Zacks Small-Cap Research

November 5, 2014
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Bellus Health, Inc. (T.BLU-TSX)

BLU: Kiacta™ Phase 3 Progressing On Schedule… Data in 2016.

Current Recommendation	**Buy**
Prior Recommendation	N/A
Date of Last Change	05/19/2014
Current Price (11/05/14)	$1.14
Target Price	**$2.50**

INITIATION

On November 4, 2014, Bellus Health, Inc. announced financial results for the third quarter of 2014. The company recorded $0.42 million in revenue and had a net loss of $0.71 million, or $0.01 per share. The company exited the quarter with approximately $12.7 million, which we estimate will be enough to finance operations past the conclusion of the Kiacta Phase 3 clinical trial. During the third quarter the Phase 3 confirmatory trial of Kiacta™ continued on plan. Targeted enrollment of 230 patients was reached earlier in the year and events seem to be tracking on schedule with data in mid-to-late 2016. We continue to be bullish on the Kiacta™ Phase 3 trial and are maintaining our Buy rating, even with shares up almost 50% since we initiated coverage.

52-Week High	**$1.61**
52-Week Low	**$0.36**
One-Year Return (%)	**205.11**
Beta	**2.84**
Average Daily Volume (sh)	**2,426**
Shares Outstanding (mil)	**47**
Market Capitalization ($mil)	**$55**
Short Interest Ratio (days)	**10.25**
Institutional Ownership (%)	**12**
Insider Ownership (%)	**24**
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 2014 Estimate	**N/A**
P/E using 2015 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(In millions of C$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2013	$0.6 A	$0.4 A	$0.5 A	$0.7 A	$2.3 A
2014	$0.5 A	$0.4 A	$0.4 A	$0.4 E	$1.7 E
2015					$2.0 E
2016					$2.5 E

Earnings per Share
(EPS is operating earnings before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2013	-$0.01 A	-$0.02 A	$0.02 A	-$0.01 A	-$0.02 A
2014	-$0.01 A	-$0.02 A	-$0.01 A	-$0.02 E	-$0.06 E
2015					-$0.08 E
2016					-$0.08 E

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WHAT'S NEW

Financial Update (in Canadian dollars)

On November 5, 2014, Bellus Health, Inc. (BLU.TO) (BLUSF) reported financial results for the third quarter of 2014. Revenues for the quarter totaled $0.42 million, compared to $0.53 million in the corresponding period of 2013, and consisted mostly of revenue recognized for accounting purposes from the asset sale and licensing agreement and the service agreement entered into with Auven Therapeutics in 2010 in relation to Kiacta™. The decrease relative to the third quarter 2013 is mainly attributable to revenue recorded in the comparative period in relation to the agreement with Asclepios Bioresearch (UK) Limited for the development of BLU8499, which was terminated in October 2013. For the full year 2014, we forecast revenues of $1.735 million.

Operating expenses consisted of $0.81 million in G&A and $0.41 million in R&D. Both expenses were below our expectations as the company remains focused on controlling costs ahead of the Phase 3 Kiacta™ data expected in mid-to-late 2016. During the third quarter, there was a net finance gain of $0.05 million, which was mainly attributable to the depreciation of the Canadian dollar versus the U.S. dollar during the current quarter and the decrease in the fair value of the ABCP Notes compared to the previous year.

Bellus reported a net loss of $0.71 million, or $0.01 per share during the third quarter 2014. As of September 30, 2014 the company had cash, cash equivalents, and short-term investments of approximately $12.7 million, compared to $15.3 million on December 31, 2013 and $13.1 million on June 30, 2014. We remind investors that the cost of the confirmatory Phase 3 study with Kiacta™ is in the area of $60 million; however, this amount is being fully funded by Bellus' partner, Auven Therapeutics. As such, we estimate Bellus current cash balance of $12.7 million is enough to finance the company's operations beyond the end of the Phase 3 study in 2016.

