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Zacks Small-Cap Research

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Nurexone Biologic (OTCQB:NRXBF—TSXV:NRX)

NRXBF: Initiating Coverage: Potential Breakthrough Treatment for Spinal Injuries

NRXBF is a preclinical stage biotech company developing a treatment for spinal cord injuries. We value NRXBF at $2.55/share using the discounted cash flow method and a 20% discount rate.

Current Price (10/01/24)	$0.44
Valuation	**$2.55**

OUTLOOK

NurExone (OTC-NRXBF) is a preclinical stage biotech company that is developing a breakthrough treatment for spinal cord injuries that has the potential to dramatically improve lives. The technology involved also has the potential to more efficiently get other treatments to the needed area.

The company has conducted preclinical testing that has shown dramatic results and has been awarded an important FDA designation. We believe the future looks incredibly bright and urge investors to investigate NRXBF.

SUMMARY DATA

52-Week High	**$0.51**
52-Week Low	**$0.39**
One-Year Return (%)	**N/A**
Beta	**N/A**
Average Daily Volume (sh)	**622**
Shares Outstanding (mil)	**67**
Market Capitalization ($mil)	**$29**
Short Interest Ratio (days)	**1**
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 2024 Estimate	**N/A**
P/E using 2025 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Small-Cap**
Industry	**Biotech**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	NA	NA	NA	NA	0 A
2024	0 A	0 E	0 E	0 E	0 E
2025	0 E	0 E	0 E	0 E	0 E
2026	0 E	0 E	0 E	0 E	0 E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	NA	NA	NA	NA	-0.08 A
2024	-0.02 A	-0.04 A	-0.03 E	-0.03 E	-0.12 E
2025	-0.04 E	-0.04 E	-0.04 E	-0.01 E	-0.13 E
2026	-0.04 E	-0.04 E	-0.03 E	-0.03 E	-0.14 E

INITIATION

We are pleased to be initiating coverage of NurExone (OTC-NRXBF) with a price target of $2.55/share. NurExone is a preclinical stage biotech company that is developing an off-the-shelf, non-invasive and novel treatment for the reversal or reduction of paralysis following spinal cord injury using exosome-based (membrane-bound extracellular vesicles) patent-pending technology. But that one sentence description fails to appropriately describe the vast potential that we see developing in the company.

Briefly, the first part of that description should not be taken lightly. The company is endeavoring to restore function to patients that have lost the ability to control portions of their bodies, such as the ability to walk or breath on their own, due to a spinal cord injury—injuries for which there are no known treatments. According to the World Health Organization there are an estimated 250,000–500,000 people globally that suffer from spinal cord injuries annually, with 90% of these injuries stemming from traumatic causes such as vehicle accidents, workplace incidents, or sports-related mishaps.

NurExone is developing a product known as ExoPTEN that is designed to treat patients with acute spinal cord injuries and these numbers suggest a potential market for ExoPTEN of approximately 50,000 new cases globally per year—an enormous market potential with patients eager to have the opportunity to return to some form of normalcy and dramatically improve their quality of life.

It was the test results from the use of ExoPTEN that sparked our enthusiasm for the company, because the initial test results are, in our view, truly remarkable. This isn't a potential treatment that was arrived at quickly or easily as research began at the University level and was conducted between January 2017 and May 2020, including testing the use of intranasal administration of exosomes driven from mesenchymal stem cells loaded with siRNA (a process that is described in more detail below). Testing targeted a complete spinal cord transection in rats, which is the strictest animal testing model, successfully demonstrating significant functional recovery. The company notes that the technology is successfully proven in additional preclinical studies, demonstrating that intranasal administration of ExoPTEN led to significant motor improvement, sensory recovery, and faster urinary reflex restoration. As mentioned, the research began at the University level and the Company has been granted an exclusive worldwide license from the Technion and Tel Aviv University, which includes a patent application, to develop and commercialize the technology. In addition, the Company has developed its own intellectual property and now has five families of patents.

That would be enticing enough to look further into NurExone but, as is described in detail below, the technology used to repair the spinal cord can be used to repair numerous central nervous system injuries and has the potential to be licensed to major pharmaceutical companies to offer an improved drug delivery system that inherently carries therapies to a targeted area. For example, the company recently announced some exciting test results regarding the treatment of the use of the same ExoPTEN-therapy for the glaucoma market conducted at an Eye Institute in one of the world's leading hospitals.

As a final note before getting into the science behind the treatments, which we believe, for investors willing to learn about it, will explain why we are so enthusiastic about the potential provided by NurExone, the company received the Orphan Drug Designation for ExoPTEN in 2023. This designation was created by the FDA which noted that supporting the development and evaluation of new treatments for rare diseases is a key priority for the agency. The FDA has authority to grant orphan drug designation to a drug or biological product to prevent, diagnose or treat a rare disease or condition. Orphan drug designation qualifies sponsors for incentives including:

- Tax credits for qualified clinical trials
- Exemption from user fees
- Potential seven years of market exclusivity after approval

This is another feather in the cap of NurExone and we encourage investors to continue to read this report and understand the science and potential behind these exciting developments.

