



AtlasClear Holdings, Inc.

AMEX - ATCH

June 15, 2026

Five New Clearing Clients, Two Acquisitions and One Misunderstood Story

Analyst: Barry M. Sine, CFA, CMT

- We reiterate our Buy rating and \$1.00 price target. AtlasClear trades at just 0.4x our FY2026 revenue estimate, compared to 5.3x for comps, despite owning a profitable clearing subsidiary, signing new clients and announcing two transformative acquisitions.
- Wilson-Davis, its clearing and broker-dealer subsidiary, was again profitable in the March quarter, earning \$324,000, while AtlasClear's holding company generated no revenue and incurred acquisition, technology development, and public company expenses, pushing consolidated results into the red.
- AtlasClear added Dawson James Securities (DJSI) as a client recently, a substantially larger broker-dealer than its prior sole clearing client. Dawson James has already been onboarded to the clearing platform, and four additional clearing clients have signed. We estimate that clearing revenue will more than double as these transitions are completed. It has also announced plans to acquire DJSI's parent.
- The company has hired executives from Robinhood and Axos Clearing and is building a next-generation clearing platform to include planned cryptocurrency and foreign exchange capabilities.
- The planned acquisition of Commercial Bancorp is moving through the Fed approval process, with closing expected this year. Adding a bank should be highly synergistic as the company can then fund its clients' margin loans internally, rather than rely on expensive third-party financing.
- Management is assembling a vertically integrated financial-services platform spanning clearing, brokerage, investment banking, commercial banking, and fintech. We believe the market is valuing the company solely based on current losses, rather than the earnings power of its businesses.

Rating	Buy	Earnings Per Share	Normalized to exclude unusual items		
Target Price	\$1.00	FYE - June	2025	2026E	2027E
Ticker Symbol	ATCH	1Q - March	\$5.68	(\$0.01) A	(\$0.02)
Market	AMEX	2Q - June	(\$1.11)	\$0.05	(\$0.02)
Stock Price	\$0.19	3Q - September	(\$1.25)	(\$0.01)	(\$0.02)
52 wk High	\$1.92	4Q - December	(\$0.04)	(\$0.01)	(\$0.01)
52 wk Low	\$0.14	Year	\$0.14	\$0.02	(\$0.06)
Shares Outstanding:	150.3 M	Revenue (\$mm)	\$10.9	\$18.6	\$24.3
Public Market Float:	136.4 M	EV/Rev	0.7x	0.4x	0.3x
Avg. Daily Volume	2,872,432	EBITDA (\$mm)	(\$3.6)	(\$2.5)	\$0.3
Market Capitalization:	\$29 M				
Institutional Holdings:	5.8%				
Dividend Yield:	0.0%				

Risks/Valuation

- **Integration** – the company has closed on the acquisition of a clearing firm and fintech assets, and a commercial bank acquisition is pending. A key challenge will be to integrate these and future likely acquisitions to create a seamless operating business.
- **Execution** – the second risk we see is that the firm must execute. Its business is largely automated, but that means that the software must work flawlessly as designed for transactions such as clearing trades and margin loans.

Company description: AtlasClear is a next-generation clearing firm headquartered in Tampa, Florida, run by three entrepreneurial executives who have worked together since 2008 and have a track record of success. The firm's clearing subsidiary is profitable and growing at a double-digit pace. It has announced plans to acquire a commercial bank, giving it significant financial leverage, and owns a portfolio of fintech assets developed under this management team at prior ventures and retained.



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We reiterate our Buy rating and \$1 price target on AtlasClear Holdings. While management has made substantial progress executing its strategy and its core operating business continues to produce strong results, the stock has languished. In our view, this disconnect reflects the complexity of the company's current structure rather than the underlying value being created. As a result, we believe this is an attractive time for investors to begin building positions.

