

Homerun Resources, Inc.

HMRFF: Solar Glass BFS Validates a Vertically Integrated High-Purity Silica Platform Beyond China

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Dmitry Silversteyn

dmitry@watertowerresearch.com

330-998-9899

KEY POINTS

- Bankable feasibility study (BFS) validates economics.** Homerun's BFS supports development of a 1,000-tpd solar glass manufacturing facility in Bahia, Brazil, with a base-case NPV of ~\$670MM and an after-tax IRR of 20.2%. The project is expected to generate ~\$294MM in annual revenue by 2030 and ~\$345MM by 2033, with projected gross margins near 50%, comparing favorably with materials projects currently under development.
- Vertical integration differentiates.** Unlike most solar glass manufacturers that purchase silica from third parties, Homerun controls a high-purity silica resource, a planned 350K-tpa purification facility, and a proposed downstream solar glass operation. This integrated structure has the potential to reduce feedstock costs, improve supply security, and create multiple revenue streams across the silica-to-solar value chain.
- Resource quality stands out.** Independent testing has demonstrated raw silica purity of ~99.694% SiO₂ and iron concentrations as low as 0.89 ppm following purification. These results place the Santa Maria Eterna (SME) deposit among the higher-quality silica resources globally and support the company's ambitions beyond solar glass into higher-value specialty silica applications.
- Brazilian market remains underserved.** Brazil is the largest solar market in Latin America yet remains heavily dependent on imported modules and imported solar glass. With no established solar pattern glass manufacturer currently operating in the Americas, Homerun could become a strategically important regional supplier if the project advances as planned.
- Purity ladder expands opportunity.** Homerun's strategy targets progressively higher-value silica products, beginning with 3N (99.9%) solar-grade silica, advancing to +4N (99.99%) purified silica, and ultimately 5N (99.999%) ultra-high-purity silica for semiconductors, photonics, silicon carbide, and AI infrastructure applications. Each step up the purity curve materially expands addressable markets and potential value per ton.
- Commercialization has begun.** Homerun recently delivered its first commercial shipments of high-purity industrial silica sand under its distribution agreement with Cristal Sand Group. While modest in scale, the milestone marks the transition from pure development-stage status toward early revenue generation and commercial validation of the broader silica platform.
- Specialty materials optionality remains underappreciated.** A longer-term value proposition may reside in higher-margin 4N and 5N silica products serving semiconductors, fused silica, photonics, and advanced materials markets. Successful commercialization of these products could justify valuation comps to specialty materials rather than miners or glass manufacturers.
- Execution remains the key variable.** The proposed solar glass facility requires ~\$396.5MM of initial capex and remains dependent on financing, permitting, definitive offtake agreements, and successful construction. While the BFS materially de-risks the project from a technical and economic perspective, returns will ultimately depend on management's ability to convert feasibility-stage economics into commercial-scale operations.

KEY STATISTICS

Ticker:Exchange	HMRFF:OTC
Current Price	\$0.53
52-Week Range	\$0.49-\$1.05
Average Volume (30-Day)	48,708
Shares Outstanding (MM)	77.3
Market Cap (\$MM)	\$38.7
Fiscal Year-End	December

PRICE PERFORMANCE



Solar Glass Plant BFS as Part of Vertically Integrated Silica Platform

Homerun's recently completed BFS for its proposed solar glass manufacturing facility in Belmonte, Bahia, Brazil represents far more than a single industrial project. The BFS validates the economics of what appears to be a broader strategy to create one of the few vertically integrated high-purity silica platforms outside China, linking a unique low-iron silica resource directly to downstream solar glass, advanced materials, and specialty silica markets. The study confirms a base-case NPV of ~\$670MM and an IRR of 20.2% on a project requiring initial capex of \$396.5MM. The proposed facility is designed to produce ~365K t/yr of solar glass, ramping to ~288.3K t/yr of saleable solar glass production from Year 5 onward, while generating annual revenue of ~\$294MM in 2030 and \$345MM by 2033. Projected gross margins approach 50%, supported by forecast operating costs of ~US\$520/t compared with expected domestic selling prices of ~US\$1,033/t in 2030. These economics compare favorably with many industrial materials projects currently under development and establish the solar glass plant as the anchor asset within a larger value-creation strategy.

