

RESEARCH UPDATE

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Market Statistics in USD

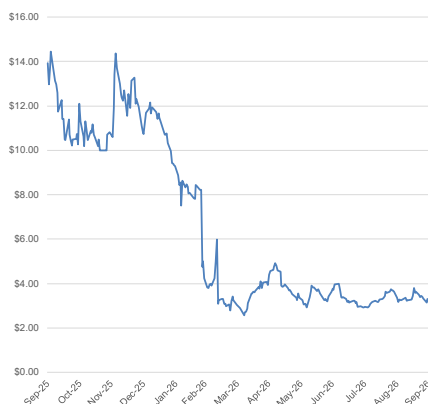
Price	\$	3.24
52 week Range	\$2.49 - \$15.00	
Daily Vol (3-mo. average)	121,954	
Market Cap (M)	\$	40.6
Enterprise Value (M)	\$	(27.0)
Shares Outstanding: (M)	12.5	
Float (M)	10.2	

Financial Summary in USD

Cash (M)	\$	67.7
Cash/Share	\$	5.40
Debt (M)	\$	0.1
Equity (M)	\$	67.4
Equity/Share	\$	5.37

Valuation in USD

Valuation Range	\$17.97 - \$20.61
2028E Price Target	\$ 19.22



Company Description

Incannex Healthcare, Inc. is a clinical-stage biopharmaceutical development company focused on developing innovative medicines for patients living with chronic diseases and significant unmet need. Incannex is advancing **oral fixed-dose combination therapies and psychedelic-assisted treatments** targeting sleep apnea, anxiety, and inflammatory diseases. Incannex's lead programs include IHL-42X for the treatment of obstructive sleep apnea (OSA), PSX-001, an oral synthetic psilocybin treatment used in combination with psychological therapy for generalized anxiety disorder (GAD), and IHL-675A, an oral fixed-dose combination therapy being evaluated for potential further development in inflammatory conditions following termination of its Australian Phase 2 rheumatoid arthritis trial. Each of these programs target conditions for which there are either no approved treatments, or the available treatments are inadequate.

INCANNEX HEALTHCARE INC. (NASDAQGM: IXHL)

Company Summary

IXHL's FY26 update moves the IHL-42X story from DReAMzz preparation into active clinical execution, with first-patient dosing underway and the balance sheet providing runway for at least 12 months of planned operations. The study is evaluating approximately 120 patients across nine dose combinations and 14 U.S. sites, with completion expected in mid-2027. In our view, the next several quarters should be measured primarily by enrollment cadence, dose optimization, and whether DReAMzz supports a more clearly defined Phase 3 design rather than near-term P&L trends. This sequencing should improve confidence in dose selection and Phase 3 trial design before IXHL commits to the higher development spending associated with late-stage studies.

IHL-42X / DReAMzz Update: First-patient dosing began in August, moving the program from site activation into active recruitment and treatment. DReAMzz incorporates FDA feedback and is designed to refine the dronabinol/acetazolamide ratio before Phase 3. The study is currently enrolling across 14 U.S. sites, and management expects completion in mid-2027. Separately, IXHL secured a U.S. patent covering the IHL-42X composition and methods of treatment, with baseline protection extending to July 2040.

Results/Financing: FY26 net loss narrowed to \$19.3M from \$46.9M, largely reflecting lower warrant fair-value losses and the absence of prior-year financing-related charges. Operating expenses declined 4% to \$23.0M, with R&D down 52% to \$5.2M due to timing between RePOSA completion and DReAMzz commencement, partially offset by a 36% increase in G&A to \$17.8M, primarily from higher stock-based compensation. Operating cash use was \$12.9M, while unrestricted cash totaled \$68.4M as of September 24.

Clinical Data Foundation: RePOSA continues to provide the clinical foundation for IHL-42X. The 121-subject Phase 2 study demonstrated statistically significant reductions in AHI and oxygen desaturation index versus placebo across both low- and high-dose groups, with individual AHI reductions of up to 83%. Accordingly, DReAMzz is focused on optimizing dose selection and strengthening the registrational package rather than re-establishing the underlying efficacy signal.