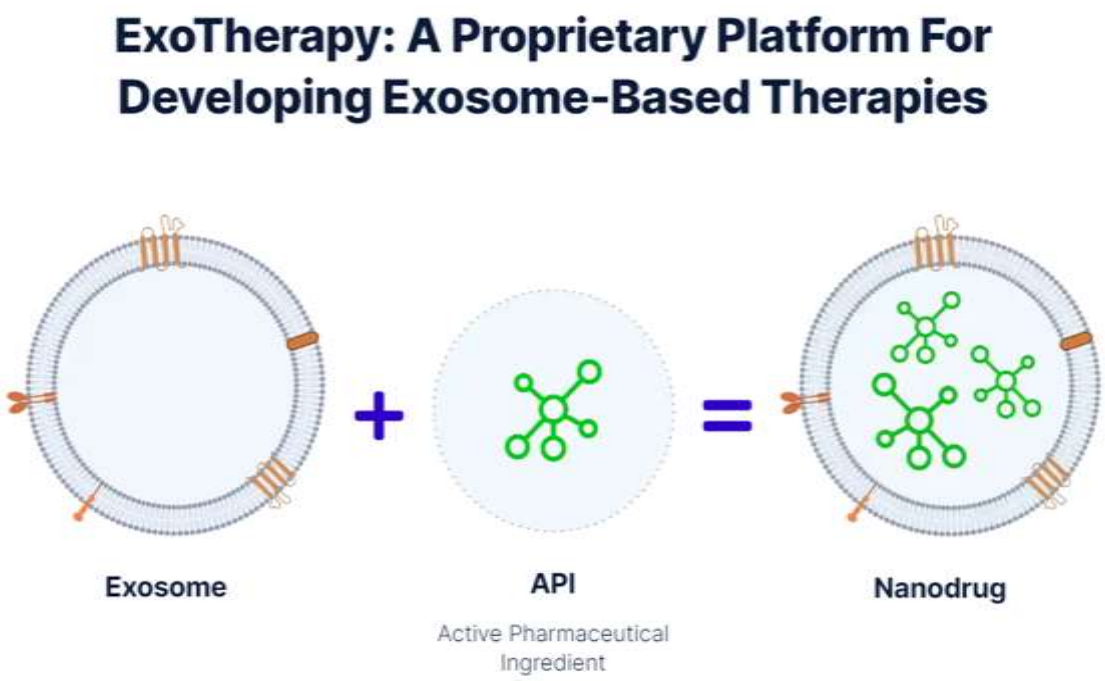
The Science

At the base of what NurExone is creating and has created with ExoPTEN is a segment of the human body known as exosomes. According to the National Institutes of Health (NIH), exosomes "are extracellular vesicles generated by all cells and they carry nucleic acids, proteins, lipids, and metabolites. They are mediators of near and long-distance intercellular communication in health and disease and affect various aspects of cell biology." For those of us without an advanced understanding of medical terms, exosomes are tiny particles that cells in a human body release. One way to think of them is as little packages or bubbles that carry messages and cargo from one cell to another. These messages can include proteins, fats, and genetic material like RNA (a nucleic acid present in all living cells). Its principal role is to act as a messenger carrying instructions from DNA for controlling the synthesis of proteins. Cells use exosomes to communicate with each other, sending important information to help coordinate activities, like fighting infections or healing wounds.

Because they can carry these payloads, exosomes are being studied for their potential use in medicine as is the case with NurExone. Examples provided by the NIH indicate exosomes might be used to deliver drugs directly to specific cells, making treatments more effective with fewer side effects.

Given these characteristics, it's easy to see why the company chose exosomes to start the technology being developed. NurExone chose to base its ultimate drug delivery platform on exosomes-nanosized extracellular vesicles-due to their natural ability to reach inflamed or damaged tissue as outlined above. The company believes that by loading exosomes with therapeutic compounds, nanodrugs are created having natural regenerative properties and therapeutic impact—a process depicted in the below graphic.

Figure 1



Source: NurExone

As discussed above, exosomes are naturally created by the human body but harvesting them is not likely to be an efficient way of producing mass quantities of a therapeutic drug. Fortunately, the company has a dedicated in-house bioreactor that produces potent exosomes with high quality and large scale using proprietary 2D and 3D production processes.

Because exosomes are natural membrane vesicles, secreted by various cells and they carry proteins, lipids, and genetic materials, and facilitate intercellular communication, when intra-nasally administered, exosomes can pass the crucial Blood-Brain Barrier and, according to the company, and are better retained in injury sites than when delivered intravenously. They can also be loadable with an array of therapeutic cargos for specific diseases. The company expects that this technology, after being approved in clinical trials, can be used in various conditions such as spinal cord injury, traumatic brain injury, and potentially other brain and neurological indications.

Now that we have the foundation and delivery system, the company had to determine what to deliver through the ExoPTEN product. The name of the product gives a clue—ExoPTEN uses a proprietary small interfering RNA sequence to inhibit PTEN expression. But how does that have the potential to heal spinal cord injuries, among other conditions? First, again according to information provided by the NIH, small interfering RNA (siRNA), also known as short interfering RNA or silencing RNA, is a double-stranded RNA molecule that regulates gene expression by silencing genes. SiRNAs are typically 20–24 base pairs long and operate within the RNA interference (RNAi) pathway. As a group, small RNAs may directly regulate more than 30% of the genes in a cell. It is not surprising, therefore, that small RNAs are involved in the regulation of all major cellular functions, including cell differentiation, growth/proliferation, migration, apoptosis/death, metabolism and defense.

