

# Zacks Small-Cap Research

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## High Tide Inc.

(HITI-NASDAQ)

### HITI: F4Q25 Earnings Review – Ongoing Strength Across Financial/Operational KPIs

In USD, HITI reported a net loss of \$33.2 million, or \$(0.39) per share for F4Q25. That said, excluding non-recurring impairment/fair value losses, we put adjusted net income/EPS at essentially breakeven for the quarter compared to our \$0.01 estimate. Higher operating income was offset by less favorable non-operating trends. Lowering our F2026 (Oct) EPS estimate from \$0.12 to \$0.09, and introducing a F2027 estimate of \$0.17. Lowering our price target to \$5.00.

Current Price (1/29/26)	\$2.43
Valuation	\$5.00

### SUMMARY DATA

52-Week High	\$4.06
52-Week Low	\$1.64
One-Year Return (%)	-16.78
Beta	0.96
Average Daily Volume (sh)	524,090
Shares Outstanding (mil)	86
Market Capitalization (\$mil)	\$208
Short Interest Ratio (days)	1
Institutional Ownership (%)	14
Insider Ownership (%)	12
Annual Cash Dividend	\$0.00
Dividend Yield (%)	0.00
5-Yr. Historical Growth Rates	
Sales (%)	43.4
Earnings Per Share (%)	N/A
Dividend (%)	N/A
P/E using TTM EPS	N/A
P/E using 2026 Estimate	27.0
P/E using 2027 Estimate	14.3

### OUTLOOK

Key F4Q25 takeaways include: 1) High Tide remains the largest cannabis retailer in Canada, with 218 Canna Cabana stores, representing a 12% market share (up from 11% a year ago), and management continues to target opening 20-30 new stores in C2026; 2) Store Sales (SSS) were up 5.5% in F4Q25 and 4.1% for Fiscal 2025; 3) HITI's Cabana Club loyalty program continues to flourish, with 2.5+ million members in Canada, up 45% over the last 12 months and 16% on a sequential quarter basis; 4) paid ELITE membership subscriptions (generating recurring and high-margin revenues) surged by 100%+ year-over-year to 151,000; and 5) assuming the rescheduling of cannabis is enacted, senior management remains focused on bringing the company's Canna Cabana brand, unique discount club model, and related IP/systems/technology to the U.S. likely via licensing agreements with scale-enabled MSOs.

### ZACKS ESTIMATES

Revenue (in millions of \$)	ZACKS ESTIMATES				
	Q1 (Jan)	Q2 (Apr)	Q3 (Jul)	Q4 (Oct)	Year (Oct)
2024	96 A	91 A	95 A	99 A	376 A
2025	98 A	100 A	108 A	117 A	423 A
2026	129 E	139 E	151 E	160 E	579 E
2027					700 E

### Price/Sales Ratio (Industry = 2.5x)

	Q1 (Jan)	Q2 (Apr)	Q3 (Jul)	Q4 (Oct)	Year (Oct)
2024	-\$0.00 A	\$0.00 A	\$0.01 A	-\$0.01 A	\$0.00 A
2025	-\$0.02 A	-\$0.03 A	\$0.01 A	-\$0.39 A	-\$0.45 A
2026	\$0.01 E	\$0.02 E	\$0.03 E	\$0.03 E	\$0.09 E
2027					\$0.17 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to rounding.

## F4Q25 EARNINGS REVIEW

After the markets closed on 1/29/26, High Tide reported F4Q25 and full-year F2025 (Oct) earnings results. For the quarter, HITI reported a net loss of \$33.2 million, or \$(0.39) per share compared to our \$0.01 EPS estimate. That said, excluding an impairment charge (e-commerce segment goodwill written off; segment currently accounts for 2% of consolidated revenue) and a fair value change in derivative liability (mostly a function of higher EBITDA forecasts for the Remexian put option), we put adjusted net income at \$0.3 million for the quarter, or essentially breakeven on a per share basis.

Relative to our model, higher operating income (mostly a function of lower-than-forecast operating expense) was offset by less favorable non-operating trends (higher finance costs and FX losses) – Exhibit 1. Focusing on the top line, HITI generated \$116.7 million of revenue in F4Q25, or just ahead of our \$116.1 million forecast. Strong year-over-year and sequential quarter growth primarily reflected accelerating sales of cannabis and CBD products, with same-store sales growth of 5.5% for the quarter. After factoring in cost of sales of \$86.5 million, gross profit totaled \$30.3 million for F4Q25 representing a gross margin of 25.9%, or essentially flat on a year-over-year basis.

In aggregate, HITI's operating expenses totaled \$27.1 million (ex impairments) in F4Q25, down from \$27.7 million in F4Q24, and meaningfully below our \$28.3 million forecast. Much of the favorable variance related to lower salaries, share-based compensation, and interest expenses. Excluding non-cash impairment, loss on fair value change in derivative liability, transaction and acquisition costs, and share-based compensation, Adjusted EBITDA came in at \$8.8 million (7.6% margin) for F4Q25, up from \$5.9 million in the year-ago quarter.

Turning to the balance sheet, cash and cash equivalents totaled C\$47.9 million as of October 31, 2025, essentially unchanged for the year, and down sequentially reflecting the upfront C\$12.3 million payment for Remexian. Looking ahead, management maintains ample liquidity (along with accelerating free cash flows) to fund ongoing new store openings and capitalize on accretive M&A opportunities should they arise.