Capital Position/Pipeline: IXHL received more than A\$11.2M of non-dilutive Australian R&D tax funding during 2026 and repurchased 2.2M shares for \$9.4M during FY26 before the \$20M authorization expired in August. Management expects current resources to fund planned operations for at least the next 12 months, while R&D spending should rise as clinical development advances. We view PSX-001 as the secondary clinical focus, supported by positive PsiGAD1 data, an FDA-cleared IND and recent MHRA scientific-advice engagement, with the next clinical study design under evaluation. The IHL-675A rheumatoid-arthritis study was terminated following slower-than-anticipated enrollment, with insufficient data to support conclusions on efficacy or safety.

Valuation: We use a probability-adjusted Discounted Cash Flow Model when valuing IXHL. Our valuation model returns a valuation range of \$17.97 to \$20.61 with a price target of \$19.22 based on a discount rate range of 13.75% to 16.25% and a current risk adjustment range of 13% to 18%. Further details on our model can be found on the valuation page of this report. We note that this model is highly levered to the out years due to the long term nature of IXHL's industry, leading to the potential for dramatic re-ratings as new information becomes available.

Valuation

We use a probability-adjusted Discounted Cash Flow Model when valuing IXHL. Our valuation model returns a valuation range of \$17.97 to \$20.61 with a price target of \$19.22 based on a discount rate range of 13.75% to 16.25% and a current risk adjustment range of 13% to 18%. Key assumptions in this valuation include the tax incentive rate remaining at 48.5%, a current total market size of approximately 92.7B, a total market size CAGR of 4.4% over the foreseeable future, and a steadily increasing market capture percentage. Uncertainties that would have a significant impact on this model would be variances in the time to market for any of the three leading drug candidates which would impact the risk rating, the capital needs of IXHL going forward which would impact the shares outstanding, and any changes to market capture due to a number of variables that would influence the Company's revenue potential. We note that this model is highly levered to the out years due to the long term nature of IXHL's industry, leading to the potential for dramatic re-ratings as new information becomes available. Currently we believe the Company will begin revenue generation as early as FY29.

Business Overview

Incannex Healthcare, Inc. (“the Company”, “Incannex”, or “IXHL”) is a clinical-stage biopharmaceutical development company focused on developing innovative medicines for patients living with chronic diseases and significant unmet need. Incannex is advancing oral fixed-dose combination therapies and psychedelic-assisted treatments targeting sleep apnea, anxiety, and inflammatory diseases. Incannex’s lead programs include IHL-42X for the treatment of obstructive sleep apnea (OSA), PSX-001, an oral synthetic psilocybin treatment used in combination with psychological therapy for generalized anxiety disorder (GAD), and IHL-675A, an oral fixed-dose combination therapy being evaluated for potential further development in inflammatory conditions following termination of its Australian Phase 2 RA trial. Each of these programs target conditions for which there are either no approved treatments, or the available treatments are inadequate. In 2023, IXHL re-domiciled from Australia to Delaware, with a continued listing on the Nasdaq Capital Market under the ticker symbol “IXHL”.

Exhibit 1: Company Overview

Recent Clinical and Capital Milestones

Current status through September 2026

DReAMzz ACTIVELY DOSING

First patient dosed in August 2026; the Phase 2 dose-optimization study is currently enrolling across 14 U.S. clinical sites.

~120 subjects

9 dose combinations

14 U.S. sites

IHL-42X IP EXTENDED

U.S. composition and methods-of-treatment patent granted, with baseline protection extending to July 2040.

2040 baseline expiry

BALANCE SHEET

\$68.4M of unrestricted cash as of September 24, 2026; more than \$11.2M of non-dilutive R&D tax funding received during 2026.

\$68.4M
unrestricted cash

>\$11.2M
2026 non-dilutive funding

Source: Company Reports

Source: Stonegate Research

While Incannex retains a broader intellectual property portfolio, the Company’s near-term development focus is centered on IHL-42X and PSX-001, while future development strategies for IHL-675A remain under evaluation. We view this focus as important because it concentrates capital and management resources around the assets with the clearest clinical and regulatory pathways. IHL-42X remains the lead value driver, supported by positive Phase 2 RePOSA data, FDA Fast Track designation, and active enrollment in the DReAMzz Phase 2 crossover dose-optimization study ahead of a planned Phase 3 registration program. Incannex also continues to receive refundable Australian R&D tax incentives; based on its current eligibility, management anticipates a 48.5% refundable tax offset for qualifying R&D activities.

