



ZYNGA Q4 2017

FINANCIAL RESULTS

February 7, 2018

TABLE OF CONTENTS

- Overview of Q4 2017 Performance
- Q1 2018 Financial Guidance
- GAAP to Non-GAAP Reconciliations

MANAGEMENT TEAM



CHIEF EXECUTIVE OFFICER
Frank Gibeau



CHIEF FINANCIAL OFFICER
Gerard Griffin

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, including those statements relating to our outlook for the first quarter of 2018 under the headings "Q1 2018 FINANCIAL GUIDANCE" and our related estimates and assumptions, including, among other things: our operational performance and progress in our turnaround; our operational strategy; growth projections relating to our mobile forever franchises; the success of new product and feature launches and other special events; our expectations regarding the advertising market, including anticipated trends in that market; our expectations in the mobile game industry, including anticipated trends in that market; our expectations regarding the acquisition of the mobile card game studio of Peak Games, including our ability to successfully integrate the acquired games and other assets into our business and operations; our performance expectations regarding our legacy portfolio of web and older mobile games; and our ability to achieve financial projections, including revenue, bookings, income and margin goals.

Forward-looking statements often include words such as "guidance," "outlook," "projected," "intends," "will," "anticipate," "believe," "target," "expect," and statements in the future tense are generally forward-looking. The achievement or success of the matters covered by such forward-looking statements involves significant risks, uncertainties, and assumptions. Our actual results could differ materially from those predicted or implied and reported results should not be considered as an indication of our future performance. Undue reliance should not be placed on such forward-looking statements, which are based on information available to us on the date hereof. We assume no obligation to update such statements. More information about factors that could affect our operating results are described in greater detail in our public filings with the Securities and Exchange Commission (the "SEC"), copies of which may be obtained by visiting our Investor Relations web site at <http://investor.zynga.com> or the SEC's web site at www.sec.gov.

In addition, the preliminary financial results set forth in this presentation are estimates based on information currently available to us. While we believe these estimates are meaningful, they could differ from the actual amounts that we ultimately report in our Annual Report on Form 10-K for the quarter and full year ended December 31, 2017. We assume no obligation and do not intend to update these estimates prior to filing our Annual Report on Form 10-K.



OVERVIEW OF Q4 2017 PERFORMANCE

Q4 2017 PERFORMANCE OVERVIEW

Q4 FINANCIAL HIGHLIGHTS

- Revenue of \$233.3 million; above our guidance and up 22% Y/Y
- GAAP operating expenses of \$160.2 million; down 1% Y/Y
- Net income of \$12.9 million; broadly in-line with our guidance and an improvement of \$48.4 million Y/Y
- Net release of deferred revenue of \$9.5 million; versus our guidance of a net release of deferred revenue of \$5.0 million
- Bookings of \$223.8 million; above our guidance and up 11% Y/Y
- Non-GAAP operating expenses of \$129.0 million; up 2% Y/Y
- Adjusted EBITDA of \$46.5 million; above our guidance and an increase of \$35.9 million Y/Y
- Operating cash flow of \$26.4 million; down \$1.4 million Y/Y

Q4 MOBILE HIGHLIGHTS

- Mobile revenue of \$203.6 million; up 32% Y/Y
- Mobile bookings of \$197.0 million; up 18% Y/Y
- Average mobile DAUs of 20 million; up 24% Y/Y
- Mobile user pay revenue was up 31% Y/Y, and mobile user pay bookings were up 12% Y/Y

2017 FINANCIAL HIGHLIGHTS

- Revenue of \$861.4 million; up 16% Y/Y
- GAAP operating expenses of \$576.7 million; down 7% Y/Y
- Net income of \$26.6 million; an improvement of \$134.8 million Y/Y
- Net release of deferred revenue of \$7.6 million compared to an increase of \$13.1 million in 2016, representing a \$20.7 million change Y/Y
- Bookings of \$853.8 million; up 13% Y/Y
- Non-GAAP operating expenses of \$493.0 million; flat Y/Y
- Adjusted EBITDA of \$137.7 million, up \$88.9 million or 182% Y/Y
- Operating cash flow of \$94.6 million; up 58% Y/Y and our best performance since 2012

Q4 2017 FINANCIAL GUIDANCE VS. ACTUALS

GAAP	Guidance ⁽²⁾	Actuals
Revenue	\$ 215,000	\$ 233,280
(B) Net release of deferred revenue ⁽¹⁾	\$ 5,000	\$ 9,494
Net income	\$ 13,000	\$ 12,929
Diluted share count	900,000	898,410
Diluted net income per share	\$ 0.01	\$ 0.01
Non-GAAP		
Bookings	\$ 210,000	\$ 223,786
(A) Adjusted EBITDA	\$ 35,000	\$ 46,503

Management Reporting = (A) - (B)

Footnote:

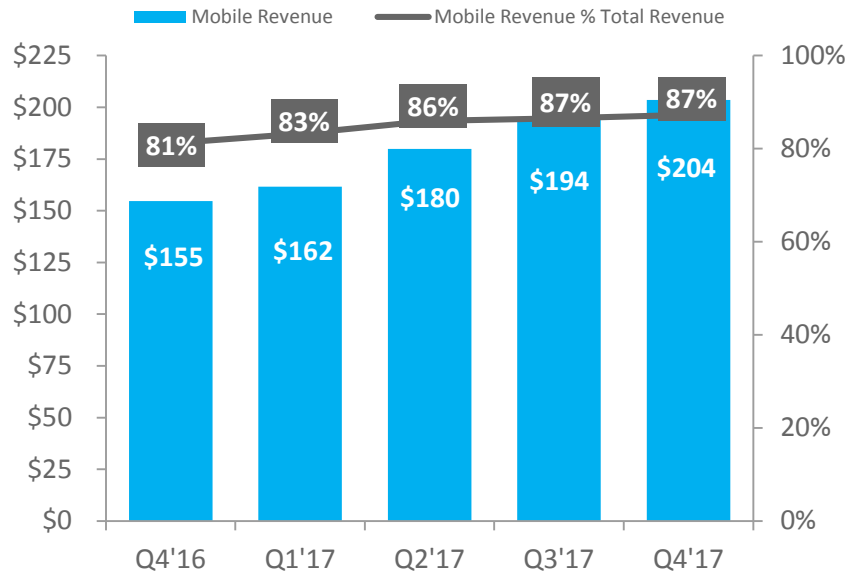
(1) For clarity, a net release of deferred revenue results in revenue being higher than bookings and is a positive impact to Adjusted EBITDA as reported; a net increase in deferred revenue results in revenue being lower than bookings and is a negative impact to Adjusted EBITDA as reported.

