

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brad Sorensen

312-265-9574

bsorensen@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

Izotropic Corp

(IZOZF-OTC)

IZOZF: Opportunity Abounds

Izotropic is a medical device company with a potentially groundbreaking for device for detecting breast cancer. We value IZOZF at \$0.83 per share on a discounted cash flow analysis basis.

OUTLOOK

Izotropic is a medical device company that has developed an innovative machine that will allow for women to have more accurate and comfortable screenings for breast cancer.

IZOZF represents what we believe is an excellent opportunity to invest at an early stage in a breakthrough technology that will positively impact millions of lives.

Current Price (07/29/26)

\$0.18

Valuation

\$0.83

SUMMARY DATA

52-Week High	\$0.35
52-Week Low	\$0.14
One-Year Return (%)	N/A
Beta	N/A
Average Daily Volume (sh)	15,183

Shares Outstanding (mil)	69
Market Capitalization (\$mil)	\$13
Short Interest Ratio (days)	N/A
Institutional Ownership (%)	N/A
Insider Ownership (%)	N/A

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	N/A
-------------------------	-----

P/E using 2026 Estimate	N/A
-------------------------	-----

Zacks Rank	N/A
------------	-----

Risk Level	High
Type of Stock	Small
Industry	Medical Devices

ZACKS ESTIMATES

Revenue

(in millions of \$US)

	Q1 (Jul)	Q2 (Oct)	Q3 (Jan)	Q4 (Apr)	Year (Apr)
2024	NA	NA	NA	NA	0 A
2025	0 A	0 A	0 A	0 E	0 E
2026	0 E	0 E	2 E	3 E	5 E
2027	2 E	2 E	3 E	3 E	10 E

Earnings per Share

	Q1 (Jul)	Q2 (Oct)	Q3 (Jan)	Q4 (Apr)	Year (Apr)
2024	NA	NA	NA	NA	-0.04 A
2025	0.00 A	-0.01 A	0.00 A	-0.01 E	-0.02 E
2026	-0.01 E	0.00 E	0.02 E	0.02 E	0.03 E
2027	0.01 E	0.01 E	0.02 E	0.04 E	0.08 E

Update

With the investment world increasingly interested in smaller companies in search of value and growth, we want to highlight one of our favorite ideas for investors. Izotropic Corporation (OTCQB: IZOZF; CSE: IZO) is a medical technology company focused on transforming breast cancer detection through its proprietary IzoView Breast CT imaging platform. Rather than competing solely as another mammography system, the company has developed a dedicated three-dimensional breast CT technology designed to provide physicians with a more complete and detailed view of breast tissue. As breast cancer remains one of the most common cancers affecting women worldwide, the need for improved diagnostic accuracy continues to drive demand for innovative imaging technologies capable of identifying tumors earlier while reducing unnecessary follow-up procedures.

The company's flagship IzoView system has advantages over conventional breast imaging technologies. Traditional mammography produces two-dimensional images by compressing the breast, which can make interpretation difficult, particularly in women with dense breast tissue. Dense tissue often obscures tumors, leading to additional imaging studies, biopsies, patient anxiety, and delayed diagnoses. IzoView instead generates true three-dimensional volumetric images without breast compression, allowing physicians to visualize the breast from virtually every angle. This approach has the potential to improve lesion visualization while offering a more comfortable patient experience.

Another feature is Izotropic's focus on image quality and workflow optimization. The company has incorporated proprietary hardware innovations together with advanced software designed to maximize image clarity while supporting efficient clinical interpretation. As artificial intelligence increasingly becomes integrated into diagnostic imaging, Izotropic also intends to incorporate AI-assisted capabilities into its platform to further enhance physician productivity and diagnostic confidence. While regulatory review remains ongoing, these technological advantages position IzoView as a potentially differentiated solution in an imaging market that has seen relatively modest changes over the past several decades.

We believe the commercial opportunity is significant. Industry forecasts estimate that the global breast imaging market could approach approximately \$9 billion by the end of the decade as healthcare systems continue investing in earlier cancer detection and more advanced diagnostic equipment. Aging populations, increasing breast cancer awareness, expanding screening programs, and the growing prevalence of dense breast notification laws all support continued demand for improved imaging technologies. Once IzoView receives regulatory clearance and gains clinical adoption, Izotropic would be targeting a market that includes hospitals, outpatient imaging centers, specialty breast clinics, and academic medical institutions across multiple international markets.

