</b>	<b>\$102,067</b>	<b>\$87,966</b>	<b>\$71,132</b>	<b>\$76,290</b>	<b>\$337,455</b>	<b>\$380,331</b>	<b>\$507,469</b>
Operating Margin								
Interest expense (income), net	\$19,669	\$4,804	\$4,917	\$5,300	\$5,100	\$20,121	\$20,000	\$20,000
Other income, net	\$6,333	\$734	(\$21,468)	\$0	\$0	(\$20,734)	\$0	\$0
<b>Pre-Tax Income</b>	<b>\$430,977</b>	<b>\$96,529</b>	<b>\$104,517</b>	<b>\$65,832</b>	<b>\$71,190</b>	<b>\$338,068</b>	<b>\$360,331</b>	<b>\$487,469</b>
Provision for Income Tax	\$118,535	\$23,584	\$25,762	\$15,931	\$17,228	\$82,505	\$87,200	\$117,967
Tax Rate	27.5%	24.4%	24.6%	24.2%	24.2%	24.4%	24.2%	24.2%
<b>Net Income</b>	<b>\$312,442</b>	<b>\$72,945</b>	<b>\$78,755</b>	<b>\$49,900</b>	<b>\$53,962</b>	<b>\$255,563</b>	<b>\$273,131</b>	<b>\$369,501</b>
Net Margin								
<b>Reported EPS</b>	<b>\$4.37</b>	<b>\$1.02</b>	<b>\$1.12</b>	<b>\$0.72</b>	<b>\$0.79</b>	<b>\$3.67</b>	<b>\$4.08</b>	<b>\$5.51</b>
YOY Growth								
Fully Diluted Shares	71,651	71,461	70,312	69,000	68,000	69,693	67,000	67,000
Adjustments	\$2.39	\$0.51	\$0.45	\$0.44	\$0.45	\$1.85	\$2.13	\$2.00
<b>Adjusted EPS</b>	<b>\$6.76</b>	<b>\$1.53</b>	<b>\$1.57</b>	<b>\$1.16</b>	<b>\$1.24</b>	<b>\$5.52</b>	<b>\$6.20</b>	<b>\$7.51</b>

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

## HISTORICAL STOCK PRICE

### Lantheus Holdings, Inc. – Share Price Chart<sup>4</sup>



<sup>4</sup> Source: Zacks Research System



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