At present, AtlasClear remains somewhat difficult for investors to analyze. The company reports consolidated financial statements that combine a profitable operating subsidiary with a holding company that currently generates no revenue while incurring expenses associated with acquisitions, technology development, regulatory compliance, and public company reporting. The result is a business that reported strong revenue growth, with March quarter revenue increasing 65% year-over-year, yet still produced a consolidated net loss of -\$1.9 million. Management has outlined its strategy publicly and continues to provide regular updates, but we believe many investors have yet to connect the individual pieces into a coherent long-term picture. With this report, we seek to clarify that picture.

Today, AtlasClear's operating business consists solely of Wilson-Davis & Co. ("WDCO"), which operates both a clearing platform and a broker-dealer. Throughout most of 2025 and into early 2026, the clearing business relied effectively on a single correspondent clearing client. That is now changing. The company has onboarded Dawson James Securities (DJSI) and has signed four additional firms that are expected to transition onto the platform later this year. AtlasClear has simultaneously invested in personnel, recruiting experienced executives from firms including Robinhood and Axos Clearing, while upgrading its technology infrastructure to support a larger client base.

We believe the market opportunity is significant. No broker-dealer CEO we have ever met has expressed satisfaction with their current clearing firm, particularly broker-dealers that often face high minimums, rising costs, and limited flexibility from larger clearing providers. AtlasClear offers an alternative with competitive pricing and lower minimum requirements. Management also plans to introduce additional services, including cryptocurrency and foreign exchange capabilities, which could further differentiate the platform. Our discussions with broker-dealer CEOs suggest considerable interest in these offerings and in speaking with AtlasClear. Importantly, Dawson James is substantially larger than Glendale Securities, the firm's prior sole clearing customer, implying that clearing revenue alone should more than double as the transition is completed. In addition to its clearing operations, WDCO maintains a traditional broker-dealer business that includes registered representatives, securities trading, and investment banking activities.

While the business remains relatively small, it has consistently generated profits. During the March quarter, WDCO reported approximately \$324,000 of net income. Revenue increased 65% year-over-year but declined 17% sequentially, largely due to the loss of a single ATM program that caused commission revenue to fall 54% from the prior quarter. We view this volatility as a function of scale rather than business quality. As revenue grows and the client base becomes more diversified, individual customer wins and losses should have less impact on quarterly results.

A major component of AtlasClear's strategy is the planned acquisition of Ark Financial Services, the parent company of Dawson James Securities. The transaction was announced in April 2026 and is expected to close in two phases. Under the proposed structure, AtlasClear would initially acquire a 24.9% interest upon execution of a definitive agreement, with the balance acquired following regulatory approval. Dawson James provides retail brokerage and investment banking services, while Wilson-Davis provides clearing services. We expect meaningful operating synergies from combining the platforms. Over time, we expect AtlasClear to consolidate much of its broker-dealer activity under the Dawson James platform while continuing to utilize Wilson-Davis as the firm's clearing platform, resulting in a cleaner, more scalable, and more transparent corporate structure.

AtlasClear's second major pending transaction is the acquisition of Commercial Bancorp, the parent company of Farmers State Bank, a Wyoming-chartered community bank. The transaction was announced in February 2026, and the company filed formal regulatory applications with the Federal Reserve and Wyoming banking regulators in April 2026. Recent comparable industry transactions have been approved within six months, so we expect this transaction to close by year end.



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We view the bank acquisition as strategically important. Farmers State Bank was founded in 1915 and has survived the Great Depression, the Savings & Loan Crisis, the Global Financial Crisis, and numerous agricultural downturns. More importantly, ownership of a regulated bank could provide AtlasClear with capabilities that few competitors possess. The company would gain access to deposit funding, lending capabilities, and payment infrastructure that could support its brokerage and clearing businesses. Over time, margin lending, securities-backed lending, cash management, and related services could potentially be offered through the banking subsidiary, creating meaningful operational and economic advantages.

Beyond these acquisitions, AtlasClear possesses a substantial technology platform that has historically received little attention from investors. (See our initiation report for an explanation of these). Management is working to activate this technology stack to support new initiatives, including foreign exchange trading and digital asset-related services. Given the early stage of these opportunities, we do not currently include any contribution from them in our financial forecasts. Nevertheless, feedback from broker-dealer CEOs suggests there is meaningful demand for clearing providers capable of offering modern trading capabilities alongside competitive economics.