(2) Q4'17 guidance as communicated in our Q3'17 quarterly earnings letter and earnings slides

MOBILE HIGHLIGHTS

MOBILE REVENUE

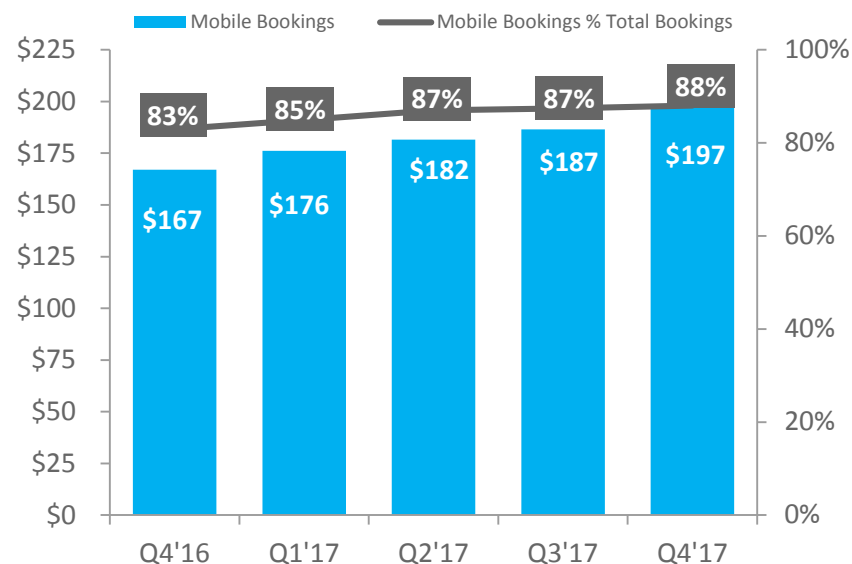
87% OF TOTAL IN Q4'17



IN MILLIONS

MOBILE BOOKINGS

88% OF TOTAL IN Q4'17



Net Release of (Increase in) Deferred Revenue⁽¹⁾

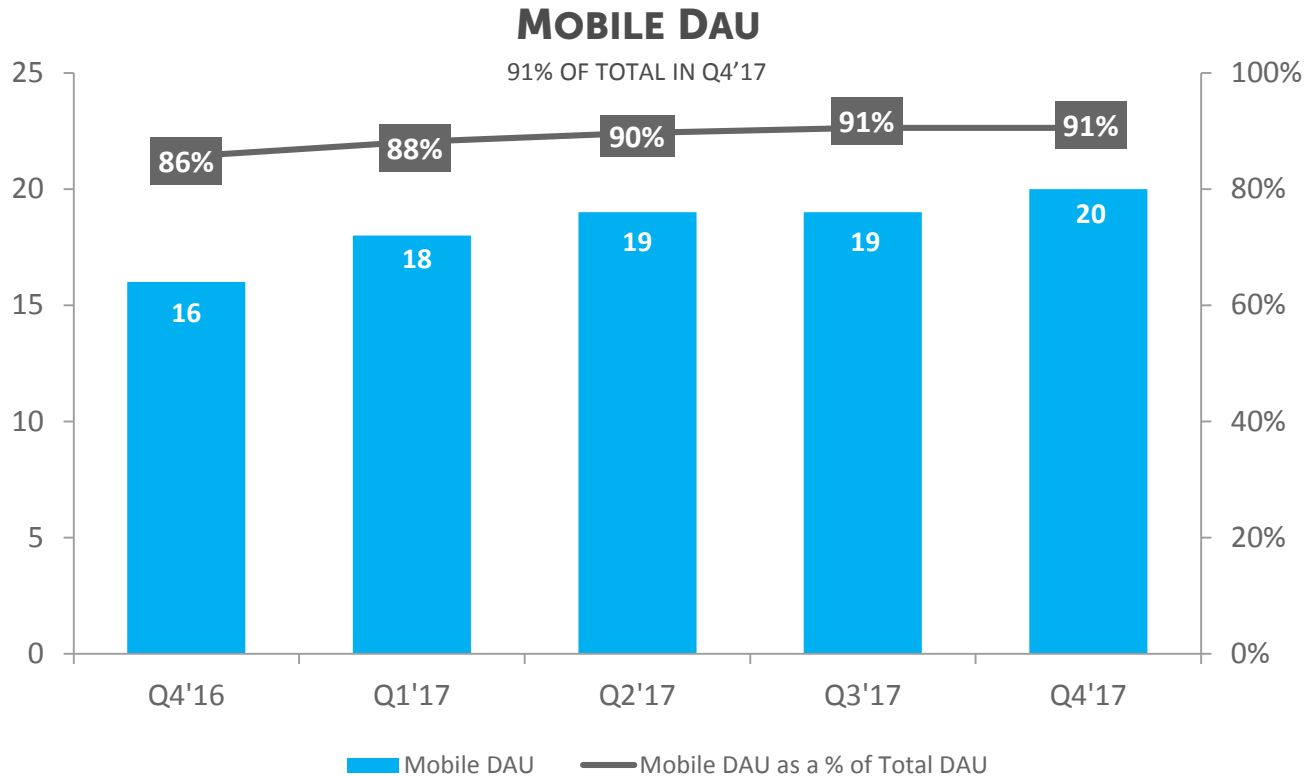
Mobile Bookings

(\$12)	(\$15)	(\$2)	\$8	\$7
\$167	\$176 ⁽²⁾	\$182	\$187 ⁽²⁾	\$197

Footnotes:

(1) Refer to footnote (1) on slide 7

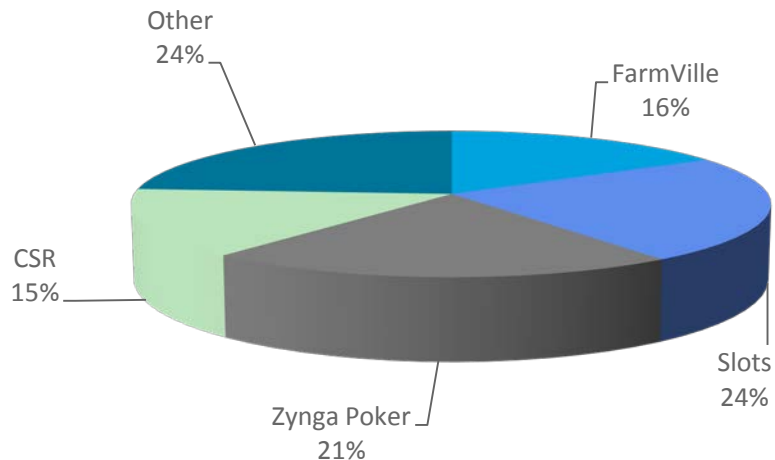
(2) This measure, as presented, differs due to the impact of rounding



Q4 2017 ONLINE GAME REVENUE AND BOOKINGS BY FRANCHISE

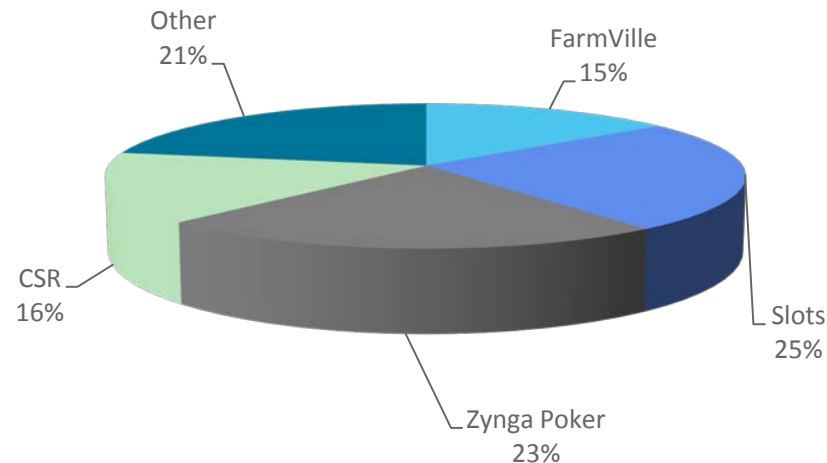
Q4'2017 ONLINE GAME REVENUE

Total Amount: \$173 million



Q4'2017 ONLINE GAME BOOKINGS

Total Amount: \$163 million ⁽¹⁾



Note: Franchises representing less than 10% of online game revenue are included in "Other".

