Zacks Small-Cap Research

September 17, 2015
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Enumeral Biomedical Holdings, Inc. (ENUM-OTC)

ENUM: Great progress has been made in pipeline advancement, Platform Validation Should Lead to Valuation Expansion…

Current Recommendation	**Buy**
Prior Recommendation	N/A
Date of Last Change	09/29/2014
Current Price (09/16/15)	$0.50
Target Price	**$2.00**

OUTLOOK

Enumeral's mission is to discover and develop best-in-class antibody immunotherapies using the company's proprietary platform that uniquely leverages human cell biology. On December 18, 2014, Enumeral Bio announced that it has signed an oncology-focused collaborative study agreement with Merck. The collaboration includes use of Enumeral's human approach to interrogating the tumor microenvironment in colorectal cancer tissues obtained directly from patients in order to identify functional cellular responses to immuno-oncology therapies being developed by Merck.

We believe the shares are attractively valued.

SUMMARY DATA

52-Week High	**$1.50**
52-Week Low	**$0.41**
One-Year Return (%)	**N/A**
Beta	**N/A**
Average Daily Volume (sh)	**24,059**
Shares Outstanding (mil)	**52**
Market Capitalization ($mil)	**$26**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**N/A**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Small-Cap Growth**
Industry	**Med-Drugs**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	$0.05 A	$0.00 A	$0.07 A	$0.04 A	$0.16 A
2015	$0.27 A	$0.38 A	$0.39 E	$0.44 E	$1.49 E
2016					$1.50 E
2017					$5.00 E

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

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	-$0.27 A	-$0.27 A	-$0.22 A	$0.06 A	-$0.26 A
2015	-$0.05 A	-$0.06 A	-$0.06 E	-$0.06 E	-$0.22 E
2016					-$0.15 E
2017					-$0.12 E

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WHAT'S NEW

Update on Second Quarter Financials Ended June 30, 2015

Total revenue for 2Q15 was $0.4 million for the three months ended June 30, 2015, as compared to $0 for the three months ended June 30, 2014. This increase in revenue is attributable to the Company's collaboration agreement with Merck and its grant from the National Cancer Institute.

R&D expenses in 2Q15 were $1.8 million, as compared to $0.8 million the three months ended June 30, 2014. This increase is primarily attributable to increases in payroll and personnel expenses related to the hiring of additional R&D employees, increases in outsourced services, increased laboratory costs, and an increase in depreciation expense. We expect R&D expenses to continue to increase as the Company continues to advance its pipeline.

G&A expenses in 2Q15 were $1.5 million, as compared to $0.3 million in 2Q14. This increase is primarily due to increases in payroll and personnel expenses and increased professional services fees, which includes additional fees related to being a publicly traded company.

GAAP net loss for 2Q15 was $0.03 million ($0.00 per share), as compared to a net loss of $1.2 million ($0.07 per share) for 2Q14. This decrease was primarily due to an increase in the change in fair value of derivative liabilities of $2.9 million and an increase in revenues of $0.4 million, offset by an increase of $2.2 million in research and development and general and administrative expenses.

Non-GAAP net loss was $2.9 million ($0.06 per share) for 2Q15, as compared to non-GAAP net loss of $1.2 million ($0.06 per share).

As of June 30, 2015, Enumeral held $8.4 million in cash, cash equivalents and marketable securities. Current cash and cash equivalents, as well as anticipated cash flow from collaborations, will be sufficient to support its operations into the second quarter of 2016 according to our financial model.

Overall, the company's financial results for the second quarter of 2015 were in line with our expectations. It's certainly a non-event for Enumeral. Investors' focus should be on the achievements the company has made in advancing its pipeline and business development. In this regard, we think Enumeral has made great progress in the last few quarters.

Update on Collaboration with Merck

In December, 2014, Enumeral signed an oncology-focused collaborative study agreement with **Merck**. The collaboration includes use Enumeral's human approach to interrogating the tumor microenvironment in colorectal cancer tissues obtained directly from patients in order to identify functional cellular responses to immuno-oncology therapies being developed by Merck. Enumeral's human-driven immune profiling platform may increase the probability of finding rare immune cells associated with disease or drug response through improved efficiency and sensitivity. Studying rare cells obtained directly from human patients for their functional responses can potentially lead to identification of those patients responsive to a therapy, while elucidating the underlying cellular basis for such a response.

We think this is a huge validation of Enumeral's platform. Although terms of the agreement were not disclosed, Merck will provide R&D funding to Enumeral. Additionally, Enumeral is eligible to receive undisclosed future milestone payments if certain goals are achieved. Merck has exclusive rights to data related to its proprietary compounds that are generated from the studies.

On September 8, 2015, Enumeral announced that it has achieved the first milestone in its collaboration with Merck. Though no details were disclosed about the achievement, we believe Enumeral will receive a milestone payment from Merck.