The strategic significance of the BFS extends beyond the project's financial metrics. Brazil is the largest solar market in Latin America yet remains heavily dependent on imported solar modules and imported solar glass. The BFS notes that Brazil imported ~17.9 GW of photovoltaic modules in 2025 and identifies no current solar pattern glass manufacturer operating in the Americas. Existing letters of intent referenced in the study suggest potential demand of ~380K tons annually, with additional advanced discussions representing up to ~480K tons per year. Even after applying conservative adjustments, the BFS estimates realistic domestic demand commitments of 160-180K tons annually, supporting the view that Homerun could occupy a strategically important position within the regional solar supply chain. The facility's planned location adjacent to the company's silica deposit further reduces transportation costs, secures feedstock supply, and lowers operating risk relative to standalone glass manufacturers.

The Importance of Silica Purity – Understanding 3N, 4N, and 5N

To properly evaluate Homerun's long-term opportunity, investors must understand the significance of silica purity classifications and why the company is pursuing a phased purification strategy as it seeks to penetrate the silica and solar glass markets. In silica markets, purity is commonly expressed using the N designation, which refers to the number of nines in the silica's purity level. A 3N product contains 99.9% SiO₂, 4N corresponds to 99.99% SiO₂, and 5N represents 99.999% SiO₂ and so on. While these incremental purity improvements may appear modest, each additional nine represents an order of magnitude change in impurities such as iron, titanium, aluminum, and trace metals that limit performance of silica in advanced applications. As purity rises, the addressable market shifts from bulk industrial products into increasingly specialized and higher-value end markets, commanding meaningfully higher price/ton.

This purity progression is central to Homerun's development strategy. Phase 1 consists of a 350K t/yr physical purification plant designed to produce 3N industrial-grade silica sand suitable for solar glass manufacturing, industrial applications, and engineered stone markets. Phase 2 advances to ~30K t/yr of chemically purified +4N silica targeting fused silica, silicon, silicon carbide (SiC), optical applications, and advanced materials. Phase 3 focuses on 5N ultra-high-purity silica destined for semiconductor process equipment, photonics, AI infrastructure, quartz crucibles, and other specialty applications that command even higher premiums reflected in kilogram-based (not ton-based) pricing. Rather than relying on a single end market, Homerun is effectively building a ladder of progressively higher-value silica products from the same resource base.

The economic implications of this purity ladder are substantial. Conventional industrial silica generally competes on volume and logistics. Solar-grade silica commands higher pricing because impurities, particularly iron, reduce solar panel efficiency by lowering light transmission through the glass. Moving into 4N and 5N markets creates exposure to industries where purity becomes a critical performance requirement rather than simply a raw material specification. Fused silica, optical glass, silicon carbide, semiconductor-grade quartz-ware, photonics components, and advanced battery materials all require exceptionally low impurity levels and consequently support substantially higher pricing structures than industrial silica. The result is a business model that allows the company to migrate up the value chain over time rather than remaining dependent on a single commodity market.

Resource Quality Foundation of the Thesis

The viability of this strategy depends on the quality of the underlying silica resource, and this is where Homerun's SME deposit appears to differentiate itself. Independent testing conducted by Dorfner Anzaplan and Minerali Industriali has repeatedly demonstrated exceptionally high starting purity levels. Raw silica samples have tested at ~99.694% SiO₂ before advanced processing, already placing the deposit among the highest-quality silica resources globally. Anzaplan's metallurgical testing reduced total impurities from 306 ppm to as low as 74 ppm while reducing iron concentrations to ~0.89 ppm and titanium concentrations to ~3.8 ppm. Notably, iron levels below 1 ppm exceed the requirements for Type I optical glass applications. Equally important, the deposit exhibits unusually low aluminum content, a characteristic Anzaplan specifically identified as a significant competitive advantage because aluminum is one of the most difficult contaminants to remove during purification.

Homerun's technical validation program continues to advance. In May 2026, Homerun commissioned additional chemical leaching work through Anzaplan to optimize purification routes before finalizing capex estimates for the proposed +4N purification facility. This work is intended not to prove technical viability, which prior testing has already established, but rather to identify the most efficient and lowest-cost processing route. Upon completion, Anzaplan is expected to deliver process design, mass balances, equipment specifications, and an ACE Class 5 capex estimate for the high-purity purification plant. The continued optimization effort highlights management's focus on maximizing future operating margins rather than simply advancing projects as quickly as possible.

