Zacks Small-Cap Research

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VolitionRx Ltd (VNRX-AMEX)

VNRX: Readout of Retro & Prosp Studies Upcoming, Add'l Info on Europe / U.S. Strategies

Current Recommendation	**Buy**
Prior Recommendation	N/A
Date of Last Change	05/07/2013
Current Price (08/12/15)	$3.47
Target Price	**$6.50**

OUTLOOK

VolitionRx is focused on the development of blood-based cancer detection tests using their NuQ technology which aims to marry high accuracy and reliability typically only achieved with invasive and costly diagnostic methods with the convenience, low-cost and non-invasive nature characteristic of many of the current cancer screening tests. The tests address potentially multi-billion $ markets. Initial clinical data has been very encouraging, showing impressive sensitivity/specificity. Data from ongoing studies is expected to be released on a regular basis and should provide further insight into the performance of the technology and provide support to regulatory filings. CE Mark for sale to the clinical market in Europe is anticipated this year. Launch in 2016. US strategy may entail launch of LDT as pursue PMA. Despite risks such as that VNRX will need to raise significant capital before they reach cash flow positive, we think the shares are very attractive at the current market price. Our DCF model values the stock at about $6.50/share..

SUMMARY DATA

52-Week High	**$9.28**
52-Week Low	**$1.80**
One-Year Return (%)	**92.77**
Beta	**-3.54**
Average Daily Volume (sh)	**14,807**
Shares Outstanding (mil)	**18**
Market Capitalization ($mil)	**$62**
Short Interest Ratio (days)	**3.24**
Institutional Ownership (%)	**5**
Insider Ownership (%)	**41**
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 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**N/A,**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(in '000)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	$0 A	$0 A	$15 A	$0 A	$15 A
2015	$0 A	$0 A	$0 E	$0 E	$0 E
2016					$205 E
2017					$1641 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	-$0.18 A	$0.06 A	-$0.44 A	-$0.07 A	-$0.61 A
2015	-$0.12 A	-$0.10 A	-$0.12 E	-$0.11 E	-$0.45 E
2016					-$0.35 E
2017					-$0.30 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

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WHAT'S NEW…..

Q2 Results:
VNRX announced financial results for the second quarter ending June and provided an operational update. As the company remains in development stage there continues to be no revenue. Q2 OpEx were a hair less than we modeled, resulting in a slight beat to net loss and EPS.

OpEx was $2.0 million, compared to our $2.2 million estimate. Net income and EPS were ($1.8) million and ($0.10), compared to our ($2.2) million and ($0.12) estimates.

Cash used in operating activities was $1.9 million for the quarter and $4.1 million in 1H. We expect this to increase going forward with the ramp up in ongoing studies, the recent commencement of others, regulatory submission activities and pre-launch (Europe) preparations. VNRX exited Q2 with $9.3 million in cash.

Operational Update: *Readout From Retro & Prosp Studies Upcoming, Add'l Info on Europe / U.S. Strategies…*

Prior timelines for the various near-term study readouts remain mostly on-track. CE Mark of the first assay is still expected later this year and the company is still shooting to have the first panel CE Marked by 1H ('ish) 2016. Cameron provided some additional info on some of the studies including the large 27-cancer study, 800 precancerous polyp study (data from which we think could be particularly insightful), and the large retro and prospective colon cancer studies – all sounds positive. Some more work has been done on preparations for a Europe introduction and further tightening up of the U.S. strategy – the latter still expected to be an initial introduction with an LDT test licensed to CLIA labs and then followed by an FDA approved product.

Following are the salient points since our last update in mid-May…..