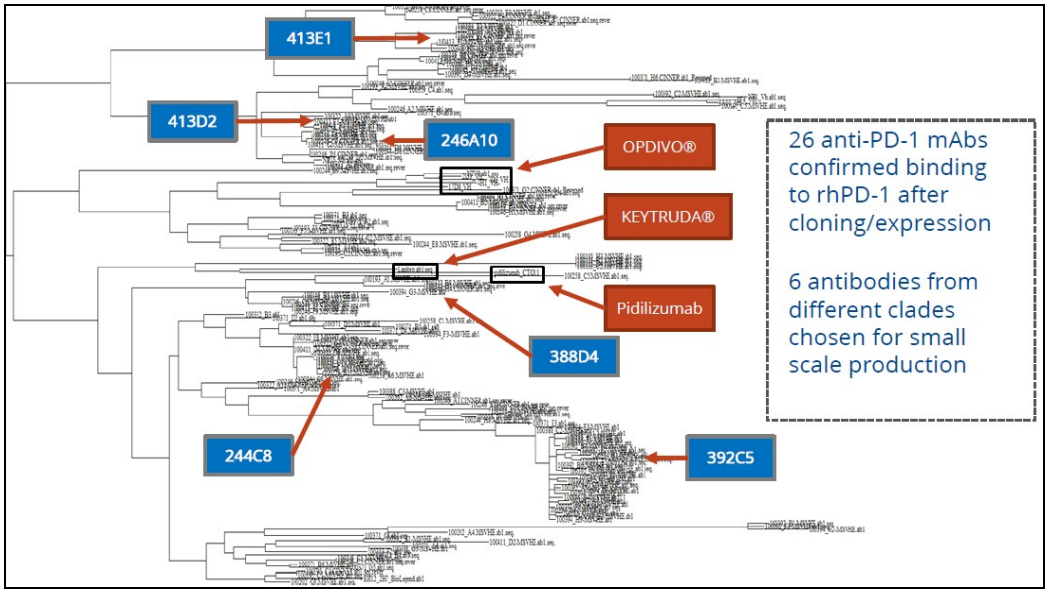
Platform Validates On Multiple Fronts

In July 2015, Enumeral announced recent progress in its PD-1 antibody program and also provided an update on the progress of additional programs in the Company's R&D pipeline, including its TIM-3 antibody program.

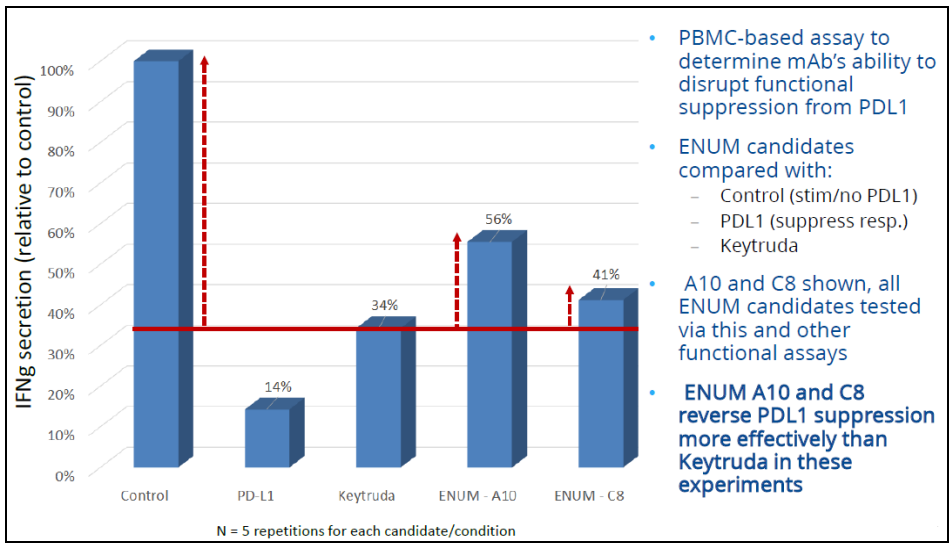
Update on PD-1 Antibody Program

Enumeral has identified antibodies that appear to bind to PD-1 in a manner different from that of currently marketed anti-PD1 antibodies, while retaining activity in cell-based assays. The Company has isolated more than 300 sequences of PD-1 binding antibodies from primary B cells in its PD-1 program. The Company's bioinformatics analysis of sequences indicates that these antibodies are diverse, falling into **26 distinct clades**, or families, that bind to PD-1.

Enumeral has advanced **six lead clones** into pre-clinical characterization, **four of which** are undergoing humanization. The humanization of 388D4 has been completed. The Company anticipates that the humanization process will be completed before the end of 2015, which will enable initiation of cell line development for IND-enabling studies.



Enumeral's PD-1 antibodies have superior function than Keytruda. In the PBMC-based assays, ENUM A10 and C8 reverse PDL1 suppression more effectively than Merck's Keytruda.



From these initial results, we believe Enumeral's PD-1 antibodies are differentiated, which might elicit desirable cellular immune responses among subsets of tumor infiltrating lymphocytes (TILs) that differ from those observed

with competitor antibodies against the same target. We look forward to the completion of humanization process of these antibodies and the initiation of the IND-enabling studies by the end of this year.

Update on TIM3 Program

The T-cell inhibitory receptor **Tim-3** (T-cell immunoglobulin and mucin-domain containing-3) is one of the check point proteins, which exhibits several unique features that make it an intriguing candidate for the next wave of therapies that target immune checkpoints in cancer. Tim-3 is currently receiving much attention due to its demonstrated success in multiple preclinical cancer models.

In Enumeral's TIM-3 program, the Company has isolated 180 screening hits and has sequenced 88 TIM-3 binding antibodies to date. The screening efforts are ongoing.

Enumeral's bioinformatics analysis has indicated desirable diversity, with the antibodies falling into **17 unique clades** that bind to TIM-3. Enumeral plans to apply its unique approach to cellular immune response profiling to further understand the utility of these different antibodies for modulation of different TILs.