Exhibit 2: Lead Program Development Status

Lead Program Development Status

Latest development status and next milestone



Source: Company Reports

Source: Stonegate Research

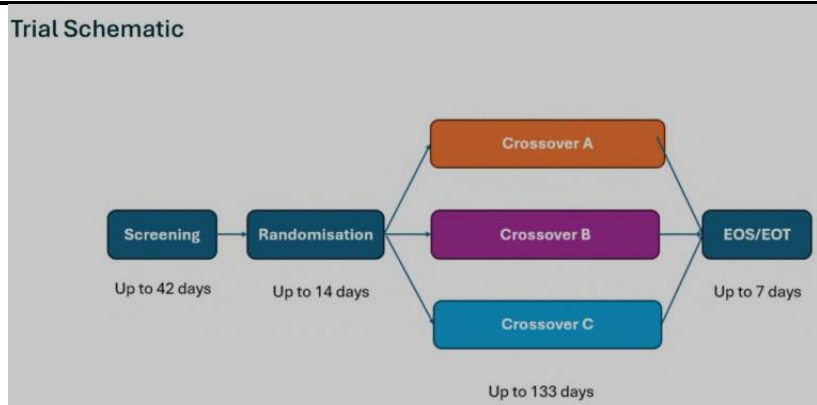
Financing of Company operations has historically been supported primarily through the sale of equity securities, option exercises, R&D tax incentives, and interest income. As of September 24, 2026, IXHL held \$68.4M in unrestricted cash and cash equivalents. Management expects current resources to fund planned operating expenses and capital expenditure requirements for at least 12 months.

Assets

IHL-42X

IHL-42X is a novel treatment designed to treat people suffering from Obstructive Sleep Apnea (OSA), which is characterized by interrupted breathing while asleep. OSA is a highly prevalent condition where current treatments have poor patient compliance and no approved oral therapy directly targeting OSA. What makes IHL-42X interesting is its unique combination of dronabinol and acetazolamide, addressing two different physiological aspects of OSA. Dronabinol binds to cannabinoid receptors, modulates signaling, and activates muscles that dilate the airway, whereas acetazolamide induces metabolic acidosis, which signals to the body that there is excess CO₂ in the blood and stimulates breathing. Both compounds have been approved in the U.S. for other treatments, supporting potential use of the 505(b)(2) regulatory pathway by leveraging existing data on the individual active ingredients.

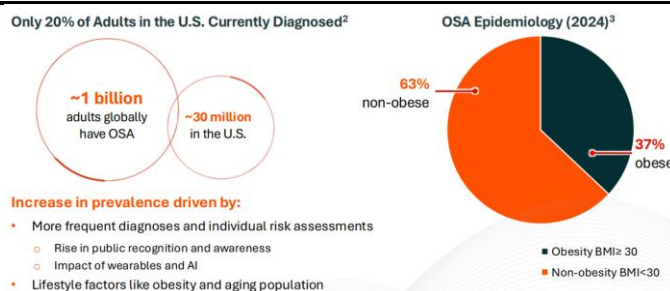
Exhibit 3: DReAMzz Phase 2 Study Design



Source: Company Reports

IHL-42X has completed the Phase 2 RePOSA study and is now actively enrolling patients in DReAMzz, a Phase 2 crossover dose-optimization study evaluating nine dose combinations across approximately 120 subjects at 14 U.S. clinical sites. First-patient dosing began in August 2026, and completion is expected in mid-2027. Results are expected to inform dose selection and the design of the planned Phase 3 registration program.

Exhibit 4: OSA Market and Treatment Landscape



Source: Company Reports

Operationally, DReAMzz has moved from study setup into active enrollment and dosing, with all 14 sites approved to conduct the study and the required manufacturing, distribution, and

clinical infrastructure in place. Should IHL-42X receive approval, it would enter a large addressable market currently dominated by sleep apnea devices such as positive airway pressure (PAP) machines. Given the compliance challenges associated with existing device therapies, there is a meaningful opportunity for pharmaceutical solutions like IHL-42X that offer effective, less intrusive treatment options.