This leads to the question, why design these siRNA's to inhibit PTEN expression? The PTEN gene (Phosphatase and Tensin Homolog) is a crucial tumor suppressor gene that plays a significant role in regulating cell growth, proliferation, and survival. Among its functions are:

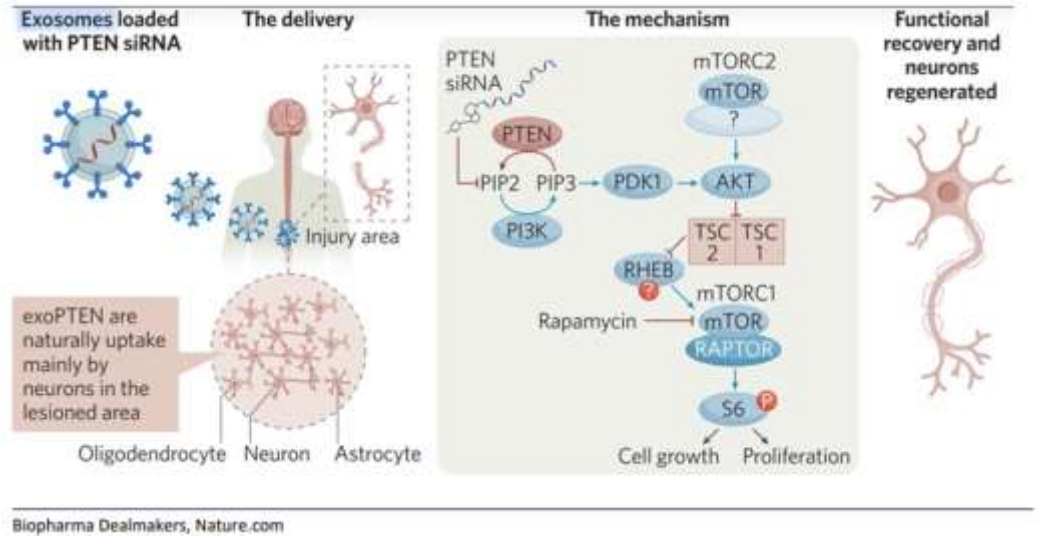
1. **Tumor Suppression**: PTEN is best known for its role in preventing uncontrolled cell growth. It acts as a tumor suppressor by inhibiting the PI3K/AKT signaling pathway, which is often involved in cell survival and proliferation.
2. **Cell Cycle Regulation**: PTEN helps regulate the cell cycle, ensuring that cells do not divide uncontrollably. It can induce cell cycle arrest and promote apoptosis (programmed cell death) when necessary.
3. **Genomic Stability**: PTEN contributes to maintaining genomic stability by preventing excessive DNA damage and mutations, which can lead to cancer development.
4. **Cell Migration and Adhesion**: PTEN is involved in regulating cell adhesion and migration, important processes in wound healing and cancer metastasis.
5. **Metabolism**: PTEN influences cellular metabolism, including glucose and lipid metabolism, by modulating signaling pathways that control these processes.

It's important to know that PTEN encodes a phosphatase enzyme that dephosphorylates phosphatidylinositol-trisphosphate (PIP3) to phosphatidylinositol-bisphosphate (PIP2). This dephosphorylation counteracts the activity of PI3K (phosphoinositide 3-kinase) and inhibits downstream signaling through AKT, leading to reduced cell survival and growth signals. Obviously, when trying to heal an injured area such as a spinal cord, reduced cell survival and growth signals are not what we want to see so the company designed the siRNA to disrupt that process as seen in Figure 2 below.

PTEN negatively regulates the PI3K/AKT/mTOR signaling pathway (Figure 2), which is crucial for cell growth and survival. In neurons, this pathway also plays a significant role in axon (a portion of a nerve cell known as a neuron that carries nerve impulses away from the cell body, regeneration. Inhibiting PTEN can enhance axon growth and regeneration, as increased PI3K/AKT/mTOR activity promotes neuronal survival and axonal elongation.

According to the NIH, after a spinal cord injury, the formation of a glial scar can inhibit axonal regeneration. PTEN inhibition has been suggested to reduce scar formation, potentially creating a more favorable environment for nerve repair, while PTEN regulation is critical in the differentiation and proliferation of neural stem cells. Modulating PTEN activity could enhance the differentiation of these cells into neurons and glial cells, aiding in tissue repair and functional recovery.