Enumeral's TIM-3 antibodies may have the potential to promote anti-cancer immune responses, either as a monotherapy or in combination with other therapies, including other immune checkpoint-targeted drugs. The company currently anticipates nominating lead clones in 4Q15, and beginning the humanization process by the end of this year.

Other Pipeline Update

In addition to PD-1 and TIM-3 antibodies, Enumeral is also engaged in ongoing antibody screening in its LAG-3, OX40, and VISTA programs. Using human biopsy samples, the Company intends to validate antibody blocking effects against these targets, and then assess potential monotherapy or combination therapy regimens using our proprietary antibodies.

Enumeral and UMass Medical School Enter Into Research Study Agreement

On August 26, 2015, Enumeral announced that it has entered into a research study agreement with University of Massachusetts Medical School **(UMMS),** which includes its clinical partner, UMass Memorial Health Care, Inc.

Pursuant to the study agreement, UMass Medical School will provide Enumeral with tissue samples and blood samples from subjects with melanoma who are being treated with Ipilimumab (Yervoy). Enumeral will fund the tissue collection activities, and Enumeral will have access to the samples for research-only use in in-vitro studies.

Enumeral will apply the company's proprietary platform technology to analyze single immune cells within the patient samples. The study will be conducted under the direction of William Walsh, M.D., Clinical Associate Professor of Medicine at UMMS and principal investigator.

We believe this collaboration will allow Enumeral to study the effects of checkpoint blockade on the immune system at single cell resolution, by analyzing blood and tumor-tissue directly from individual patients using Enumeral's unique immunoprofiling platform. Information generated from the study could enable Enumeral to get insights into which immunotherapeutic strategies may be successful in patients that are not well-treated by currently marketed drugs and could lead to the development of new immunotherapies from Enumeral's Human Approach.

Valuation & Recommendation

We maintain our Buy rating on Enumeral shares and reiterate our 12-month price target of $2.00 per share.

We continue to be optimistic about the prospect of the company, especially about its internal anti-check point antibody programs and the potential for licensing opportunities.

Enumeral is a development stage biotech company with a focus on immunotherapy for cancer and inflammatory disease. The Company has developed a proprietary platform technology with the ability to screen antibodies at a single cell level, which holds multiple advantages over existing technologies.

Based on this platform technology, Enumeral is currently focused on therapeutic discovery and immune profiling with the goal to build a robust pipeline rapidly and in a cost effective way. Currently, the discovery is focused on

antibodies targeting immune checkpoints of PD-1, TIM-3, OX40 and Lag-3. The Company plans to file IND and initiate Phase I clinical trial for PD-1 in 2016 in collaboration with a co-development partner.

In addition to its internal programs, Enumeral also plans to monetize its technology by establishing partnerships with big pharma or biotech companies, the most recent agreement with Merck was signed in December 2014. Prior to the Merck collaboration, the company already had multiple proof-of-concept partnerships with a few big pharma companies. We anticipate more deals coming in 2016. We believe such large-scale collaborations will not only provide non-dilutive financing to the company, but also further validate Enumeral's technology and programs.

In terms of valuation, we think Enumeral is undervalued at the current market price. Currently, Enumeral shares are trading at about $0.50 per share, which values the company at about $26 million in market cap based on 51.6 million outstanding shares. We acknowledge that Enumeral is still in the early development stage with a Phase I trial starting in 2016. But when we look at the company in detail and the industry in which it operates, we realize that this company has the potential to grow dramatically in the next few years. The unique platform technology not only provides the basis for rapidly building a robust pipeline, but also forms the basis for corporate partnerships that will generate near term revenue for the company.

Our price target of $2.00 per share corresponds to a market cap of $104 million, which we think is appropriate at this point of time if the company executes on its objectives and is able to see its lead programs progress into Phase I clinical testing by the end of 2016. Risks associated with our price target include the failure of the internal program development and failure to find appropriate corporate partners. But generally speaking, we think Enumeral is a company with great potential and a name with favorable risk/reward profile for investors with a relatively long investment horizon.

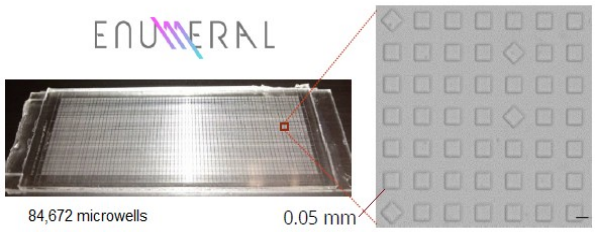
INVESTMENT OVERVIEW

Enumeral's mission is to discover and develop best-in-class antibody immunotherapies using the company's proprietary platform that uniquely leverages human cell biology.

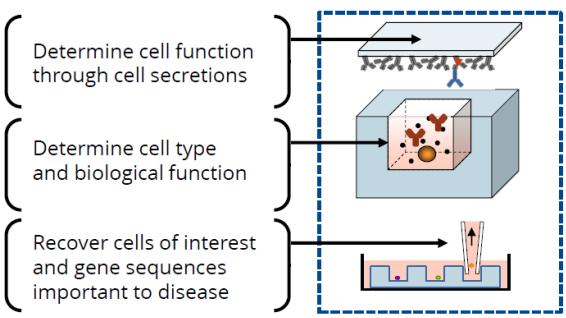
Microengraving Technology

Enumeral's microengraving technology integrates proprietary and standard laboratory processes, along with data acquisition and software, to link multiple parameters of cell function with high throughput and sensitivity target screening. The platform uses a proprietary chip which contains on its surface a soft molded dense array of spatially addressable subnanoliter microwells affixed to a glass slide, and standard laboratory equipment such as manual pipetting devices, slide washers, microscopes and microarray readers. The device is currently manufactured from polydimethylsiloxane (PDMS).