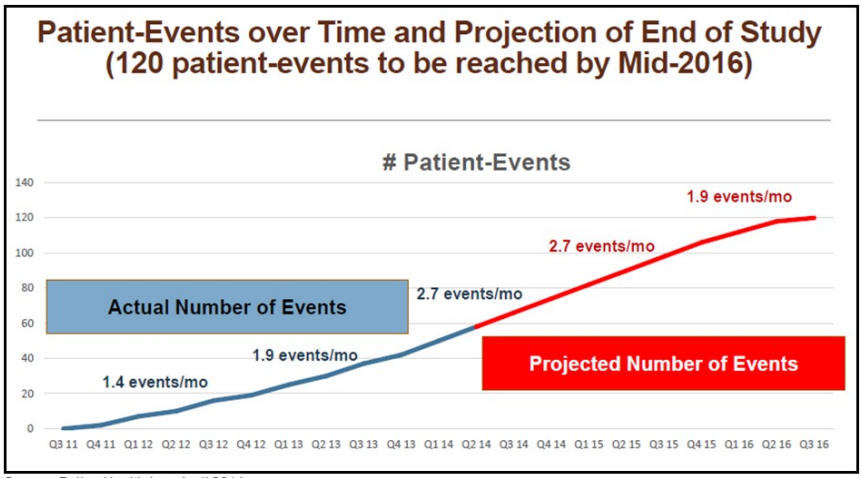
Kiacta™ Phase 3 Study Fully Enrolled

On May 27, 2014, Bellus announced that the Kiacta™ Phase 3 confirmatory study (NCT01215747) had completed its target enrollment of 230 patients. Kiacta™ (eprodisate) in an orally available small molecule intended for the treatment of Amyloid A Amyloidosis. Eligible patients that were currently in the screening process at the time of this announcement were also given the opportunity to enroll in the study, thus the final patient population may number slightly more than 230. Based on conversations with management, we expect the final enrollment number to be closer to 255 to 265 patients. To qualify for the study, patients must have a confirmed AA Amyloidosis demonstrated by positive biopsy using congo red staining and immuno-histochemistry or -electronmicroscopy. Patients must have persistent proteinuria greater than 1 gram and a CrCl level greater than 25 ml/min both noted at two distinct visits over a 24 hour period. Randomization is 1:1 between Kiacta™ and the placebo. Enrollment is taking place at over 70 sites in 30 countries around the globe.

The company shared some dynamics for enrollment in an update presented to the XIV International Symposium on Amyloidosis in late April 2014. The enroll to screen rate is tracking around 60%, with the primary reason for screen failures being CrCl below 25 ml/min, proteinuria below 1 g / day, and negative biopsy. Enrollment is primarily taking place in East/Central Europe (42%), followed by the Middle East (27%), and Western Europe (19%). Only 12% of the patients enrolled as of late April 2014 were in North America.

As a reminder, the confirmatory Phase 3 study is an event-driven trial that will end when 120 patients have experienced renal decline. Renal decline, the primary endpoint of the study, is a composite assessment of persistent increase in serum creatinine ≥ 80%, persistent decrease in creatinine clearance ≥ 40%, or progression to end-stage renal disease / dialysis. The primary efficacy analysis is the 'Time to first worse event (log rank test)' stratified by baseline proteinuria (3 g/day) and eGFR (60 ml/min). Increasing the size of the study from 230 to around 255-265 patients will help assure the 120 patient events are reached in a timely manner. Bellus has obtained a U.S. FDA Special Protocol Assessment (SPA) for the trial. The target completion data is 2016, with top-line data expected 3-4 months after target completion.

As of early November 2014, Bellus reported that approximately 60% of the target 120 events (~72 events) have occurred. Based on event dynamics reported in April 2014, roughly two-thirds of the patient events have more than one event, with the most common event being a ≥ 40% decrease in CrCl. In April 2014, roughly 55 events had occurred (n=227 at the time), meaning that trial participants are experiencing roughly 3 events per month. This equates to target completion in approximately 16 months from today, or in April/May 2016.



Source: Bellus Health Inc., April 2014

Patients that completed the Kiacta™ confirmatory Phase 3 study are being offered the opportunity to continue in an extended program, for which the first patients were enrolled during the second quarter of 2014. As of April 2014, no concerning safety signals have been observed. Serious adverse events (SAEs) are common, as would be expected in this patient population, but only less than 5% are believed to be drug-related. An independent safety committee analysis concluded that no deaths (19 reported as of April 2014) were attributable directly to Kiacta™ use. The majority of patient deaths (~75%) were due to end-stage renal disease.