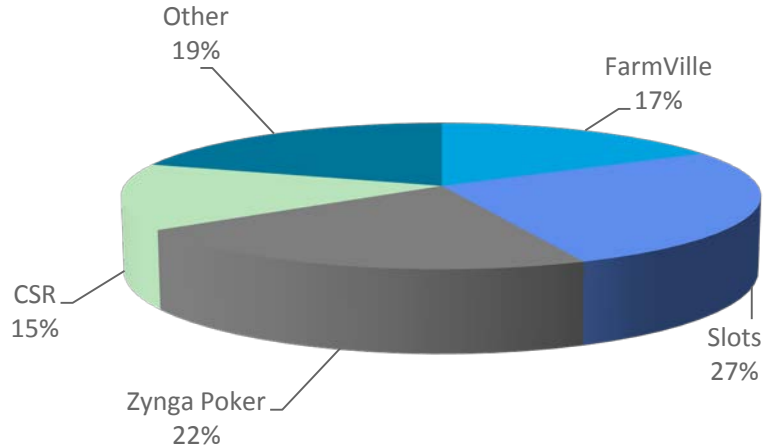
Footnote:

(1) Online game revenue of \$173 million, plus the change in deferred revenue of (\$10) million, results in online game bookings of \$163 million.

2017 ONLINE GAME REVENUE AND BOOKINGS BY FRANCHISE

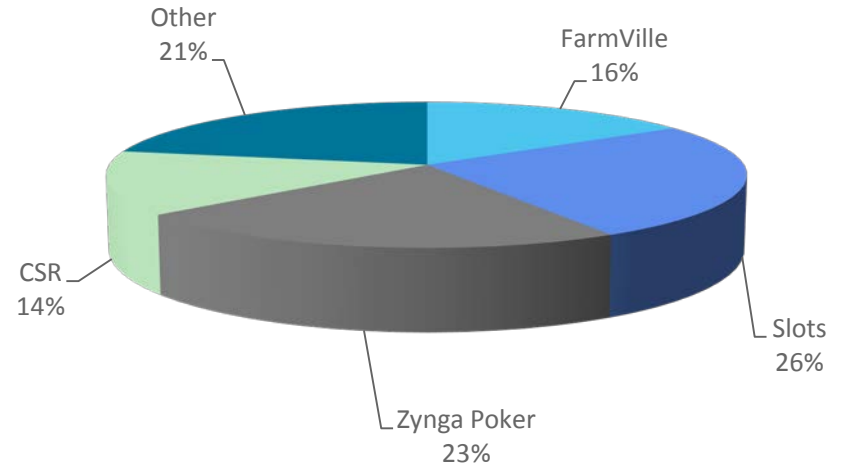
2017 ONLINE GAME REVENUE

Total Amount: \$666 million



2017 ONLINE GAME BOOKINGS

Total Amount: \$658 million ⁽¹⁾



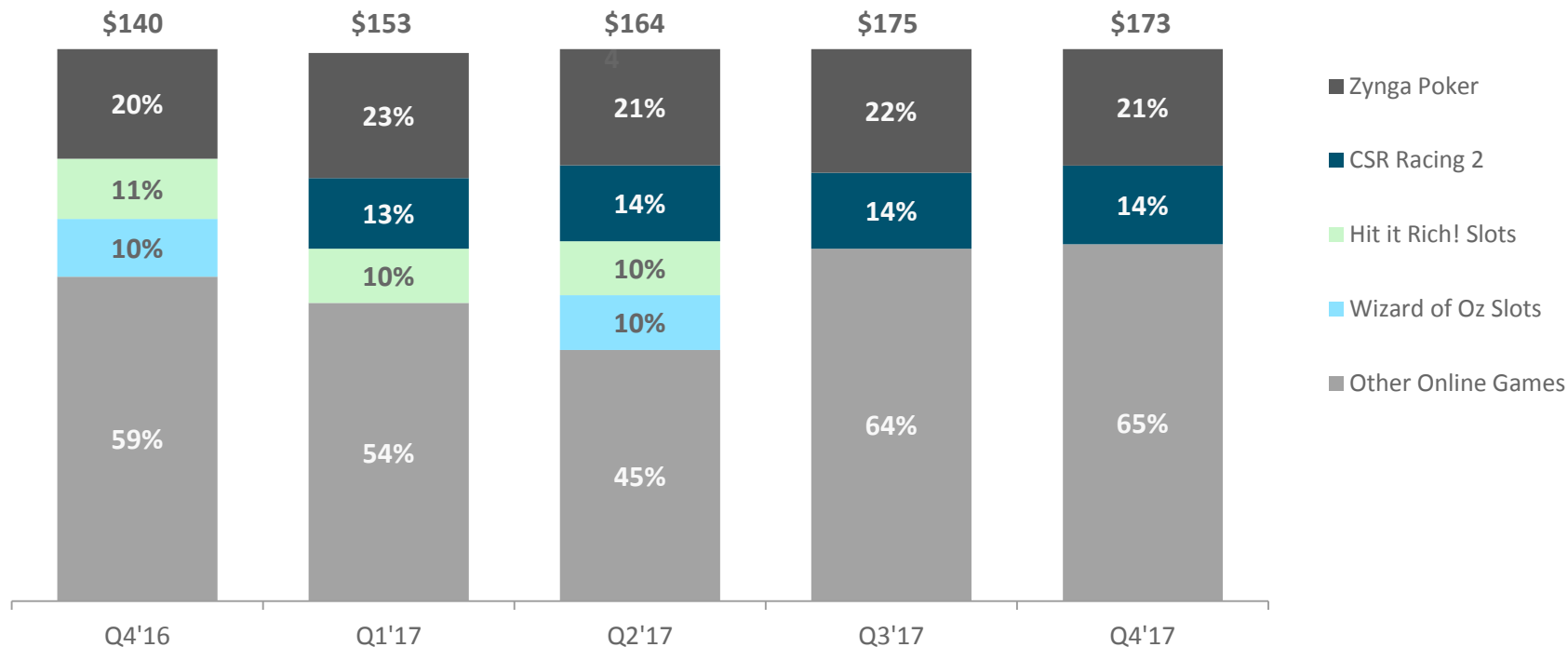
Note: Franchises representing less than 10% of online game revenue are included in “Other”.