The first component of the platform process is a thin PDMS chip of the size of a standard microscope slide. It may be configured for arrays containing ~85k or ~250k 0.05 mm microwells, depending on the experimental protocol. These microwells are 1/60th the size of conventional 3.0 mm wells, allowing for substantially greater sample sensitivity.



The second component of the process is a glass microscope slide that has been functionalized (i.e. coated with capture reagents) to enable it to create a "printed" microarray representation of secreted proteins from individual cells. Each microwell is then attachment to the top of the PDMS chip, in effect sealing each individual subnanoliter microwell for a fixed period of time. Due to device configuration, each location on the now printed microarray slide is spatially registered to a corresponding microwell in the device.



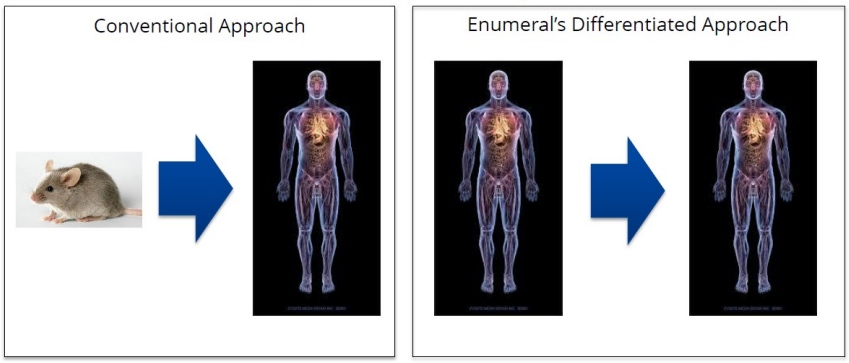
Human cells (from blood, serum, or tissue) are introduced to the chip through simple non-specified pipetting (no pre-processing required) and allowed to settle naturally from suspension into microwells. The cells weakly adhere to the bottom of the individual wells, essentially creating an immune system on a chip. The design of the system facilitates cell dispersion across its surface, resulting in rapid loading and analysis for preclinical validation.

Enumeral's technology enables extensive interrogation of the immune microenvironment in human biopsy samples. The extremely small scale ensures that adequate quantities of secreted materials are available for analysis after very short incubation periods (10–60 minutes). Detectable secreted materials include antibodies, cytokines, and other pharmacologically relevant substances including cell culture. Cell types include T-Cells, B-Cells, peripheral blood mononuclear cells, mucosal, cerebral spinal fluid, and bone marrow tissue sourced from humans and mic. The platform:

- ✓ Uniquely enables the enumeration and rapid identification of rare immune cells critical to immune responses;
- ✓ Facilitates the analysis of function and the lineage of the cells in an unbiased fashion;
- ✓ Allows the analysis of cell surface markers and numerous types of cell secretion (antibodies, cytokines) through its proprietary micro-engraving process;
- ✓ Enables the recovery of individual cells – while they are still alive – in order to obtain single cell gene sequence information (linking function and genetics) through reverse transcription polymerase chain reaction (RT-PCR).

The entire process is designed to allow pre-clinical validation of targets by using human tissue samples, as oppose to conventional animal (murine) or in vitro approaches to discovery and target validation. However, research and animal models are generally not predictive of human response. Enumeral believes that the more human information that can be leverage prior to clinical studies, the higher the success rate will be and the more likely it is that those selections will be "best-in-class" candidates. We call this "rational target validation".

