Zacks Small-Cap Research

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Pressure Biosciences (PBIO-OTCQB)

PBIO: First purchase order received for HT48 system, expecting continued revenue growth in 4Q14 and beyond; valuation very attractive---Outperform

Current Recommendation	**Outperform**
Prior Recommendation	Neutral
Date of Last Change	11/15/2012
Current Price (02/19/15)	$0.42
Twelve- Month Target Price	**$2.50**

OUTLOOK

PBIO is a research products and services provider for the life science industry. We are impressed with and optimistic about the Company's novel, enabling platform technology PCT which has competitive advantages over existing technologies in the sample preparation market. PCT is increasingly gaining recognition by research labs.

PBIO just reported another strong financial performance for 3Q14, and received first purchase order for its HT48 system. We expect to see continued revenue growth in 4Q14 and beyond.

We continue to be bullish on PBIO shares.

SUMMARY DATA

52-Week High	**$0.70**
52-Week Low	**$0.17**
One-Year Return (%)	**38.10**
Beta	**1.08**
Average Daily Volume (sh)	**31,147**
Shares Outstanding (mil)	**16**
Market Capitalization ($mil)	**$4**
Short Interest Ratio (days)	**3.01**
Institutional Ownership (%)	**2**
Insider Ownership (%)	**41**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**37.0**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2011 Estimate	**N/A**
P/E using 2012 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**High,**
Type of Stock	**Small-Value**
Industry	**Med Instruments**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2013	0.37 A	0.36 A	0.42 A	0.35 A	1.50 A
2014	0.40 A	0.31 A	0.37 A	0.50 E	1.58 E
2015					4.50 E
2016					8.00 E

Earnings per Share
(EPS is operating earnings before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2013	-$0.11 A	-$0.10 A	-$0.06 A	-$0.16 A	-$0.44 A
2014	-$0.19 A	-$0.05 A	-$0.07 A	-$0.07 E	-$0.37 E
2015					-$0.13 E
2016					-$0.05 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

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WHAT'S NEW

- ***NIH SBIR Phase II Grant Boosts Balance Sheet in a Non-dilutive Way***
- ***With Boosted Balance Sheet, PBIO Ready to Accelerate Sales Growth***
- ***First Purchase Order Received For Barozyme HT48 System***
- **We maintain an Outperform rating on PBIO shares, and reiterate our PT of $2.50 per share;**

NIH SBIR Phase II Grant Boosts Balance Sheet in a Non-dilutive Way

On February 19, 2015, PBIO announced that it has been awarded a $1.02 million SBIR Phase II grant from the National Human Genome Research Institute of the National Institutes of Health.

This grant will help fund the development of an automated, high-throughput, high pressure system (instrument and consumables), to enable significantly better control of DNA fragmentation - a critical step in the preparation of samples for Next Generation Sequencing platforms.

Next Generation Sequencing (NGS) is one of the fastest growing segments in the life sciences arena: it has not only revolutionized the study of genomics and molecular biology, but it offers the promise of enabling significant discoveries and improvements in human healthcare, including the burgeoning field of personalized medicine. The global NGS market is a multi-billion dollar business.

The SBIR grant provides over $1 million in **non-dilutive funding**, payable over two years, to support the development of a high pressure - based system for the preparation of samples for DNA analysis by NGS methods. Further, the grant **validates** the power and usefulness of the company's patented high pressure technology.

With Boosted Balance Sheet, PBIO Ready to Accelerate Sales Growth

In addition to the above discussed grant, in its recent 8-k filings, PBIO disclosed that it has completed two equity transactions totaling $1.2 million, which greatly boosted the company's balance sheet.

The first transaction

In December, 2014, PBIO closed a series of warrant reset agreements with 30 warrant holders. Pursuant to the agreements, the Company agreed to reduce the exercise price to $0.25 per warrant share, while the warrant holders received a new warrant to purchase the same number of warrant shares as exercised, at an exercise price of $0.40 per share.

We noticed that all of the Company's officers and board members participated in the transaction. The Company received $903,000 from this transaction.

The second transaction

In November, 2014, PBIO sold 1,052 units at $250 per unit to various accredited individual investors, which was the fifth and final tranche of a previous $3.3 million private placement.