- **Add'l Colorectal Data:**
    - Hvidore Retrospective: expect full data from 4,800-patient retrospective colorectal cancer study to be released in Q4 (October?), a slight delay from earlier expectations of Q3 of this year. As a reminder (and more fully detailed below), data from 938 samples of this study were announced last year which showed compelling performance on all stages of colorectal cancer
    - Hvidore Prospective: initial data from the 14,000 sample prospective colorectal cancer study should be announced in Q1 – mostly unchanged from prior guidance. Have 2,500 samples now, expect another 2,500 in Oct timeframe. Initial data announcement may include the first batch or both, depending on timing of analysis. Expect analysis to speed up once retro study is fully sampled as add'l Tecans can be dedicated to this study

- **Pre-Cancerous Colorectal Study:** a subset of the 938-patient data from the retrospective study which was announced last year included patients with precancerous lesions, or adenomas. NuQ was able to detect 60% of these lesions. This prompted VNRX to initiate an 800-patient study, which will also be conducted at Hvidore Hospital, for the detection of precancerous polyps. VNRX will likely include additional assays in this study in order to try and further improve on accuracy. The study commenced in Q2. Timelines for look at the first data is uncertain but potentially by current year-end or early 2016. Results could provide a better indication of the power of NuQ for adenomas, which if left untreated or removed, can eventually become cancerous. The current thinking is that an adenoma assay/panel could be layered into a colorectal cancer assay or as a stand-alone product. As precancerous polyps have proven difficult to detect, relatively high accuracy in this indication could be a meaningful differentiator compared to other colon cancer tests such as Cologuard and Epi proColon. Epi proColon (Epigenomics) showed sensitivity of just 20% with small polyps and Cologuard 42% with precancerous lesions

- **27-Cancers Study**: VNRX had previously announced the initiation of an expected 4,000 sample study looking at the 20 most prevalent cancers at the U of Bonn. More recently the company announced that this has now been expanded to include 4,200 samples and 27 of the most prevalent cancers. Two of the four Tecans are dedicated to this study, which is expected to start in the Sept/Oct timeframe. VNRX had previously said that they hoped to have the first of the data may be available in Q1 of next year, although that timeline may have slipped some. Nonetheless, the study has the potential to produce an enormous amount of data given the number of assays that may be included as well as the diverse sample set. It is still a question mark as to how the output will applied, although if the data supports it, a home-run would be eventual development of an assay/panel that could detect and differentiate between several cancer types

- **CE Mark / European Commercialization**: timelines remain mostly intact with the first assay expected to have CE Mark later this year and the initial panel, sometime towards mid-2016. The gameplan is to develop an initial assay around the early data from the 4,800-sample colorectal cancer study. Additional data will shape decision-making on follow-on assays – the initial panel may include three or four assays
    - Follow-ons…: VNRX will then look to strengthen both the clinical support for their technology as well as the performance. Follow-on data from the two large Hvidore studies should provide support for both – as noted, additional data should be available fairly quickly. The data should help drive development of new and higher performing assays on a regular basis and, combined into panels, can further enhance performance, providing opportunity for the next iteration of CE Marked products. Providers and payers are also interested in seeing as much data as possible to make informed use and reimbursement decisions – so a regular flow of positive trial data will be key to maximizing initial chances of success in the marketplace
    - Commercialization: VNRX thinks they can have CE Marking of their first assay in Q4. They, however, do not expect to launch into Europe until they have more supporting data and the panel CE Marked – which they think can happen towards mid-2016. They recently brought on two consulting firms to guide the European commercialization strategy which includes advice on market selection, reimbursement expectations, distribution, etc.
    - More follow-ons…: with the plethora of data expected to come out of the various studies, VNRX hopes to further enhance the performance of their tests and bring further iterations of cancer panels through CE Marking. Clearly the initial focus is colorectal cancer but pancreatic, lung and others could potentially follow in short-order. And possibly, eventually a multi-cancer panel
    - Our Comments: Epigenomics has had a tough go of it in Europe with their IVD Epi proColon colon cancer blood test. While the test has been available since 2012 product revenue from Europe amounted to roughly $1 million in all of 2014. They cite a difficult reimbursement environment and high barriers to get into the government level screening programs. Part of the difficulty is most likely pricing - as Cameron noted on the Q2 call, the government programs are tight-fisted and to be competitive pricing needs to be near the EUR 20 – 30 range (~$20 - $30). And if Epigenomics can't or won't come in near there, then it is reasonable they may not qualify. VNRX indicated that they believe they can meet that price point and maintain reasonable margins. They brought on the two consulting firms (one focused on the U.K. and the other the rest of Europe) to help navigate the intricacies and difficulties – one potentially major one being reimbursement – of the European market. VNRX may also have an advantage in accuracy – the data to-date has suggested NuQ may have superior accuracy as compared to the 79% sensitivity / 68% specificity Epi proColon demonstrated in their PMA-supporting studies. As more data is announced, it should provide greater insight.