Research models do not predict human response to immunotherapies

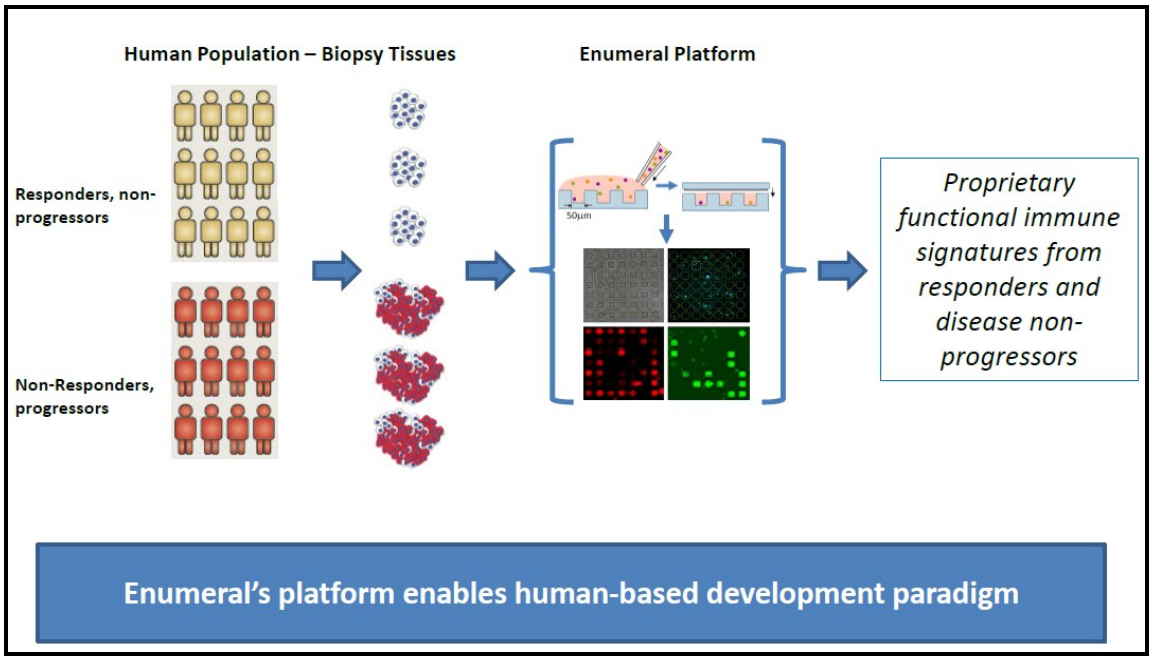


Therapeutic Discovery: Inputs are cellular libraries that are derived from the company's own target-specific mouse immunization campaigns or cellular libraries from human patient donors. Antibody hits and leads are the output. These hits and leads are further characterized for biological activity, confirmation of which may lead to drug candidates that can be brought to clinical trials. It is important to note that Enumeral's platform enables rapid, low-cost generation of proprietary libraries, removing the need for in-licensing potentially expensive third-party libraries.

Immune Profiling: Inputs are tissue samples sourced from patients or commercial vendors, and the outputs are single cell functional profiles including assessment of the frequencies of functional immune cells. When such assays are carried out with cells in the presence of potential antibody candidates, as a way of measuring the potential modulation effects of the tested candidate, such information will enable the company to rationally select antibody therapeutic candidates with the best immune cell targeting properties – that is, those candidate that are observed, through application of the platform, to interact with and activate or modulate appropriate effector cells preferentially over potentially harmful inflammatory or other damaging cells.

Advantages of Enumeral's Technology

We believe Enumeral's antibody discovery technology holds multiple advantages over currently available technologies. For example, Enumeral's technology has the capability to analyze primary patient-derived biopsy tissues to mine the human immune system for information that is difficult to obtain using conventional methods. Data obtained may guide the development of new and more effective therapeutic and diagnostic products. The technology is designed to increase the efficiency, sensitivity, and probability of finding rare cell types associated with disease or drug response, as well as rare and previously unknown antibodies that may have the potential to become novel therapeutic candidates.



Enumeral believes its technology platform allows for faster and more efficacy target discovery and lead optimization. One way the technology accomplishes this goal is by performing drug candidate validation at the single cell level. This analysis can determine, even on very few immune cells, whether or not the relevant target proteins are expressed and the variety of cell types upon which they are displayed. Enumeral scientists can then use this information to determine things like beneficial effect, toxic effect, or a disease state. These single cell functional profiling capabilities provide for a deeper understanding of the variety of human responses, and thus, may provide a rational basis to guide product design and development.

Enumeral's technology platform can also improve the prospects of antibody discovery programs by enabling quantitative screening of antibody-secreting cells in a population of cells without introducing bias from prior sorting according to cell surface markers or other low-yield transformation and handling steps. The platform is also agnostic as to the species of cell sample origin, and works on human, mouse or rabbit models.

When applied to human cells, Enumeral's technology increases the probability of finding rare antibodies that have the characteristics essential to becoming safe and effective drugs while also providing for an assessment of antibody affinity, specificity and potential tolerability much earlier in the discovery and development process than with conventional techniques. Further, quantifying individual human immune response directly in blood or biopsy samples should enable the development of immune-based diagnostic products for the classification of responders and non-responders to therapeutics.

With Enumeral's platform, individual cell secretions can be analyzed while retaining viable cells for further analysis. Other assay methods for determining cell function and phenotype (ELISpot, FACs, et. al.) that are common to other approaches usually result in the death of the cells under study. In addition, further sequential rounds of micro-engraving onto additional multiplexed capture slides can be performed, greatly expanding the analytic capability of the platform.

After cells that generate antibodies of interest are identified, the individual cells are retrieved and RT-PCR is performed in order to obtain DNA sequence information corresponding to the potential antibodies.

Enumeral's single cell RT-PCR recovery rates for matched heavy and light DNA sequences are typically greater than 50%, with 80-90% for antibody heavy chain and light chain genes individually, compared to the industry standard of around 50% for heavy chains, and significantly less for antibody light chain genes.