Each unit consists of:

- One share of Series K Convertible Preferred Stock, convertible into 1,000 shares of the Company's common stock; and

- One warrant to purchase 500 shares of common stock at an exercise price of $0.3125 per share, with a term expiring on November 12, 2017.

Also, all of the Company's Board members participated in the transaction. The Company received $263,000 from this transaction.

Our Takeaways

The above two transactions brought approximately $1.2 million to the company, which greatly boosted the company's balance sheet.

Importantly, all of the company's board members and officers participated in the two transactions. We believe this insiders' confidence in the company's prospect bodes well for other investor as the company continues to push marketing efforts for its patented pressure cycling technology (PCT) products sales.

With a boosted balance sheet, PBIO is initiating expansion of marketing, sales, and operations capabilities in anticipation of continued strong sales growth in 2015.

In the first three quarters of 2014, products & services revenue increased 45%. We are especially impressed by the strong sales of consumables in the first three quarters of 2014, which increased 48%. This is important for the long term revenue growth. Consumables are recurring revenue, which should increase when more and more instruments are installed. This revenue may account for a large portion of total revenue in the future.

In 4Q14, PBIO shipped three Barozyme HT48 systems to three laboratories for evaluation, which could lead to purchasing. The bench-top Barozyme HT48 is a first-in-class, high throughput PCT-based instrument. It is capable of processing up to 48 samples simultaneously using the Company's new and proprietary BaroFlex 8-well processing strips. We expect significant sales growth from the HT48 system in 2015.

2015 should offer PBIO more potential for growth than any prior year according to our financial model. Product/service sales will grow 184% to $4.5 million in 2015. With current low valuation, we think it's the right time to accumulate PBIO shares at current market price to anticipate its appreciation in the next 6 to 12 months.

First Purchase Order Received For Barozyme HT48 System

On February 10, 2015, PBIO announced the receipt of the **first purchase order** for its new Barozyme HT48 High-throughput System. The Company also announced the receipt of a request for a quotation for the possible purchase of a second Barozyme HT48 System from an existing European customer.

In September 2014, PBIO announced plans to build and ship nine Barozyme HT48 High-throughput Systems for independent evaluation. In November and December 2014, the Company installed the first three evaluation systems in three labs. They are the laboratory of Dr. William E. Funk of the Feinberg School of Medicine at Northwestern University, the laboratory of Dr. Radoslav Goldman of Georgetown University, and the laboratory of a leading biotechnology company.

PBIO officially launched its much anticipated High Throughput PCT-based **Barozyme HT48** for the enhanced preparation of proteins for mass spectrometry analysis at the American Society for Mass Spectrometry (ASMS) Annual Conference on Mass Spectrometry and Allied Topics held June 15-19, 2014 in Baltimore, Maryland.

The purchase order for the Barozyme HT48 System came from the leading U.S. biotechnology company. This Company already owns and routinely uses two NEP2320 Barocycler instruments.

PBIO plans to install three more evaluation systems in the coming weeks: one at an academic research facility in MA, one at a cancer research company in CA, and one in a well-known, non-profit research center in Sweden.

According to management, due to the rapid success of the evaluation program, PBIO has decided to end the program early, after six installations and not after the planned nine. This will allow the upgrade of the last three systems with improvements dictated by the evaluation data generated thus far, and to have them ready for sale in the 2015 second quarter.

We believe the Barozyme HT48 System is now ready for a focused marketing and sales effort.

The First-In-Class Barozyme HT48 System

The bench-top Barozyme HT48 is a first-in-class, high throughput PCT-based instrument. It is capable of processing up to 48 samples simultaneously using the Company's new and proprietary BaroFlex 8-well processing strips.

The high throughput system is a **breakthrough technology** for PBIO. PBIO announced in June 2013 that they have achieved and passed proof-of-principle objectives in their multi-year investment into the development of a high throughput (HT) system for their patented pressure cycling technology (PCT) platform. The High Throughput (HT) Barozyme HT48 uses the disposable microwell strips that are universally used by labs worldwide. PBIO's ability to perform PCT with these strips will allow the Company to directly integrate its PCT instruments with the current automated robotically-driven microwell templates used by thousands of labs worldwide.