      We think it is reasonable to expect revenue from Europe will not be overly significant in the first year of launch. This could improve with further penetration throughout Europe and also depend on reimbursement and inclusion in government screening programs.

- **U.S. Pathway**: some more details were offered on the Q2 call relative to the potential U.S. strategy. Initial U.S. introduction is expected to be in the form of licensing rights to the technology to CLIA certified labs to develop LDT tests. Concurrent with that VNRX would work to bring an FDA approved test to market. This is a similar strategy that Epigenomics has followed with their Epi proColon technology.

  VNRX has brought on another consultant to guide them in their U.S. plans. Timelines include LDT licensing sometime in 2016. Relative to the FDA approval process – VNRX's hopes to support a PMA filing with data from the ongoing studies (prospective and retrospective most likely) and then potentially supplement that with a "bridging" study – essentially additional samples from more ethnicities to more represent the broader U.S. population. This, however, is not yet definitive and something that we expect we will hear more about as more info is available. Timelines for an eventual FDA approved product are highly uncertain right now as there still needs to be clarification from FDA on what they will require to support a filing. And, of course, then the data will have to be good enough to support approval. We think a very optimistic scenario would be that VNRX may soon have much of the data they may eventually need (from the Danish studies) and be able to supplement with a quick-moving bridge study – and maybe file sometime in 2H 2016 with approval by 1H 2017. A more realistic scenario might be to expect typical FDA-related delays (in study design feedback, data review, approval decisions, etc), possibly a 6 – 12 month bridging study and a PMA filing maybe sometime in mid-2017 and approval in 2018. But, again, we expect we'll hear more when VNRX knows more which will hopefully provide some more clarity about potential timelines. Key to maximize the revenue potential of the technology will be to successfully bring an FDA approved product to market.

Our Comments: while LDT's offer the opportunity to get the tests into the market, generate earlier revenue and build some front-end awareness about the technology (although the tests will likely be marketed under another brand), they may hold only a fraction of the revenue potential that a PMA approved product would. Marketing claims are much more restrictive with LDT's and availability, depending on the labs' reach (and marketing efforts), may also be less broad based than an FDA approved product. Licensing means VNRX may have little to control over how much effort the labs dedicate to marketing the tests. Epigenomics licenses their technology to Quest and ARUP in the U.S. and generates ~$200k (or less) in annual sales royalties – the reason they cite for the meager sales is the labs are waiting for the FDA approved kits. But it may also be that these large labs will not dedicate much in the way of marketing support.

VNRX, wisely in our opinion, brought in outside expertise to guide the LDT process (along with FDA pathway). Lab selection (i.e. – those that may be more likely to dedicate resources towards it) may be part of this as well as seeking areas where reimbursement may be more favorable.

OVERVIEW of ONGOING / PLANNED STUDIES:

Pancreatic Cancer

In early January VNRX announced data from a small pilot study in pancreatic cancer patients. The data looks to be highly encouraging and showed impressive accuracy. 60 individuals, including 25 with stage IIa or stage IIb pancreatic cancer, 25 healthy subjects and 10 with other pancreatic non-cancer disorders. NuQ identified 21 of the 25 cancer cases (84% sensitivity) at a 92% specificity among the healthy subjects (i.e. - just two false positives).