Footnote:

(1) Online game revenue of \$666 million, plus the change in deferred revenue of (\$8) million, results in online game bookings of \$658 million.

ONLINE GAME REVENUE CONCENTRATION

TOTAL REVENUE IN MILLIONS



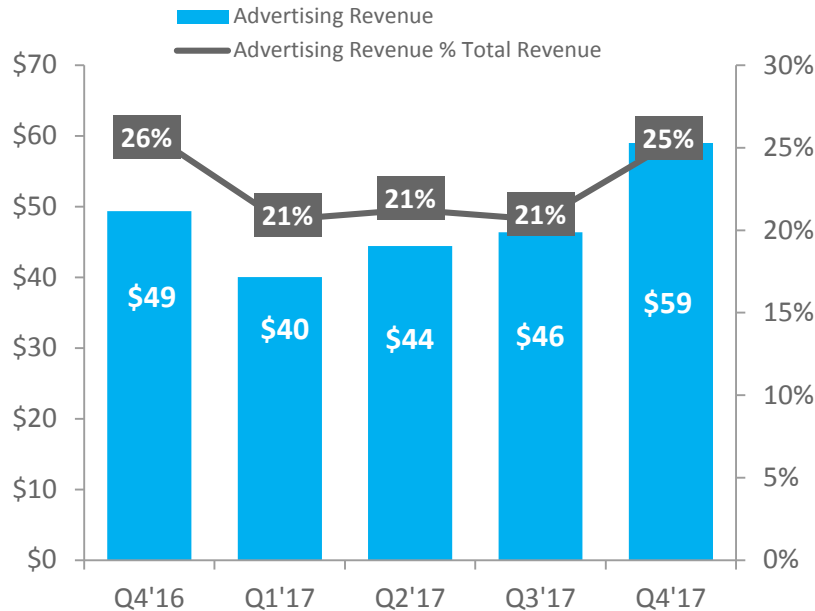
Note: Games representing less than 10% of online game revenue in any period are included in “Other Online Games”

ADVERTISING: REVENUE AND BOOKINGS

IN MILLIONS

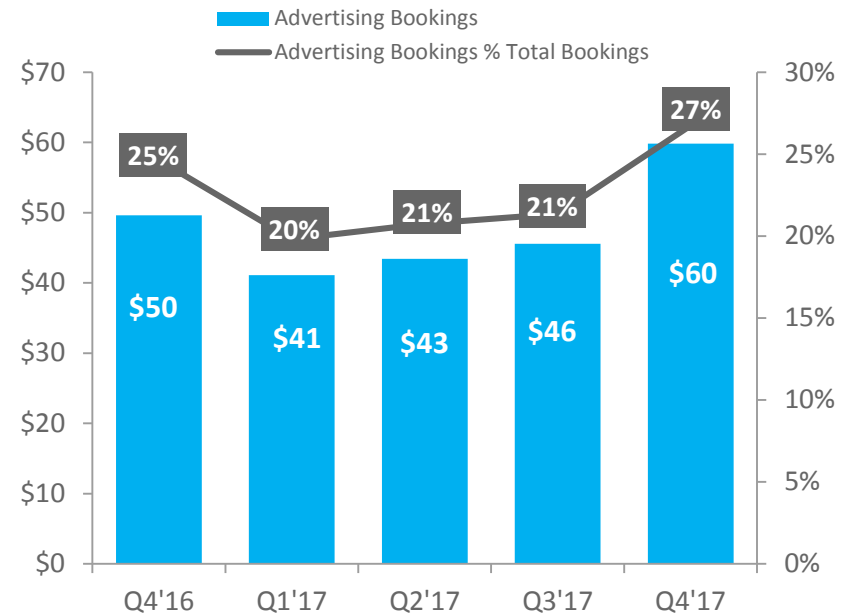
ADVERTISING REVENUE

25% OF TOTAL IN Q4'17



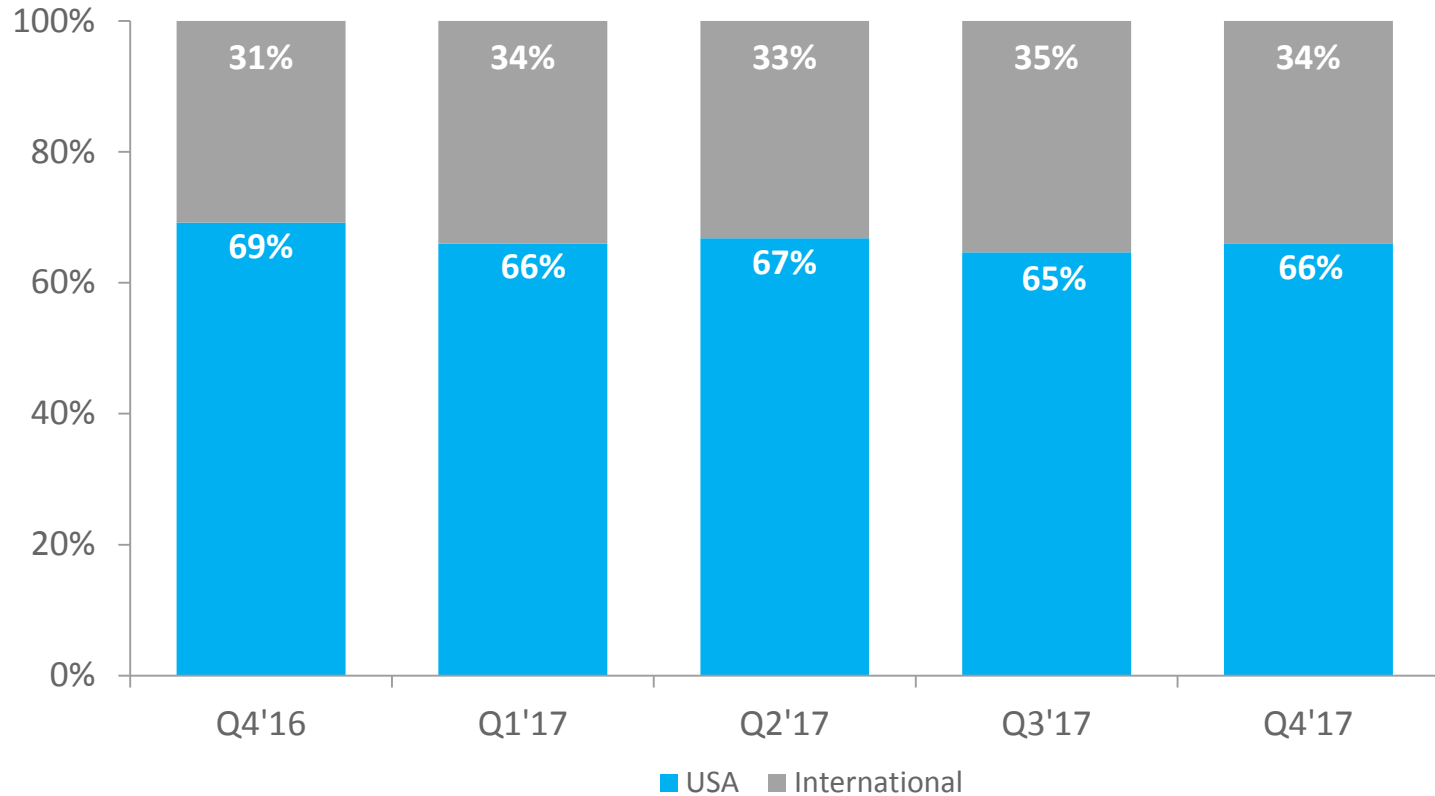
ADVERTISING BOOKINGS

27% OF TOTAL IN Q4'17



Net Release of (Increase in) Deferred Revenue ⁽¹⁾	\$0	(\$1)	\$1	\$1	(\$1)
Advertising Bookings	\$50 ⁽²⁾	\$41	\$43	\$46 ⁽²⁾	\$60

