

Dicerna Pharmaceuticals (DRNA : US\$16.02)

Dicerna Pharmaceuticals plummets 56% in 2014, in bottom 8% of the market

Dicerna Pharmaceuticals Inc, NASDAQ's 35th largest medical company by market cap, has now plummeted US\$20.34 (or 55.9%) year to date in 2014 to close at US\$16.02. This loss means the stock has underperformed 92% of NASDAQ-listed stocks in 2014. The volume YTD has been 0.8 times average trading of 176,762 shares. Compared with the NASDAQ-100 Index which has risen 20.2% YTD, this represents a relative price change of -76.1%. In 2014 the market cap has declined US\$319.9 million.

Introduction

We are currently bullish on this stock in the short-term based on technical indicators, but are more bearish in the long-term based on fundamental metrics

What makes us most bullish on the stock is the following:

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.
- The price to 50-day EMAP ratio is 1.2, a bullish indicator. The 50-day EMAP has increased to US\$13.39.

However, there are some reasons why we remain bearish on the stock for the long-term:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 5.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 9% of stocks by value of Q Ratio.

Stock Summary

Sector	Medical
Market Cap	US\$284.7 million
Shares Outstanding	17,773,287
ISIN	US2530311081
Relative Strength (3 mo)	86

Financial Summary

Year ended	Dec 2013	Dec 2012	Dec 2011
Sales (USD)	-	7.015M	7.91M
Pretax (USD)	-	-	(8.56M)
Net (USD)	(20.906M)	(14.218M)	(12.66M)
EPS (USD)	(709.57)	(516.0)	(1.19)

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	16.0	284.7 million

Analysis

Bullish Signals

- In the last 18 trading sessions there has been a net rise of 45.37%; the stock has advanced twelve times and the biggest one day rise was 13.5% on Dec 18.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 15.18 minus the 26-day EMA of 13.69 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- The Price/MAP of 0.8 for DRNA is higher than the Price/MAP for the NASDAQ-100 Index of 0.4.

Undervaluation:

- The company is cash rich with Cash to Market Capitalisation at 16.4%.

Other Bullish Signals:

- Return on Assets is negative but improving in recent years.

Annual Trend:

[Year ended, all figures in %]:

Year	ROA
Dec 13	-42
Dec 12	-139.5

Also, the following criteria set by Benjamin Graham:

- "A stock price down to two-thirds of "net current asset value" or "net quick liquidation value"; the price is 0 times net current asset value of \$US1486.8 per share.
- "Current ratio of two or more"; current assets are 6.3 times current liabilities.
- "Total debt equal or less than twice the net quick liquidation value"; total debt of USD4.8 Million is 0.1 times the net liquidation value of USD43.81 Million.

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
%Prem To Vol Wtd Price	17.4	In Top 4%

Bearish Signals

- The price is at a premium of 17.4% to the 1-month volume weighted average price of US\$13.64. Given that this premium has been under 17.4% two hundred one times and over 17.4% sixteen times in the last year, the downside:upside probability is estimated at 201:16 or 12.6:1.
- Falls to Rises: In the last three months the number of falls outnumbered rises 34:30 or 1.13:1.
- In the NASDAQ market of 2,417 stocks traded today, the stock has a 6-month relative strength of 22 indicating it is trailing 78.0% of the market.
- The price to 200-day MAP ratio is 0.8, a bearish indicator. In the past 200 days this ratio has been under 0.8 55 times suggesting further downside.
- The Stochastic indicator of 89.9 has broken through the overbought line of 80; the stock is also overbought according to the Williams % R indicator of -13.6.
- The current short volume is 1.2 times its own historical average of 0.4%. It soared 16.1% from the previous day, lifted 3.2% from a week ago and soared 19.4% from a month ago, a significant bearish indicator.

Overvaluation:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 5.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 9% of stocks by value of Q Ratio.

Other Bearish Signals:

The stock has a score of merely 1 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Improvement in current ratio from 1.6 to 6.3.