Accuracy remained high when patients with non-cancer pancreatic disorders were included in the comparator with NuQ able to identify 19 of the cancer cases (76% sensitivity) from all other (i.e. – healthy and non-cancer pancreatic disorder) patients. There was only one false positive result with a healthy subject and two false positives with non-cancer pancreatic disorders.

We note that diagnosis of pancreatic cancer is almost always a death sentence given that no tests on the market than can reliably diagnose early-stage pancreatic cancer. Currently only about 6% of people diagnosed with pancreatic cancer survive five years or more. The USPSTF has a grade D recommendation on pancreatic cancer screening, recommending "against routine screening for pancreatic cancer in asymptomatic adults using abdominal palpitation, ultrasonography, or serological markers." The USPSTF notes that they "found no evidence that screening for pancreatic cancer is effective in reducing mortality. There is a potential for significant harm due to the very low prevalence of pancreatic cancer, limited accuracy of available screening tests, the invasive nature of diagnostic tests, and the poor outcomes of treatment. As a result, the USPSTF concluded that the harms of screening for pancreatic cancer exceed any potential benefits."

As such a test that could identify pancreatic cancer at an early stage may allow for more effective clinical intervention and vastly improve mortality rates. We think these initial results indicate NuQ could potentially be an effective diagnostic for pancreatic cancer.

VNRX is now in the planning stage for larger pancreatic cancer studies. They envision that larger pancreatic cancer study may only need to encompass several hundred patients. As such, it is conceivable that a more pivotal study could be accomplished in fairly short-order and, assuming all goes well, VNRX could be looking at a pancreatic assay/panel as their second commercial product. Positive results from a larger study in pancreatic cancer, in our opinion (and depending on just how positive), could be a potential real inflection point for investors.

New Trial in Ovarian Cancer

VolitionRx recently initiated its first study in ovarian cancer. This is also VNRX's first study focused solely on an Asian population and the first study that will analyze both blood and tissue. The small pilot study is expected to include blood and tissue samples from 40 patients (20 with cancer, 20 healthy) and is being done in collaboration with Singapore General Hospital. Researchers will be blinded to the samples which will be analyzed with the NuQ assays. Success with the pilot study would likely mean that VNRX will move to larger ovarian cancer studies.

Lung Cancer Study Initiated

Adding to the now fairly long laundry list of cancer studies is a lung cancer study which VNRX announced in December was in the planning phase. This follows positive data from a pilot study, announced in November. 46

individuals were included in the pilot study, including 21 with non-small cell lung cancer, 12 with COPD and 13 healthy subjects. Both sputum and blood samples were tested. With sputum, NuQ was able to detect 18 of the 21 (85%) lung cancer cases with no false positives for healthy individuals. In addition, NuQ was able to differentiate between lung cancer and COPD.

With blood samples, NuQ identified 76% (16 of 21) patients with lung cancer with only one false positive (1 of 13) of a healthy individual. With blood, NuQ was also able to differentiate between lung cancer and COPD. While this was just a small pilot study, VNRX hopes to confirm the results in a larger trial, which will be performed at the University Hospital of Bonn.

Multi-Cancer Study
U of Bonn is also conducting VNRX's large 4,200-patient prospective cancer study (includes 27 of the most prevalent cancers at various disease stages) – this lung cancer study will be run as a separate trial in conjunction with the 27-cancer study. Only blood (not sputum) will be used in this confirmatory lung cancer study. Approximately 600 blood samples (~ 400 lung cancer patients, ~100 benign lung disease patients, ~100 healthy patients) will be evaluated in the lung cancer study.

The first of the data from this multi-cancer study may be available in Q1 of next year. The study has the potential to produce an enormous amount of data given the number of assays that may be included as well as the diverse sample set. Two of the four Tecans will be dedicated to the study analysis. It is still a question mark as to how the output will applied, although if the data supports it, a home-run would be eventual development of an assay/panel that could detect and differentiate between several cancer types.