REVENUE BY GEOGRAPHY



NET INCOME (LOSS) AND CASH FLOW

(in millions, except per share data)

	Q4'17	Q3'17	Q2'17	Q1'17	Q4'16
Net income (loss)	\$ 12.9	\$ 18.1	\$ 5.1	\$ (9.5)	\$ (35.4)
Diluted net income (loss) per share	\$ 0.01	\$ 0.02	\$ 0.01	\$ (0.01)	\$ (0.04)
Operating cash flow	\$ 26.4	\$ 35.1	\$ 37.8	\$ (4.7)	\$ 27.7
Free cash flow (non-GAAP)	\$ 23.3	\$ 32.4	\$ 36.0	\$ (7.0)	\$ 24.1
Cash, cash equivalents and short-term investments	\$ 681.4	\$ 772.2	\$ 739.0	\$ 720.4	\$ 852.4

KEY OPERATING METRICS

The company tracks operating metrics using internal systems which rely on internal company data and third party data. We rely on the veracity of data provided by individuals and reported by third parties to calculate our metrics and reduce duplication of data.

DAUs. We define Daily Active Users (DAUs) as the number of individuals who played one of our games during a particular day. Under this metric, an individual who plays two different games on the same day is counted as two DAUs. We use information provided by third parties to help us identify individuals who play the same game to reduce this duplication. However, because we do not always have the third party network login data to link an individual who has played under multiple user accounts, a player may be counted as multiple DAUs. Average DAUs for a particular period is the average of the DAUs for each day during that period. We use DAUs as a measure of audience engagement.

MAUs. We define Monthly Active Users (MAUs) as the number of individuals who played one of our games in the 30-day period ending with the measurement date. Under this metric, an individual who plays two different games in the same 30-day period is counted as two MAUs. We use information provided by third parties to help us identify individuals who play the same game to reduce this duplication. However, because we do not always have the third party network login data to link an individual who has played under multiple user accounts, a player may be counted as multiple MAUs. Average MAUs for a particular period is the average of the MAUs at each month-end during that period. We use MAUs as a measure of total game audience size.

MUUs. We define Monthly Unique Users (MUUs) as the number of individuals who played one or more of our games, which we were able to verify were played by the same individual in the 30-day period ending with the measurement date. An individual who plays more than one of our games in a given 30-day period would be counted as a single MUU to the extent we can verify that the games were played by the same individual. However, because we do not always have the third party network login data necessary to link an individual who has paid under multiple user accounts in a given 30-day period, an individual may be counted as multiple MUUs. Because many of our players play more than one game in a given 30-day period, MUUs are always equal to or lower than MAUs in any given time period. Average MUUs for a particular period is the average of the MUUs at each month end during that period. We use MUUs as a measure of total audience reach across our network of games.

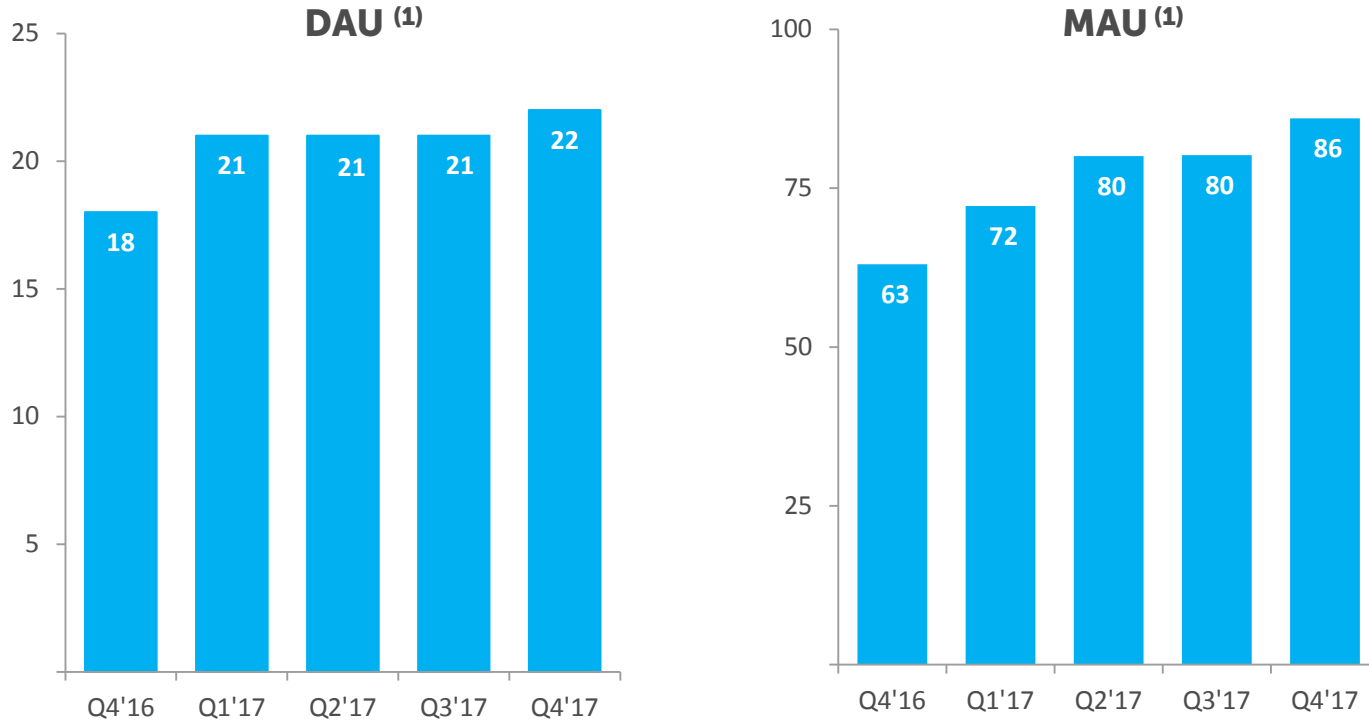
MUPs. We define Monthly Unique Payers (MUPs) as the number of individuals who made a payment at least once during the applicable 30-day period through a payment method for which we can quantify the number of individuals, including payers from certain mobile games. MUPs does not include individuals who use certain payment methods for which we cannot quantify the number of unique payers. However, because we do not always have the third party network login data necessary to link an individual who has paid under multiple user accounts in a 30-day period, a player who has paid using multiple user accounts may be counted as multiple MUPs. MUPs are presented as an average of the three months in the applicable quarter. We use MUPs as a measure of the number of individuals who made payments across our network of games during a 30-day period.