This breakthrough also has the potential to significantly accelerate its growth in existing and new PCT-based applications and products, and its ability to attract and form new strategic partnerships.

Many research laboratories working with biological samples worldwide use automated, HT sample preparation and analytical systems in their studies. HT systems generally use sample handling robotics and "multiwell" test plates in standardized formats (e.g., 24, 96, or 384 wells per plate) for processing and testing large numbers of samples simultaneously. The multiwell plate is often processed in an automated fashion, allowing scientists to perform other important tasks while samples are being processed unattended.

Although a number of studies have shown significant advantages of the PCT platform in preparing biomolecules (e.g., DNA, proteins, and lipids) for analysis, the PCT platform continues to be used primarily in small but important research studies. Unlike today's popular HT multiwell plates that use an automated, unattended approach, the PCT Platform uses individual test tubes that require a lot of manual sample handling. These manual sample handling requirements have prevented the PCT platform from being better accepted by the research community. To that end, PBIO's new HT multiwell format will substantially enhance and accelerate the acceptance of the PCT platform in the life sciences R&D marketplace. This technology breakthrough is a game-changer for PBIO in our view.

PBIO Reports 14% Product Revenue Growth for 3Q14

Products and services revenue for the third quarter of 2014 was $372,545, compared to $327,958 for the same period in 2013, an increase of 14%. Third quarter of 2014 revenue was in line with our estimate of $0.40 million.

Consumables sales were $51,831 for 3Q14, compared to $51,450 for the same period in 2013.

PBIO did not record grant revenue for 3Q14, compared to $92,804 for the comparable period in 2013.

Total revenue for 3Q14 was $372,545, compared to $420,762 for the same period in 2013, an 11% decrease. This decrease ($48,217) was primarily due to the loss of $92,804 in grant revenue in the third quarter of 2014, offset to a significant degree by the increase in products and services revenue.

Operating loss for 3Q14 decreased to $797,633 from $844,033 for the same period in 2013.

Net loss was $1.0 million ($0.07 per share) for the third quarter of 2014, compared to net loss of $0.7 million ($0.06 per share) for the same period in 2013.

As of September 30, 2014, PBIO held cash of $98,216.

We are very pleased to see strong quarter for PBIO. Products and services revenue increased 14% year over year and for three quarters in a row. Although total revenue was down for the three months ended September 30, 2014, attributable primarily to the loss of $92,804 in grant revenue, the Company was able to offset the lost margin through continued increases in products and services revenue combined with strict control of operating costs.

In the first three quarters of 2014, products & services revenue increased 45%. We are especially impressed by the strong sales of consumables in the first three quarters of 2014, which increased 48%. This is important for the long term revenue growth. Consumables are recurring revenue, which should increase when more and more instruments are installed. This revenue may account for a large portion of total revenue in the future.

We Expect Continued Revenue Growth in 4Q14 and Beyond

PBIO has set a series of goals for the near term from 4Q14 to 1Q15, which include:

- Continue to achieve measureable progress in developing and implementing a sound financial roadmap for future growth.
- Continue to increase products and services revenue over same quarter prior year levels.
- Complete Barozyme HT48 commercialization plan Phase II (shipment of systems to evaluation sites).
- Initiate Barozyme HT48 commercialization plan Phase III (initial sales of high throughput systems).
- Secure a strategic marketing and distribution partner for the Barozyme HT48 high throughput system.
- Make measurable progress on the possible spin-off of selected PCT applications into new, stand-alone businesses designed to generate a revenue stream and favorable visibility for PBIO.
- Develop and implement a marketing campaign for the recently released, patent-pending micro-Pestle.
- Continue to expand sales and marketing reach to new countries, investigators, and fields-of-use.

Based on these efforts and the strong financial performance so far for 2014, as well as the two new products launch and continued marketing efforts by management, we estimate that revenue will continue to grow in the 4Q 2014.