**Exhibit 1: F4Q25 GAAP Actual vs. Estimates**  
(\$ thousands)

	<b>F4Q25</b>		<b>Change</b>	
	<u>Actual</u>	<u>Estimate</u>	<u>\$</u>	<u>%</u>
<b>Revenue</b>				
Cannabis and CBD products	103,524	103,282	242	0.2%
Consumption accessories	3,910	3,961	(51)	-1.3%
Data analytics, advertising and other revenue	9,315	8,872	443	5.0%
<b>Total Revenue</b>	<b>116,748</b>	<b>116,115</b>	633	<b>0.5%</b>
Cost of Sales	(86,479)	(84,784)	(1,695)	2.0%
<b>Gross Profit</b>	<b>30,269</b>	<b>31,331</b>	(1,062)	-3.4%
<b>Expenses</b>				
Salaries, wages and benefits	(13,391)	(13,954)	563	-4.0%
Share-based compensation	(475)	(639)	164	-25.6%
General and administration	(5,053)	(5,137)	85	-1.7%
Professional fees	(1,900)	(1,785)	(115)	6.4%
Advertising and promotion	(463)	(459)	(4)	0.9%
Depreciation and amortization	(4,628)	(4,716)	88	-1.9%
Impairment loss net of recovery	(16,772)	0	(16,772)	NM
Interest and bank charges	(1,243)	(1,598)	355	-22.2%
<b>Total Expenses</b>	<b>(43,925)</b>	<b>(28,289)</b>	<b>(15,636)</b>	<b>55.3%</b>
<b>Operating Income/(Loss)</b>	<b>(13,656)</b>	<b>3,042</b>	<b>(16,698)</b>	<b>-548.9%</b>
Gain on extinguishment of financial liability	0	0	0	NM
Loss on revaluation of marketable securities	0	0	0	NM
Finance and other costs	(2,772)	(2,278)	(494)	21.7%
Gain on revaluation of put option liability	0	0	0	NM
(Loss) gain on foreign exchange	(237)	0	(237)	NM
Other loss	29	0	29	NM
FV change in derivative liability	(16,737)	0	(16,737)	NM
Gain (loss) on debentures	0	0	0	NM
<b>Pre-Tax Income/(Loss)</b>	<b>(33,373)</b>	<b>764</b>	<b>(34,137)</b>	<b>-4467.4%</b>
Income tax (expense) recovery	(80)	(155)	75	-48.5%
Deferred income tax recovery	206	0	206	NM
<b>Net Income/(Loss)</b>	<b>(33,246)</b>	<b>609</b>	<b>(33,856)</b>	<b>-5555.8%</b>
<b>Earnings per share, diluted</b>	<b>(\$0.39)</b>	<b>\$0.01</b>	<b>(\$0.40)</b>	<b>-5545.7%</b>
Weighted average shares outstanding, basic	85,588	85,429	159	0.2%

Source: Company Reports and Zacks Small Cap Research estimates and calculations.

## KEY TAKEAWAYS

Following our review of F4Q25 results, we highlight the following key takeaways:

- 1. Organic growth remains strong:** High Tide remains the largest cannabis retailer in Canada, with 218 Canna Cabana stores across Alberta, Ontario, Saskatchewan, Manitoba, and British Columbia, representing a 12% market share (up from 11% a year ago). The company opened 27 new stores in calendar 2025, and management reiterated guidance of 20-30 new store locations targeted for 2026, with a longer-term goal of operating 350+ locations across Canada. Turning to performance, same Store Sales (SSS) were up 5.5% in F4Q25 and 4.1% for Fiscal 2025. Longer term, SSS increased 151% since the launch of Cabana Club in October 2021 versus a 14% decline for peers on average. From a revenue perspective, Canna Cabana stores in operations for more than six months generated annualized retail sales per square foot of \$1,775 during F4Q25, up 2%+ on a sequential quarter basis (with rising margins and minimal shrinkage rates).
- 2. Cabana Club remains HITI's crown jewel:** Following the launch in 2021, HITI's Cabana Club loyalty program continues to flourish. As of 10/31/25, memberships in Canada exceeded 2.5 million, up 45% over the last 12 months (the highest year-over-year growth rate over the past four quarters) and 16% on a sequential quarter basis, with the company on track to exceed 3 million members over time. Moreover, the number of global memberships rose to 6.56 million as of the end of fiscal 2025, representing year-over-year and sequential-quarter growth rates of 23% and 7%, respectively. In Canada, ELITE membership subscriptions (carrying C\$35 annual fees) surged by 100%+ year-over-year to 151,000 as of 10/31/25. Importantly, ELITE members typically generate higher-dollar receipts with greater frequency, with related membership fees providing a growing source of recurring/high-margin revenues.
- 3. Rescheduling dual-track opportunity:** In mid-December 2025, President Trump issued an executive order instructing the attorney general to expedite the process of rescheduling marijuana to Schedule III of the Controlled Substances Act. Looking ahead, assuming the Drug Enforcement Administration (DEA) publishes a final rule in the Federal Register following Health and Human Services (HHS) scientific and medical evaluations, a public comment period, and potential hearings, we would expect opponent groups to immediately file a "petition for review" and request a "motion to stay" to suspend the effective date. If a judge denies the motion to stay, rescheduling takes effect. That said, if the stay is granted, the ruling remains suspended pending the outcome of related litigation, which could persist for multiple years.

Stepping back, the rescheduling of marijuana from Schedule I to Schedule III potentially paves the way for several key benefits for cannabis-related businesses in the U.S. First, Internal Revenue Code Section 280E would no longer apply, thereby providing for the deduction of business expenses on federal tax returns. Beyond immediate cash flow benefits on a go-forward basis, cannabis companies likely settle outstanding liabilities with the government. Second, marijuana rescheduling likely improves access to banking/financial services for cannabis companies, thereby lowering costs of capital, all else equal. Third, less onerous tax burdens potentially promote stepped-up spending on marketing and/or research and development, thus enhancing sustainable growth across cycles. More broadly, lower regulatory/financial barriers likely spur growth across the industry, with scale-enabled MSOs seemingly well positioned to gain market share, we believe.

Focusing on HITI, management remains focused on bringing the company's Canna Cabana brand, unique discount club model, and related intellectual property/systems/technology to the U.S. likely via licensing agreements with scale-enabled MSOs. We would expect any related partnerships to be highly profitable given limited incremental expenses. Separately, senior officials continue to explore strategic initiatives to more fully leverage the company's NuLeaf Naturals and FAB CBD brands here in the U.S. in light of the inclusion of CBD products under pending pilot programs that provide for up to \$500 per year of CBD products at no cost to the 29+ million Medicare beneficiaries enrolled in private Medicare Advantage plans.

## REFINING F2026 EPS ESTIMATE

Our updated model calls for EPS of \$0.09 for F2026 versus our prior forecast of \$0.12 primarily reflecting flatter revenue and gross margin trajectories. Furthermore, we are introducing a F2027 EPS estimate of \$0.17 representing 89% year-over-year growth.

Looking ahead, our model calls for consistent revenue growth through F2026 and beyond. More specifically, we forecast total revenues to rise from \$423 million in F2025 to \$579 million in F2026 and \$700 million in F2027. Our optimism primarily reflects continued organic growth (rising same-store sales and ongoing market share gains), a broader retail store footprint, with the company's store count likely approaching 300 over the next several years (potentially quicker assuming management capitalizes on sizeable M&A blocks coming to market), and accelerating Remexian contributions, particularly as supply chain disruptions in Portugal continue to normalize and the company's distribution footprint expands beyond Germany.

Focusing on Adjusted EBITDA, which excludes transaction costs, other non-recurring items, and stock-based compensation expenses, we forecast a step up in related growth in F2026 fueled in part by ongoing margin expansion. Beyond strong revenue growth, key drivers likely include a step up in gross margins following the sell-through of older/lower-priced product, rising economies of scale, particularly as it relates to incremental headcount needs, ongoing expense management/resource optimization, and accelerating growth across higher-margin initiatives (white label and ELITE memberships). In fact, management reiterated the company's long-term EBITDA margin goal of 12% for HITI's bricks-and-mortar business segment (9.4% in F4Q25).