Figure 2



Source: NurExone

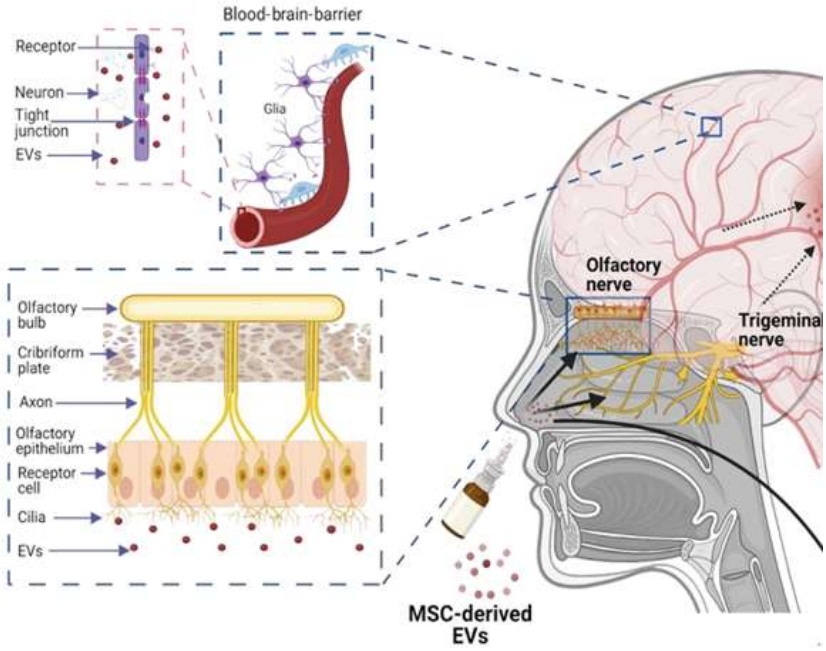
As also can be seen in Figure 2 above, the exosomes with PTEN siRNA targeted at the injured area can disrupt the mTOR cycle. mTOR (mechanistic Target of Rapamycin) is a crucial protein kinase in the human body that plays a significant role in regulating cell growth, proliferation, motility, survival, protein synthesis, and transcription (NIH). It is part of two distinct protein complexes, mTORC1 and mTORC2, each having different functions and regulatory mechanisms. mTOR has various functions, including:

1. **Cell Growth and Proliferation**: mTOR regulates cell growth by sensing and integrating various environmental cues, such as nutrient availability, energy status, and growth factors. It ensures cells grow and divide only when conditions are favorable.
2. **Protein Synthesis**: mTOR is a critical regulator of protein synthesis. It activates the translation of specific mRNAs, leading to increased production of proteins necessary for cell growth and metabolism.
3. **Autophagy Regulation**: mTOR inhibits autophagy, a process by which cells degrade and recycle their components. Under nutrient-rich conditions, mTOR activity is high, suppressing autophagy. During nutrient deprivation, mTOR activity decreases, allowing autophagy to proceed.
4. **Metabolism**: mTOR influences cellular metabolism by regulating the uptake and utilization of nutrients like glucose and amino acids. It modulates metabolic pathways to meet the energy demands of the cell.
5. **Cell Survival**: mTOR contributes to cell survival by promoting anabolic processes and inhibiting catabolic processes, helping cells to thrive in nutrient-rich environments.

Specifically, as seen in Figure 2, ExoPTEN targets mTORC2 (mTOR Complex 2). This complex is involved in regulating cell survival, metabolism, and cytoskeletal organization. It primarily responds to growth factors.

As a result of disrupting mTOR, intranasal administration of ExoPTEN led to significant motor improvement, sensory recovery, and faster urinary reflex restoration. Functional recovery was accompanied by biological changes of reduced neuroinflammation and gliosis, increased axonal regeneration and angiogenesis, and structural and electrophysiological improvements. Lab test results are discussed later in this report but it's important to note that, according to the NIH, nose-to-brain drug delivery has emerged as a novel, non-invasive route with advantages over systemic drug administration such as: evasion of systemic toxicity, better side effect profile, non-invasiveness, short latency, and increased Central Nervous System (CNS) bioavailability. Nose-to-brain drug delivery bypasses the brain-blood-barrier through neural connections among the olfactory epithelium, olfactory bulb, trigeminal nerve, and the brain, as seen in Figure 3 below.

Figure 3

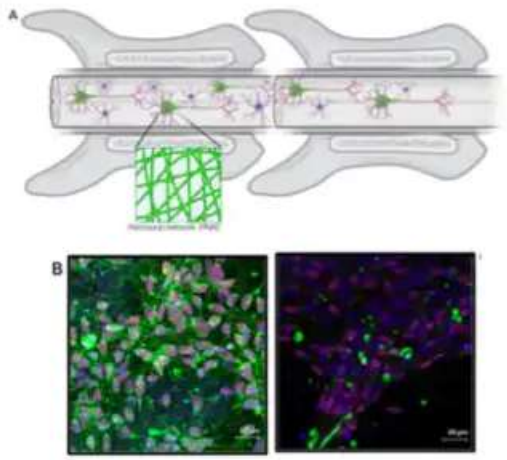


Source: NurExone

In addition, the Company has developed two new selective siRNA sequences that target and inhibit proteins within the Peri-Neural Network (PNN) complex (Figure 4). According to the company, the sequences are built upon a scientifically validated strategy for enhanced neuronal regeneration via inhibition of the PNN complex.

The company believes that its approach, using the company's ExoTherapy platform to deliver these RNA sequences, may overcome limitations of previous methods.

Figure 4



Source: NurExone

(A) Illustration of the extracellular Perineural network (PNN), highlighted in green.

(B) Immunohistology of one protein in the PNN in differentiated neuronal culture demonstrates the new treatment on human neuronal culture successfully degraded the PNN.

PNN are specialized extracellular matrix structures that enwrap certain neurons in the central nervous system (CNS). They are composed of a complex mix of proteins and sugars, including chondroitin sulfate proteoglycans (CSPGs), hyaluronan, tenascin-R, and link proteins. PNNs are primarily associated with inhibitory neurons, particularly parvalbumin-expressing interneurons, and play crucial roles in regulating neural plasticity and stabilizing synaptic connections.