The final component of the organization is the parent holding company. Unlike WDCO, the holding company generates no revenue. Instead, it incurs expenses related to acquisitions, technology development, financial reporting, investor relations, and public company operations. These expenses currently mask the profitability of the operating subsidiary when investors look solely at consolidated financial statements. In our opinion, this dynamic is a significant reason why the stock has struggled to gain traction despite the progress being made within the operating businesses.

The figure below for the March quarter illustrates this disconnect. WDCO remains profitable on a standalone basis, while the holding company incurs costs associated with building a much larger enterprise. Investors focusing only on the consolidated loss may overlook the fact that management is actively assembling a vertically integrated financial services platform consisting of clearing, brokerage, investment banking, banking, and financial technology capabilities.

Three Months Ended March 31, 2026

	Wilson Davis	Corporate	AtlasClear
REVENUES			
Commissions	1,412,339	-	1,412,339
Vetting fees	430,525	-	430,525
Clearing fees	661,950	-	661,950
Net gain/(loss) on firm trading accounts	336,860	-	336,860
Other revenue	1,360,178	-	1,360,178
TOTAL REVENUES	4,201,852	-	4,201,852
EXPENSES			
Operating expenses	3,898,172	1,226,832	5,125,004
Stock Compensation Expense	-	1,154,829	1,154,829
Intangible asset amortization	-	348,060	348,060
Other	264,554	242,264	506,818
TOTAL EXPENSES	4,162,726	2,971,985	7,134,711
INCOME/(LOSS) FROM OPERATIONS	39,126	(2,971,985)	(2,932,859)
OTHER INCOME/(EXPENSE)			
Interest income	407,854	24,764	432,618
Change in fair value / Other	-	806,423	806,423
Interest expense	(52,625)	(379,995)	(432,620)
TOTAL OTHER INCOME/(EXPENSE)	355,229	451,192	806,421
NET INCOME/(LOSS) BEFORE INCOME TAXES	394,355	(2,520,793)	(2,126,438)
Income tax benefit/(expense)	(70,200)	265,754	195,554
NET INCOME/(LOSS)	324,155	(2,255,039)	(1,930,884)

Source: Company reports and Litchfield Hills Securities



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Looking ahead, the pro forma company should be significantly larger and more profitable than the current organization. The clearing business is adding clients, Dawson James would contribute meaningful brokerage and investment banking revenue, Farmers State Bank would add regulated banking capabilities, and the tech stack should be monetized. Together, these businesses could create a diversified financial services platform with multiple revenue streams and stronger competitive positioning than any of the individual components possess today.

WDCO	DJSI	FSB	Holdco	ATCH
Closed 2/9/2024 Clearing operations Broker-dealer 1 client in 2025 +5 clients in 2026 Margin lending to be processed by FSB creating significant synergies Consistently profitable	Announced 4/24/2026 2 stage closing pending Successful broker dealer in Boca Raton, FL Retail brokerage and microcap investment banking Likely to absorb WDCO retail business Margin lending to be processed by FSB creating significant synergies Consistently profitable	Announced 2/10/2026 Submitted application to Fed in April Expected to close by year end Local eastern Wyoming farming community clientele Likely to process WDCO and DJSI margin lending creating significant synergies Consistently profitable even in Great Depression and in bank crises	Corporate strategy Capital raising M&A execution Technology platform development No revenue - so unprofitable today	Went public via SPAC on 2/9/2024 Unprofitable today, likely very profitable once all integrations done

Source: Company reports and Litchfield Hills Securities

The benefits extend beyond simple revenue growth. Dawson James could improve its competitive position through access to an affiliated clearing platform. Wilson-Davis could benefit from a larger and more diversified customer base. Both businesses could potentially realize economic advantages from access to a banking subsidiary. In addition, AtlasClear would possess a combination of brokerage, clearing, banking, and technology capabilities that relatively few firms of its size can offer.