## LOWERING OUR PRICE TARGET TO \$5.00

Turning to valuation, as a result of our lower earnings outlook, we are taking down our DCF-derived price target to \$5.00 – still well above the stock's current levels. Stepping back, absolute/relative performance of most U.S.-based cannabis company stocks remains inextricably linked to the prevailing narrative around regulatory reform in the U.S. In contrast, we look for HITI's strong/improving fundamental story to increasingly resonate with (generalist) investors, thereby driving a material upward revaluation for the stock.

As a crosscheck, we track peer valuation multiples to corroborate our DCF-based price target. To be sure, while apples-to-apples comparisons for cannabis stocks remain challenging given varying regulatory backdrops and growth prospects across countries/states/provinces, not to mention diverging capital, liquidity, and profitability profiles, HITI continues to trade at a discount to most U.S.- and Canadian-based cannabis companies based on Enterprise Value (EV)-to-EBITDA multiples despite what we would argue are well-defined competitive advantages around scale, growth, profitability, and balance sheet metrics, as well as a more favorable regulatory backdrop. In our minds, cannabis companies with steeper growth trajectories, higher revenue throughput, elevated margins, and stronger balance sheets warrant premium valuations, thereby suggesting meaningful upside for HITI assuming a more appropriate multiple.

## INVESTMENT THESIS

High Tide is the largest cannabis retailer in Canada operating 200+ stores across Alberta, Ontario, Saskatchewan, British Columbia, and Manitoba. Beyond traditional bricks-and-mortar cannabis stores in Canada (branded Canna Cabana), the company markets Cannabidiol (CBD) and consumption accessories online across Canada, the U.S., the United Kingdom, and Europe. More recently, HITI closed the acquisition of a 51% ownership stake in Remexian Pharma GmbH, a leading low-cost medical cannabis importer/wholesaler in Germany, one of the highest-growth markets in the world, with much of the accelerating demand satisfied through imported cannabis from Canada.

Our investment thesis revolves around:

- 1. More favorable regulatory landscape north of the border:** The Cannabis Act and the Cannabis Regulations in 2018 allow for and govern the cultivation/production, processing, retail sale, and distribution of cannabis for both medical and recreational use across Canada. Following the legalization of recreational-use cannabis, Canada has grown into a C\$5.5 billion market, with a majority of sales coming from the five provinces in which High Tide maintains operations.

Turning to the U.S., while HITI's bricks and mortar cannabis sales remain confined to Canada at present, we expect management to increasingly turn their sights south of the border in light of a more favorable regulatory backdrop. As uncertainty around rescheduling probabilities, implications, and timelines fade, we look for cannabis stocks to benefit from enhanced liquidity, rising institutional shareholder ownership profiles, and powerful upward revaluations over time.

- 2. Plenty of growth levers to pull:** We look for a powerful step up in HITI's earnings power reflecting the recent majority equity investment in Remexian in Germany, in addition to a number of compelling growth catalysts including: a) strong/sustained Same-Store Sales (SSS) growth; b) ongoing retail store expansion, with management reiterating the company's goal of adding 20-30 new stores this year; c) further step ups in the number of Cabana Club/ELITE loyalty program memberships; d) market shares continuing to roll up to diversified/scale-enabled players; and e) increasingly leveraging white labeling opportunities to further build out the house-branded product portfolio.
- 3. Transitioning into a global player:** HITI recently closed the acquisition of a 51% ownership stake in Remexian Pharma GmbH, a leading low-cost medical cannabis importer/wholesaler in Germany. Stepping back, Germany remains amongst the highest-growth markets in the world, particularly following the enactment of the Consumer Cannabis Act in April 2024, which legalized cannabis for medical use. Much of the accelerating demand continues to be satisfied through imported cannabis, particularly from Canada. A key rationale for the transaction was the powerful opportunity to increasingly leverage HITI's procurement expertise and LP network/relationships in Canada to drive accelerating imports/sales in Germany. As such, we see substantial potential for related revenue/EBITDA growth, as HITI increasingly pushes Canadian-supplied cannabis (sourced at lower prices) through Remexian's broad distribution network in Germany.
- 4. Building earnings power:** We project a favorable inflection in net income in F2026, with further growth expected in F2027 and beyond as the business continues to scale. Key modeling inputs include accelerating revenue growth reflecting continued organic growth, a broader retail store footprint, and accelerating Remexian contributions, combined with rising margins on the back of building economies of scale, ongoing expense management/resource optimization, and accelerating growth across higher-margin initiatives.
- 5. Balance sheet strength:** To be sure, High Tide's strong balance sheet remains a key differentiating factor relative to most other U.S.-based cannabis operators that typically struggle to source capital to fund growth due to regulatory restrictions, with highly-dilutive financings often the only course of action. Put another way, the company maintains ample liquidity and steady free cash flow to fund organic growth initiatives and capitalize on accelerating consolidation trends across the industry should the right opportunities arise. Turning to the liabilities side, High Tide's debt profile remains generally favorable, with long-dated maturities.

## INVESTMENT RISKS

- 1. Regulatory uncertainty:** While the distribution and sale of medical and adult-use cannabis, cannabis products, and cannabis accessories is permitted at the Federal level in Canada via legally mandated licenses under the Cannabis Act of 2018, High Tide's business operations along with the company's domestic expansion efforts could be meaningfully impacted by adverse regulatory changes. Furthermore, the company must adhere to inconsistent laws and regulations governing the sale and distribution of cannabis products across the five provinces in which HITI maintains retail locations. Stepping back, any initiatives to enter the U.S. market would require considerable time, resources, and infrastructure to conform related operations to the shifting regulatory framework.
- 2. Rising competition:** The cannabis industry remains highly fragmented, with 3,600+ (and counting) licensed recreational cannabis retail stores across Canada (along with the unregulated illicit market). As such, competition remains fierce, with market shares rolling up to companies that can increasingly leverage high-quality supply, diversified/innovative product sets, broader retail distribution, more cost-effective marketing initiatives, and improving operational efficiencies. While HITI remains amongst the largest cannabis retailers across the provinces in which the company operates, select competitors, particularly scale-enabled, vertically-integrated operators and government wholesalers, may be able to leverage greater financial resources, broader customer relationships, and/or longer operating histories.
- 3. Wholesale pricing volatility:** One of the byproducts of rising competition and oversupply has been pricing pressure, with the price of cannabis directly impacting HITI's revenues, gross profits, and earnings. Furthermore, wholesale pricing remains highly influenced by cultivation conditions, inflationary pressures, the macroeconomic backdrop, shifting demand trends, and/or regulatory changes, with any disruptions in the supply chain likely impairing HITI's economics. That said, wholesale pricing trends in Canada have stabilized more recently, and as a low-cost retailer, HITI is less dependent on pricing to drive revenue growth.
- 4. Reliance on Licensed Producers/government wholesalers:** HITI sales remain dependent on sourcing high-quality cannabis and related products from LPs in a cost-effective manner via government wholesalers. Moreover, proficient supply chain management involves promptly meeting shifting demand trends to minimize related carrying costs. As such, any material disruptions in the cultivation of cannabis products and/or related economics for LPs (including rising costs or less favorable contract terms) could have an adverse effect on HITI's business.
- 5. M&A integration/financing:** Over the years, HITI has completed a number of acquisitions to enhance/extend the company's footprint. All transactions carry meaningful execution and operational risks, particularly assuming accounting/finance, human resources, legal, and other back-office functions are consolidated post-acquisition. Looking ahead, management remains focused on potentially capitalizing on incremental M&A opportunities (at attractive valuations). That said, shareholders likely risk dilution, assuming prospective deals are at least partially financed with equity.