Hvidore Colorectal Cancer Studies
In September 2014 VNRX presented highly encouraging data at the Aegis Capital Healthcare Conference on the initial 938 patients in their retrospective colon cancer study being done at Hvidovre Hospital (Denmark). Then a month later the company announced additional data on 830 of these patients which provided greater support of the ability of the NuQ tests to identify cancer with high accuracy at all stages and also to differentiate between types of cancer.

As a reminder, the preliminary results announced in September came from the analysis of 938 patients from the ~4,800-patient retrospective colon cancer study being done in collaboration with Hvidovre Hospital at the University of Copenhagen in Denmark under the direction of Professor Hans Jorgen Nielsen (Professor of Surgical Oncology at the Department of Surgical Gastroenterology). The study includes samples from patients over 50 years of age which are symptomatic of colorectal cancer. Analysis supported findings from the earlier, smaller studies and showed the three-panel NuQ tests were able to detect 84% of colorectal cancers (60% of polyps) at 78% specificity (this prompted initiation of a stand-alone study for adenomas). While the September presentation noted that the NuQ panel was able to detect cancers at various stages including those at an early stage, it did not provide a specific breakdown of positive samples by cancer type.

The data announced in October, which was presented at the International Conference of Anticancer Research in Greece, did provide that specific breakdown. Of the 59 colorectal cancer cases identified by colonoscopy, the NuQ panel was able to detect 50 (85%). Importantly the test showed high accuracy at all stages of cancer (table below from VNRX's PR). Given that colorectal cancer is more effectively treated and has a much higher survival rate if found early, the ability of a diagnostic to detect the disease at the earliest stages is critical to maximize chances for patient long-term survival.

Stage of Colorectal Cancer	Number of Cancer Cases Identified Accurately by NuQ® Test
Stage I	6 of 8 (75%)
Stage II	19 of 20 (95%)
Stage III	16 of 20 (80%)
Stage IV	9 of 11 (82%)

In addition to high accuracy the NuQ panel was able to differentiate between types of cancer - something that the technology has demonstrated in the past. The ability to differentiate is of obvious importance in order to most effectively treat the cancer. As a reminder in March 2014 VNRX announced results from a small pilot study which also showed high detection capabilities (80% of prostate cancer) and that NuQ was able to differentiate between colon and prostate cancers.

Of the 59 colorectal cancers presented in October, 35 were colon and 24 rectal - and while the release does not provide quantitative specifics, VNRX does note that their NuQ panel was able to differentiate between the majority of colorectal cancers as being either colon or rectal cancers.

The company expects to announce data from the full 4,800-sample set in Q4 2015.

VNRX's larger 14k sample prospective study is also now underway. This is also being done in collaboration with Hvidovre Hospital. Patients will be screened with a fecal immunological test (FIT) as part of the Danish national screening program. Patients (both FIT-negative and positive) will then be tested using VNRX's NuQ assay panel. These results will then be confirmed by colonoscopy. Initial results, on the first ~2,500 – 5,000 samples, is expected to be available in early 2016.

We view the preliminary results from the retrospective study as highly encouraging (particularly in consideration of the totality of the positive data from earlier studies) in terms of the utility of the NuQ technology for the detection of colorectal cancer. This also adds clear support for the potential approvability of NuQ. As a gauge, an FDA advisory panel recently recommended PMA approval of Epigneomics' Epi proColon (blood) colorectal cancer test which in a pivotal trial versus FIT showed sensitivity of 79% and specificity of 68%. An FDA decision is expected to be potentially just weeks away. The relatively low accuracy of the test may relegate its use to those people that do not regulatory conform to recommended colon cancer screening, such as the fecal-based FIT test, as opposed to the larger general population. And given the low accuracy of Epi proColon, we would view FDA approval of it as a positive event for VNRX as it sets the bar low and one in which, in studies to date, NuQ looks superior to.