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Relative Strength (6M)	22	In Bottom Quartile
Price/MAP200	0.8	In Bottom Quartile
Price/MAP50	0.44	In Bottom 3%

Analysis (continued)

Note

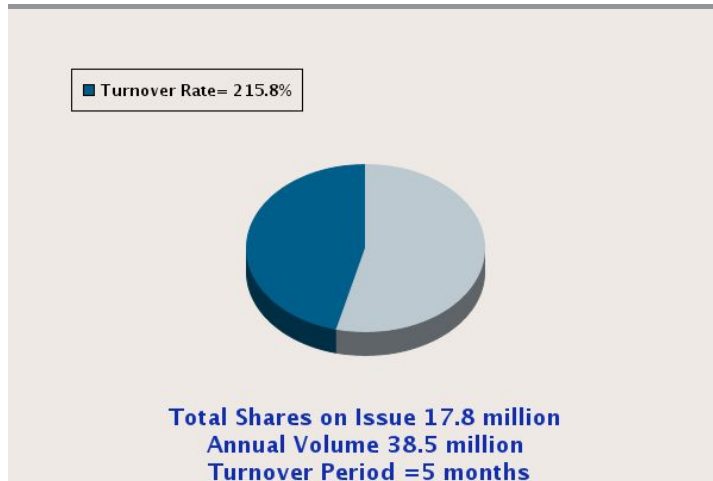
Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$148.4 million	In 2nd Quartile
MCap	US\$284.7 million	In 3rd Quartile

Insider Trades



Turnover Rate & Turnover Period



Trailing 3 months

Turnover	US\$148.4 million
Volume	11,888,098
Volume Index (1 is avg)	1.1

Price Volume Trend: Trailing Quarter

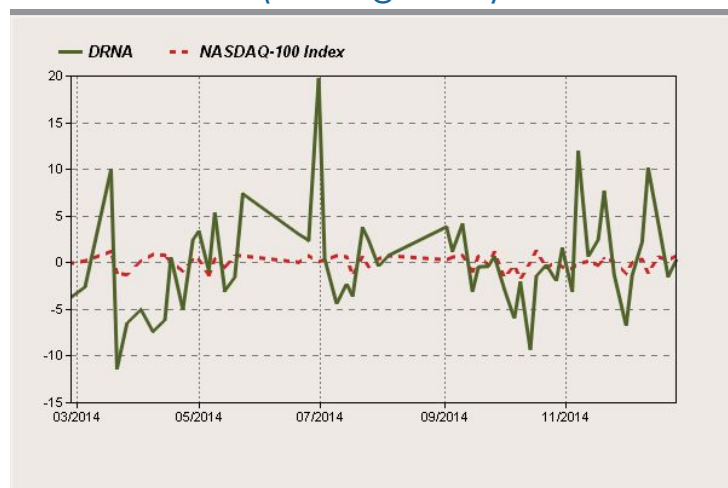


Weekly Price Volume Dynamics (Last 12 Weeks)



- Price increase fuelled by above average Volume
- Price increase on below average Volume
- Price decrease fuelled by above average Volume
- Price decrease on below average Volume
- Price unchanged on above average Volume
- Price unchanged on below average Volume
- Untraded

Stock v Index (Trailing Year)



Price/Moving Average Price [P/MAP]



Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
07-Nov-2014	Stifel Nicolaus	Reiterated Rating	-	Buy	70	21

Reported Selling by Insiders

Insider	Date	Transaction Type	No. of Shares	Price, US\$	Value, US\$
Deerfield Private Design International li, L. p.	Nov 24, 2014	Sold	100,000	11.54	1,154,000
Deerfield Private Design International li, L. p.	Nov 25, 2014	Sold	121,965	11.5	1,402,598
Deerfield Private Design International li, L. p.	Nov 21, 2014	Sold	100,000	11	1,100,000
Deerfield Private Design International li, L. p.	Nov 07, 2014	Sold	214,164	9.2	1,970,309
Deerfield Private Design International li, L. p.	Oct 14, 2014	Sold	36,115	11.02	397,987
Deerfield Private Design International li, L. p.	Oct 15, 2014	Sold	51,449	10.01	515,004
Deerfield Private Design International li, L. p.	Oct 10, 2014	Sold	30,214	12.07	364,683

Company Overview

Activities

Dicerna Pharmaceuticals, Inc. provides biopharmaceutical products. The Company discovers and develops ribonucleic acid interference drugs for the treatment of rare inherited diseases involving the liver and for cancers that are genetically defined. Dicerna Pharmaceuticals offers its products to the medical industry around the world.