Notably, management has indicated that they continue to pursue acquisitions under their long-term strategy. Each time we speak with management, they appear focused on identifying additional opportunities that fit within the broader vision. Meanwhile, our conversations with broker-dealer CEOs continue to suggest meaningful interest in alternative clearing solutions, including specifically a willingness to speak to Wilson-Davis, reinforcing our belief that it has substantial growth potential.

A year from now, we expect investors to have significantly greater visibility into the company's earnings power. Additional clearing clients should be onboarded, pending acquisitions should be completed, and the benefits of the integrated platform should begin to emerge in reported results. Today, much of that value remains obscured by the complexity of the current structure. As execution continues and visibility improves, we believe the market will increasingly recognize the underlying value being created.



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ATCH Shares Languish as the Strategy Comes Together, Creating Buying Opportunity



Source: FactSet Research Systems

We recommend that investors begin building positions ahead of the completion of additional client onboardings and pending acquisitions. We reiterate our Buy rating and \$1 price target.



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AtlasClear Income Forecast

Dollars in thousands, except per share data Fiscal years ended June 30	2025					2026E					2027E				
	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
	September	December	March	June		September	December	March	June		September	December	March	June	
Commissions	1,383,828	1,598,153	1,506,077	1,449,474	5,937,532	2,334,389	3,097,701	1,412,339	2,898,948	9,743,377	3,501,584	4,646,552	2,118,509	4,348,422	14,615,066
YoY growth			62.0%	-17.2%		68.7%	93.8%	-6.2%	100.0%	64.1%	50.0%	50.0%	50.0%	50.0%	50.0%
Percent of total	49.4%	58.2%	59.2%	52.5%	54.7%	54.9%	61.3%	33.6%	56.7%	52.3%	61.9%	68.3%	46.9%	59.1%	60.1%
Vetting fees	365,383	357,601	370,700	365,637	1,459,321	371,700	351,850	430,525	731,274	1,885,349	557,550	703,700	861,050	1,462,548	3,584,848
YoY growth			133.0%	7.5%		1.7%	-1.6%	16.1%	100.0%	29.2%	50.0%	100.0%	100.0%	100.0%	90.1%
Percent of total	13.0%	13.0%	14.6%	13.2%	13.4%	8.7%	7.0%	10.2%	14.3%	10.1%	9.9%	10.3%	19.1%	19.9%	14.7%
Clearing fees	1,047,712	785,227	658,926	673,849	3,165,714	714,349	582,148	661,950	673,849	2,632,296	785,784	640,363	728,145	741,234	2,895,526
YoY growth			399.8%	7.9%		-31.8%	-25.9%	0.0%	0.0%	-16.8%	10.0%	10.0%	10.0%	10.0%	10.0%
Percent of total	37.4%	28.6%	25.9%	24.4%	29.2%	16.8%	11.5%	15.8%	13.2%	14.1%	13.9%	9.4%	16.1%	10.1%	11.9%
Net gain(loss) on firm trading accounts	1,711	2,245	1,527	1,097	6,580	(111)	205,569	336,860	5,527	547,318	10,000	10,000	10,000	10,000	40,000
YoY growth			-58.2%	-82.8%		-106.5%	9056.7%	21960.2%	355.8%	8217.9%	-9109.0%	-95.1%	-97.0%	100.0%	-92.7%
Percent of total	0.1%	0.1%	0.1%	0.0%	0.1%	0.0%	4.1%	8.0%	0.1%	2.9%	0.2%	0.1%	0.2%	0.1%	0.2%