As we have noted in our ongoing coverage of VNRX, we think there would be ample demand for a cancer screening method that didn't suffer the drawbacks of the current techniques - that being the high cost and patient discomfort of colonoscopy and the high rate of false positives of fecal occult blood tests. With expected pricing under $100 per test and sampling using roughly just one drop of blood, combined with what looks to be (so far) high accuracy, we think VNRX s NuQ tests may offer an option that is competitive to colonoscopy in terms of accuracy but with all the convenience and low cost of fecal occult blood tests.

The issues inherent in current colon cancer detection methods may be a contributing factor to the significant percentage of the at-risk population not meeting colon cancer screening guidelines. According to the CDC, as reported in the November 5, 2013 issue of Morbidity and Mortality Weekly Report, one-third of U.S. adults aged 50-75 who should be screened for colon cancer are not being screened. The USPSTF recommends regular screening for colon cancer using fecal occult blood testing, sigmoidoscopy or colonoscopy beginning at age 50 and continuing to age 75.

Pre-Cancerous Colorectal Study

A subset of the 938-patient data from the retrospective study which was announced last year included patients with precancerous lesions, or adenomas. NuQ was able to detect 60% of these lesions. This prompted VNRX to initiate an 800-patient study, which will also be conducted at Hvidore Hospital, for the detection of precancerous polyps. VNRX will likely include additional assays in this study in order to try and further improve on accuracy. The study commenced in Q2. Timelines for look at the first data is uncertain but potentially by current year-end or early 2016. Results could provide a better indication of the power of NuQ for adenomas, which if left untreated or removed, can eventually become cancerous. The current thinking is that an adenoma assay/panel could be layered into a colorectal cancer assay or as a stand-alone product. As precancerous polyps have proven difficult to detect, relatively high accuracy in this indication could be a meaningful differentiator compared to other colon cancer tests such as Cologuard and Epi proColon. Epi proColon (Epigenomics) showed sensitivity of just 20% with small polyps and Cologuard 42% with precancerous lesions

VNRX Looking at Prostate Cancer

VNRX continues to expand the potential indications for its NuQ technology and in early October 2014 announced a collaboration with the high profile MD Anderson Cancer Center at the University of Texas to study the company's technology in the detection of prostate cancer. The retrospective study will assess the NuQ technology in differentiating between anaplastic prostate cancer, a very aggressive form, and castration-resistant

prostate cancer, a less aggressive form. The ability to differentiate between the two is important in clinical practice as it can dictate the most appropriate treatment regimen.

OUTLOOK / VALUATION / RECOMMENDATION

VNRX continues to make progress with an initial CE Mark filing. While we had hoped entry into the European market for a colorectal cancer test would come sometime in 2015, slight delays have us now modeling launch in Europe in 2H 2016. With studies ongoing in several other cancer types, including pancreatic and breast, among several others, subsequent CE Marking in other cancers could potentially come in fairly short order. We also expect VNRX will look to continually enhance the performance of their commercialized panels. Ongoing study data will also be used to support reimbursement.

Relative to the U.S. market, we think VNRX's current game-plan – that is, to initially tap the LDT channel via licensing agreement(s) with established CLIA lab(s), makes a lot of sense. Not only is this an earlier revenue opportunity in the U.S. as the company continues to pursue FDA approval, it also provides additional and valuable clinical experience and awareness benefits.

In terms of the road towards eventual FDA approval – which is the ultimate quest and one which we think could rapidly steepen VNRX's revenue curve – this could be a years-long process and require U.S.-based clinical studies. If, however, FDA discussions reveal that a bridge study complementing data from already ongoing studies is sufficient, it's possible the PMA pathway could be more abbreviated.