## PROJECTED INCOME STATEMENT (CDN)

High Tide Inc.  
(CDN in thousands)

	Quarterly								Annual				Y/Y Growth			
	F1Q25 Jan-25	F2Q25 Apr-25	F3Q25 Jul-25	F4Q25 Oct-25	F1Q26E Jan-26	F2Q26E Apr-26	F3Q26E Jul-26	F4Q26E Oct-26	F2024 Oct-24	F2025 Oct-25	F2026E Oct-26	F2027E Oct-27	F2025 Oct-25	F2026E Oct-26	F2027E Oct-27	
<b>Revenue</b>																
Cannabis and CBD products	123,619	120,051	131,963	145,451	155,232	169,735	184,783	196,159	452,792	521,084	705,909	863,098	15%	35%	22%	
Consumption accessories	7,544	6,415	5,744	5,493	5,383	5,275	5,328	5,382	32,801	25,196	21,368	22,387	-23%	-15%	5%	
Data analytics, advertising and other revenue	11,298	11,338	11,983	13,087	13,349	13,482	13,752	14,027	36,713	47,706	54,610	60,596	30%	14%	11%	
<b>Total Revenue</b>	<b>142,461</b>	<b>137,804</b>	<b>149,690</b>	<b>164,031</b>	<b>173,964</b>	<b>188,492</b>	<b>203,864</b>	<b>215,567</b>	<b>522,306</b>	<b>593,986</b>	<b>781,887</b>	<b>946,082</b>	<b>14%</b>	<b>32%</b>	<b>21%</b>	
Cost of Sales	(107,021)	(102,333)	(109,599)	(121,503)	(129,730)	(140,188)	(151,110)	(159,246)	(379,804)	(440,456)	(580,275)	(696,536)	NM	NM	NM	
<b>Gross Profit</b>	<b>35,440</b>	<b>35,471</b>	<b>40,091</b>	<b>42,528</b>	<b>44,233</b>	<b>48,305</b>	<b>52,753</b>	<b>56,321</b>	<b>142,502</b>	<b>153,530</b>	<b>201,612</b>	<b>249,546</b>	<b>8%</b>	<b>31%</b>	<b>24%</b>	
<b>Expenses</b>																
Salaries, wages and benefits	(17,581)	(17,476)	(18,288)	(18,814)	(19,953)	(21,431)	(22,975)	(24,078)	(65,082)	(72,159)	(88,438)	(104,729)	NM	NM	NM	
Share-based compensation	(1,175)	(1,250)	(824)	(668)	(708)	(768)	(830)	(878)	(2,975)	(3,917)	(3,184)	(3,853)	NM	NM	NM	
General and administration	(6,563)	(5,768)	(6,623)	(7,099)	(7,529)	(8,063)	(8,619)	(9,006)	(21,836)	(26,053)	(33,217)	(39,526)	NM	NM	NM	
Professional fees	(1,809)	(1,690)	(2,301)	(2,669)	(2,831)	(3,067)	(3,317)	(3,508)	(7,734)	(8,469)	(12,722)	(15,394)	NM	NM	NM	
Advertising and promotion	(912)	(1,030)	(592)	(651)	(690)	(748)	(809)	(856)	(4,166)	(3,185)	(3,103)	(3,755)	NM	NM	NM	
Depreciation and amortization	(5,847)	(5,880)	(6,080)	(6,503)	(6,897)	(7,473)	(8,082)	(8,546)	(25,393)	(24,310)	(30,998)	(37,507)	NM	NM	NM	
Impairment loss net of recovery	0	(23,564)	0	0	0	0	0	0	(4,964)	(23,564)	0	0	NM	NM	NM	
Interest and bank charges	(1,486)	(1,445)	(1,644)	(1,746)	(2,368)	(2,523)	(2,686)	(2,811)	(5,349)	(6,321)	(10,387)	(12,135)	NM	NM	NM	
<b>Total Expenses</b>	<b>(35,373)</b>	<b>(34,539)</b>	<b>(36,352)</b>	<b>(61,714)</b>	<b>(40,976)</b>	<b>(44,073)</b>	<b>(47,319)</b>	<b>(49,682)</b>	<b>(137,499)</b>	<b>(167,978)</b>	<b>(182,050)</b>	<b>(216,899)</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	
<b>Operating Income/(Loss)</b>																
Gain on extinguishment of financial liability	67	932	3,739	(19,186)	3,257	4,232	5,435	6,638	5,003	(14,448)	19,562	32,647	-389%	NM	67%	
Gain on extinguishment of put option liability	0	0	0	0	0	0	0	0	79	0	0	0	-100%	NM	NM	
Loss on revaluation of marketable securities	0	0	0	0	0	0	0	0	885	0	0	0	-100%	NM	NM	
Finance and other costs	(2,731)	(3,566)	(2,676)	(3,895)	(1,285)	(1,285)	(1,285)	(1,285)	(10,058)	(12,868)	(5,140)	(5,140)	NM	NM	NM	
Gain on revaluation of put option liability	0	0	0	0	0	0	0	0	657	0	0	0	-100%	NM	NM	
(Loss) gain on foreign exchange	13	(114)	(120)	(333)	0	0	0	0	(24)	(554)	0	0	NM	NM	NM	