IHL-42X / RePOSA Results

Topline results from the Phase 2 RePOSA trial are encouraging. Both the low- and high-dose IHL-42X arms achieved statistically significant reductions in percent change in Apnea-Hypopnoea Index (AHI) versus placebo, with maximum AHI reductions of up to 83% for the high-dose group and up to 79% for the low-dose group. In the March 2026 update, Incannex reported that 33.3% of patients in the low-dose group and 41.2% in the high-dose group achieved greater than a 30% AHI reduction, while 13.9% and 14.7%, respectively, achieved reductions exceeding 50%. The study also demonstrated REM sleep preservation, improvements across patient-reported measures, and no serious adverse events.

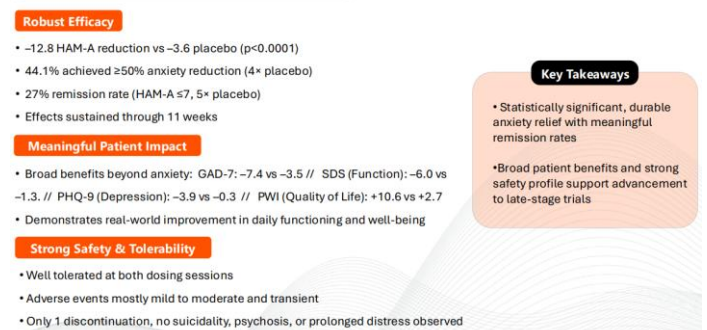
Structured patient-reported outcomes further support the clinical profile. In the updated presentation, 58% of participants reported improvement in their OSA condition, and approximately 90% of those patients described the benefit as meaningful to daily life, including better rest, reduced fatigue, and improved function. For Phase 3 planning, the important point is not just that RePOSA generated positive data, but that DReAMzz is designed to refine the dose profile before Incannex commits larger capital to registrational development.

PSX-001

PSX-001 is Incannex's oral synthetic psilocybin treatment designed for use with psychological therapy to treat people suffering from Generalized Anxiety Disorder (GAD), which is characterized by diffuse, excessive, uncontrollable worry that is not restricted to any specific environmental circumstance. Treatment of GAD remains inadequate, with less than half of patients achieving remission with currently accepted treatments.

Exhibit 5: PSX-001 Phase 2 Data Summary

What makes PSX-001 interesting is its use of psilocybin-assisted therapy to address anxiety through a differentiated treatment approach, with the potential for durable benefit following structured dosing and psychotherapy. GAD represents a sizeable commercial opportunity, with U.S. treatment sales estimated at approximately \$21B in 2023.



Source: Company Reports

In the completed Australian TGA-regulated Phase 2 PsiGAD1 trial, PSX-001 achieved a mean 12.8-point reduction in HAM-A versus 3.6 points for placebo, with 44.1% of treated patients meeting a $\geq 50\%$ response threshold and 27% achieving remission, defined as HAM-A ≤ 7 . These response and remission rates were more than four- and five-fold higher than placebo, respectively. These gains were supported by statistically significant improvements across GAD-7, SDS, PHQ-9, and PWI, with durable benefit over an 11-week follow-up and no serious adverse events.

PSX-001 is now the Company's clearest secondary pipeline asset. Incannex has an FDA-cleared IND supporting continued U.S. development, while management is evaluating the design of the next clinical study. The Company has also received scientific advice from the U.K. MHRA, with regulatory feedback and input from its clinical advisory board informing the program's development pathway. The key investor point is that PSX-001 provides pipeline optionality, but near-term equity focus remains centered on IHL-42X and the DReAMzz-to-Phase 3 transition.

Exhibit 6: PSX-001 Study Sites and Population

73 Subjects Recruited at Monash University's Alfred Psychiatry Research Centre (Australia)

- Subject demographics: Adults with moderate to severe Generalized Anxiety Disorder (GAD)

Key Inclusion Criteria

- Diagnosis of Generalized Anxiety Disorder (DSM-5 criteria)
- HAM-A score ≥ 20 at screening (moderate to severe anxiety)
- Willingness to undergo two supervised psilocybin dosing sessions with psychotherapy
- Commitment to follow-up assessments for 11 weeks

Key Exclusion Criteria

- Current or prior psychotic disorder, bipolar disorder, or active suicidal ideation
- Unstable medical conditions judged clinically significant by the investigator
- Recent substance use disorder (excluding nicotine and caffeine)
- Use of investigational drugs or psychedelic compounds within a defined washout period
- Pregnancy, breastfeeding, or contraindications to psilocybin treatment