In terms of the accuracy hurdle that a PMA filing may have to clear - one yardstick that may be relevant to look at is that an FDA advisory panel recently recommended PMA approval of Epigneomics' Epi proColon colorectal cancer test which in a pivotal trial versus FIT showed sensitivity of 79% and specificity of 68%. This compares to VNRX's interim data (n = 938) from the Danish retrospective study, which showed the three-panel NuQ tests were able to detect 84% of colorectal cancers (60% of polyps) at 78% specificity. Epi proColon has also shown relatively low sensitivity (20%) in precancerous polyps – which is another potential indication that NuQ could demonstrate superior accuracy.

Valuation Remains Attractive…

Based on our DCF model which goes out to year 2025 and uses a 9.5% discount rate (based on CAPM) and 2% terminal growth rate, VNRX is valued at $6.28/share (which we round to $6.50). Our model and assumptions will be updated if appropriate based on news flow which could also influence valuation. As it is now, we value VNRX at $6.50/share. We feel the current market price ($3.47) remains cheaper than warranted and undervalues the company. We recommend accumulating the stock up towards our $6.50 price target. We think additional and ongoing positive clinical data, including the near-term release of results from the retrospective and prospective colorectal cancer studies, should further benefit appreciation of the share price towards our target. We are maintaining our Outperform rating.

FINANCIAL MODEL

VolitionRx Ltd.

	2014 A	Q1 A	Q2 A	Q3 E	Q4 E	2015 E	2016 E	2017 E	2018 E
Revenue	$14.8	$0.0	$0.0	$0.0	$0.0	$0.0	$205.6	$1,640.5	$4,274.1
YOY Growth	-	-	-	-	-	*-100.0%*	-	*698.0%*	*160.5%*
Cost of Goods Sold	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$42.0	$438.7	$1,177.0
Gross Income	$14.8	$0.0	$0.0	$0.0	$0.0	$0.0	$86.3	$557.8	$1,290.8
Gross Margin	*100.0%*	-	*100.0%*	*100.0%*	*100.0%*	*#DIV/0!*	*58.0%*	*66.0%*	*69.8%*
SG&A	$1,908.2	$1,139.1	$660.6	$812.0	$722.0	$3,333.7	$3,751.0	$3,888.0	$5,100.0
%SG&A	-	-	-	-	-	-	*1824.5%*	*237.0%*	*119.3%*
R&D	$4,044.1	$1,210.8	$1,357.0	$1,321.0	$1,344.0	$5,232.8	$4,455.0	$4,215.0	$3,988.0
% R&D	-	-	-	-	-	-	*2166.9%*	*256.9%*	*93.3%*
Asset Impairment	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income	($5,937.5)	($2,349.9)	($2,017.6)	($2,133.0)	($2,066.0)	($8,566.5)	($8,119.7)	($7,545.2)	($7,797.2)
Operating Margin	-	-	-	-	-	-	-	*-459.9%*	*-182.4%*
Total Other Expense (Income)	$2,275.7	($339.7)	($146.8)	$0.0	$0.0	($486.6)	$0.0	$0.0	$0.0
Pre-Tax Income	($8,213.2)	($2,010.1)	($1,870.8)	($2,133.0)	($2,066.0)	($8,079.9)	($8,119.7)	($7,545.2)	($7,797.2)
Taxes (benefit)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
FX translation	$44.1	$0.0	($45.3)	$0.0	$0.0	($45.3)	$0.0	$0.0	$0.0
Net Income	($8,257.2)	($2,010.1)	($1,825.5)	($2,133.0)	($2,066.0)	($8,034.6)	($8,119.7)	($7,545.2)	($7,797.2)
Net Margin	-	-	-	-	-	*#DIV/0!*	*-3949.4%*	*-459.9%*	*-182.4%*
EPS	($0.61)	($0.12)	($0.10)	($0.12)	($0.11)	($0.45)	($0.35)	($0.30)	($0.28)
YOY Growth	-	-	-	-	-	-	-	-	-
Diluted Shares O/S	13,435	16,462	17,946	18,250	18,418	17,769	23,000	25,000	28,000