Further details can be found at www.dicerna.com.

Regulatory Announcements

December 17 2014: Dicerna Announces the Appointment of Theodore T. Ashburn, M.D., Ph.D. to Senior Vice President, Product Strategy and Operations, and Inducement Grant of Stock Options under NASDAQ Listing Rule 5635 (c)(4)

[Company Release]

WATERTOWN, Mass.-- Dicerna Pharmaceuticals, Inc. ("Dicerna" or the "Company") (NASDAQ:DRNA), a leader in the development of RNAi-based therapeutics, today announced the appointment of Theodore (Ted) T. Ashburn, M.D., Ph.D. to Senior Vice President, Product Strategy and Operations. Dr.

December 15 2014: Dicerna R&D Update Webcast Reminder

[Company Release] WATERTOWN, Mass. Dicerna Pharmaceuticals, Inc. (NASDAQ:DRNA), a leader in the development of RNAi-based therapeutics targeting genetically defined oncology and inherited rare diseases, announces webcast and conference call information for its previously announced R&D Update webcast later today, December 15, 2014, at 4:30 p.m.

November 25 2014: Dicerna to Present at the 2014 Deutsche Bank BioFEST

[News Story] WATERTOWN, Mass.-- Dicerna Pharmaceuticals, Inc. (NASDAQ:DRNA), a leader in the development of RNAi-based therapeutics targeting genetically defined oncology and inherited rare diseases, today announced that Douglas M. Fambrough, Ph.D., President and CEO, will present at the 2014 Deutsche Bank BioFEST.

[For more details click here.](#)

November 17 2014: Dicerna Reports on Progress of Development Programs

[News Story] Dicerna Pharmaceuticals, Inc. (NASDAQ:DRNA), a leader in the development of RNA interference (RNAi) based therapeutics, today announced that it will host its first R&D webcast to review the company's strategy, technology, and expanding pipeline of innovative RNAi therapies. The R&D webcast will take place on Monday, December 15 at 4:30 p.m.

[For more details click here.](#)

Key Developments

November 17 2014: Dicerna Announces License Agreement with Tekmira to Advance Dicerna's PH1 Development Program

[News Story] Dicerna Pharmaceuticals, Inc. (NASDAQ:DRNA), a leading developer of RNA interference (RNAi) therapeutics, today announced a licensing agreement for Dicerna to use Tekmira's proprietary lipid nanoparticle (LNP) technology for delivery of DCR-PH1, Dicerna's investigational product candidate for primary hyperoxaluria type 1 (PH1), a rare, inherited liver disorder that often results in kidney failure, and for which there are no approved therapies.

This announcement follows the successful testing of DCR-PH1 in combination with Tekmira's LNP technology in animal models, including mice and non-human primates.

[For more details click here.](#)

Conferences/Exhibitions

November 14 2014: Dicerna to Present at Two Upcoming Investor Conferences

[News Story] WATERTOWN, Mass. Dicerna Pharmaceuticals, Inc. (NASDAQ:DRNA), a leader in the development of RNAi-based therapeutics targeting genetically defined oncology and inherited rare diseases, today announced that Douglas M. Fambrough, Ph.D., President and CEO, will present at two upcoming conferences, including the Stifel 2014 Healthcare Conference and the Jefferies 2014 Global London Healthcare Conference.

Stifel 2014 Healthcare Conference

November 18, 2014

The New York Palace Hotel, New York, NY

Presentation: 11:30 AM - 12:00 PM EST

Jefferies 2014 Global London Healthcare Conference

November 20, 2014

Waldorf Hilton, London, U.K.

Presentation: 10:00 AM - 10:40 AM GMT (5:00 AM EST)

A live webcast of the presentations can be accessed by visiting "Events & Presentations" in the Investors and Media section on the Company's website at www.dicerna.com.