Other loss	0	(42)	1	41	0	0	0	0	(342)	0	0	0	NM	NM	NM	
FV change in derivative liability	0	(43)	(23,516)	0	0	0	0	0	0	(23,559)	0	0	NM	NM	NM	
Gain (loss) on debentures	0	0	0	0	0	0	0	0	(515)	0	0	0	NM	NM	NM	
<b>Pre-Tax Income/(Loss)</b>	<b>(2,651)</b>	<b>(2,790)</b>	<b>901</b>	<b>(46,889)</b>	<b>1,972</b>	<b>2,947</b>	<b>4,150</b>	<b>5,354</b>	<b>(4,404)</b>	<b>(51,429)</b>	<b>14,423</b>	<b>27,507</b>	<b>NM</b>	<b>NM</b>	<b>91%</b>	
Income tax (expense) recovery	(38)	(46)	(69)	(112)	(394)	(589)	(830)	(1,071)	(601)	(265)	(2,885)	(5,501)	NM	NM	NM	
Deferred income tax recovery	0	0	0	290	0	0	0	0	1,194	290	0	0	-76%	-100%	NM	
<b>Net Income/(Loss)</b>	<b>(2,689)</b>	<b>(2,836)</b>	<b>832</b>	<b>(46,711)</b>	<b>1,578</b>	<b>2,358</b>	<b>3,320</b>	<b>4,283</b>	<b>(3,811)</b>	<b>(51,404)</b>	<b>11,538</b>	<b>22,006</b>	<b>NM</b>	<b>NM</b>	<b>91%</b>	
Translation difference on foreign subsidiary	881	(1,044)	100	514	0	0	0	0	1,591	451	0	0	-72%	-100%	NM	
Net comprehensive gain/(loss)	(1,808)	(3,880)	932	(46,197)	1,578	2,358	3,320	4,283	(2,220)	(50,953)	11,538	22,006	NM	NM	91%	
<b>Earnings per share, diluted</b>																
	<b>(\$0.03)</b>	<b>(\$0.04)</b>	<b>\$0.01</b>	<b>(\$0.55)</b>	<b>\$0.02</b>	<b>\$0.03</b>	<b>\$0.04</b>	<b>\$0.05</b>	<b>(\$0.05)</b>	<b>(\$0.62)</b>	<b>\$0.12</b>	<b>\$0.23</b>	<b>NM</b>	<b>NM</b>	<b>89%</b>	
Weighted average shares outstanding, basic	80,875	80,936	81,316	85,588	85,802	86,017	86,232	86,447	79,557	82,179	86,124	86,879	3%	5%	1%	
Weighted average shares outstanding, diluted			88,578	92,851	93,065	93,279	93,494	93,710		93,387	94,142			NM	NM	1%
Net (loss) Income	(2,689)	(2,836)	832	(46,711)	1,578	2,358	3,320	4,283	(3,811)	(51,404)	11,538	22,006	NM	NM	91%	
Income/deferred tax recovery (expense)	38	46	69	(178)	394	589	830	1,071	(593)	(25)	2,885	5,501	NM	NM	91%	
Accretion and interest	2,101	1,950	1,795	1,213	1,285	1,285	1,285	1,285	7,444	7,059	5,140	5,140	-5%	-27%	0%	
Depreciation and amortization	5,847	5,880	6,080	6,503	6,897	7,473	8,082	8,546	25,393	24,310	30,998	37,507	-4%	28%	21%	
<b>EBITDA</b>	<b>5,297</b>	<b>5,040</b>	<b>8,776</b>	<b>(39,173)</b>	<b>10,154</b>	<b>11,705</b>	<b>13,517</b>	<b>15,185</b>	<b>28,433</b>	<b>(20,060)</b>	<b>50,560</b>	<b>70,154</b>	<b>-171%</b>	<b>NM</b>	<b>39%</b>	
Foreign exchange loss (gain)	(13)	114	120	333	0	0	0	0	24	554	0	0	2208%	-100%	NM	
Transaction and acquisition costs	630	1,616	881	2,682	0	0	0	0	2,614	5,809	0	0	122%	-100%	NM	
Loss (gain) revaluation of put option liability	0	0	43	23,516	0	0	0	0	(657)	23,559	0	0	NM	-100%	NM	
Other loss (gain)	0	42	(1)	(41)	0	0	0	0	342	0	0	0	-100%	NM	NM	
Loss (gain) on extinguishment of debenture	0	0	0	0	0	0	0	0	(885)	0	0	0	NM	NM	NM	
Impairment loss	0	0	0	23,564	0	0	0	0	4,964	23,564	0	0	375%	-100%	NM	
Share-based compensation	1,175	1,250	824	668	708	768	830	878	2,975	3,917	3,184	3,853	32%	-19%	21%	
Loss (gain) on revaluation of marketable securities	0	0	0	865	0	0	0	0	89	865	0	0	872%	-100%	NM	
Loss (gain) on revaluation of debenture	0	0	0	0	0	0	0	0	515	0	0	0	-100%	NM	NM	
Loss (gain) on extinguishment of financial liability	0	0	0	0	0	0	0	0	(79)	0	0	0	NM	NM	NM	
<b>Adjusted EBITDA</b>	<b>7,089</b>	<b>8,062</b>	<b>10,643</b>	<b>12,414</b>	<b>10,862</b>	<b>12,472</b>	<b>14,347</b>	<b>16,063</b>	<b>38,335</b>	<b>38,208</b>	<b>53,744</b>	<b>74,007</b>	<b>0%</b>	<b>41%</b>	<b>38%</b>	