One of the more encouraging developments during 2026 has been the company's expansion beyond North America. Earlier this year Izotropic established Izotropic Africa, a commercialization platform focused on Morocco, Africa, and the Gulf Cooperation Council region. During July, the company executed its formal commercialization and distribution agreements, providing Izotropic Africa with exclusive rights to market IzoView throughout the territory while Izotropic retains ownership of its technology and intellectual property. The agreement also outlines plans for regulatory submissions, pilot installations, hospital partnerships, manufacturing feasibility studies, and expansion of the commercial pipeline across multiple countries. This strategy allows the company to establish an early international footprint while leveraging local expertise to accelerate market development.

Management has also continued strengthening its corporate position throughout 2026. Earlier financing activities and debt settlements improved the balance sheet while allowing the company to continue advancing commercialization initiatives and international expansion. In parallel, management has

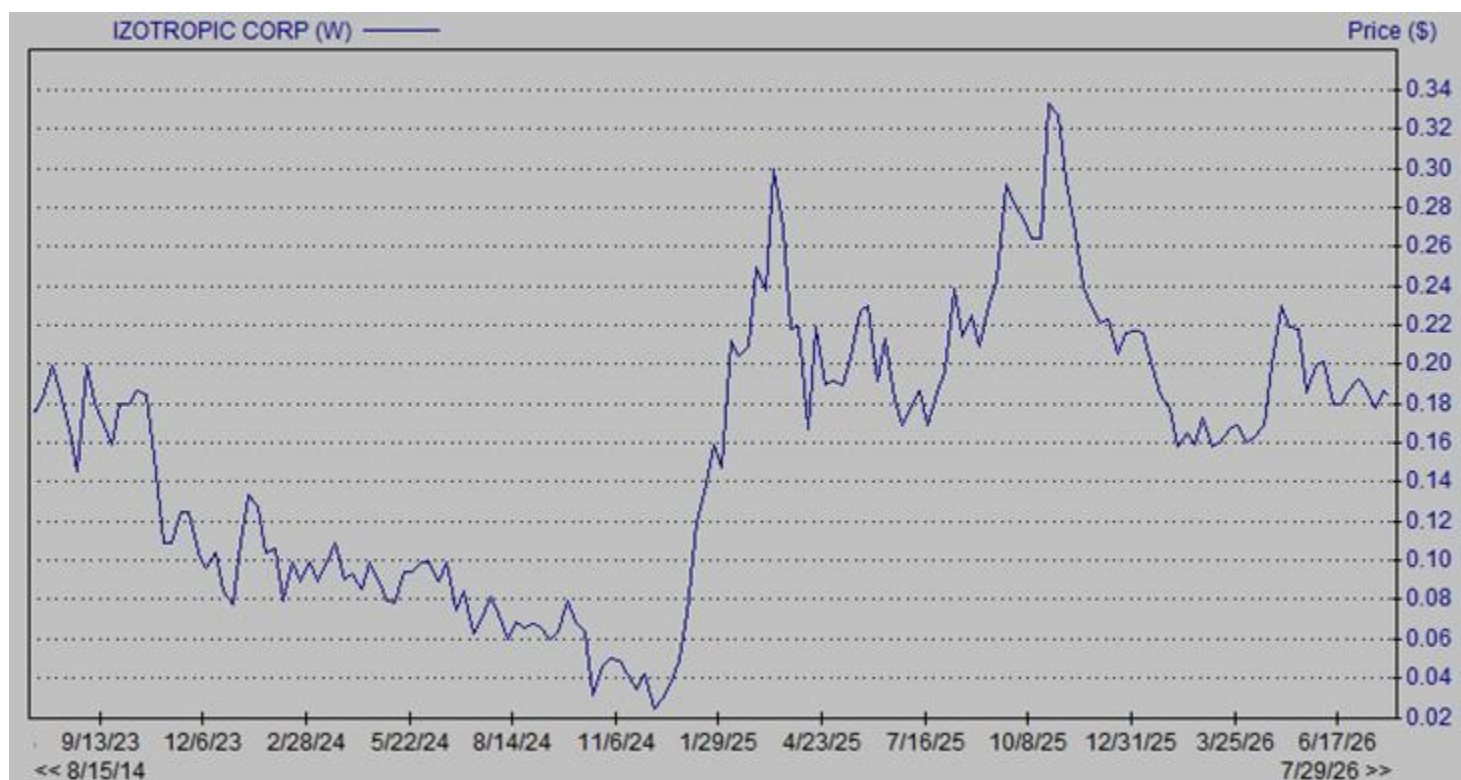
increased investor education efforts and highlighted plans to introduce additional imaging technologies over the next twelve months, demonstrating that the company's long-term vision extends beyond a single product platform.