[For more details click here.](#)

October 14 2014: Dicerna Presents Preclinical Data for Investigational RNAi Therapeutic DCR-PH1 in Primary Hyperoxaluria Type 1 (PH1) at the 10th Annual Meeting of the Oligonucleotide Therapeutics Society

[News Story] WATERTOWN, Mass. Dicerna Pharmaceuticals, Inc. (NASDAQ:DRNA), a leader in the development of RNAi-based therapeutics, presented data from its preclinical program in primary hyperoxaluria type 1 (PH1) in a poster session at the 10th Annual Meeting of the Oligonucleotide Therapeutics Society (OTS), held in San Diego, October 12-15, 2014.

[For more details click here.](#)

Company Overview (continued)

8-K people news

September 15: Dicerna Pharmaceuticals appoints Bruce Peacock as director 16 September 2014

Dicerna Pharmaceuticals has appointed Bruce Peacock as Independent Director. The appointment takes effect from Sep 09, 2014.

June 19: Dicerna Pharmaceuticals Elects 7 Directors

Dicerna Pharmaceuticals (DRNA) held its Annual General Meeting on June 18, 2014. According to an SEC filing under Section 8-K Item 5.07 the following directors were elected:

Douglas M. Fambrough, III, Ph.D.
 Brian K. Halak, Ph.D.
 Stephen J. Hoffman, M.D., Ph.D.
 Peter Kolchinsky, Ph.D.
 Dennis H. Langer, M.D., J.D.
 David M. Madden
 Vincent J. Miles, Ph.D.

8-K other news

November 18: Dicerna Pharmaceuticals: Entry into a Material Definitive Agreement

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1399529_000119312514416018_0001193125-14-416018.txt

Source: 8-K United States Securities and Exchange Commission

November 06: Dicerna Pharmaceuticals: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1399529_000119312514399709_0001193125-14-399709.txt

Source: 8-K United States Securities and Exchange Commission

August 07: Dicerna Pharmaceuticals: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1399529_000119312514300674_0001193125-14-300674.txt

Source: 8-K United States Securities and Exchange Commission

July 15: Dicerna Pharmaceuticals: Entry into a Material Definitive Agreement

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1399529_000119312514267964_0001193125-14-267964.txt

Source: 8-K United States Securities and Exchange Commission

Conference Call-transcripts

To view Conference Call-transcripts, [click here](#)

06 Nov, 2014: Dicerna Pharmaceuticals' (DRNA) CEO Doug Fambrough on Q3 2014 Results - Earnings Call Transcript

Issued Capital

Based on 17,773,287 issued equity shares the market capitalisation is US\$284.7 million.

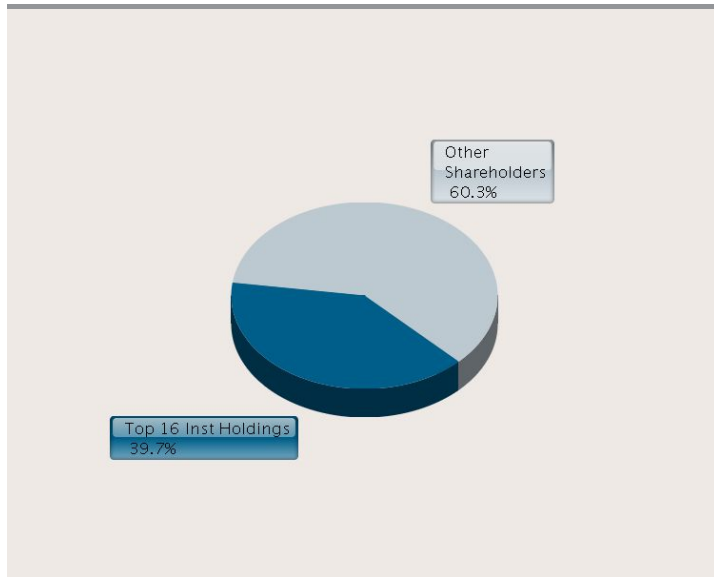
The top sixteen shareholders hold 39.7% of the issued capital leaving a float of 60.3%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Fmr Llc	2,602,403	14.64
Deerfield Management Co	2,428,569	13.66
Abingworth Llp	1,182,196	6.65
Jpmorgan Chase & Co	263,125	1.48
Rock Springs Capital Management Lp	105,000	0.59
Blackrock Advisors Llc	86,728	0.49
Janus Capital Management Llc	79,004	0.44
Driehaus Capital Management Llc	61,589	0.35
Barclays Global Investors Uk Holdings Ltd	59,543	0.34
Alyeska Investment Group L.P.	50,000	0.28
Total	6,918,157	38.92