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## PROJECTED INCOME STATEMENT (USD)

High Tide Inc.  
(\$ thousands)

	Quarterly								Annual				Y/Y Growth		
	F1Q25 Jan-25	F2Q25 Apr-25	F3Q25 Jul-25	F4Q25 Oct-25	F1Q26E Jan-26	F2Q26E Apr-26	F3Q26E Jul-26	F4Q26E Oct-26	F2024 Oct-24	F2025 Oct-25	F2026E Oct-26	F2027E Oct-27	F2025 Oct-25	F2026E Oct-26	F2027E Oct-27
<b>Revenue</b>															
Cannabis and CBD products	85,296	86,824	95,452	103,524	114,867	125,599	136,735	145,152	325,562	370,878	522,354	638,670	14%	41%	22%
Consumption accessories	5,205	4,639	4,155	3,910	3,983	3,904	3,943	3,982	23,584	17,933	15,812	16,566	-24%	-12%	5%
Data analytics, advertising and other revenue	7,795	8,200	8,668	9,315	9,878	9,976	10,176	10,380	26,397	33,954	40,410	44,840	29%	19%	11%
<b>Total Revenue</b>	<b>98,296</b>	<b>99,663</b>	<b>108,275</b>	<b>116,748</b>	<b>128,728</b>	<b>139,479</b>	<b>150,854</b>	<b>159,514</b>	<b>375,544</b>	<b>422,766</b>	<b>578,575</b>	<b>700,075</b>	<b>13%</b>	<b>37%</b>	<b>21%</b>
Cost of Sales	(73,843)	(74,010)	(79,276)	(86,479)	(95,997)	(103,735)	(111,817)	(117,838)	(273,083)	(313,492)	(429,388)	(515,418)	NM	NM	NM
<b>Gross Profit</b>	<b>24,453</b>	<b>25,653</b>	<b>28,999</b>	<b>30,269</b>	<b>32,732</b>	<b>35,744</b>	<b>39,036</b>	<b>41,676</b>	<b>102,460</b>	<b>109,274</b>	<b>149,188</b>	<b>184,657</b>	<b>7%</b>	<b>37%</b>	<b>24%</b>
<b>Expenses</b>															
Salaries, wages and benefits	(12,131)	(12,639)	(13,228)	(13,391)	(14,765)	(15,858)	(17,001)	(17,817)	(46,795)	(51,359)	(65,442)	(77,497)	NM	NM	NM
Share-based compensation	(811)	(904)	(596)	(475)	(524)	(568)	(614)	(650)	(2,139)	(2,788)	(2,356)	(2,851)	NM	NM	NM
General and administration	(4,528)	(4,172)	(4,791)	(5,053)	(5,571)	(5,967)	(6,378)	(6,664)	(15,700)	(18,543)	(24,580)	(29,248)	NM	NM	NM
Professional fees	(1,248)	(1,222)	(1,664)	(1,900)	(2,095)	(2,270)	(2,455)	(2,596)	(5,561)	(6,028)	(9,414)	(11,391)	NM	NM	NM
Advertising and promotion	(629)	(745)	(428)	(463)	(511)	(554)	(599)	(633)	(2,995)	(2,267)	(2,296)	(2,778)	NM	NM	NM
Depreciation and amortization	(4,034)	(4,253)	(4,398)	(4,628)	(5,103)	(5,530)	(5,981)	(6,324)	(18,258)	(17,302)	(22,938)	(27,754)	NM	NM	NM
Impairment loss net of recovery	0	0	0	(16,772)	0	0	0	0	(3,569)	(16,772)	0	0	NM	NM	NM
Interest and bank charges	(1,025)	(1,045)	(1,189)	(1,243)	(1,752)	(1,867)	(1,988)	(2,080)	(3,846)	(4,499)	(7,686)	(8,980)	NM	NM	NM
<b>Total Expenses</b>	<b>(24,407)</b>	<b>(24,979)</b>	<b>(26,294)</b>	<b>(43,925)</b>	<b>(30,321)</b>	<b>(32,613)</b>	<b>(35,015)</b>	<b>(36,764)</b>	<b>(98,863)</b>	<b>(119,557)</b>	<b>(134,712)</b>	<b>(160,500)</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>
<b>Operating Income/(Loss)</b>															
Gain on extinguishment of financial liability	0	0	0	0	0	0	0	0	57	0	0	0	-100%	NM	NM
Gain on extinguishment of put option liability	0	0	0	0	0	0	0	0	636	0	0	0	-100%	NM	NM
Loss on revaluation of marketable securities	0	0	0	0	0	0	0	0	(64)	0	0	0	NM	NM	NM
Finance and other costs	(1,884)	(2,579)	(1,936)	(2,772)	(951)	(951)	(951)	(951)	(7,232)	(9,159)	(3,803)	(3,803)	NM	NM	NM
Gain on revaluation of put option liability	0	0	0	0	0	0	0	0	472	0	0	0	-100%	NM	NM
(Loss) gain on foreign exchange	9	(82)	(87)	(237)	0	0	0	0	(17)	(394)	0	0	NM	NM	NM
Other loss	0	(30)	1	29	0	0	0	0	(246)	0	0	0	NM	NM	NM
FV change in derivative liability	0	0	(31)	(16,737)	0	0	0	0	0	(16,768)	0	0	NM	NM	NM
Gain (loss) on debentures	0	0	0	0	0	0	0	0	(370)	0	0	0	NM	NM	NM
<b>Pre-Tax Income/(Loss)</b>	<b>(1,829)</b>	<b>(2,018)</b>	<b>652</b>	<b>(33,373)</b>	<b>1,459</b>	<b>2,181</b>	<b>3,071</b>	<b>3,962</b>	<b>(3,167)</b>	<b>(36,604)</b>	<b>10,672</b>	<b>20,355</b>	<b>NM</b>	<b>NM</b>	<b>91%</b>
Income tax (expense) recovery	(26)	(33)	(50)	(80)	(292)	(436)	(614)	(792)	(432)	(189)	(2,134)	(4,071)	NM	NM	NM
Deferred income tax recovery	0	0	0	206	0	0	0	0	858	206	0	0	-76%	-100%	NM
<b>Net Income/(Loss)</b>	<b>(1,855)</b>	<b>(2,051)</b>	<b>602</b>	<b>(33,246)</b>	<b>1,167</b>	<b>1,745</b>	<b>2,457</b>	<b>3,169</b>	<b>(2,740)</b>	<b>(36,586)</b>	<b>8,538</b>	<b>16,284</b>	<b>NM</b>	<b>NM</b>	<b>91%</b>
Translation difference on foreign subsidiary	608	(755)	72	366	0	0	0	0	1,144	321	0	0	-72%	-100%	NM
Net comprehensive gain/(loss)	(1,247)	(2,806)	674	(32,880)	1,167	1,745	2,457	3,169	(1,596)	(36,265)	8,538	16,284	NM	NM	91%
<b>Earnings per share, diluted</b>															
	<b>(\$0.02)</b>	<b>(\$0.03)</b>	<b>\$0.01</b>	<b>(\$0.39)</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$0.03</b>	<b>\$0.03</b>	<b>(\$0.03)</b>	<b>(\$0.45)</b>	<b>\$0.09</b>	<b>\$0.17</b>	<b>NM</b>	<b>NM</b>	<b>89%</b>
Weighted average shares outstanding, basic	80,875	80,936	81,316	85,588	85,802	86,017	86,232	86,447	79,557	82,179	86,124	86,879	3%	5%	1%
Weighted average shares outstanding, diluted				88,578	92,851	93,065	93,279	93,494		93,387	94,142		NM	NM	1%
Net (loss) Income	(1,855)	(2,051)	602	(33,246)	1,167	1,745	2,457	3,169	(2,740)	(36,586)	8,538	16,284	NM	NM	91%
Income/deferred tax recovery (expense)	26	33	50	(127)	292	436	614	792	(426)	(18)	2,134	4,071	NM	NM	91%
Accretion and interest	1,450	1,410	1,298	863	951	951	951	951	5,352	5,024	3,803	3,803	-6%	-24%	0%
Depreciation and amortization	4,034	4,253	4,398	4,628	5,103	5,530	5,981	6,324	18,258	17,302	22,938	27,754	-5%	33%	21%
<b>EBITDA</b>	<b>3,655</b>	<b>3,645</b>	<b>6,348</b>	<b>(27,881)</b>	<b>7,514</b>	<b>8,661</b>	<b>10,002</b>	<b>11,236</b>	<b>20,444</b>	<b>(14,278)</b>	<b>37,413</b>	<b>51,912</b>	<b>-170%</b>	<b>NM</b>	<b>39%</b>
Foreign exchange loss (gain)	(9)	82	87	237	0	0	0	0	17	394	0	0	2185%	-100%	NM
Transaction and acquisition costs	435	1,169	637	1,909	0	0	0	0	1,879	4,135	0	0	120%	-100%	NM
Loss (gain) revaluation of put option liability	0	0	31	16,737	0	0	0	0	(472)	16,768	0	0	NM	-100%	NM
Other loss (gain)	0	30	(1)	(29)	0	0	0	0	246	0	0	0	-100%	NM	NM
Loss (gain) on extinguishment of debenture	0	0	0	0	0	0	0	0	(636)	0	0	0	NM	NM	NM
Impairment loss	0	0	0	16,772	0	0	0	0	3,569	16,772	0	0	370%	-100%	NM
Share-based compensation	811	904	596	475	524	568	614	650	2,139	2,788	2,356	2,851	30%	-15%	21%
Loss (gain) on revaluation of marketable securities	0	0	0	616	0	0	0	0	64	616	0	0	862%	-100%	NM
Loss (gain) on revaluation of debenture	0	0	0	0	0	0	0	0	370	0	0	0	-100%	NM	NM
Loss (gain) on extinguishment of financial liability	0	0	0	0	0	0	0	0	(57)	0	0	0	NM	NM	NM
<b>Adjusted EBITDA</b>	<b>4,891</b>	<b>5,831</b>	<b>7,698</b>	<b>8,836</b>	<b>8,038</b>	<b>9,229</b>	<b>10,616</b>	<b>11,886</b>	<b>27,563</b>	<b>27,194</b>	<b>39,769</b>	<b>54,763</b>	<b>-1%</b>	<b>46%</b>	<b>38%</b>

