



AEGIS CAPITAL CORP

Biotechnology
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Company Update / Estimates Change

November 15, 2016

Key Metrics

MTNB - OTC	\$1.50
Pricing Date	Nov 15 2016
Price Target	\$8.00
52-Week Range	\$2.01 - \$0.41
Shares Outstanding (mm)	57.6
Market Capitalization (mm)	\$86.4
3-Mo Average Daily Volume	93,300
Institutional Ownership	NM
Debt/Total Capital	NM
ROE	NM
Book Value/Share	NM
Dividend Yield	NM
LTM EBITDA Margin	NM

EPS FY: December

	2015A	Prior 2016E	Curr. 2016E	Prior	Curr.
1Q-Mar	(0.07)	--	(0.04)A	--	--
2Q-Jun	(0.04)	--	(0.03)A	--	--
3Q-Sep	(0.04)	(0.03)E	(0.11)A	--	--
4Q-Dec	(0.05)	(0.04)E	(0.11)E	--	--
FY	(0.18)	(0.14)E	(0.29)E	--	--
P/E	NM		NM		

REVENUE

	2015A	Prior 2016E	Curr. 2016E	Prior	Curr.
1Q-Mar	0.1	--	0.0	--	--
2Q-Jun	0.1	--	0.0	--	--
3Q-Sep	0.1	--	0.0	--	--
4Q-Dec	0.0	--	0.0	--	--
FY	0.3	--	0.0	--	--

Company Description:

Matinas BioPharma Holdings is a clinical stage biopharmaceutical company focusing on therapeutics for infectious diseases.

SternAegis Ventures, through Aegis Capital, acted as the exclusive placement agent for the offering participants of an \$8 million private placement of preferred shares on September 14, 2016

Affiliates of Aegis own approximately 13.8% of Matinas common stock on a beneficial ownership basis [giving effect to Aegis affiliates common stock, common stock equivalents, and warrants].

Matinas BioPharma Holdings Inc

Rating: Buy

MTNB: Matinas Reports 3Q16 and Moves Forward As Expected

Investment Highlights:

Matinas reported a 3Q16 loss of \$6.2 million or \$(0.11) per share. This included a pre-tax loss of \$1.8 million plus a charge of \$4.4 million from the convertible preferred stock feature treated as a dividend. Our pre-tax estimate was for a loss of \$1.9 million. Cash on hand at the end of the quarter was about \$6.2 million, including the proceeds from the convertible stock offering. We consider these results to be close to expectations.

Coming Milestones On Schedule Matinas reiterated the schedule of clinical trial events that we had expected in our Initiation of Coverage report on October 31. The Phase II study of MAT2203 in vulvovaginal candidiasis and the Phase I study of MAT2501 are both expected to begin before YE2016. The first pharmacokinetic study of MAT2203 in hematological malignancies is expected to begin in 1Q17. Top-line data from the Phase IIa study in mucocutaneous candidiasis is expected to be reported in 1H17. Uplisting the stock to a national exchange is still planned, and now has an expected time frame of the next two quarters.

Conclusion: We expect Matinas to be driven by progress from its products in clinical development. Our target price for MTNB is \$8 per share, based on our estimated FY2022 EPS of \$2.55 per share, discounted at 30% with a multiple of 15X.

Required Disclosures

Price Target

Our price target is \$8 per share.

Valuation Methodology

We value MTNB based on our FY2022 EPS estimate of \$8 per share, discounted at 30% with a 15X multiple.

Risk Factors

Matinas BioPharma Holdings is in clinical stages of drug development, a high-risk business subject to scientific and technical risks as well as regulatory and market risks. Additional risk factors are described within.

For important disclosures go to www.aegiscap.com.

I, Robert LeBoyer, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject companies and their securities. I also certify that I have not been, do not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendations in this report.

Research analyst compensation is not dependent upon investment banking revenues received by Aegis Capital Corp.

Aegis Capital Corp. intends to seek or expects to receive compensation for investment banking services from the subject company within the next three months.

The firm nor the Research Analyst have any material conflict of interest in which the Research Analyst has a reason to know or knows at the time of publication of this research report.

Members of Aegis Capital Corp., including senior officers of Aegis Capital Corp., have positions in the common stock of Matinas BioPharma Holdings Inc. These positions individually or in the aggregate exceed 5% of any class of equity securities in the subject company.

The research analyst who prepared this report or a member of the research analyst's household has a financial position in the debt or equity securities of the subject company.

Aegis Capital Corp. has performed investment banking services for and received fees from Matinas BioPharma Holdings Inc within the past 12 months.

Rating	Investment Banking Services/Past 12 Mos.	
	Percent	Percent
BUY [BUY]	89.01	41.98
HOLD [HOLD]	10.99	30.00
SELL [SELL]	0.00	0.00

Meaning of Ratings

- A) A Buy rating is assigned when we do not believe the stock price adequately reflects a company's prospects over 12-18 months.
- B) A Hold rating is assigned when we believe the stock price adequately reflects a company's prospects over 12-18 months.
- C) A Sell rating is assigned when we believe the stock price more than adequately reflects a company's prospects over 12-18 months.

Other Disclosures

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