Company Overview (continued)

Top 16 Institutional Holdings



Board and Management

Douglas M. Fambrough CEO & President

Dr. Douglas M. Fambrough Ph.D. is President, Chief Executive Officer, Director of Dicerna Pharmaceuticals Inc. Dr. Fambrough has served as a member of our board of directors since April 2007 and as our president and chief executive officer since May 2010. From 2000 to May 2010, Dr. Fambrough held various positions at Oxford Bioscience Partners, a life science venture capital firm, most recently as a general partner. During his years at Oxford Bioscience Partners, he specialized in financing innovative life science technology companies, including the Company, Sirna Therapeutics, Inc. (acquired by Merck & Co., Inc.), Solexa, Inc. (acquired by Illumina, Inc.), Solstice Neurosciences (acquired by US WorldMeds, LLC), Xencor, Inc. and Rib-X Pharmaceuticals, and served as a director of each of these companies. Dr. Fambrough has also served as a Trustee of Boston Biomedical Research Institute, a not-for-profit organization. Before joining Oxford Bioscience Partners, he was a genomic scientist at the Whitehead/MIT Center for Genome Research (now known as the Broad Institute). Dr. Fambrough graduated from Cornell University and obtained his Ph.D. in genetics at the University of California, Berkeley.

David M Madden Independent Chairman

Mr. David M Madden is the Independent Chairman of the Board of Dicerna Pharmaceuticals, Inc. Mr. Madden has served as a member and the chairman of our board of directors since June 2009. Mr. Madden is a founder and principal of Narrow River Management, LP, an investment management company with a focus on equity investments in the emerging pharmaceutical industry, where he has been since 2004. Mr. Madden has served as chief executive officer and a member of the board of directors of River Vision Development Corporation since 2011. Mr. Madden also serves as a member of the board of directors of the Hospital for Special Surgery. Mr. Madden previously served as interim president and chief executive officer of Adolor Corporation (NASDAQ: ADLR) from August 2005 to December 2006 and the chairman of its board of directors until it was acquired by Cubist Pharmaceuticals, Inc. (NASDAQ: CBST) in December 2011. Mr. Madden was co-chief executive officer of Royalty Pharma AG, a private investment management firm specializing in the acquisition of royalty interests in pharmaceutical products, from October 2000 to 2003, and a member of its board of directors until March 2004. From 1997 to October 2000, he served as a managing member of Pharmaceutical Partners, LLC. From 1992 to 1995, Mr. Madden was president and chief executive officer and a member of the board of directors of Selectide Corporation. Mr. Madden has a B.S. in Electrical Engineering from Union College and an M.B.A. from Columbia University.

James E. Dentzer CFO

Mr. James E. Dentzer is Chief Financial Officer of Dicerna Pharmaceuticals Inc. James E. Dentzer joined us as chief financial officer in December 2013. Prior to that, he was the chief financial officer of Valeritas, Inc. from March 2010 to December 2013, where he led the finance team in raising a \$150 million Series C equity round and a \$100 million debt financing and helped guide the company through approval by the U.S. Food and Drug Administration, manufacturing scale-up and commercial launch of the V-Go insulin delivery device. Prior to joining Valeritas, Inc., he was the chief financial officer of Amicus Therapeutics, Inc. (NASDAQ: FOLD) from October 2006 to October 2009, where he led the company through a Series D preferred stock financing and subsequent initial public share offering. In prior positions, he spent six years as corporate controller of Biogen Idec and six years in various senior financial roles at E.I. du Pont de Nemours and Company in the U.S. and Asia. Mr. Dentzer holds a B.A. in philosophy from Boston College and an M.B.A. from the University of Chicago.