PNNs control the plasticity of synapses by restricting the ability of neurons to form new synaptic connections. PNNs also provide a protective barrier around neurons, shielding them from oxidative stress and potentially harmful molecules. This protective role is crucial for maintaining the long-term health and function of neurons. By regulating the extracellular environment, PNNs influence the excitability and firing patterns of the neurons they enwrap. This modulation can impact various neural processes, including learning and memory.

Modulating PNNs can potentially reopen periods of plasticity in the adult brain, which has implications for learning, memory, and recovery from neural injuries. After brain injuries such as trauma or stroke, PNNs can be disrupted. The company's research into how PNNs can be modulated or repaired following injury is ongoing, with the aim of improving recovery and rehabilitation outcomes.

Degrading PNNs can potentially aid in the recovery from spinal cord injuries by enhancing neural plasticity and promoting the regeneration and rewiring of neural circuits. PNNs stabilize synaptic connections and limit plasticity. By degrading PNNs, the neural environment can become more permissive to changes, similar to the plasticity seen during early development. This can facilitate the formation of new neural connections and pathways that are crucial for recovery. Additionally, degradation of PNNs can allow for the reformation and strengthening of synapses, enabling neurons to establish new connections that can bypass damaged areas of the spinal cord.

PNNs also contain molecules that inhibit axonal growth. Breaking down these structures can remove inhibitory cues, encouraging axonal sprouting and regrowth, which is essential for restoring function after injury and PNN degradation can increase the availability of growth factors and other supportive molecules in the extracellular matrix, promoting neuronal survival and regeneration.

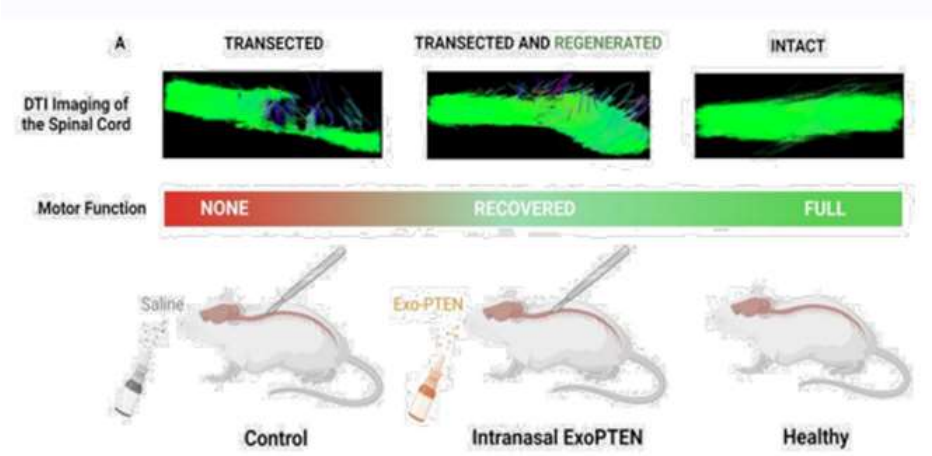
Finally, degrading PNNs can help the nervous system activate compensatory mechanisms to rewire circuits around the injured area. This can lead to the formation of alternative pathways that can take over the functions of damaged neurons. Enhanced plasticity and axonal regeneration can contribute to the recovery of motor and sensory functions by allowing the spinal cord to reorganize and restore communication between neurons.

The Results

If you read through the above science description, in our view it becomes quite clear that the potential for the developments produced by NurExone have tremendous potential. The initial testing of ExoPTEN has only heightened that anticipation as we look forward to an IND submission and the first-in-human tests that should occur in the coming months. And remember from above, ExoPTEN has received the Orphan Drug Designation from the FDA, which should help to expedite the process as the product works its way through the regulatory phases.

In initial preclinical tests, the regeneration of neurons and motor restoration in rats has been successfully replicated across multiple experiments conducted in NurExone's laboratories. Specifically, motor function, sensation and bladder control recovery occurred in 75% of animals following a short, intranasal ExoPTEN cycle. In order to better understand the significance of these results, the company has provided some illustrations that may be helpful.

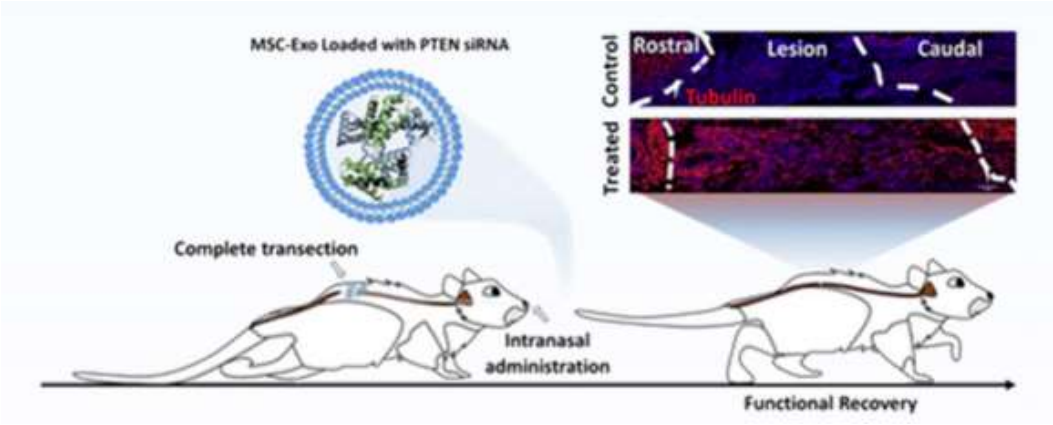
Figure 5



Source-NurExone

Figure 5 shows the spinal cord of a rat whose spinal cord was transected and subsequently administered ExoPTEN, which led to the regeneration of the spinal cord. Similarly, below shows the material discussed above given to the rat and the subsequent functional recovery of the test subject.