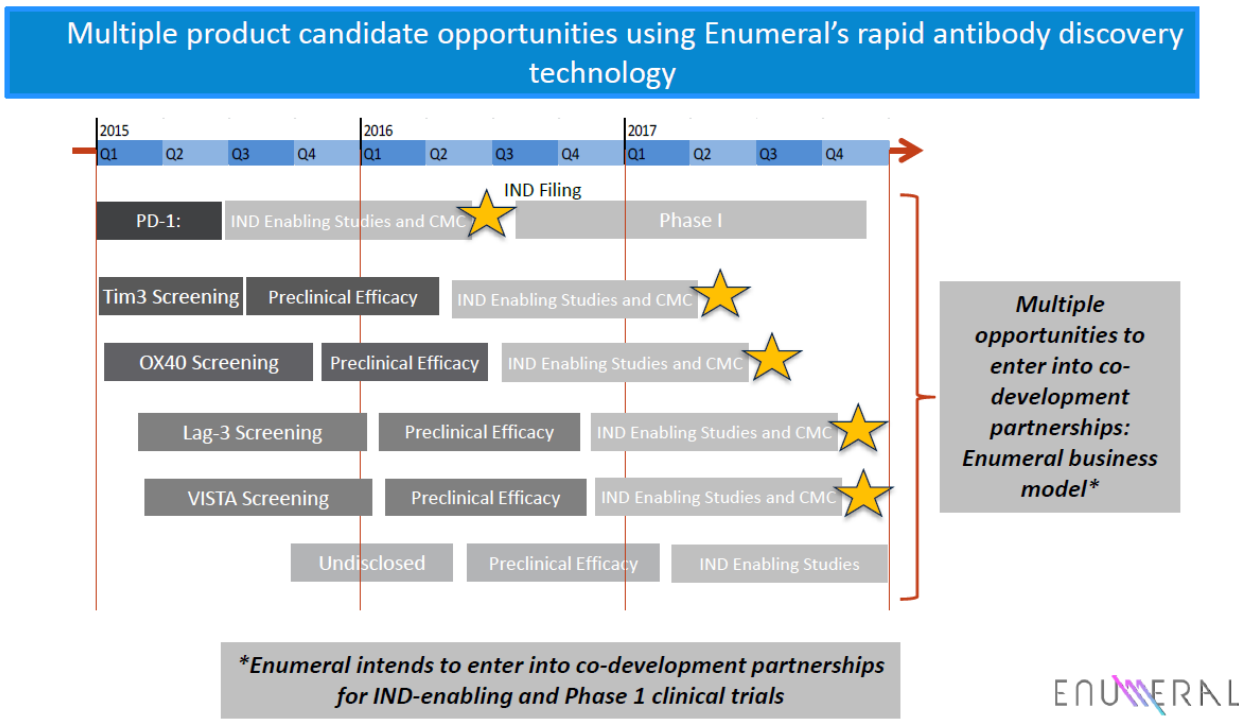
Enumeral's Internal Programs

Enumeral is currently developing antibodies against three checkpoint protein targets for the treatment of cancer and other diseases. All three targets, PD-1, OX40, and Lag-3, along with CTLA-4, are a group of functionally-related proteins expressed on various immune cells, including T cells, that together function as immune checkpoints. Management plans to generate superior antibodies for these three targets for both in-house development and co-development with partners. Target therapeutic areas include cancer, inflammatory diseases, autoimmune diseases, and infectious diseases. Management plans to use its proprietary platform technology to determine rational development strategies across these disease areas.

For example, Enumeral has developed assays to identify animal- and human-derived native antibodies that bind to PD-1, OX40, and Lag-3. Initial screens have identified hundreds of antibody candidates that bind to PD-1, with a subset undergoing initial preclinical validation. Characterization of additional antibodies is ongoing, and proprietary libraries directed at OX40 and Lag-3 are being screened. Management's goal is to initiate partnering discussions for the company's PD-1 program here in 2015.

In order to accelerate the development of antibody therapeutics, Enumeral is also developing assays to stratify patients with various cancers and other disease that might benefit from immunomodulatory treatment. Disease-specific assays can be rapidly developed for each type of patient population using the company's technology. Such assays will be applied in ex vivo "human preclinical" trials using biopsies from the intent-to-treat population to select lead candidates that exhibit the best immunomodulatory profiles, including appropriate activation of immune cells that target the tumor cells. The company will also apply the assays for measurement of the potential for more general unwanted immune-related effects, such as inappropriate cytokine release or lymphocyte activation, especially immune-suppressive or tumor-promoting lymphocytes, to aid in selection of best-in-class lead candidates.

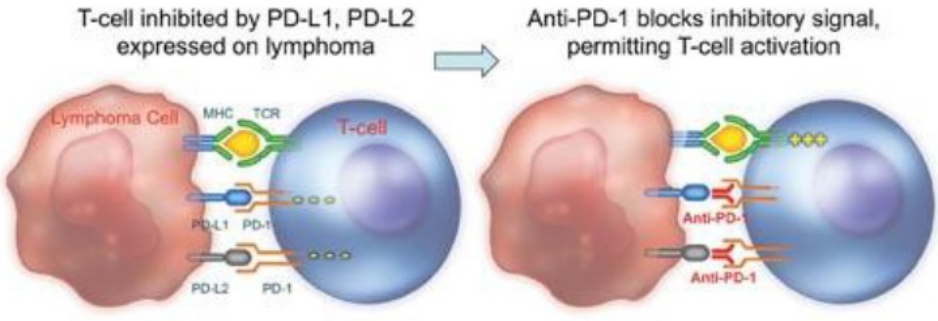
The development of stratification tools will enable predictive decision making during development, which should lead to faster, less costly, and ultimately more successful clinical development.



The Anti-PD-1 Program

Enumeral started the screening for anti-PD-1 antibodies from immunized rodents at the end of the fourth quarter of 2013. This work led to the identification of novel antibodies that bind to PD-1 in vitro and expressed on the surface of T cells. Multiple diverse antibody sequences were identified in the screening, two of which contain similar sequences to two different Phase 3 product candidates, Merck's pembrolizumab and Bristol-Myers' nivolumab, indicating the potential of Enumeral's platform to rapidly identify commercially-relevant antibody candidates. Two lead antibodies have been demonstrated to be functionally similar to others described in the literature. Ongoing preclinical evaluation is aimed at determining which candidates demonstrate optimal 'ex vivo' human functional characteristics.