Stock locate fees	5,448	3,273	5,873	272,871	287,465	830,263	819,826	1,360,178	800,000	3,810,267	800,000	800,000	800,000	800,000	3,200,000
YoY growth			-87.4%	2727.7%						193.2%	-3.6%	-2.4%	-41.2%	0.0%	-16.0%
Percent of total	0.2%	0.1%	0.2%	9.9%	2.6%	19.5%	16.2%	32.4%	15.7%	20.5%	14.1%	11.8%	17.7%	10.9%	13.1%
Revenue	2,804,082	2,746,499	2,543,103	2,762,928	10,856,612	4,250,590	5,057,094	4,201,852	5,109,071	18,618,607	5,654,917	6,800,614	4,617,704	7,362,204	24,335,439
YoY growth			100.1%	1.2%	171.3%	51.6%	84.1%	65.2%	84.9%	71.5%	33.0%	34.5%	7.5%	44.1%	30.7%
Seq growth	2.7%	-2.1%	-7.4%	8.0%		53.8%	19.0%	-16.9%	21.6%		10.7%	20.3%	-33.6%	63.0%	
Compensation	1,279,304	1,580,182	1,549,228	1,741,543	6,150,257	3,123,630	2,790,561	2,329,261	2,554,536	10,797,988	2,827,459	3,400,307	2,258,852	3,681,102	12,167,720
As a percent of revenue	45.6%	57.5%	60.9%	63.0%	56.6%	73.5%	55.2%	55.4%	50.0%	58.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Data processing and clearing	611,646	629,733	435,307	427,421	2,104,107	584,250	967,778	999,545	970,723	3,522,296	1,074,434	1,292,117	856,364	1,398,819	4,623,733
As a percent of revenue	21.8%	22.9%	17.1%	15.5%	19.4%	13.7%	19.1%	23.8%	19.0%	0.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Stock locate expense								256,119	152,000	408,119	152,000	152,000	152,000	152,000	608,000
As a percent stock locate revenue								18.8%	19.0%	10.7%	19.0%	19.0%	19.0%	19.0%	19.0%
Regulatory	1,095,819	1,107,762	845,350	1,088,700	4,137,631	250,573	1,508,774	1,540,079	550,800	3,850,226	665,301	882,845	402,517	826,200	2,776,862
As a percent of revenue	79.2%	69.3%	56.1%	75.1%	69.7%	10.7%	48.7%	109.0%	19.0%	39.5%	19.0%	19.0%	19.0%	19.0%	19.0%
Communications	152,754	126,089	209,632	162,085	650,560	218,869	190,253	156,889	178,817	744,828	169,648	204,018	135,531	220,866	730,063
As a percent of revenue	5.4%	4.6%	8.2%	5.9%	6.0%	5.1%	3.8%	3.7%	3.5%	4.0%	3.0%	3.0%	3.0%	3.0%	121562287.1%
Occupancy	54,004	54,428	51,215	51,700	211,347	36,751	45,950	59,822	50,000	192,523	50,000	50,000	50,000	50,000	200,000
As a percent of revenue	1.9%	2.0%	2.0%	1.9%	1.9%	0.9%	0.9%	1.4%	1.0%	1.0%	0.9%	0.7%	1.1%	0.7%	0.8%
Transfer fees	51,590	39,917	51,264	67,652	210,423	48,160	40,339	41,417	128,031	257,947	149,299	121,669	138,348	140,834	550,150
As a percent of revenue	4.9%	5.1%	7.8%	6.6%	6.6%	4.8%	6.9%	6.3%	19.0%	9.8%	19.0%	19.0%	19.0%	19.0%	19.0%
Bank charges	55,901	53,425	56,933	57,679	223,938	58,718	58,486	57,916	60,000	235,120	60,000	60,000	60,000	60,000	240,000
As a percent of revenue	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Bad debt	-	-	-	398,826	398,826	40	(1,847)	14,561	-	12,754	-	-	-	-	-
Stock-based comp.	-	-	-	-	-	155,411	1,173,360	1,154,829	500,000	2,983,600	500,000	500,000	500,000	500,000	2,000,000
Amortization	307,191	355,268	348,060	351,927	1,362,446	355,795	355,795	348,060	360,000	1,419,650	353,044	353,044	353,044	353,044	1,412,177
Other	136,975	(51,156)	68,288	170,251	324,358	295,631	382,967	176,213	250,000	1,104,811	525,000	525,000	525,000	525,000	2,100,000