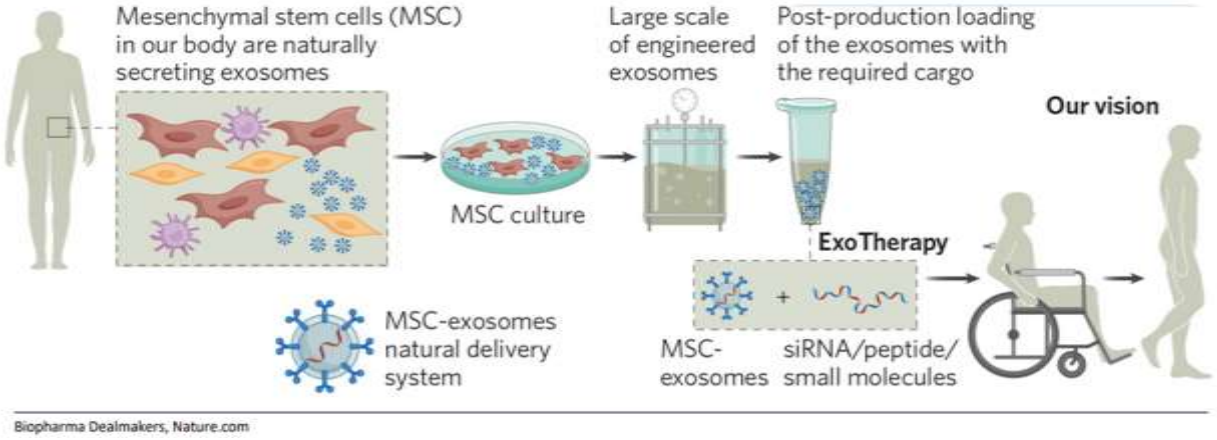
Figure 6



Source-NurExone

Following these tests, management noted," These results hold significant importance particularly when considering the challenges associated with reproducibility in scientific research. They both validate our scientific approach and instill confidence in our ability to translate these findings into tangible benefits for human patients." Management also provided the high-level illustration below that describes the science from above and the ultimate vision of the company:

Figure 7



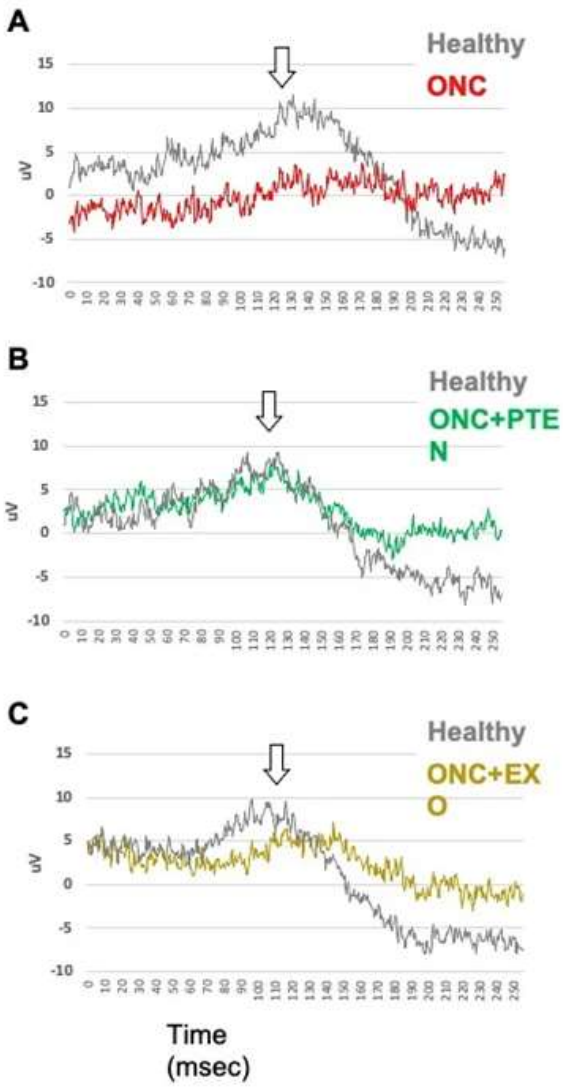
Source-NurExone

As can be seen from the illustrations, the potential impact on patient lives from ExoPTEN is enormous on sufferers of spinal cord injuries, but as noted above, the possibilities of this technology are numerous. The company recently announced that it has been testing ExoPTEN for the treatment of glaucoma, which is a common eye condition, particularly in older adults, typically caused by optic nerve compression and pressure in the eye. The prevalence of glaucoma in the Western world is generally estimated to be around 2-3% in people aged 40 and older. The risk increases with age, and the prevalence can be higher in populations over 60. Estimated Number of People Affected in the United States alone, is over 3 million people, with many more cases likely undiagnosed.