Following preclinical evaluation and lead nomination, Enumeral plans to identify partners and contract research organizations (CROs) to undertake the required preclinical disease model and IND-enabling safety and toxicity studies, as well as formulation and CMC package development for the IND filing. Management currently expects to have such preclinical and ex vivo human data packages on its first program during the first half of 2015, and the second and third programs, within the later in the year. If timelines hold, we estimate first Phase 1 clinical trial could start in 2016.



http://www.hematology.org/Thehematologist/Diffusion/2560.aspx

Collaborative Partnerships

As an early development stage biotech company, Enumeral seeks to enter into collaborative partnerships for product discovery, development and commercialization. We believe these partnerships are important to Enumeral in the following aspects:

- ✓ Partnership can accelerate the development of product candidates through the potential leverage provided by large companies, including, research and development capabilities, manufacturing, clinical and regulatory expertise, and sales and marketing.

- ✓ Partnership further validates the company's technology and the potential of its candidates;

- ✓ Partnership can boost the company's balance sheet by providing non-dilutive financing in terms of upfront, milestone and royalty payments.

Enumeral has completed several collaborations with four leading pharmaceutical companies in the form of proof-of-concept projects that have provided for modest cash payments (in the hundreds of thousands of dollars per project). The most recent agreement with Merck was signed in December 2014. We anticipate management entering into one or more additional large-scale corporate collaborations in the next twelve months.

We believe that such large-scale collaborations provide platform validation and meaningful revenues that will reduce future operating losses and equity financing requirements through a combination of up-front payments, subsequent milestone payments as the candidate clears pre-clinical and clinical regulatory hurdles, and royalty payments upon future sales of the marketed drug.