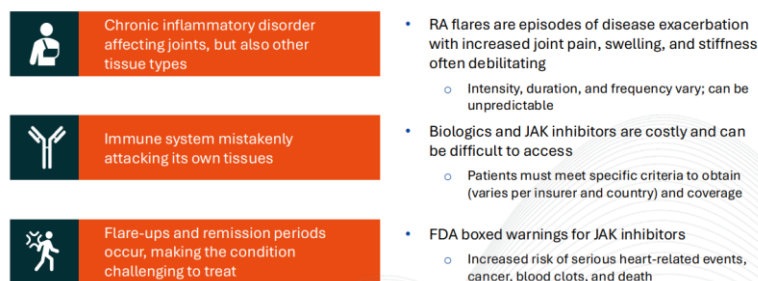
Source: Company Reports

IHL-675A

IHL-675A is a novel treatment designed to treat people suffering from inflammation, which is a major contributing factor to rheumatoid arthritis, with many patients not responding to current drug treatments. IHL-675A targets two components of the inflammatory pathway by combining two anti-inflammatory drugs, CBD and hydroxychloroquine sulfate (HCQ). Incannex has demonstrated that IHL-675A reduced disease severity in an animal model of rheumatoid arthritis to a greater extent than either CBD or hydroxychloroquine sulfate alone. HCQ and CBD seem to work synergistically to inhibit production of inflammatory cytokines.

The Australian Phase 2 RA study was terminated following recruitment challenges and did not generate sufficient data to support conclusions on safety or efficacy. Incannex continues to evaluate potential future development strategies for IHL-675A while prioritizing resources toward IHL-42X and PSX-001. The U.S. rheumatoid arthritis market reached approximately \$25.37B in 2023 and is expected to exceed \$31.58B by 2033.

Exhibit 7: Rheumatoid Arthritis Treatment Landscape



Source: Company Reports

Additional Assets

While available resources remain focused on IHL-42X and PSX-001, Incannex continues to explore approximately 25 secondary assets where management believes proof-of-concept has been established through preclinical or clinical work. These include topical cannabinoid candidates for skin conditions, a chewable candidate for smoking cessation, and a candidate for opioid addiction. The global smoking-cessation market was estimated at \$28.9B in 2024 with an estimated 9.2% CAGR, while the opioid-addiction opportunity was estimated at \$4.59B in 2021.

Incannex's topical cannabinoid programs remain part of its broader secondary-asset portfolio, including candidates targeting various skin conditions. With available resources focused primarily on IHL-42X and PSX-001, these programs represent longer-term pipeline optionality rather than near-term clinical development priorities.

Risks

As with any investment, there are certain risks associated with Incannex's operations as well as with the surrounding economic and regulatory environments common to the pharmaceutical industry.

- The Company has a history of net losses and negative operating cash flow and has never paid dividends. IXHL expects to continue incurring losses as clinical development advances and will require additional capital before generating sufficient recurring revenue to fund operations. Potential financing sources include equity offerings, debt financing, collaborations, licensing arrangements, or other strategic transactions.
- Currently the Company has enough funds to sustain it through the foreseeable future and does not pose a going concern risk. We do however recognize that the Company will most likely need to raise more funds to sustain its operations until it begins revenue generation. Should the Company be unable to raise the necessary funds this would create a going concern risk.
- The Company is subject to regulatory risk as pharmaceutical activities are subject to laws and regulations imposed by local and state government authorities. Any future changes in the laws, regulations, agreements, or judicial rulings could impact the Company's potential portability.
- Should the Company bring any or all of its assets to market, there is no guarantee that a profitable market will exist for those treatments.