Management notes that, “The study was initiated by Professor Michael Belkin, following the success of ExoPTEN in nerve regeneration in the spinal cord indication in preclinical models (discussed above). An Optic Nerve Crush (“ONC”) model was used to simulate conditions like glaucoma, where the optic nerve is crushed, resulting in impaired vision.”

According to the company, the study explored the therapeutic effects of ExoPTEN on retinal function after ONC compared to healthy baseline levels, an untreated ONC control and ONC treated with naïve exosomes. Importantly, ExoPTEN was administered minimally-invasively using suprachoroidal injection in a delivery system invented by Prof. Rotenstreich, who carried out the study.

As expected, the post-ONC control eyes exhibited a marked decline in retinal functionality, as evidenced by the lack of a peak (Fig. A – red graph-below). Experimental treatments with ExoPTEN (“ONC+PTEN"), showed promising results, with treated eyes exhibiting a peak similar to the healthy eye in the same animal, indicating recovery of retinal response following optical nerve compression (Fig. B – green graph-below). The naïve exosome-treated rats (“ONC+EXO”) showed a lower peak and increased latency indicating a weaker response (Fig. C – brown graph-below). The company reports that these results are from just 18 days following the ONC damage and believes the treatment findings suggest potential pathways for recovery of optic nerve function and overall healthy vision.



Electroretinogram (ERG) measurements

Source: NurExone

Figures A-C show Electroretinogram (ERG) measurements of dark-adapted (scotopic) threshold retinal response (STR, in microvolts, μV) at -36 dB of three representative rats. In each rat, one eye was left intact as a healthy control ("Healthy", gray). Rat A had ONC in one eye (red) with no treatment, which resulted in a flat, near-zero retinal response. Rat B had ONC in one eye and was treated with ExoPTEN (green, ONC+PTEN), resulting in a retinal response similar to the healthy intact contralateral eye. Rat C had ONC in one eye and was treated with naïve exosomes (brown, ONC+EXO), resulting in a recordable but delayed and smaller retinal response compared to the healthy control contralateral eye. The results are following the minimally-invasive administration of two treatment cycles (one post-operation and the other in the subsequent week), with a volume of 20μL per eye in the treated and the control rats (naïve exosomes).

Following the tests, Dr. Ifat Sher and Prof Ygal Rotenstreich of Sheba Medical Center commented: "While these results are preliminary, they form a solid foundation for further research. Our next steps include more extensive studies to validate these findings and explore their potential application for humans."

Again, we are excited at the potential that ExoPTEN shows in treating various conditions and believe these initial tests provide a solid foundation for the company to launch human trials from.

VALUATION

Valuing a preclinical stage company at an early stage of the process such as NurExone requires a careful analysis of the science behind the products the company hopes to commercialize. The validity and promise of the science will then lead to potential acquisition opportunities, partnerships, and future investment potential. In order to get the value of those potential events, as well as to gauge the value of the company based on it continuing to operate largely as a stand-alone entity, a view on potential future cash flows is required.

When considering the potential for future cash flows for NRXBF, we consider the competitive environment, which we believe is limited at this point, with NurExone having a unique platform described above that can have a variety of groundbreaking uses due to its ability to break the blood-brain-barrier. We give additional credit to the company for its valuable Orphan Drug Designation from the FDA, both for the value of the designation itself and for the credibility the Designation lends to a treatment. We also reduce the discount rate of the cash flow analysis slightly due to the patent protection the company has and continues to expand due to the reduced potential for near-term competition.

Using all of this information and being conservative in our assumptions of when the treatments will make it to market and how quickly revenues will ramp up. For NRXBF, we are assuming that the company continues to lose money in the next two years before breaking even in 2027. In the years following, we assume a 10% growth rate for the first few years, which we believe understates what the true growth rate will be once the product hits the market, and then grow revenues in line with inflation in the years following—again a very conservative assumption in our view. We then discount those cash flow streams back to the present day using a discount rate of 20%, which accounts for the early stage in the approval process the company is currently at, and will likely be reduced as positive trial results come in.

After carefully applying these assumptions, we arrive at a valuation of $2.55 per share, which represents a substantial premium over recent trading prices, but is also one that we think is a conservative estimate due to the factors noted above.