Vertical Integration Creates a Distinct Competitive Position

One of the most compelling aspects of the Homerun story is the way each project supports the others. The solar glass facility does not rely on third-party suppliers for its most important raw material: silica. Approximately 200K t/yr of the output from the planned 3N purification plant is expected to supply the solar glass facility directly, while remaining production can be sold into industrial markets or used as feedstock for Phase 2 and Phase 3 purification operations. This structure creates multiple revenue streams while reducing supply chain risk and insulating the company from fluctuations in external silica availability. The economics of this Phase 1 purification plant are particularly noteworthy. Capex is estimated at only US\$9.38MM for a facility capable of producing 350K t/yr of 3N silica sand. The plant is expected to process raw silica from the SME deposit through washing, grading, sieving, attrition scrubbing, classification, and drying operations. Management expects construction of this facility to materially reduce cost of goods sold while eliminating reliance on third-party processors. Relative to the US\$396.5MM required for the solar glass facility, the modest capital requirement for Phase 1 purification suggests an attractive return profile while simultaneously strengthening the economics of all downstream projects.

Importantly, Homerun has already begun transitioning this platform from development into commercial operations. In June 2026, the company announced delivery of its first order of high-purity industrial silica sand under its distribution agreement with Cristal Sand Group, including deliveries into the Brazilian market and sample shipments to US customers. While the scale of these initial shipments is limited, the milestone demonstrates that the company's silica platform has moved beyond purely developmental work and entered its first revenue-generating phase. Management characterized the shipment as the beginning of commercialization across the broader 3N, 4N, and 5N platform. Essentially, this may mark the transition of Homerun from an idea to a revenue-generating company, albeit at a modest scale for now, even as it seeks funding to fully unfurl its strategy.

Long-Term Optionality Extends Beyond Solar Glass

Although the BFS understandably focuses on solar glass, the company's longer-term opportunity may ultimately extend into higher-margin advanced materials markets. The Phase 2 and Phase 3 purification programs are targeting applications that include fused silica, silicon carbide, photonics, semiconductor process equipment, and AI-related infrastructure. These markets generally exhibit significantly higher barriers to entry than industrial minerals and are less dependent on commodity pricing dynamics. Homerun has also reported successful bench-scale work involving fused silica production and silicon carbide synthesis, providing early technical validation for future downstream opportunities.

The scale of the underlying resource provides additional strategic flexibility. Homerun controls more than 60MM tons of defined resources and is targeting a district-scale resource exceeding 200MM tons across the broader Silica Valley district in Bahia. Combined with 99-year surface rights covering the industrial development area, this resource base appears capable of supporting multiple decades of production across numerous end markets. As a result, the company is not constrained to a single project lifecycle but instead has the potential to build successive layers of value-added processing around a long-life resource position.

Positioning Homerun Within the Silica-to-Solar Value Chain

The solar materials value chain consists of several distinct industry sectors, including raw silica supply, high-purity silica purification, conventional glass manufacturing, solar glass manufacturing, solar module production, and ultra-high-purity specialty silica and quartz products. Each layer exhibits different competitive dynamics, margin structures, capital intensity, and valuation characteristics. Homerun is unusual because it is not easily categorized within any single segment. Instead, the company is pursuing a vertically integrated strategy that spans multiple layers of the value chain, beginning with a high-purity silica resource and extending through solar glass production and potentially into advanced specialty silica markets, akin to a specialty chemicals industry dynamic, where performance rather than price is the primary competitive deciding factor.

At the lowest end of the value chain are bulk silica suppliers. These businesses typically compete on resource quality, scale, logistics, and proximity to end markets. While silica is often viewed as a commodity, resource quality can materially impact economic outcomes. Deposits with high natural purity and low levels of contaminants such as iron, aluminum, and titanium can access higher-value markets and require less downstream processing. This distinction

is particularly relevant for Homerun, whose SME deposit has demonstrated raw silica purity of ~99.694% SiO₂ and exceptionally low impurity levels, including iron concentrations reduced to as low as 0.89 ppm through advanced purification testing. Such specifications place the deposit in a category more closely associated with premium industrial and specialty applications than conventional silica supply. As a result, the resource itself may represent a strategic competitive advantage rather than merely a source of feedstock.