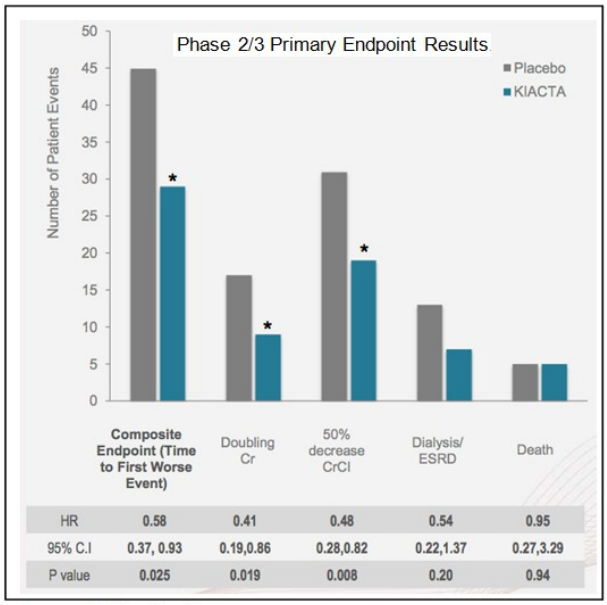
…Previous Phase 3 Data (And Changes) Give Us Confidence…

Kiacta™ was first evaluated for the treatment of AA amyloidosis in patients with renal involvement in a Phase 2/3 trial that was conducted from 2001 to 2004 (Dember *et al*., 2007). This was a multicenter, randomized, double-blind, placebo-controlled trial. Renal involvement for patient inclusion was defined as proteinuria of greater than 1 g/day or a creatinine clearance of less than 60 mL/min. A total of 261 patients were screened and 183 were randomly assigned to either treatment with Kiacta™ (n = 89) or placebo (n = 94). Patients were stratified according to nephrotic status, with a classification of nephrotic requiring a 24-hour urinary excretion of more than 3 g of protein, a serum albumin concentration of less than 3.4 g/dL, and either the presence of peripheral edema or the use of diuretics to treat peripheral edema.

Data analysis showed that of the 183 patients that entered the Phase 2/3 study, 63 in the Kiacta™ group (~71%) and 61 (~65%) in the placebo group completed two years. There were a similar number of adverse events in both the Kiacta™ and placebo groups. At the end of follow-up, disease was worsened in 24 of 89 patients taking Kiacta™ (27%) and 38 of 94 assigned to placebo (40%). The P-value for statistical significance was 0.06.

The primary end point was a composite assessment of renal function or death. Disease was classified as worsened if the serum creatinine concentration was twice the baseline value, creatinine clearance decreased by 50% or more from baseline, progression to end-stage renal disease occurred, or the patient died. End-stage renal disease was defined as the need for initiation of maintenance dialysis.

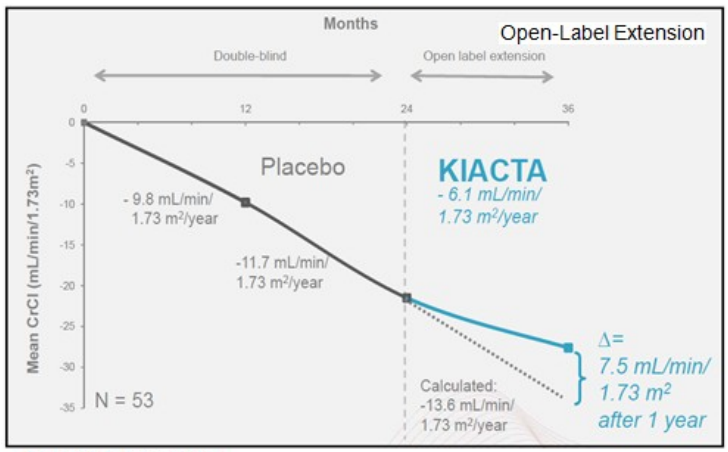
Treatment with Kiacta™ was associated with a 42% reduction in the risk of worsening renal disease or death (hazard ratio, 0.58; 95% confidence interval [CI], 0.37 to 0.93; P=0.025). Even after adjusting for potentially important baseline variables (e.g., renal function, underlying disease, etc.) and for SAA concentration the risk reduction was still maintained. However, there was no effect on urinary protein excretion, with the benefit of Kiacta™ on the primary composite end point being due to its effect on progression of renal disease. In addition, there was no significant difference between the two groups in the risk of death.