BALANCE SHEET

Incanex Healthcare Inc. Consolidated Balance Sheets (\$M) Fiscal Year End: June													
ASSETS	FY 2022	FY 2023	FY 2024	Q1 Sep-24	Q2 Dec-24	Q3 Mar-25	Q4 Jun-25	FY 2025	Q1 Sep-25	Q2 Dec-25	Q3 Mar-26	Q4 Jun-26	FY 2026
Cash and Cash Equivalents	37.5	22.1	5.9	3.6	2.1	6.7	15.0	15.0	73.3	68.9	74.5	67.7	67.7
Prepaid Expenses and Other Assets	0.4	0.9	0.5	0.5	0.4	0.4	0.8	0.8	0.5	0.7	0.4	0.5	0.5
R&D Tax Incentive Receivable	-	-	9.8	11.1	1.4	7.1	4.1	4.1	4.5	5.1	5.2	4.6	4.6
Assets pledged as security for short-term debt	-	-	-	-	6.6	1.4	-	-	-	-	-	-	-
Total Current Assets	37.9	23.0	16.2	15.2	10.5	15.6	20.0	20.0	78.3	74.7	80.1	72.8	72.8
Property, Plant, and Equipment, net	-	0.3	0.5	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.0	0.0	0.0
Operating Lease ROU Assets	-	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1
Other assets	-	-	-	-	-	-	-	-	0.0	0.1	0.0	0.1	0.1
Total Assets	37.9	23.8	17.0	16.0	11.1	16.2	20.4	20.4	78.7	75.0	80.3	73.0	73.0
LIABILITIES AND SHAREHOLDERS' EQUITY													
Trade and Other Payable	2.0	1.7	0.6	1.6	0.8	1.1	6.1	6.1	1.3	1.3	1.6	1.2	1.2
Accrued Expenses	-	0.7	4.8	7.5	3.4	4.7	0.7	0.7	0.2	0.2	0.2	0.3	0.3
Operating Lease Liabilities, Current	-	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Short-term debt	-	-	-	-	1.4	1.4	-	-	-	-	-	-	-
Total Current Liabilities	2.0	2.6	5.6	9.2	5.8	7.4	7.0	7.0	1.6	1.6	1.9	1.5	1.5
Operating Lease Liabilities, Non-Current	-	0.4	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Long-term debt	-	-	-	-	2.4	-	-	-	-	-	-	-	-
Warrant liabilities	-	-	-	-	1.3	1.3	-	-	-	-	3.1	4.1	4.1
Convertible rights	-	-	-	-	0.5	-	-	-	-	-	-	-	-
Total Liabilities	2.0	3.0	5.8	9.5	10.1	8.8	7.1	7.1	1.7	1.6	5.0	5.6	5.6
Common Stock	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Paid-In Capital	94.7	116.3	125.2	125.7	126.4	136.8	174.0	174.0	243.8	247.0	253.2	247.8	247.8
Accumulated Deficit	(58.8)	(92.2)	(110.7)	(116.1)	(122.0)	(126.0)	(157.6)	(157.6)	(164.0)	(170.5)	(174.4)	(176.9)	(176.9)
Foreign Currency Translation Reserve	-	(3.3)	(3.3)	(3.0)	(3.4)	(3.5)	(3.1)	(3.1)	(2.9)	(3.2)	(3.7)	(3.6)	(3.6)
Total Parent Net Equity	35.9	20.8	11.2	6.6	1.0	7.4	13.4	13.4	77.0	73.4	75.2	67.4	67.4
Total Consolidated Equity	35.9	20.8	11.2	6.6	1.0	7.4	13.4	13.4	77.0	73.4	75.2	67.4	67.4
Total Liabilities and Shareholders' Equity	37.9	23.8	17.0	16.0	11.1	16.2	20.4	20.4	78.7	75.0	80.3	73.0	73.0
Liquidity													
Current Ratio	18.8x	9.0x	2.9x	1.6x	1.8x	2.1x	2.9x	2.9x	47.5x	48.2x	41.6x	48.8x	48.8x
Working Capital	35.87	20.45	10.58	5.98	4.66	8.26	12.98	12.98	76.65	73.12	78.17	71.34	71.34