ABPU. We define Average Daily Bookings per Average DAU (ABPU) as our total bookings in a given period, divided by the number of days in that period, divided by, the average DAUs during the period. We believe that ABPU provides useful information to investors and others in understanding and evaluating our results in the same manner as our management and Board of Directors. We use ABPU as a measure of overall monetization across all of our players through the sale of virtual goods and advertising.

Payer Conversion. We define payer conversion as MUPs divided by MUUs.

AUDIENCE METRICS

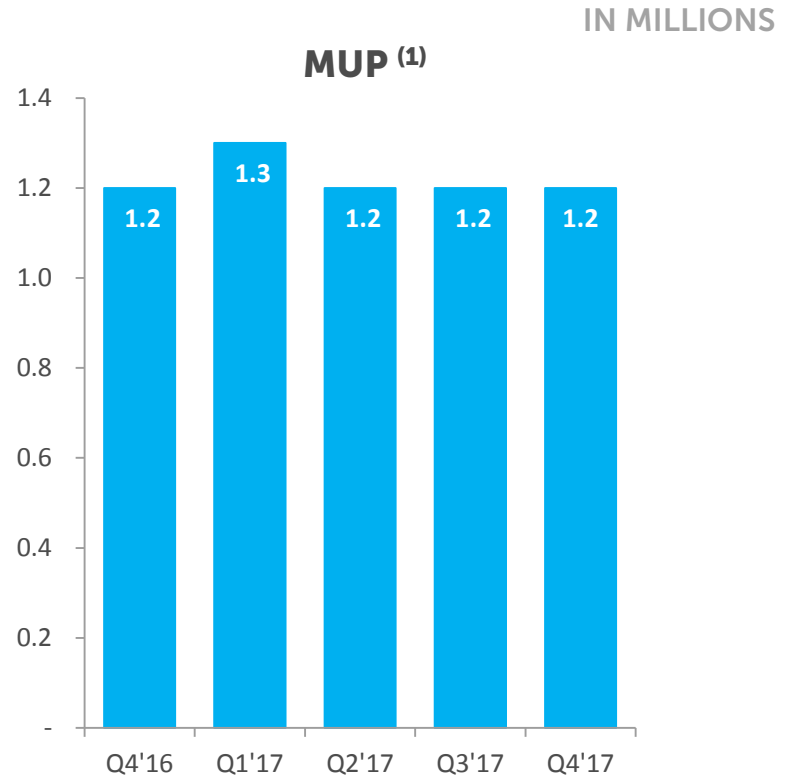
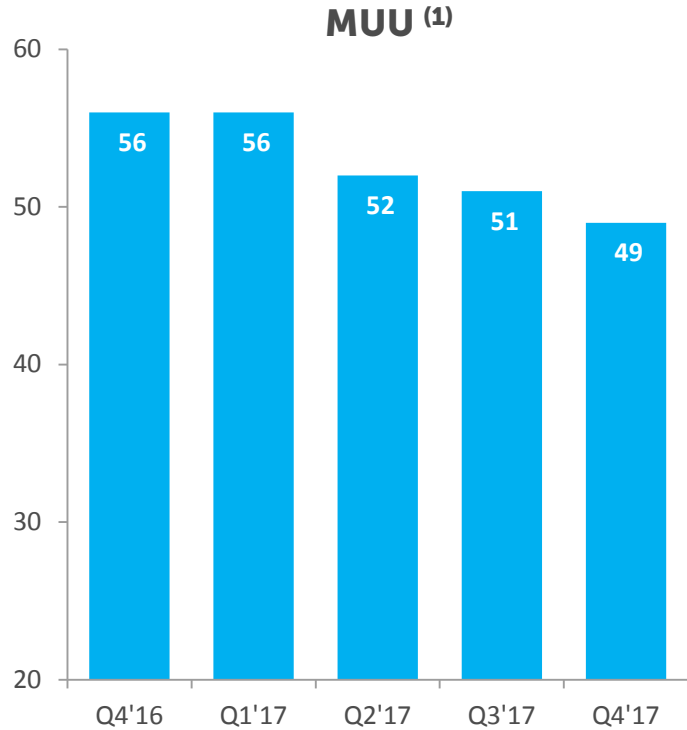
IN MILLIONS



Footnote:

- (1) We do not have the third party network login data to link an individual who has played under multiple user accounts and accordingly, actual DAU and MAU may be lower than reported due to the potential duplication of these individuals. Specifically, for the fourth quarter of 2017, DAUs and MAUs incrementally include *Daily Celebrity Crossword*, *Solitaire*, our Facebook Messenger games and games recently acquired from Peak Games; for the second and third quarters of 2017, DAUs and MAUs incrementally include *Daily Celebrity Crossword*, *Solitaire* and our Facebook Messenger games; for the first quarter of 2017, DAUs and MAUs incrementally include *Daily Celebrity Crossword*, *Solitaire* and *Vegas Diamond Slots*; and for the fourth quarter of 2016, DAUs and MAUs incrementally include *Daily Celebrity Crossword* and *Vegas Diamond Slots*.

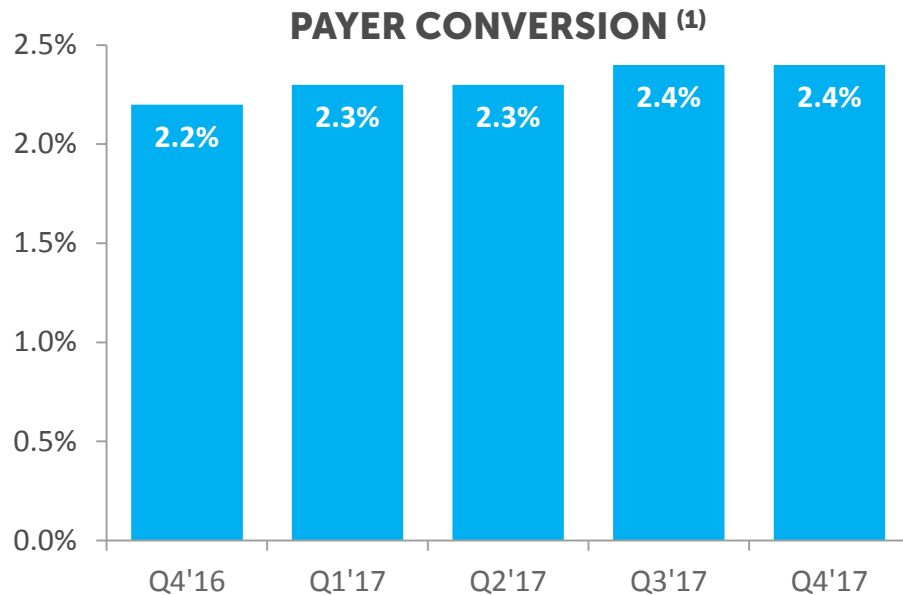
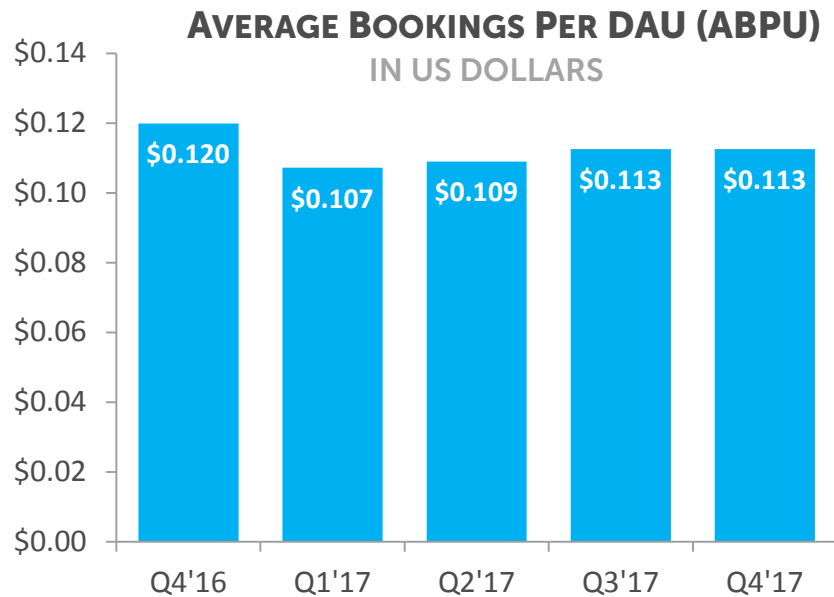
AUDIENCE METRICS