Operating income	(941,102)	(1,149,149)	(1,072,174)	(1,754,856)	(4,917,281)	(877,238)	(2,455,322)	(2,932,859)	(645,837)	(6,911,256)	(871,267)	(740,386)	(915,951)	(545,662)	(3,073,266)
Operating margin	-33.6%	-41.8%	-42.2%	-63.5%	-45.3%	-20.6%	-48.6%	-69.8%	-12.6%	-37.1%	-15.4%	-10.9%	-20.3%	-7.4%	-12.6%
Interest income	606,758	460,315	515,849	413,477	1,996,399	486,357	493,359	432,618	500,000	1,912,334	500,000	500,000	500,000	500,000	2,000,000
Interest expense	(1,456,996)	(2,667,285)	(2,765,180)	(1,192,477)	(8,081,938)	(1,434,210)	(2,777,916)	(432,620)	(2,000,000)	(6,644,746)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(8,000,000)
Loss on AtlasClear asset acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in fair value	12,561,125	2,851,061	114,465	967,081	16,493,732	1,231,762	11,720,064	806,423	-	13,758,249	-	-	-	-	-
Total Other	11,710,887	644,091	(2,134,866)	186,081	10,408,193	283,909	9,435,607	806,421	-	(13,858)	-	-	-	-	-
Pretax income	10,769,785	(505,058)	(3,207,040)	(1,566,775)	5,490,912	(593,329)	6,980,185	(2,126,438)	(2,145,837)	2,114,581	(2,371,267)	(2,240,386)	(2,415,951)	(2,045,662)	(9,073,266)
Taxes	(21,752)	85,368	304,212	-	-	153,035	(196,014)	195,554	-	152,575	-	-	-	-	-
As a percent of revenue	-0.8%	3.1%	12.0%	-	-	3.6%	-3.9%	4.7%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income to common	10,748,033	(419,690)	(2,902,828)	(1,566,775)	5,490,912	(440,294)	6,784,171	(1,930,884)	(2,145,837)	2,267,156	(2,371,267)	(2,240,386)	(2,415,951)	(2,045,662)	(9,073,266)
Net income margin	383.3%	-15.3%	-114.1%	-	-	-10.4%	134.2%	-46.0%	-42.0%	12.2%	-41.9%	-32.9%	-53.5%	-27.8%	-37.3%
Diluted shares outstanding	1,892,470	377,287	2,322,772	40,165,603	40,165,603	59,947,249	162,927,062	148,000,149	148,100,149	129,743,652	148,200,149	148,300,149	148,400,149	148,500,149	148,350,149
Seq change	1,892,470	(1,515,183)	1,945,485	37,842,831		19,781,646	102,979,813	(14,926,913)	100,000		100,000	100,000	100,000	100,000	
EPS diluted - continuing	\$5.68	(\$1.11)	(\$1.25)	(\$0.04)	\$0.14	(\$0.01)	\$0.05	(\$0.01)	(\$0.01)	\$0.02	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.01)	(\$0.06)
EBITDA	(941,102)	(1,149,149)	(1,072,174)	(1,754,856)	(4,917,281)	(877,238)	(2,455,322)	(2,932,859)	(645,837)	(6,911,256)	(871,267)	(740,386)	(915,951)	(545,662)	(3,073,266)
Operating income															
Addback:															
Stock-based comp	-	-	-	-	-	155,411	1,173,360	1,154,829	500,000	2,983,600	500,000	500,000	500,000	500,000	2,000,000
Amortization	307,191	355,268	348,060	351,927	1,362,446	355,795	355,795	348,060	360,000	1,419,650	353,044	353,044	353,044	353,044	1,412,177
EBITDA	(633,911)	(793,881)	(724,114)	(1,402,929)	(3,554,835)	(366,032)	(926,167)	(1,429,970)	214,163	(2,508,006)	(18,223)	112,658	(62,907)	307,382	338,911

Source: Company reports and Litchfield Hills Research



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Disclosures:

Analyst Certification

We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

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