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

IncanneX Healthcare Inc. Consolidated Statements of Income (in \$M, except per share amounts) Fiscal Year End: June																				
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Q1 Sep-25	Q2 Dec-25	Q3 Mar-26	Q4 Jun-26	FY 2026	Q1 E Sep-26	Q2 E Dec-26	Q3 E Mar-27	Q4 E Jun-27	FY 2027E	Q1 E Sep-27	Q2 E Dec-27	Q3 E Mar-28	Q4 E Jun-28	FY 2028E
Revenue	\$ -	\$ -	\$ -	\$ 0.0	\$ 0.1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	0.0	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Research and Development Costs	5.4	9.4	6.3	12.9	10.7	1.1	2.3	0.3	1.5	5.2	2.9	2.9	2.9	2.9	11.4	3.2	3.2	3.2	3.2	12.8
Acquisition of In-Process R&D	-	-	35.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General and Administrative	10.3	12.0	8.0	17.2	13.1	5.7	4.7	3.7	3.7	17.8	5.4	5.4	5.4	5.4	21.4	5.5	5.5	5.5	5.5	22.0
Total Operating Expenses	15.7	21.4	49.7	30.1	23.9	6.8	7.0	4.0	5.2	23.0	8.2	8.2	8.2	8.2	32.8	8.7	8.7	8.7	8.7	34.8
Operating Income	(15.7)	(21.4)	(49.7)	(30.0)	(23.8)	(6.8)	(7.0)	(4.0)	(5.2)	(23.0)	(8.2)	(8.2)	(8.2)	(8.2)	(32.8)	(8.7)	(8.7)	(8.7)	(8.7)	(34.8)
R&D Tax Incentive	0.8	1.0	0.7	11.4	1.8	0.4	0.5	0.1	3.7	4.7	0.7	0.7	0.7	0.7	2.9	0.8	0.8	0.8	0.8	3.3
Foreign Exchange Expense	-	-	(0.1)	(0.0)	(0.3)	(0.0)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Interest Income	0.0	0.4	0.2	0.2	(0.3)	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	0.0	0.0
Interest expense	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in FV of convertible rights	-	-	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in FV of warrant liabilities	-	-	-	-	(21.9)	-	-	0.4	(1.0)	(0.6)	-	-	-	-	-	-	-	-	-	-
Warrant issuance costs	-	-	-	-	(0.1)	-	-	(0.3)	-	(0.3)	-	-	-	-	-	-	-	-	-	-
Loss on extinguishment	-	-	-	-	(1.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ELOC commitment fee	-	-	-	-	(1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income expense	-	-	-	-	-	0.0	0.0	(0.0)	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-
Profit Before Taxes	(14.9)	(20.0)	(48.8)	(18.4)	(46.9)	(6.4)	(6.5)	(3.9)	(2.5)	(19.3)	(7.5)	(7.5)	(7.5)	(7.5)	(30.0)	(7.9)	(7.9)	(7.9)	(7.9)	(31.6)
Provision for Income Tax	-	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	(14.9)	(20.0)	(48.8)	(18.5)	(46.9)	(6.4)	(6.5)	(3.9)	(2.5)	(19.3)	(7.5)	(7.5)	(7.5)	(7.5)	(30.0)	(7.9)	(7.9)	(7.9)	(7.9)	(31.6)
Basic EPS	\$ (1.25)	\$ (1.30)	\$ (3.32)	\$ (1.15)	\$ (1.37)	\$ (0.02)	\$ (0.02)	\$ (0.35)	\$ (0.21)	\$ (1.66)	\$ (0.66)	\$ (0.66)	\$ (0.66)	\$ (0.66)	\$ (2.63)	\$ (0.69)	\$ (0.69)	\$ (0.69)	\$ (0.69)	\$ (2.77)
Diluted EPS	\$ (1.25)	\$ (1.30)	\$ (3.32)	\$ (1.15)	\$ (1.37)	\$ (0.02)	\$ (0.02)	\$ (0.35)	\$ (0.21)	\$ (1.66)	\$ (0.66)	\$ (0.66)	\$ (0.66)	\$ (0.66)	\$ (2.63)	\$ (0.69)	\$ (0.69)	\$ (0.69)	\$ (0.69)	\$ (2.77)
WTD Shares Out - Basic	11.9	15.4	15.4	16.2	34.5	310.3	349.5	12.3	12.0	11.7	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4
WTD Shares Out - Diluted	11.9	15.4	15.4	16.2	34.5	310.3	349.5	12.3	12.0	11.7	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4	11.4
Growth Rate Y/Y																				
Total cost of revenues		36.1%	132.6%	-39.5%	-20.6%	7.4%	39.5%	-19.1%	-31.1%	-3.6%	20.7%	17.2%	102.6%	58.0%	42.4%	6.1%	6.1%	6.1%	6.1%	6.1%
Operating Income		36.1%	132.6%	-39.5%	-20.8%	8.6%	39.8%	-19.1%	-31.1%	-3.2%	20.7%	17.2%	102.6%	58.0%	42.4%	6.1%	6.1%	6.1%	6.1%	6.1%