Source: Bellus Healthcare

A key secondary endpoint in the study was examination of the change in creatinine clearance between the beginning of the study and the end. The mean slope of creatinine clearance was -10.9±5.1 mL/min per 1.73 m^2 of body-surface area per year in the Kiacta™ group, as compared to -15.6±4.0 mL/min per 1.73 m^2 per year in the placebo group (P=0.02). Using the slope of creatinine clearance decline, the company was able to calculate a delay to time of dialysis of approximately two years with Kiacta™ treatment compared to placebo.

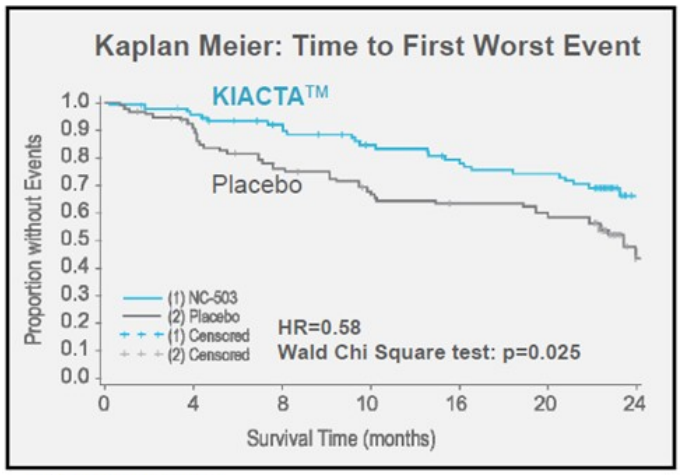
While this study did show Kiacta™ reduced the progression of AA amyloidosis-associated renal disease, there were some limitations that are worth noting. Even though the study was randomized, the baseline serum creatinine concentrations were slightly higher in the placebo group than in the Kiacta™ group. While the difference in baseline renal function could explain the better outcomes in the Kiacta™ group, the risk reduction associated with Kiacta™ was shown to persist even when the analyses were adjusted for baseline creatinine concentration or creatinine clearance. Additionally, data shows an improvement in kidney function for the placebo patients that crossed-over to the Kiacta™ group during the open-label extension study (see below).



Source: Bellus Health

Following receipt of a U.S. FDA “Approvable Letter” in August 2006 that requested additional efficacy information along with a safety update, specifically mentioning the need for “one or more additional clinical trials”, Neurochem Ltd (the previous name of the company) re-filed the application in October 2006 with additional analysis of the above Phase 2/3 study. The updated analysis included patient data from the open-label extension study and from all patients that had discontinued during the placebo-controlled portion of the trial.

The results of the follow-up analysis noted fewer patients progressed to dialysis/ESRD in the Kiacta™ group (n=18) compared to the placebo group (n=32). The Kaplan-Meier plot and log-rank analysis showed that it took longer for the Kiacta™ group to progress to dialysis/ESRD than the placebo group (P=0.018). This was similar to the results seen during the initial trial, where the Kaplan Meier plot for Time to First Worst Event was also in favor of the Kiacta™ group vs the placebo group (P=0.025). The follow-up analysis also showed that 56 patients progressed to death from all causes: 25 patients were from the group originally randomized to Kiacta™ and 31 patients were from the group originally randomized to placebo.



Source: Bellus Health

On July 17, 2007 the company received a second approvable letter from the FDA. In this letter, the FDA indicated that the Phase 2/3 clinical trial provided some evidence of the effectiveness of Kiacta™ in the treatment of AA amyloidosis; however, the FDA also indicated that an additional efficacy trial with a target P-value of 0.05 would be necessary before Kiacta™ could be approved. The regulatory agencies in the European Union also agreed that a second clinical trial would be necessary to gain marketing approval. This is when the company began discussions with the agency on the confirmatory Phase 3 study discussed above, which we note has obtained a FDA Special Protocol Assessment (SPA).