Board and Management (continued)

Vincent J. Miles Independent Director

Dr. Vincent J. Miles, Ph.D., is Independent Director of Dicerna Pharmaceuticals Inc. Dr. Miles has served as a member of our board of directors since November 2013. Dr. Miles is an executive partner of Abingworth, a venture capital firm in the life sciences and healthcare sectors. Before joining Abingworth, Dr. Miles was senior vice president, business development, of Alnylam Pharmaceuticals, Inc. (NASDAQ: ALNY) from 2003 to 2007. From 1997 to 2003, Dr. Miles held various positions at Millennium Pharmaceuticals, Inc., including vice president positions in business development, strategic planning and scientific affairs. Prior to that, Dr. Miles served as the director of the Office of Technology Transfer, Dana Farber Cancer Institute from 1996 to 1997, and vice president of various research and development and business functions at RiboGene, Inc. (a predecessor of Questcor Pharmaceuticals (NASDAQ: QCOR)) from 1992 to 1996 and at Pharmacia P-L Biochemicals Inc. from 1986 to 1992. Dr. Miles currently serves on the boards of directors of PrimeraDx, Inc., Hydra Biosciences, Inc. and Chiasma, Inc. Dr. Miles holds a B.Sc. in biochemistry and Ph.D. in biochemical embryology from University College London. We believe that Dr. Miles' scientific and business experience serving as an executive officer, director and venture capital investor in biopharmaceutical companies provides him with the qualifications and skills to serve as a member of our board of directors.

Bruce Peacock Independent Director

Mr. Peacock has served as the chief financial and business officer and treasurer of Ophotech Corporation since August 2013. Mr. Peacock served as Ophotech Corporation's chief business officer from September 2010 to August 2013. Since May 2006, Mr. Peacock also has served as a Venture Partner at SV Life Sciences, a venture capital firm. Mr. Peacock served as President and Chief Executive Officer of Alba Therapeutics, a biopharmaceutical company, from April 2008 to February 2011, and has served as Co-Chairman of the board of directors of Alba Therapeutics since April 2008. Prior to joining SV Life Sciences, Mr. Peacock served as Chief Executive Officer and a Director of The Little Clinic, a medical care services company. Previously, Mr. Peacock served as President and Chief Executive Officer and a director of Adolor Corporation, a publicly-held biotechnology company; as President, Chief Executive Officer and a member of the board of directors of Orthovita, Inc., a publicly-held orthopedic biomaterials company; as Executive Vice President, Chief Operating Officer and a member of the board of directors of Cephalon, Inc.; as Chief Financial Officer of Cephalon, Inc.; and as Chief Financial Officer of Centocor, Inc. Mr. Peacock serves as a member of the boards of directors of Discovery Laboratories, Inc., and Invisible Sentinel Inc. and has served as a member of the boards of directors of Pharmacopeia, Inc., Ligand Pharmaceuticals Incorporated, and NeurogesX, Inc. Mr. Peacock earned a bachelor's degree in Business Administration from Villanova University and is a certified public accountant.

Creation of shareholder value in Dicerna Pharmaceuticals:

Since appointment as Independent Director: The present value of USD1,000 invested on the appointment date of September 09, 2014 at close price of US\$13.97 is US\$1,147, for a capital gain of US\$147.

Bob D. Brown Senior Vice President

Dr. Bob D. Brown Ph.D. is Senior Vice President, Chief Scientific Officer of Dicerna Pharmaceuticals Inc. Dr. Brown initially served as our senior vice president of research beginning in May 2008 and has served as our chief scientific officer since January 2012. From March 2003 to March 2008, Dr. Brown held various positions at Genta Incorporated, most recently as its vice president of research and technology. Previously, he was a co-founder and vice president of research and development of Oasis Biosciences Inc., which was acquired by Gen-Probe Incorporated. Dr. Brown is an inventor or co-inventor on 16 issued patents and dozens of patent applications covering oligonucleotide and conventional small molecule therapeutic agents, diagnostic tool and oligonucleotide and small molecule drug delivery technologies. Dr. Brown holds a Ph.D. in molecular biology from the University of California, Berkeley, and a B.S. in chemistry and biology from the University of Washington, Seattle.