The next layer of the value chain consists of diversified glass manufacturers such as Saint-Gobain (FR: SGO), AGC, Nippon Sheet Glass (OTC: NPSGF), and Corning NYSE: GLW). These companies operate large-scale businesses serving construction, automotive, electronics, industrial, and specialty end markets. Saint-Gobain generates ~€47B (\$55B) in annual revenue, while AGC generates ~¥2.1T (\$13.3B). These businesses typically trade at mid-cycle EV/EBITDA multiples in the mid-single-digit to high-single-digit range, reflecting their mature end markets and cyclical exposure. Corning is a notable exception, historically commanding EV/EBITDA multiples closer to 10-12x due to its exposure to higher-value specialty glass, optical communications, and advanced materials. This valuation premium illustrates a broader industry trend: companies with differentiated materials technology and specialized end markets generally command higher margins and valuation multiples than conventional glass manufacturers, which bodes well for Homerun, once solar panel production starts and migration toward higher purity, higher value silica products is underway.

Solar glass manufacturers occupy an attractive middle ground between commodity glass and specialty materials. The leading publicly traded comparables are Xinyi Solar Holdings (HK:0968) and Flat Glass Group (HK:6865/SH:601865), which collectively represent a substantial portion of global photovoltaic glass capacity. Xinyi Solar generated ~RMB 21.9B (\$3B) in revenue in 2024 and EBITDA of ~RMB 4.75B (\$661MM), representing an EBITDA margin of ~22%. Flat Glass generated ~RMB 18.7B (\$2.6B) in revenue and EBITDA of ~RMB 3.63 billion (\$505MM), representing an EBITDA margin of ~19%. Both companies currently trade around 6-8x EV/EBITDA, reflecting cyclical weakness driven by excess Chinese solar glass capacity and pricing pressure. Current gross margins of 15-16% remain well below historical peak levels, which exceeded 25% during more balanced supply-demand environments. By comparison, Homerun's solar glass plant's BFS calls for EBITDA of \$75MM in the first year of operation (2028-29) increasing to \$178MM in year 5 (steady operating state), with implied EBITDA margin of 30% in the first year increasing to north of 50% in year 5, compared with 20's EBITDA margins of its Chinese competitors, despite the latter's much greater scale (\$2-3B in annual sales versus Homerun's projected \$345MM in year 5). The higher expected profitability of the Homerun plant can be tied to the higher quality of its silica resource, its captive nature, and lower logistics and processing costs due to the quality and proximity of the silica resource to the proposed plant.

Importantly, solar glass remains a strategically attractive segment despite current cyclical challenges. Every photovoltaic module requires high-transparency, low-iron glass, creating a direct linkage between long-term solar installation growth and solar glass demand. Unlike conventional float glass, solar glass requires high-purity silica feedstock and stringent manufacturing specifications to maximize solar panel efficiency. Consequently, solar glass manufacturers can achieve superior economics when they possess structural cost advantages or operate in supply-constrained markets. The significance for Homerun is that its proposed Brazilian solar glass facility would operate in a region that currently lacks dedicated solar glass manufacturing capacity, potentially creating a differentiated competitive position relative to global peers.

Further downstream are solar module manufacturers such as JinkoSolar, Canadian Solar, LONGi Green Energy, and Trina Solar. While these companies generate substantially larger revenues than solar glass manufacturers, they often face significantly greater commoditization and margin pressure. JinkoSolar, for example, generated ~\$12.7B in revenue in 2024, yet gross margin declined to only 10.9% amid intense competition and industry oversupply. Similar trends have affected much of the global module manufacturing sector. Although solar modules represent the largest segment of the photovoltaic value chain, they are often among the least attractive economically because technology cycles move rapidly, manufacturing capacity can be replicated, and pricing pressure frequently erodes profitability. From a structural perspective, supplying differentiated upstream materials generally offers more attractive long-term economics than competing directly in module assembly.