Footnote:

(1) For the fourth quarter of 2017, MUUs and MUPs exclude *Daily Celebrity Crossword*, *Solitaire*, our Facebook Messenger games and games recently acquired from Peak Games. For the second and third quarters of 2017, MUUs and MUPs exclude *Daily Celebrity Crossword*, *Solitaire* and our Facebook Messenger games. For the first quarter of 2017, MUUs and MUPs exclude *Daily Celebrity Crossword*, *Solitaire* and *Vegas Diamond Slots*. For the fourth quarter of 2016, MUUs and MUPs exclude *Daily Celebrity Crossword* and *Vegas Diamond Slots*.

MONETIZATION



Footnote:

- (1) For the fourth quarter of 2017, payer conversion excludes *Daily Celebrity Crossword*, *Solitaire*, our Facebook Messenger games and games recently acquired from Peak Games. For the second and third quarters of 2017 payer conversion excludes *Daily Celebrity Crossword*, *Solitaire* and our Facebook Messenger games. For the first quarter of 2017, payer conversion excludes *Daily Celebrity Crossword*, *Solitaire* and *Vegas Diamond Slots*. For the fourth quarter of 2016, payer conversion excludes *Daily Celebrity Crossword* and *Vegas Diamond Slots*.



Q1 2018 FINANCIAL GUIDANCE

Q1 2018 FINANCIAL GUIDANCE

(in thousands, except per share data)

GAAP	Q1'18 Guidance
Revenue	\$ 200,000
(B) Net increase in deferred revenue ⁽¹⁾	\$ (10,000)
Net loss	\$ (5,000)
Diluted share count	905,000
Diluted net income per share	\$ (0.01)

Non-GAAP

Bookings	\$ 210,000
(A) Adjusted EBITDA	\$ 20,000

Management Reporting = (A) - (B)

Footnote:

- ⁽¹⁾ For clarity, a net release of deferred revenue results in revenue being higher than bookings and is a positive impact to Adjusted EBITDA as reported; a net increase in deferred revenue results in revenue being lower than bookings and is a negative impact to Adjusted EBITDA as reported.



GAAP TO NON-GAAP RECONCILIATIONS

NON-GAAP FINANCIAL MEASURES

We have provided in this presentation certain non-GAAP financial measures to supplement our consolidated financial statements prepared in accordance with U.S. GAAP (our “GAAP financial statements”). Management uses non-GAAP financial measures internally in analyzing our financial results to assess operational performance and liquidity. Our non-GAAP financial measures may be different from non-GAAP financial measures used by other companies.

The presentation of our non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, our GAAP financial statements. We believe that both management and investors benefit from referring to our non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. We believe our non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key financial measures we use in making operating decisions and because our investors and analysts use them to help assess the health of our business.

We have provided reconciliations of our non-GAAP financial measures used in this presentation to the most directly comparable GAAP financial measures in the following tables and elsewhere in this presentation.

Because of the following limitations of our non-GAAP financial measures, you should consider the non-GAAP financial measures presented in this presentation with our GAAP financial statements. Key limitations of our non-GAAP financial measures include:

- Bookings does not reflect that we defer and recognize online game revenue over the estimated average life of durable virtual goods or as virtual goods are consumed;
- Adjusted EBITDA does not include the impact of stock-based compensation expense, acquisition-related transaction expenses, contingent consideration fair value adjustments, impairment of intangible assets, legal settlements, and restructuring expense;
- Adjusted EBITDA does not reflect provisions for or benefits from income taxes and does not include other income (expense) net, which includes foreign exchange gains and losses, and interest income;
- Adjusted EBITDA excludes depreciation and amortization of tangible and intangible assets. Although depreciation and amortization are non-cash charges, the assets being depreciated or amortized may have to be replaced in the future; and
- Free cash flow is derived from net cash provided by operating activities less cash spent on capital expenditures.

REVENUE TO BOOKINGS: TOTAL

<i>(in thousands, unaudited)</i>	3 months ended		12 months ended	
	12/31/17	12/31/16	12/31/17	12/31/16
Reconciliation of Revenue to Bookings: Total				
Revenue	\$ 233,280	\$ 190,540	\$ 861,390	\$ 741,420
Change in deferred revenue	(9,494)	10,992	(7,581)	13,113
Bookings: Total	<u>\$ 223,786</u>	<u>\$ 201,532</u>	<u>\$ 853,809</u>	<u>\$ 754,533</u>

REVENUE TO BOOKINGS: MOBILE

<i>(in thousands, unaudited)</i>	3 months ended		12 months ended	
	12/31/17	12/31/16	12/31/17	12/31/16
Reconciliation of Revenue to Bookings: Mobile				
Revenue	\$ 203,625	\$ 154,674	\$ 739,496	\$ 574,371
Change in deferred revenue	(6,584)	12,387	1,831	30,404
Bookings: Mobile	<u>\$ 197,041</u>	<u>\$ 167,061</u>	<u>\$ 741,327</u>	<u>\$ 604,775</u>

REVENUE TO BOOKINGS: ADVERTISING

<i>(in thousands, unaudited)</i>	3 months ended		12 months ended	
	12/31/17	12/31/16	12/31/17	12/31/16
Reconciliation of Revenue to Bookings: Advertising				
Revenue	\$ 58,991	\$ 49,338	\$ 189,828	\$ 188,493
Change in deferred revenue	860	305	133	(1,660)
Bookings: Advertising	<u>\$ 59,851</u>	<u>\$ 49,643</u>	<u>\$ 189,961</u>	<u>\$ 186,833</u>