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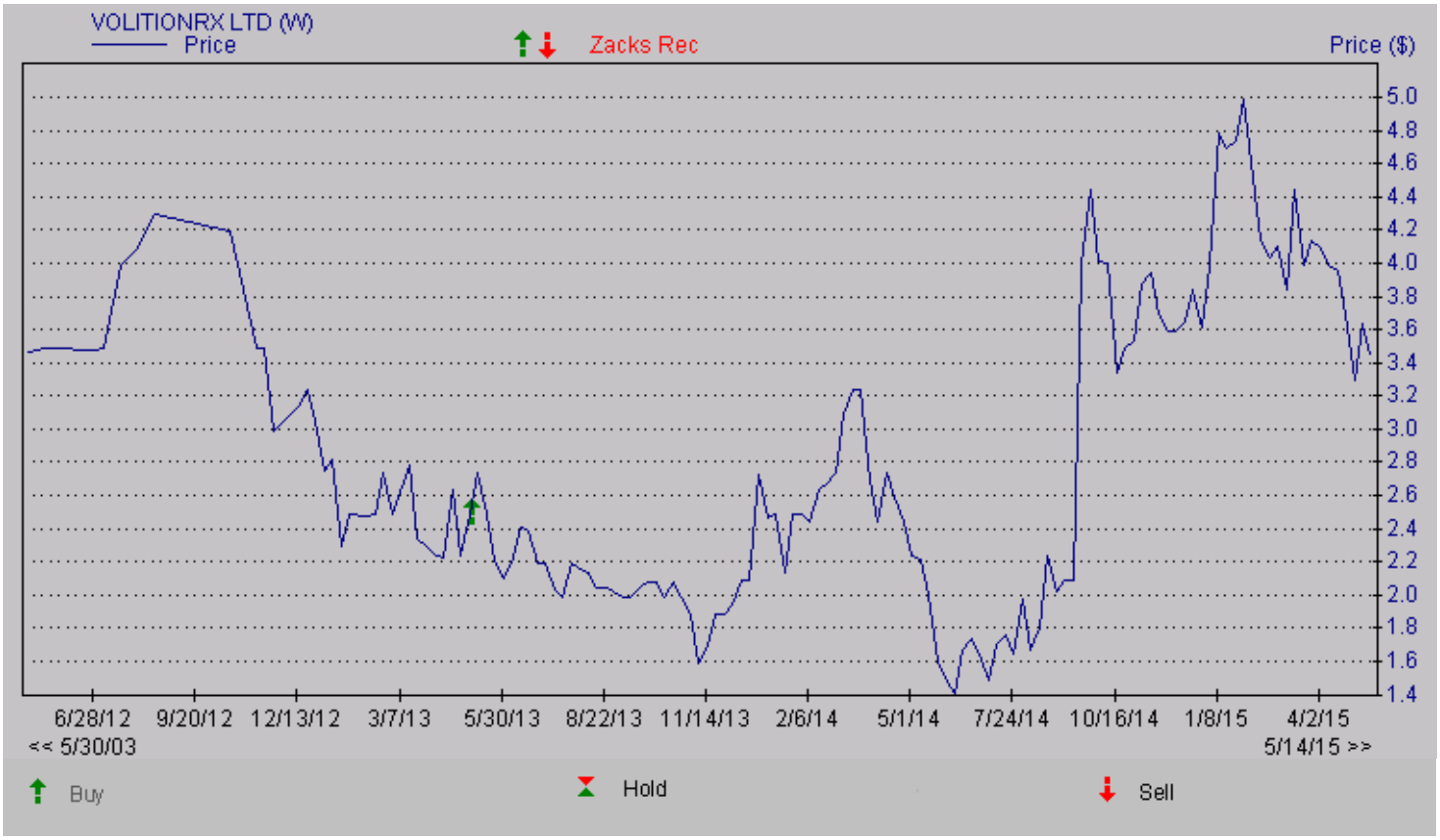
HISTORICAL ZACKS RECOMMENDATIONS



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