The highest-value segment of the silica ecosystem consists of specialty quartz and ultra-high-purity silica suppliers serving semiconductors, optical fiber, photonics, fused silica, silicon carbide, quartz crucibles, and advanced industrial applications. Relevant companies include Sibelco, The Quartz Corp, Heraeus Quartz, and Momentive Technologies, with most being privately held. These businesses are fundamentally different from conventional silica or glass producers because they compete on purity, consistency, qualification, and technical performance rather than price. Customer qualification cycles are often measured in years, switching costs are high, and product specifications are stringent. As a result, specialty silica and quartz businesses generally enjoy superior margins, greater pricing power, and more durable competitive advantages than commodity-oriented materials suppliers.

This is where Homerun's three-phase purification strategy becomes particularly relevant. The company is pursuing a structured progression up the value chain through increasingly higher-purity silica products. Phase 1 targets 3N silica

(99.9% SiO₂) suitable for solar glass, industrial silica, and engineered stone markets. Phase 2 targets +4N silica (99.99% SiO₂) for fused silica, silicon, and silicon carbide applications. Phase 3 targets 5N silica (99.999% SiO₂) for semiconductor, photonics, quartz-ware, and AI infrastructure applications. Each additional “nine” represents an order-of-magnitude reduction in impurities and substantially expands the potential addressable market, in dollar terms, if not tonnage. Importantly, 3N silica is generally sold on a per-ton basis, whereas many 5N products are sold on a per-kilogram basis, reflecting their dramatically higher value. Homerun’s Phase 1 purification plant is designed for ~350K tons per year of 3N silica production, while Phase 2 targets ~30K tons annually of +4N silica and Phase 3 focuses on premium-priced 5N products.

Against this industry backdrop, Homerun is best viewed as a hybrid platform rather than a direct comparable to any single peer group. Compared with bulk silica suppliers, Homerun benefits from unusually high resource quality and a strategy focused on downstream value creation. Compared with conventional glass manufacturers, the company is considerably smaller and pre-commercial but offers significantly greater growth potential. Compared with solar glass producers such as Xinyi Solar and Flat Glass, Homerun lacks operating scale and commercial history but benefits from captive low-iron feedstock, vertical integration, and exposure to a market with no existing domestic solar glass production, not to mention the world’s efforts to reduce its dependence of China-centric supply chain. Compared with solar module manufacturers, Homerun occupies a more attractive upstream position supplying a critical input rather than competing in a highly commoditized manufacturing segment. Finally, compared with specialty quartz and silica producers, Homerun remains early stage but is actively developing exposure to many of the same high-value end markets.

The economic attractiveness of Homerun’s strategy stems from this vertical integration and staged production approach. Most solar glass manufacturers purchase silica from third parties and therefore capture value only at the manufacturing stage. Conversely, most specialty silica companies do not participate in downstream glass manufacturing. Homerun is attempting to combine resource ownership, silica purification, solar glass production, and specialty materials development into a single platform. Separately, the Phase 1 purification facility requires only \$9.4MM of estimated capex for 350K t/yr of capacity and is expected to provide feedstock not only for the solar glass facility but also for industrial silica customers and future 4N and 5N purification modules. The company has already begun transitioning this platform toward commercialization through initial industrial silica sales, demonstrating early validation of the business model beyond feasibility-stage development. The most attractive economics in the broader silica value chain reside in differentiated specialty materials and high-purity silica products where barriers to entry, customer qualification requirements, and pricing power are strongest. Conventional glass manufacturing offers scale but limited strategic scarcity, while solar module manufacturing provides growth but often suffers from severe commoditization. Solar glass occupies an attractive intermediate position, particularly when supported by proprietary feedstock and favorable market structure. Homerun’s strategy is compelling as it combines elements of all four categories. In the near term, investors will likely benchmark the company against solar glass manufacturers such as Xinyi Solar and Flat Glass. Over the longer term, however, successful commercialization of the company’s 4N and 5N purification platform could justify comparison to higher-margin specialty materials and high-purity quartz businesses. As a result, Homerun may ultimately be more appropriately characterized as an emerging vertically integrated advanced materials platform than as either a traditional mining company or a standalone solar glass manufacturer.

Potential Near- to Mid-Term Milestones to Watch For

Project financing. The most important catalyst over the next 12-18 months will be securing financing for the proposed \$396.5MM solar glass facility. Investors should watch for announcements involving strategic partners, export credit agencies, BNDES participation, project-level debt facilities, or other non-dilutive funding sources. A credible financing package would substantially de-risk the project and likely shift focus from feasibility to execution.