There were a number of changes made to the confirmatory Phase 3 study in comparison to the initial Phase 2/3 study. These changes are summarized in the table below:

	First Phase 3 Trial	Confirmatory Phase 3 Trial
Number of Patients/Trial Locations	183 patients in 13 countries	230 patients in 28 countries
Composite Primary Endpoint	≥ Doubling serum creatinine ≥ 50% decrease in creatinine clearance Reaching ESRD/dialysis Death	Persistent ≥ 80% increase in serum creatinine Persistent ≥ 40% decrease in creatinine clearance Reaching ESRD/dialysis
Entry Criteria	Proteinuria ≥ 1g/day or creatinine clearance ≤ 60 mL/min/1.73 m² Creatinine clearance ≥ 20 mL/min/1.73 m²	Proteinuria ≥ 1 g/day Creatinine clearance ≥ 25 mL/min/1.73 m²
Trial Timeline/Statistical Power	Fixed treatment time of 2 years ~80% power	Attainment of 120 events ~90% power

Based upon the data gathered from the initial Phase 2/3 study, along with the changes made in the confirmatory Phase 3 study, **we conclude** that the confirmatory Phase 3 study is likely to be successful. We base this on the fact that the two composites of the primary endpoint in the initial trial that were statistically significant were the doubling in serum creatinine and the 50% decrease in creatinine clearance, and these endpoints have been altered such that a smaller change in each of them is required to qualify as an event. We believe this is likely to result in reaching a statistically significant difference between Kiacta™ treatment and placebo for each of these endpoints. In the initial study reaching ESRD/dialysis only trended toward significance, thus we are uncertain about how this endpoint will look at the end of the trial. The death endpoint was removed from the confirmatory study, which we believe will be helpful in showing significance in the composite primary endpoint as there was no difference in the number of deaths between Kiacta™ and placebo groups in the first Phase 2/3 study.

Another change that we believe will be positive for the confirmatory study is the alteration in inclusion criteria. The first Phase 2/3 study allowed patients into the study who had proteinuria ≥ 1 g/day or a creatinine clearance of ≤ 60 mL/min/1.73 m^2 as long as their creatinine clearance was ≥ 20 mL/min/1.73 m^2. For the confirmatory study, the patients will have to have proteinuria of ≥1 g/day and a creatinine clearance of ≥ 25 mL/min/1.73 m^2. In the initial Phase 2/3 trial, the effect of Kiacta™ was more apparent in the subgroup of patients with the nephrotic syndrome (characterized by proteinuria >3.0 g/day, hypoalbuminemia, and edema), thus while Bellus did not want to limit the study to only those patients suffering from nephrotic syndrome, by changing the inclusion criteria to only allow patients who had proteinuria of ≥ 1 g/day they are more likely to include a greater percentage of patients in the study with nephrotic syndrome, which should lead to a greater likelihood of showing statistical significance.

…Auven Paying For the Study, And Expanding Indications…

To finance the second confirmatory clinical trial, in April 2010, Bellus entered into a partnership with Auven Therapeutics (then Celtic Therapeutics) whereby Auven acquired the worldwide rights to Kiacta™ for an upfront payment of $10 million. In addition, Auven agreed to fund 100% of the development costs associated with the confirmatory Phase 3 study. The plan is to sell or license the rights to Kiacta™ to a commercial entity before or right after conclusion of the confirmatory Phase 3 study. As a reminder, in May 2014, Auven and Bellus Health engaged Lazard to act as a financial advisory and help explore the sale of Kiacta™ to a larger pharmaceutical company.

Bellus and partner, Auven, have stated that their goal is to sell or license the rights to Kiacta™ either shortly before or just after the confirmatory Phase 3 trial has concluded. It is expected that the parties will share aggregate proceeds equally, assuming that total divestment transaction proceeds reach a pre-determined threshold. Proceeds will be shared between Auven and Bellus based on a formula that provides for Auven to have certain preference rights on exit proceeds related to their investment costs in Kiacta™. For the purposes of deriving a value for Kiacta™, we have created a discounted cash flow model based upon what we forecast Kiacta™ could provide in future revenues and assume that the total realized consideration from a partnership transaction will reach, or exceed, the threshold necessary for Bellus and Auven to attain 50:50 revenue split.

Given the fact that AA Amyloidosis is a rare disease, it is difficult to determine a precise number of patients that are eligible for treatment with Kiacta™. Market research performed by Navigant Consulting on behalf of Bellus indicates that there are approximately 12,300 AA amyloidosis patients eligible to receive Kiacta™ in the world, with approximately 6,800 in the U.S., 3,500 in the E.U., and an additional 2,000 in the rest of the world. We note that Kiacta™ has been designated as an Orphan Drug in both the U.S. and European Union.

In order to model pricing for Kiacta™, we are assuming that it will be priced in-line with other ultra-orphan therapies and as such command a significant premium. The table below shows other ultra-orphan therapeutics, the U.S. patient population size and the price for treatment in both the U.S. and E.U.