For investors, we believe Izotropic represents the opportunity to be an early investor in an emerging medical device company seeking to disrupt an established diagnostic market with technology designed to address longstanding limitations of conventional breast imaging. The combination of proprietary intellectual property, a potentially differentiated three-dimensional imaging platform, growing international commercialization efforts, and exposure to a multibillion-dollar global breast imaging market provides an attractive long-term growth narrative. While regulatory approval and commercial execution remain important milestones ahead, recent strategic developments suggest the company is steadily positioning itself to transition from a development-stage innovator into a commercial medical imaging company capable of participating in one of healthcare's largest and most important diagnostic markets and we urge investors with a higher risk tolerance to take a look on IZOZF.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Izotropic Income Statement and Balance Sheet								
(In thousands of US Dollars-Conversion rate: 1 Canadian dollar=0.72 US dollars)								
		2024A	1Q2025A	2Q2025A	3Q2025A	4Q2025E	2026E	2027E
Revenue		0	0	0	0	0	5,000	10,000
Cost of Goods Sold		0	0	0	0	0	1,000	2,000
Profit margin		0	0	0	0	0	4,000	8,000
Operating Expenses								
Consulting Fees		181	22	39	22	21	82	90
Depreciation		35	8	3	6	6	25	27
Filing and regulatory fees		47	4	31	9	10	41	43
Research and development		490	105	186	143	157	627	659
Other operating expenses		842	85	90	80	88	352	369
Gross profit		(1,596)	(223)	(349)	(259)	(282)	2,872	6,812
Interest		202	43	43	43	44	178	183
Loan extension fees		0	36	36	36	0	0	0
Other expenses-(gains)		463	4	1	(150)	0	0	0
Income/(Loss)		(2,260)	(306)	(430)	(189)	(326)	2,694	6,629
Net Inc./(Loss) Before Tax		(2,260)	(306)	(430)	(189)	(326)	2,694	6,629
Income Tax Benefit/(Expense)		0	0	0	0	0	0	0
Foreign Currency Translation		84	55	(122)	5	0	0	0
Net Income/(Loss)		(2,344)	(306)	(552)	(189)	(326)	2,694	6,629
Net Income/(Loss) per share		\$ (0.04)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ 0.04	\$ 0.09
Diluted Common Shares Outstanding		58,684	61,618	64,699	65,917	69,213	72,673	76,307
Current Assets								
Cash and cash equivalents		197	48	165	262	280	300	321
Prepaid Expenses and deposits		82	90	146	141	90	90	90
Other		5	6	7	4	5	5	5
Total Current Assets		284	145	318	407	375	395	416
Property, Plant and Equip.		14	6	3	86	6	6	6
Other long-term assets		0	0	0	0	0	0	0
Total other assets		14	6	3	86	6	6	6
Total Assets		298	150	321	493	381	401	422
Current Liabilities								
Accounts Payable and accrued liabilities		1,806	1,868	2,146	2,082	2,290	2,520	2,771
Promissory notes		1,979	2,058	2,138	2,174	2,391	2,630	2,893
Lease liabilities		11	3	5	36	40	44	48
Total current liabilities		3,797	3,930	4,288	4,292	4,721	5,193	5,713
Lease liability		0	0	0	49	48	47	46
Other long-term liabilities		0	0	0	0	0	0	0
Total long-term liabilities		0	0	0	49	48	47	46
Total Liabilities		3,797	3,930	4,288	4,341	4,769	5,240	5,759
Stockholders' equity/(deficit)		(3,498)	(3,779)	(3,967)	(3,848)	(4,388)	(4,839)	(5,337)
Total Liabilities and Stockholders' Equity		298	150	321	493	381	401	422

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, Brad Sorensen, 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.