NET INCOME (LOSS) TO ADJUSTED EBITDA

	3 months ended		12 months ended	
	12/31/17	12/31/16	12/31/17	12/31/16
<i>(in thousands, unaudited)</i>				
Reconciliation of Net Income (Loss) to Adjusted EBITDA				
Net income (loss)	\$ 12,929	\$ (35,432)	\$ 26,639	\$ (108,173)
Provision for income taxes	211	3,238	10,944	3,442
Other income, net	(2,319)	(1,476)	(6,550)	(6,461)
Interest income	(1,761)	(791)	(5,309)	(3,057)
Restructuring expense, net	1,612	(191)	3,184	1,938
Depreciation and amortization	6,405	9,612	30,294	41,770
Acquisition-related transaction expenses	2,390	–	3,020	274
Contingent consideration fair value adjustment	–	9,145	(901)	(9,025)
Loss on legal settlement	11,867	–	11,867	–
Impairment of intangible assets	–	–	–	20,677
Stock-based compensation expense	15,169	26,479	64,515	107,461
Adjusted EBITDA	\$ 46,503	\$ 10,584	\$ 137,703	\$ 48,846

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO FREE CASH FLOW

<i>(in thousands, unaudited)</i>	3 months ended		12 months ended	
	12/31/17	12/31/16	12/31/17	12/31/16
Reconciliation of net cash provided by (used in) operating activities to free cash flow				
Net cash provided by operating activities	\$ 26,380	\$ 27,743	\$ 94,577	\$ 60,016
Acquisition of property and equipment	(3,093)	(3,692)	(9,971)	(10,313)
Free cash flow	<u>\$ 23,287</u>	<u>\$ 24,051</u>	<u>\$ 84,606</u>	<u>\$ 49,703</u>

GAAP TO NON-GAAP COSTS AND EXPENSES

Adjustments to GAAP to arrive at non-GAAP measures

Three months ended December 31, 2017

(in thousands, unaudited)

	GAAP measure	Restructuring Expense	Amortization of intangible assets from acquisitions	Acquisition- related transaction expenses	Contingent consideration fair value adjustment	Gain (loss) from legal settlements	Stock-based compensation expense	Non-GAAP measure
Cost of revenue	\$ 64,015	\$ -	\$ (2,654)	\$ -	\$ -	\$ -	\$ (413)	\$ 60,948
Operating expenses								
Research and development	61,229	(1,148)	-	-	-	-	(9,883)	50,198
Sales and marketing	60,265	(149)	(547)	-	-	-	(1,852)	57,717
General and administrative	38,711	(315)	-	(2,390)	-	(11,867)	(3,021)	21,118
Total operating expenses	160,205	(1,612)	(547)	(2,390)	-	(11,867)	(14,756)	129,033
Total costs and expenses	\$ 224,220	\$ (1,612)	\$ (3,201)	\$ (2,390)	\$ -	\$ (11,867)	\$ (15,169)	\$ 189,981

Three months ended December 31, 2016

	GAAP measure	Restructuring expense	Amortization of intangible assets from acquisitions	Acquisition- related transaction expenses	Contingent consideration fair value adjustment	Gain (loss) from legal settlements	Stock-based compensation expense	Non-GAAP measure
Cost of revenue	\$ 62,629	\$ -	\$ (4,540)	\$ -	\$ -	\$ -	\$ (895)	\$ 57,194
Operating expenses								
Research and development	92,417	-	-	-	(9,145)	-	(21,158)	62,114
Sales and marketing	46,860	-	(1,520)	2	-	-	(1,516)	43,826
General and administrative	23,095	191	-	(2)	-	-	(2,910)	20,374
Total operating expenses	162,372	191	(1,520)	-	(9,145)	-	(25,584)	126,314
Total costs and expenses	\$ 225,001	\$ 191	\$ (6,060)	\$ -	\$ (9,145)	\$ -	\$ (26,479)	\$ 183,508

GAAP TO NON-GAAP COSTS AND EXPENSES

Adjustments to GAAP to arrive at non-GAAP measures

Year ended December 31, 2017

(in thousands, unaudited)

	GAAP measure	Restructuring Expense	Amortization of intangible assets from acquisitions	Acquisition-related transaction expenses	Contingent consideration fair value adjustment	Gain (loss) from legal settlements	Impairment of intangible assets	Stock-based compensation expense	Non-GAAP measure
Cost of revenue	\$ 258,971	\$ -	\$ (12,257)	\$ -	\$ -	\$ -	\$ -	\$ (1,838)	\$ 244,876
Operating expenses									
Research and development	256,012	(2,347)	-	-	901	-	-	(42,176)	212,390
Sales and marketing	212,030	(149)	(3,811)	(246)	-	-	-	(7,281)	200,543
General and administrative	108,653	(688)	-	(2,774)	-	(11,867)	-	(13,220)	80,104
Impairment of intangible assets	-	-	-	-	-	-	-	-	-
Total operating expenses	576,695	(3,184)	(3,811)	(3,020)	901	(11,867)	-	(62,677)	493,037
Total costs and expenses	\$ 835,666	\$ (3,184)	\$ (16,068)	\$ (3,020)	\$ 901	\$ (11,867)	\$ -	\$ (64,515)	\$ 737,913

Year ended December 31, 2016

	GAAP measure	Restructuring expense	Amortization of intangible assets from acquisitions	Acquisition-related transaction expenses	Contingent consideration fair value adjustment	Gain (loss) from legal settlements	Impairment of intangible assets	Stock-based compensation expense	Non-GAAP measure
Cost of revenue	\$ 238,546	\$ -	\$ (23,922)	\$ -	\$ -	\$ -	\$ -	\$ (3,720)	\$ 210,904
Operating expenses									
Research and development	320,300	(124)	-	(1)	9,025	-	-	(84,236)	244,964
Sales and marketing	183,637	-	(4,257)	(179)	-	-	-	(7,254)	171,947
General and administrative	92,509	(1,814)	-	(94)	-	-	-	(12,251)	78,350
Impairment of intangible assets	20,677	-	-	-	-	-	(20,677)	-	-
Total operating expenses	617,123	(1,938)	(4,257)	(274)	9,025	-	(20,677)	(103,741)	495,261
Total costs and expenses	\$ 855,669	\$ (1,938)	\$ (28,179)	\$ (274)	\$ 9,025	\$ -	\$ (20,677)	\$ (107,461)	\$ 706,165

Q1 2018 FINANCIAL GUIDANCE: GAAP TO NON-GAAP RECONCILIATION

(in thousands, except per share data)

	<u>Q1'18 Guidance</u>
Reconciliation of Revenue to Bookings	
Revenue	\$ 200,000
Change in deferred revenue	10,000
Bookings	<u>\$ 210,000</u>
Reconciliation of Net Loss to Adjusted EBITDA	
Net loss	\$ (5,000)
Provision for income taxes	5,000
Other income, net	(3,000)
Interest income	(2,000)
Depreciation and amortization	8,000
Stock-based compensation expense	17,000
Adjusted EBITDA	<u>\$ 20,000</u>
GAAP diluted shares	905,000
Diluted net income per share	\$ (0.01)