	U.S. Pt. Pop. Size	Description	U.S. Price	E.U. Price
Vyndaqel (tafamidis)	1,500	1st treatment for transthyretin familial amyloid polyneuropathy (TTR-FAP)	-	$200K
Gattex (teduglutide rDNA)	9.500	Treatment of Short Bowel Syndrome	$295K	-
Kalydeco (ivacaftor)	1,350	Treatment of Cystic Fibrosis subpopulation with specific mutations to CFTR gene	$307K	$368K
Procysbi (cysteamide)	500	Management of nephropathic cystinosis	$250K	-
Juxtapid/Lojuxta (lomitapide)	3,000	Homozygous familial hypercholesterolemia (HoFH)	$250K	-
Jakafi/Jakavi (ruxolitinib)	1,500	One of first treatments for myelofibrosis; treats splenomegaly associated with myelofibrosis	$93K	$70K

We are modeling for Kiacta™ to be priced at $200,000/year in the U.S. and $150,000/year in the E.U. For our model, we have evaluated peak market shares of between 25-45% seven years after approval. We have modeled discount rates of between 15-25% to future cash flows and give the probability of approval at 75%. Based on these numbers we believe that Kiacta™ is worth approximately $150 million for Bellus in a future licensing deal/sale, taking into account the 50:50 split that will occur with Auven Therapeutics. Bellus Health current market capitalization is less than $75 million on a fully-diluted share count.

…Sarcoidosis Represents Upside To Kiacta™ Value…

In May 2014, Bellus and Auven announced they had signed a license agreement with Mount Sinai Hospital under which Auven obtained rights to develop Kiacta™ as a treatment for chronic sarcoidosis. By obtaining the rights to utilize Kiacta™ in a second indication, Bellus and Auven could further expand the commercial potential of the drug while helping patients suffering from this sometimes debilitating chronic disease.

The current plan for the development of Kiacta™ as a treatment for sarcoidosis is for Auven to conduct a Phase 2 proof-of-concept clinical trial to evaluate the safety and effectiveness of Kiacta™ as a treatment for certain medical manifestations of sarcoidosis during the first half of 2015. A study protocol should be finalized shortly. The Phase 2 trial should take approximately 18 months to complete. Just as with the confirmatory trial in AA amyloidosis, all costs related to the development of Kiacta™ in sarcoidosis will be borne by Auven. Any proceeds from potential future revenue of Kiacta™, including the rights to Kiacta™ for sarcoidosis, are subject to the proceeds sharing agreement between Bellus and Auven.

Conclusion: Valuation & Recommendation

We believe Bellus Health is worth $2.50 per share. Bellus is developing Kiacta™ for the treatment of AA amyloidosis. Our analysis largely values the company based on the potential for Kiacta™ in AA Amyloidosis, with some minor upside over the next several quarters based on progression into new areas of indications such as sarcoidosis, or with pre-clinical monoclonal antibody candidate, Shigamab™, for the treatment of hemolytic uremic syndrome (HUS) related to Shiga toxin-producing *E. coli* infection (STEC). Bellus has been granted Orphan Drug designation for Shigamab™ in the U.S. and EU for STEC-HUS. During the third quarter 2014, Bellus reported positive mouse model data performed in collaboration with the Uniformed Services University of the United States Department of Defense. The data show Shigamab™ was able to prevent toxicity of Shiga toxin type 2 in a sHUS as measured by body weight loss, renal biomarkers and renal histopathology.

We have constructed a model to derive a fair value for Bellus Health based upon a discounted cash flow analysis where we estimate the future revenues that Kiacta™ would likely bring in after approval if Bellus were to market the drug on their own. We use this as a guide for what an acquiring company would reasonably be expected pay for Kiacta™. We are modeling for Kiacta™ to be priced at $200,000/year in the U.S., $150,000/year in the E.U., and have conservatively modeled peak market share of between 25-45%. We model that Bellus would receive 50% of revenues per their agreement with Auven and estimate a 50% net income rate. We apply a discount rate of between 15-25% and believe that the Phase 3 confirmatory study has a 75% chance of success.

The following tables give the net present value (NPV) per share of Bellus' future cash flows from sales of Kiacta™ based on the aforementioned assumptions as well as the price per share based on 65.7 million shares fully diluted.