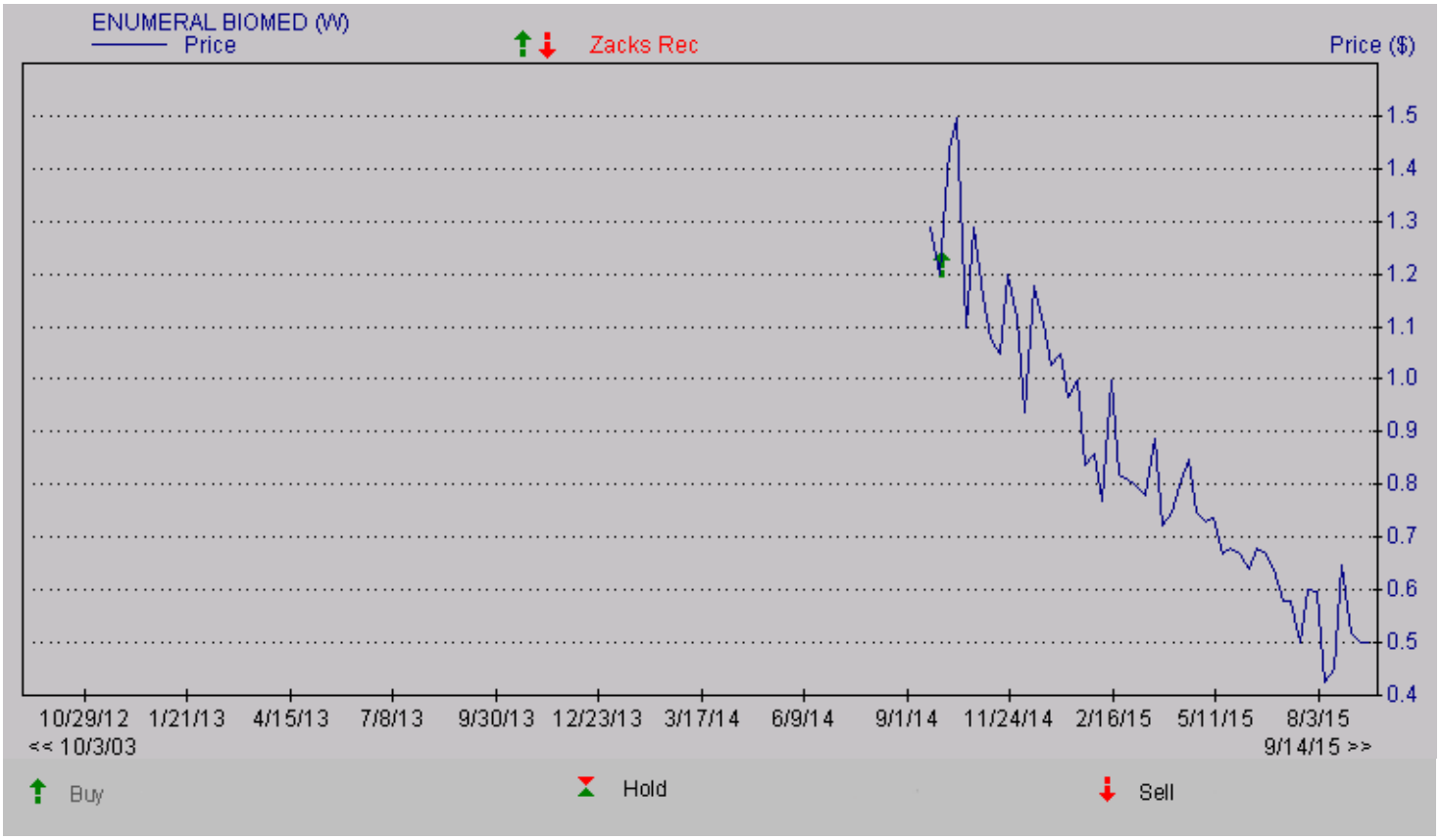
INCOME STATEMENT

_	2014					2015					2016	2017	2018	2019
$ in millions except per share data	Q1	Q2	Q3	Q4	FYE	Q1	Q2	Q3	Q4	FYE	FYE	FYE	FYE	FYE
Collaboration/license Revenue	$0.05	$0.00	$0.07	$0.00	$0.12	$0.21	$0.29	$0.30	$0.35	$1.15	$1.50	$5.00	$7.50	$10.00
Grant Revenue	$0.00	$0.00	$0.01	$0.04	$0.05	$0.07	$0.09	$0.09	$0.09	$0.34	$0.00	$0.00	$0.00	$0.00
Product Sales	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	*#DIV/0!*	*#DIV/0!*
Total Revenues	**$0.05**	**$0.00**	**$0.07**	**$0.04**	**$0.16**	**$0.27**	**$0.38**	**$0.39**	**$0.44**	**$1.49**	**$1.50**	**$5.00**	**$7.50**	**$10.00**
YOY Growth	-	-	-	-	-	*441.7%*	-	*453.9%*	*925.5%*	*806.0%*	*0.9%*	*233.3%*	*50.0%*	*33.3%*
CoGS	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Gross Income	**$0.05**	**$0.00**	**$0.07**	**$0.04**	**$0.16**	**$0.27**	**$0.38**	**$0.39**	**$0.44**	**$1.49**	**$1.50**	**$5.00**	**$7.50**	**$10.00**
Gross Margin	*100.0%*	-	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
R&D	$0.69	$0.79	$1.06	$1.04	$3.58	$1.23	$1.81	$1.90	$1.95	$6.89	$5.50	$7.50	$9.00	$12.00
% R&D	*1351.5%*	*#DIV/0!*	*1503.7%*	*2425.1%*	*2180.0%*	*447.9%*	*473.4%*	*487.2%*	*443.2%*	*463.4%*	*366.7%*	*150.0%*	*120.0%*	*120.0%*
SG&A	$0.50	$0.34	$1.16	$1.01	$3.02	$1.42	$1.49	$1.50	$1.50	$5.92	$4.00	$4.50	$5.00	$5.50
% SG&A	*994.0%*	*#DIV/0!*	*1652.1%*	*2352.2%*	*1840.6%*	*518.7%*	*391.3%*	*384.6%*	*340.9%*	*398.2%*	*266.7%*	*90.0%*	*66.7%*	*55.0%*
Others	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
% Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	**($1.1)**	**($1.1)**	**($2.2)**	**($2.0)**	**($6.4)**	**($2.4)**	**($2.9)**	**($3.0)**	**($3.0)**	**($11.3)**	**($8.0)**	**($7.0)**	**($6.5)**	**($7.5)**
Operating Margin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (Net)	($0.1)	($0.1)	($6.7)	$5.0	($1.7)	$4.7	$2.9	$0.0	$0.0	$7.6	($0.8)	($0.8)	($0.8)	($0.8)
Pre-Tax Income	**($1.2)**	**($1.2)**	**($8.8)**	**$3.0**	**($8.2)**	**$2.3**	**($0.0)**	**($3.0)**	**($3.0)**	**($3.8)**	**($8.8)**	**($7.8)**	**($7.3)**	**($8.3)**
Net Taxes (benefit)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5.0
Tax Rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*-60.2%*
Reported Net Income	**($1.2)**	**($1.2)**	**($8.8)**	**$3.0**	**($8.2)**	**$2.3**	**($0.0)**	**($3.0)**	**($3.0)**	**($3.8)**	**($8.8)**	**($7.8)**	**($7.3)**	**($13.3)**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Margin	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Weighted avg. Shares Out	*16.7*	*18.7*	*40.7*	*52.1*	*32.0*	*52.8*	*51.6*	*52.0*	*53.0*	*52.4*	*60.0*	*65.00*	*70.00*	*75.00*
Reported EPS	**($0.07)**	**($0.06)**	**($0.22)**	**$0.06**	**($0.26)**	**$0.04**	**($0.00)**	**($0.06)**	**($0.06)**	**($0.07)**	**($0.15)**	**($0.12)**	**($0.10)**	**($0.18)**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	-
One time charge	$0.00	$0.00	$6.67	($5.05)	$1.62	($4.67)	($2.89)	$0.00	$0.00	($7.56)	$0.00	$0.00	$0.00	$1.00
Non GAAP Net Income	**($1.2)**	**($1.2)**	**($2.2)**	**($2.0)**	**($6.6)**	**($2.4)**	**($2.9)**	**($3.0)**	**($3.0)**	**($11.3)**	**($8.8)**	**($7.8)**	**($7.3)**	**($12.3)**
Non GAAP EPS	**($0.07)**	**($0.06)**	**($0.05)**	**($0.04)**	**($0.20)**	**($0.05)**	**($0.06)**	**($0.06)**	**($0.06)**	**($0.22)**	**($0.15)**	**($0.12)**	**($0.10)**	**($0.16)**

Source: company filings and Zacks estimates

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