Financial Results (Quarterly)

30 September, 2014

INCOME STATEMENT

Currency in Thousand of USD	2014-09-30	2013-09-30	Change %
Operating expenses:			
Research and development	7,489	2,430	Up 208.2
General and administrative	3,725	1,302	Up 186.1
Total operating expenses	11,214	3,732	Up 200.5
Loss from operations	-11,214	-3,732	Deterioration 200.5
Other income (expense):			
Preferred stock warrant remeasurement		96	
Loss on extinguishment of debt		-318	
Interest income	21	1	Up 2,000.0
Interest expense		241	
Total other income (expense)	21	-462	Recovery
Net loss	-11,193	-4,194	Deterioration 166.9
Less: Accretion and dividends on redeemable convertible preferred stock		346	
Net loss attributable to common stockholders	-11,193	-4,540	Deterioration 146.5
Net loss per share attributable to common stockholdersbasic and diluted	-63.0c	-16,155.0c	Reduced 99.6
Weighted average common shares outstandingbasic and diluted	17,706,645	28,103	Up 62,906.2

BALANCE SHEET

Currency in Thousand of USD	2014-09-30	2013-12-31	Change %
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	31,815	46,595	Down 31.7
Held-to-maturity investments	61,075		
Prepaid expenses and other current assets	856	2,058	Down 58.4
Total current assets	93,746	48,653	Up 92.7
NONCURRENT ASSETS:			
Held-to-maturity investments	19,014		
Property and equipmentnet	1,892	877	Up 115.7
Assets held in restriction	1,380	264	Up 422.7
Total noncurrent assets	22,286	1,141	Up 1,853.2
TOTAL ASSETS	116,032	49,794	Up 133.0
LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)			

Financial Results (Quarterly) (continued)

30 September, 2014

CURRENT LIABILITIES:

Accounts payable	1,215	1,700	Down 28.5
Accrued expenses and other current liabilities	3,812	1,286	Up 196.4
Current portion of long-term debt		4,587	
Deferred rent	79	105	Down 24.8
Total current liabilities	5,106	7,678	Down 33.5

NONCURRENT LIABILITIES:

Security deposit	106		
Long-term debt net of current portion		260	
Preferred stock warrant liability		529	
Total noncurrent liabilities	106	789	Down 86.6
TOTAL LIABILITIES	5,212	8,467	Down 38.4

REDEEMABLE CONVERTIBLE PREFERRED STOCK, 0.0001 PAR VALUE NO SHARES AND 11,070,000 SHARES AUTHORIZED AT SEPTEMBER 30, 2014 AND DECEMBER 31, 2013, RESPECTIVELY; NO SHARES AND 10,589,434 SHARES ISSUED AND OUTSTANDING AT SEPTEMBER 30, 2014 AND DECEMBER 31, 2013, RESPECTIVELY:

Series A 880,000 shares designated, 855,996 shares issued and outstanding at December 31, 2013 (aggregate liquidation preference of 21,400 at December 31, 2013)	21,400		
Series B 1,190,000 shares designated, 1,162,021 shares issued and outstanding at December 31, 2013 (aggregate liquidation preference of 29,050 at December 31, 2013)	29,050		
Series C 9,000,000 shares designated, 8,571,417 shares issued and outstanding at December 31, 2013 (aggregate liquidation preference of 60,000 at December 31, 2013)	59,796		

STOCKHOLDERS' EQUITY/(DEFICIT):

Preferred stock, 0.0001 par value 5,000,000 shares and no shares authorized at September 30, 2014 and December 31, 2013, respectively; no shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively			
Common stock, 0.0001 par value 150,000,000 shares and 15,000,000 shares authorized at September 30, 2014 and December 31, 2013, respectively; 17,773,287 shares and 38,226 shares issued and outstanding at September 30, 2014 and December 31, 2013, respectively		1	Up 100.0
Additional paid-in capital	229,632	16,545	Up 1,287.9
Accumulated deficit	-118,814	-85,465	Deterioration 39.0
Total stockholders' equity/(deficit)	110,820	-68,919	Recovery
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)	116,032	49,794	Up 133.0

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