Market Share

Discount Rate	45%	40%	35%	30%	25%
25%	$2.32	$2.00	$1.66	$1.58	$1.38
23%	$2.76	$2.37	$1.97	$1.87	$1.64
20%	$3.29	$2.83	$2.36	$2.22	$1.95
18%	$3.95	$3.40	$2.83	$2.67	$2.34
15%	$4.77	$4.11	$3.43	$3.22	$2.83

Bellus' fair value per share

Based upon our model, we value Bellus at $2.50/share. This is based on a conservative 35% peak market share for Kiacta™ using a 20% discount rate. Given the current stock price, we believe that Bellus is significantly undervalued and offers investors tremendous upside at the current valuation. We reiterate the fact that Bellus and Auven have hired Lazard to facilitate the sale of Kiacta™, which we believe increases the likelihood that a larger pharmaceutical company will end up acquiring the drug.

Another caveat to our valuation is that our model does not account for Bellus signing a licensing deal instead of selling Kiacta™. We forecast Kiacta™ to have peak revenues of between $500 million and $1 billion, which would justify an upfront payment of $50 to $100 million coupled with mid-teens royalties. The upfront cash would certainly cause the market to re-price the stock appropriately, and depending upon the royalty rate could supply Bellus with a steady stream of income to deploy for development of additional products.

Lastly, even if our model is overly optimistic, and no company believes that Kiacta™ could achieve greater than a 25% market share and their cost of capital is greater than what we have forecast, the lowest fair value derived from our model still represents close to a 100% gain from the current share price. Thus, we are confident that an investor in Bellus at today's price can still expect a substantial rate of return on their investment

…Potential Risks Are Obvious…

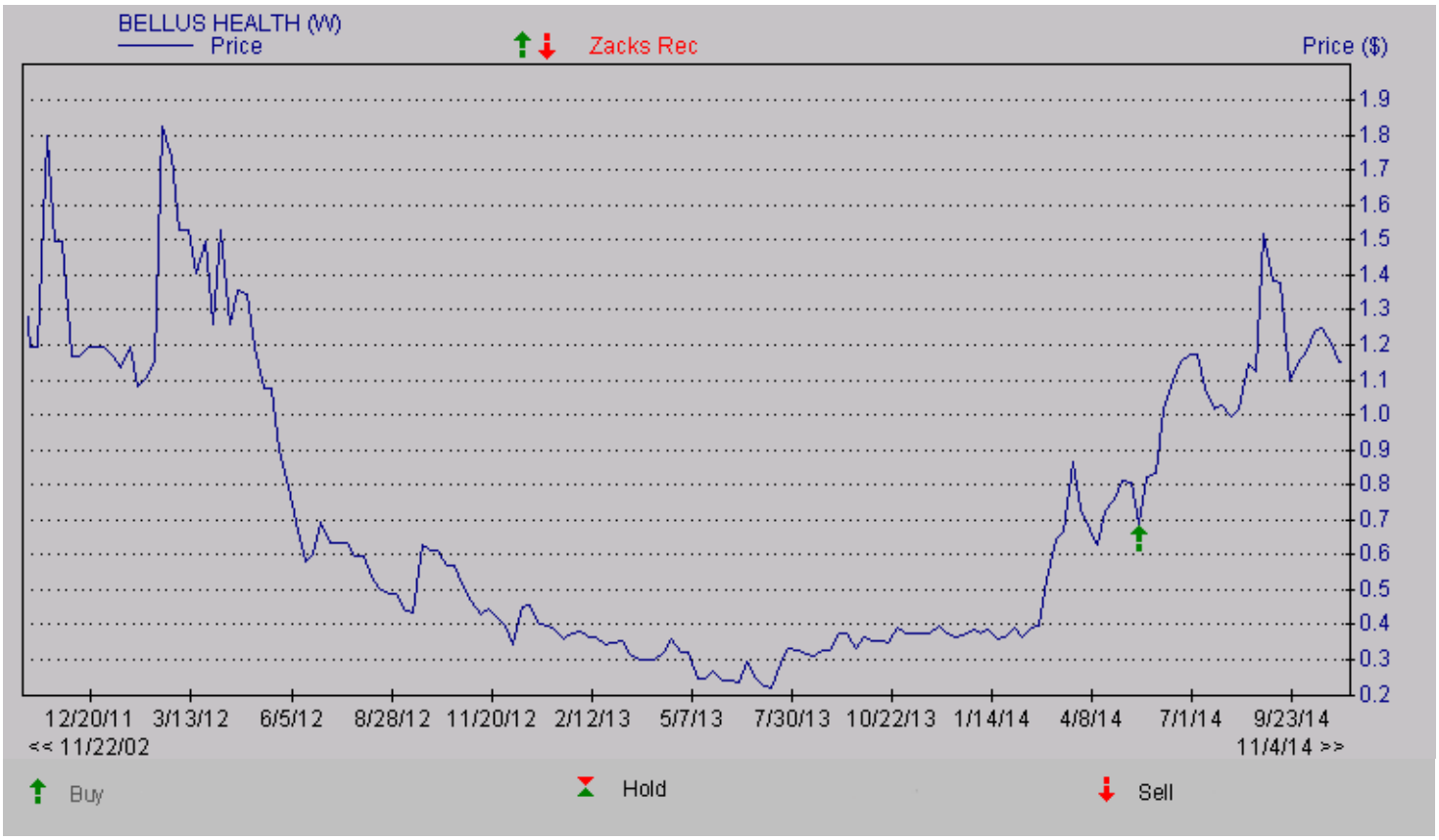
The biggest risk to our investment thesis is if the confirmatory Phase 3 study for Kiacta™ fails. Above we've outlined our thesis on why we believe the trial will succeed; however, if we are wrong and the trial fails, Bellus Health stock will tumble dramatically. Besides the obvious risk to running a large Phase 3 trial, additional risks include the timing and level at which Bellus and Auven can partner Kiacta™. We believe a Kiacta™ will be a highly attractive pre-NDA asset for a larger pharmaceutical company based on Orphan Disease market dynamics and limited competition. However, for investors to realize the full value of the asset Bellus and Auven need to strike a favorable partnership for commercialization. The timing and level represent risk because Bellus has enough cash to fund operations to late 2017. Thus, because we cannot guarantee a deal by that time, investors today need to be aware of financing and execution risk beyond simply clinical trial risk.