Source: Company Reports, Stonegate Capital Partners estimates

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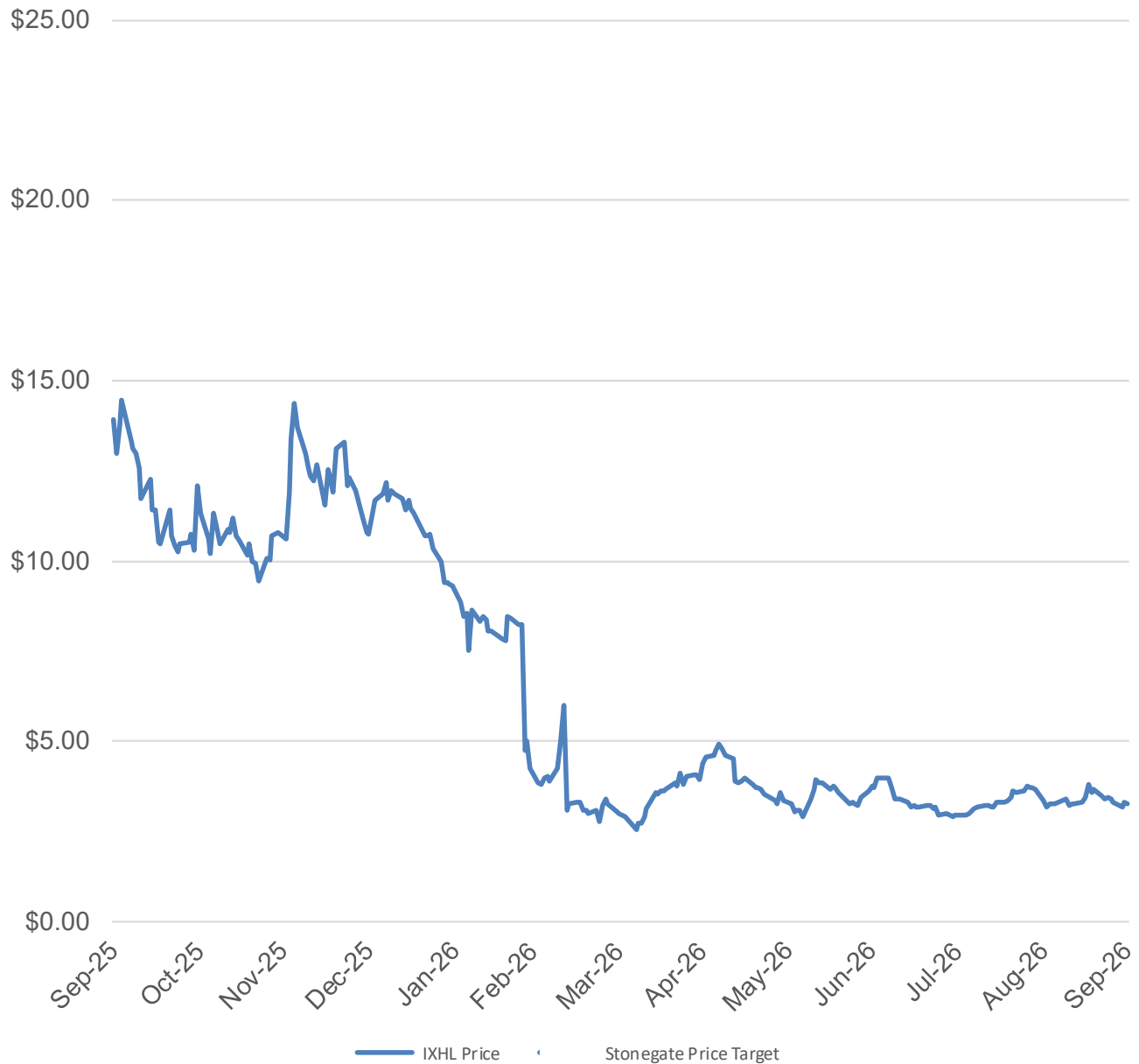
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