Definitive offtakes. The BFS references letters of intent and ongoing discussions representing demand in excess of planned production capacity. Converting these indications into binding long-term offtake agreements would provide external validation of both demand assumptions and pricing, while improving lender confidence and supporting project financing efforts. Focus should not only be on volume commitments but also on contract duration, pricing mechanisms, and customer quality.

Purification commercialization. While the solar glass project attracts the most attention, the purification platform may generate meaningful milestones sooner. Additional industrial silica sales, commissioning of the Phase 1 purification facility, publication of the +4N purification capex study, and further technical validation of higher-purity products would demonstrate progress toward monetizing the broader silica platform. Continued advancement of the 4N and 5N roadmap could also begin attracting interest from specialty materials and advanced manufacturing markets rather than solely the solar sector.

Construction readiness. Investors should closely monitor permitting, engineering, equipment procurement, and site-development milestones that move the solar glass facility toward a formal construction decision. The transition from feasibility-stage planning to groundbreaking would represent a major inflection point for the story, signaling that financing, regulatory approvals, and commercial arrangements are progressing as anticipated. Successful execution of these milestones would materially improve confidence in management's ability to deliver the project on schedule and within budget.

Our Insights

Opportunities

Platform re-rating. Investors appear to view Homerun primarily as a pre-commercial solar glass developer, potentially overlooking its evolution into a vertically integrated advanced materials platform. Successful commercialization of 4N and 5N silica products could shift valuation benchmarks away from mining and industrial glass peers toward specialty materials companies, which typically command higher multiples due to stronger margins, higher barriers to entry, and greater pricing power.

Brazil localization. Brazil remains one of the world's largest solar installation markets yet lacks meaningful domestic solar glass production. As local-content initiatives, tariffs, and supply-chain diversification efforts continue to support domestic manufacturing, Homerun could emerge as a strategic supplier within the Latin American solar ecosystem. If domestic module production expands as expected, investors may begin assigning greater value to the company's first-mover position in a region currently dependent on imported solar glass and modules.

Purification upside. Focus remains focused on the \$670MM NPV solar glass project, potentially underestimating the value of the company's three-phase purification platform strategy. The Phase 1 purification facility requires only ~US\$9.4MM of capex and has already begun generating initial commercial revenues, while future 4N and 5N products provide exposure to higher-margin end markets such as semiconductors, photonics, silicon carbide, and AI infrastructure. As capex studies and commercialization efforts advance, the purification platform could emerge as a significant value driver independent of the solar glass business.

Obstacles

Financing execution. The solar glass facility requires ~\$396.5MM of initial capex, a substantial amount relative to the company's current size and market capitalization. While the BFS demonstrates attractive project economics, investors should recognize that securing project financing on acceptable terms remains the single most important near-term milestone and could result in delays, dilution, or revised development timelines.

Commercial ramp-up. Homerun's thesis depends not only on constructing the solar glass facility but also on successfully ramping operations, converting indications of interest into binding offtake agreements, and achieving projected margin targets. While the company benefits from a differentiated resource and a favorable market backdrop, execution risk remains significant given the lack of operating history at commercial scale and the potential for changes in solar glass pricing, construction costs, or market demand.

ABOUT THE ANALYST



Dmitry Silversteyn

Managing Director – Chemicals & Materials Technology

Prior to joining Water Tower Research, Dmitry Silversteyn built a strong sell-side franchise on Wall Street as an equity research analyst focusing on the specialty chemicals and materials industries.

Over his 20-plus-year career, Dmitry was the senior analyst at Buckingham Research, Longbow Research, where he was a founding member, and FTN Securities. Dmitry began his career in finance at Lehman Brothers, Salomon Smith Barney, and First Analysis where he was also involved in investment banking and venture capital activities. Dmitry has received several industry recognitions including being ranked "#2" stock picker in chemicals by Reuters and StarMine and "#2" stock analyst in chemicals by the Wall Street Journal Best on the Street survey.

Earlier in his career, Dmitry was a process and project engineer and manager at firms in the water treatment, battery manufacture and fluid handling industries and was an early user of six-sigma programs.

Dmitry holds a BS in Chemical Engineering from Illinois Institute of Technology and an MS in Finance from the ITT Stuart School of Business.

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