Bellus Health, Inc.
Income Statement (in Canadian dollars)

Bellus Health, Inc.	2012 A	2013 A	Q1 A	Q2 A	Q3 A	Q4 E	2014 E	2015 E	2016 E
Revenues	$2.298	$2.256	$0.475	$0.420	$0.420	$0.420	$1.735	$2.000	$2.500
YOY Growth	-	-	-	-	-	-	-	-	-
Total Revenues	**$2.298**	**$2.256**	**$0.475**	**$0.420**	**$0.420**	**$0.420**	**$1.735**	**$2.000**	**$2.500**
YOY Growth	-	-	-	-	-	-	-	-	-
Cost of Sales	$0	$0	$0	$0	$0	$0	$0	$0	$0
Product Gross Margin	-	-	-	-	-	-	-	-	-
General & Administration	$4.961	$4.275	$0.890	$0.847	$0.810	$0.860	$3.407	$5.000	$5.500
Research & Development	$0.954	$1.270	$0.464	$0.369	$0.406	$0.450	$1.689	$1.500	$1.800
Other Operating Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating Income	($3.6)	($3.3)	($0.9)	($0.8)	($0.8)	($0.9)	($3.4)	($4.5)	($4.8)
Operating Margin	-	-	-		-	-	-	-	-
Non-Operating Expenses (Net)	($9.553)	$2.340	$0.171	$0.028	$0.053	$0.100	$0.35		
Pre-Tax Income	($13.170)	($0.949)	($0.708)	($0.768)	($0.743)	($0.790)	($3.009)	($4.500)	($4.800)
Income Taxes Paid	$0	$0	$0	$0	($0)	$0	$0	$0	$0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	($13.170)	($0.949)	($0.708)	($0.768)	($0.710)	($0.79)	($3.01)	($4.50)	($4.80)
Net Margin	-	-	-	-	-	-	-	-	-
Reported EPS	**($0.28)**	**($0.02)**	**($0.01)**	**($0.02)**	**($0.01)**	**($0.02)**	**($0.06)**	**($0.08)**	**($0.08)**
YOY Growth	-	-	-	-	-	-	-	*309%*	*-2%*
Basic Shares Outstanding	47.4	47.4	47.4	47.4	47.4	52.00	48.56	55.00	60.00

Source: Zacks Investment Research, Inc. *Jason Napodano, CFA*

HISTORICAL ZACKS RECOMMENDATIONS



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