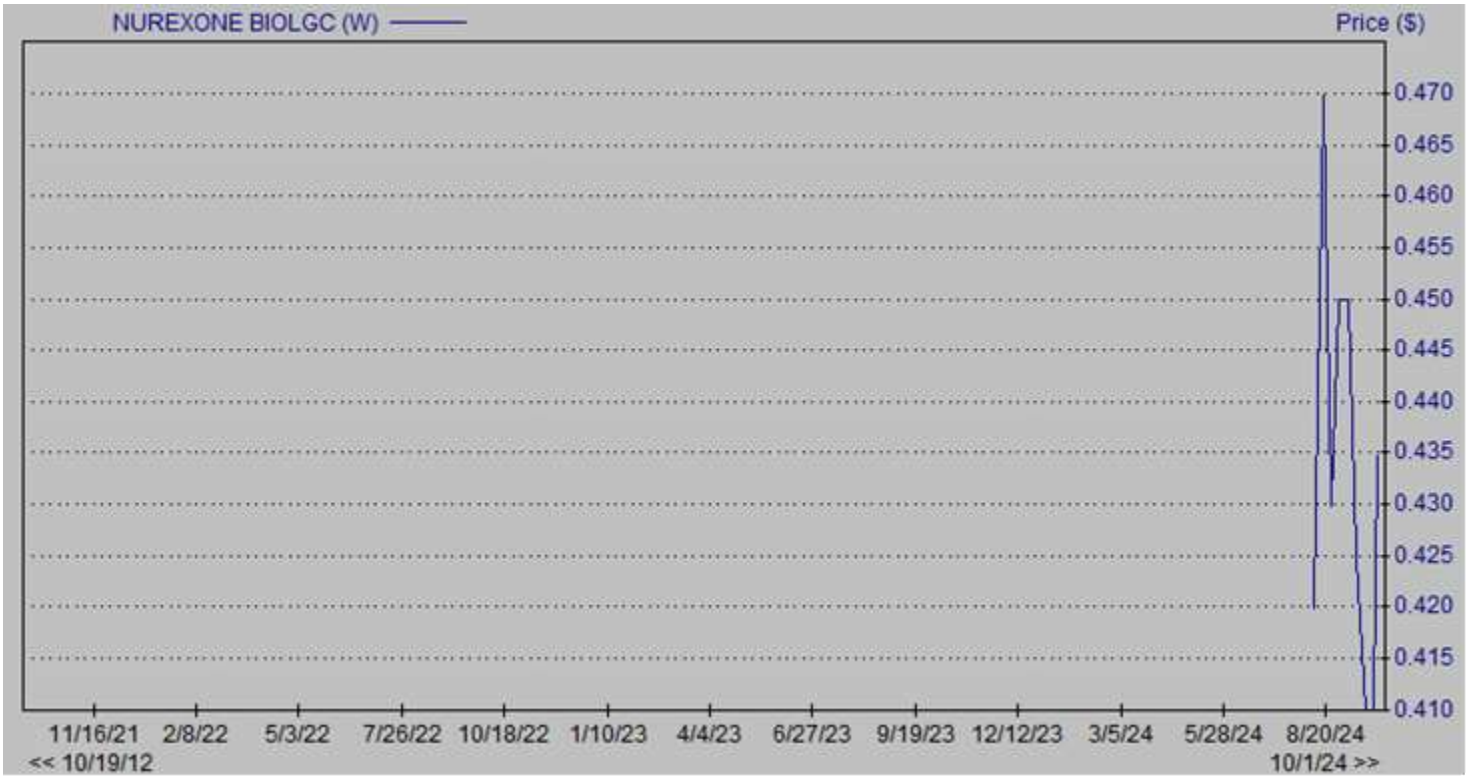
RISKS

- NurExone could run out of funding before bringing products to market or obtaining licensing deals.
- The company's technology is novel a potential breakthrough, and the prospects of a new technology can end up being less than initially believed.
- Company management could leave.
- Drug trials could disappoint.
- Further funding needs could be met by issuing new shares, which would dilute current shareholders.
- Competition could increase.
- Partnerships with or investments by major pharmaceutical companies may not happen to the degree currently expected.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Nurexone Biologic Income Statement and Balance Sheet (US $ in thousands, except per share data)							
		2023A	**1Q2024A**	**2Q2024A**	**3Q2024E**	**4Q2024E**	**2025E**
Revenues							
Operating Expenses							
	General and administrative	2,116	695	1,507	1,537	1,568	6,272
	Research and development	1,541	225	733	748	763	3,050
Loss from operations		3,657	920	2,240	2,285	2,330	9,322
Other income and (expenses)							
	Finance (income)/expense	(18)	2	28	29	29	30
	Other income, net	(28)	45	-21	-22	-23	-24
Total other (income) and expenses, net		(46)	47	7	7	6	5
Net loss		3,611	967	2,247	2,291	2,336	9,327
Basic and diluted loss per share		$ 0.08	$ 0.02	$ 0.04	$ 0.03	$ 0.03	$ 0.13
Basic and diluted wtd avg common shares		44,722,288	56,528,121	61,488,044	68,688,044	70,061,805	71,463,041
Assets							
Current Assets:							
	Cash	541	3,255	2,385	3,985	4,065	4,146
	Securities and other current assets	1,441	422	399	411	423	436
Total Current Assets		1,982	3,677	2,784	4,396	4,488	4,582
Property, Plant and Equipment, net		158	394	445	490	538	592
Right-of-use assets		30	71	63	65	67	69
Other assets		-	-	-	-	-	-
Total Assets		2,170	4,142	3,292	4,950	5,093	5,243
Liabilities and stockholder equity							
Current liabilities:							
	Accounts Payable	317	102	371	378	386	394
	Other current liabilities	1,591	260	175	184	193	203
Total Current Liabilities		1,908	362	546	562	579	596
Long-term Liabilities:							
	Royalty Payments	71	78	64	66	68	70
	Lease Liability	2	71	107	113	119	125
Total long-term liabilities		73	149	171	179	187	195
Total liabilities		1,981	511	717	741	766	792
Stockholders Equity							
	Equity reserves	2,084	2,113	1,197	1,203	1,209	1,215
	Additional Paid-in capital	12,162	16,497	17,682	18,197	18,727	19,273
	Accumulated Deficit	(14,057)	(14,979)	(16,304)	(15,191)	(15,609)	(16,037)
Total stockholders equity		189	3,631	2,575	4,209	4,327	4,451
Total liabilities and stockholder equity		2,170	4,142	3,292	4,950	5,093	5,243

HISTORICAL STOCK PRICE



DISCLOSURES

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