Source: Company reports and Zacks SCR estimates and calculations.

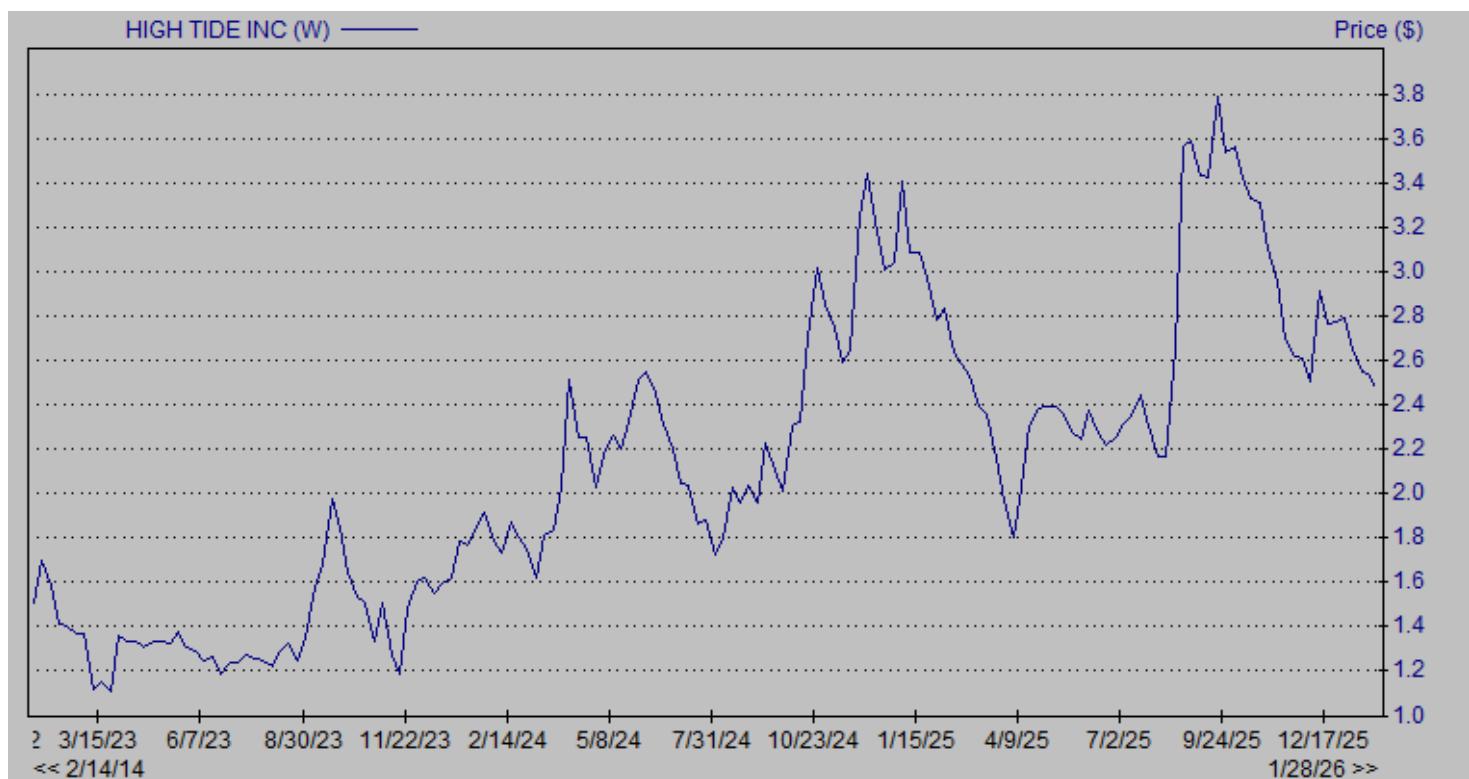
## PROJECTED BALANCE SHEET (CDN)

High Tide Inc.  
(CDN in thousands)

	Quarterly								Annual				Y/Y Growth			
	F1Q25 Jan-25	F2Q25 Apr-25	F3Q25 Jul-25	F4Q25 Oct-25	F1Q26E Jan-26	F2Q26E Apr-26	F3Q26E Jul-26	F4Q26E Oct-26	F2024 Oct-24	F2025 Oct-25	F2026E Oct-26	F2027E Oct-27	F2025 Oct-25	F2026E Oct-26	F2027E Oct-27	
<b>Assets</b>																
Current Assets:																
Cash and cash equivalents	33,341	34,692	63,809	47,883	48,362	48,845	49,334	49,827	47,267	47,883	49,827	51,820	1%	4%	4%	
Marketable securities	712	303	64	64	65	67	68	69	712	64	69	75	-91%	8%	8%	
Trade and other receivables	3,463	2,752	3,551	5,615	5,727	5,842	5,959	6,078	3,308	5,615	6,078	6,564	70%	8%	8%	
Inventory	30,397	28,226	31,258	67,406	68,754	70,129	71,532	72,962	29,338	67,406	72,962	78,799	130%	8%	8%	
Prepaid expenses and deposits	5,819	8,062	4,920	15,917	16,235	16,560	16,891	17,229	5,164	15,917	17,229	18,607	208%	8%	8%	
<b>Total Current Assets</b>	<b>73,732</b>	<b>74,035</b>	<b>103,602</b>	<b>136,885</b>	<b>139,144</b>	<b>141,443</b>	<b>143,784</b>	<b>146,166</b>	<b>85,789</b>	<b>136,885</b>	<b>146,166</b>	<b>155,866</b>	<b>60%</b>	<b>7%</b>	<b>7%</b>	
Non-Current Assets:																
Property and equipment	28,173	28,496	28,539	29,436	30,025	30,625	31,238	31,862	27,471	29,436	31,862	34,411	7%	8%	8%	
Right-of-use assets	37,661	35,565	35,563	47,793	48,749	49,724	50,718	51,733	36,525	47,793	51,733	55,871	31%	8%	8%	
Long term prepaid expenses and deposits	3,630	3,325	3,225	5,399	5,507	5,617	5,729	5,844	3,607	5,399	5,844	6,312	50%	8%	8%	
Intangible assets and goodwill	92,467	90,559	89,460	129,549	126,958	124,419	121,930	119,492	92,816	129,549	119,492	109,933	40%	-8%	-8%	
<b>Total Non-Current Assets</b>	<b>161,931</b>	<b>157,945</b>	<b>156,787</b>	<b>212,177</b>	<b>211,239</b>	<b>210,385</b>	<b>209,616</b>	<b>208,931</b>	<b>160,419</b>	<b>212,177</b>	<b>208,931</b>	<b>206,527</b>	<b>32%</b>	<b>-2%</b>	<b>-1%</b>	
<b>Total Assets</b>	<b>235,663</b>	<b>231,980</b>	<b>260,389</b>	<b>349,062</b>	<b>350,382</b>	<b>351,828</b>	<b>353,400</b>	<b>355,097</b>	<b>246,208</b>	<b>349,062</b>	<b>355,097</b>	<b>362,393</b>	<b>42%</b>	<b>2%</b>	<b>2%</b>	
<b>Liabilities</b>																
Current Liabilities:																
Accounts payables and accrued liabilities	21,893	22,112	21,829	47,251	47,724	48,201	48,683	49,170	22,150	47,251	49,170	51,136	113%	4%	4%	
Income tax payable		1,691	1,603	7,189	7,189	7,189	7,189	7,189	1,659	7,189	7,189	7,189	333%	0%	0%	
Deferred revenue	1,838	2,552	5,931	7,989	7,989	7,989	7,989	7,989	1,990	7,989	7,989	7,989	301%	0%	0%	
Interest bearing loans and borrowings	11,997	11,052	10,087	16,189	15,865	15,548	15,237	14,932	12,891	16,189	14,932	13,738	26%	-8%	-8%	
Current portion of notes payable	724	279	0	1,536	1,536	1,536	1,536	1,536	13,974	1,536	1,536	1,536	-89%	0%	0%	
Convertible debentures		0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM	
Current portion of lease liabilities	9,376	9,502	9,746	9,814	9,912	10,011	10,111	10,212	8,816	9,814	10,212	10,621	11%	4%	4%	
Put option/derivative liability		6,863	9,951	9,951	9,951	9,951	9,951	9,951	0	9,951	9,951	9,951	NM	0%	0%	
<b>Total Current Liabilities</b>	<b>45,828</b>	<b>47,188</b>	<b>56,059</b>	<b>99,919</b>	<b>100,166</b>	<b>100,425</b>	<b>100,696</b>	<b>100,979</b>	<b>61,480</b>	<b>99,919</b>	<b>100,979</b>	<b>102,160</b>	<b>63%</b>	<b>1%</b>	<b>1%</b>	
Non-Current Liabilities:																
Notes payable		68	66	66	11,903	11,903	11,903	11,903	65	11,903	11,903	11,903	18212%	0%	0%	
Lease liabilities	32,328	30,307	30,252	39,986	40,386	40,790	41,198	41,610	31,391	39,986	41,610	43,274	27%	4%	4%	
Deferred tax liability		285	292	290	7,100	7,171	7,243	7,315	7,388	284	7,100	7,388	7,684	2400%	4%	4%
Secured Debentures	12,054	12,214	12,308	12,536	12,661	12,788	12,916	13,045	7,476	12,536	13,045	13,567	68%	4%	4%	
Derivative liability				56,954	56,954	56,954	56,954	56,954		56,954	56,954	56,954				
Convertible Debt		17,923	17,877	17,519	17,169	16,826	16,489	17,877	16,489	17,877	16,489	15,170	NM	-8%	-8%	
<b>Total Non-Current Liabilities</b>	<b>44,735</b>	<b>42,879</b>	<b>60,839</b>	<b>146,356</b>	<b>146,595</b>	<b>146,846</b>	<b>147,111</b>	<b>147,389</b>	<b>39,216</b>	<b>146,356</b>	<b>147,389</b>	<b>148,552</b>	<b>273%</b>	<b>1%</b>	<b>1%</b>	
<b>Total Liabilities</b>	<b>90,563</b>	<b>90,067</b>	<b>116,898</b>	<b>246,275</b>	<b>246,761</b>	<b>247,271</b>	<b>247,807</b>	<b>248,368</b>	<b>100,696</b>	<b>246,275</b>	<b>248,368</b>	<b>250,712</b>	<b>145%</b>	<b>1%</b>	<b>1%</b>	
<b>Total Shareholders' Equity</b>	<b>145,100</b>	<b>141,913</b>	<b>143,491</b>	<b>102,787</b>	<b>103,622</b>	<b>104,557</b>	<b>105,592</b>	<b>106,729</b>	<b>145,512</b>	<b>102,787</b>	<b>106,729</b>	<b>111,681</b>	<b>-29%</b>	<b>4%</b>	<b>5%</b>	
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>235,663</b>	<b>231,980</b>	<b>260,389</b>	<b>349,062</b>	<b>350,382</b>	<b>351,828</b>	<b>353,400</b>	<b>355,097</b>	<b>246,208</b>	<b>349,062</b>	<b>355,097</b>	<b>362,393</b>	<b>42%</b>	<b>2%</b>	<b>2%</b>	

Source: Company reports and Zacks SCR estimates and calculations.

## HISTORICAL STOCK PRICE



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