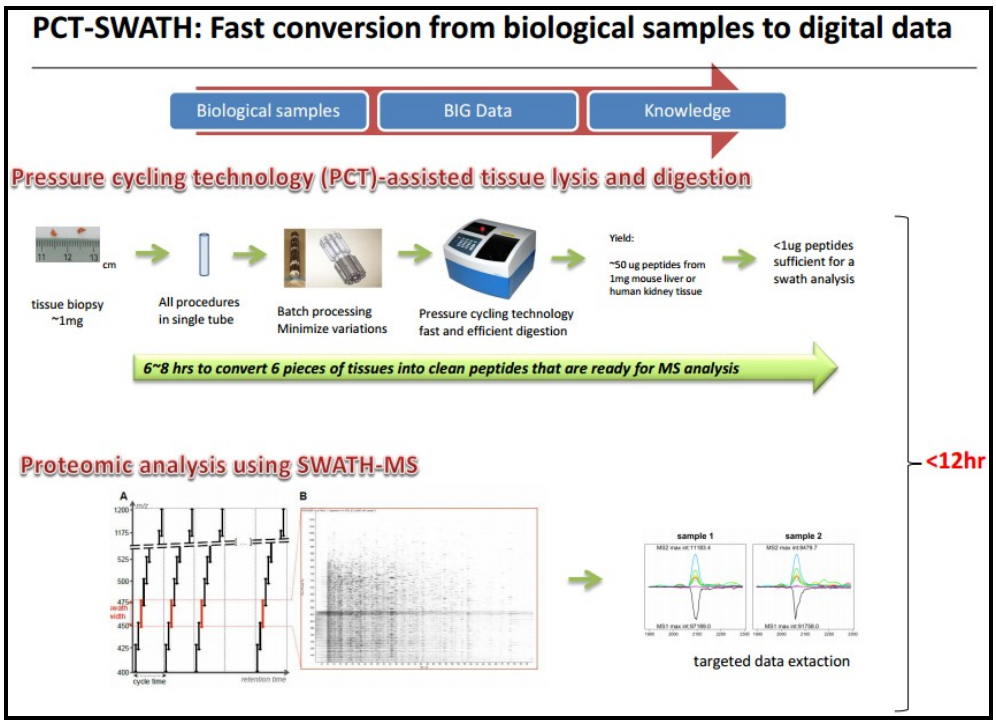
Specifically, we model product sales will reach $1.58 million in fiscal 2014, an increase of 51.4% over $1.05 million product sales for fiscal 2013.

We think revenue ramp in 2015 will be driven by sales from both existing and new products (instruments and consumables), from the Company's expanding distribution network, and from grants currently being reviewed.

Breakthrough PCT Method Permits Quantification of Multiple Proteins

Recently, Professor Ruedi Aebersold of Molecular Systems Biology at ETH Zurich and the University of Zurich, and his team presented a novel, accurate, highly reproducible, and robust method to allow – **for the first time** – routine high-throughput protein analysis on **small needle biopsy samples** by mass spectrometry within 12 hours. Professor Aebersold and his team discussed their findings in several well-attended presentations at the 13th Human Proteome Organization World Congress, held October 5-8, in Madrid, Spain.

The method presented by Professor Ruedi Aebersold combines PBIO's patented pressure cycling technology **(PCT)** sample preparation platform with the novel **SWATH** mass spectrometry method developed (PCT-SWATH) by Dr. Aebersold's group in collaboration with AB SCIEX.



This PCT-dependent method provides high quality mass spectrometry-based proteomic analysis in small needle biopsy samples for the first time, offering potential to vastly improve drug discovery and design programs and diagnostic insights in research and clinical laboratories worldwide.

Needle biopsy tissues are routinely sampled in many hospitals and research laboratories. Methods for high throughput proteomic analysis of needle biopsy tissues are currently not readily available. Typical mass spectrometric-based proteomic experiments require relatively large sample amounts, laborious sample processing that can lead to significant technical variation, and lengthy analysis in the mass spectrometer, all of which excludes the practical application of mass spectrometry analysis on the small needle biopsy samples routinely found in clinical settings.

Needle biopsy tissue samples contain thousands of proteins. The analysis of these proteins is crucial to personalized medicine, as well as to drug discovery and development. In the past, because of the small amount of tissue in the needle biopsy sample and shortcomings in available analytical methods, it was nearly impossible to obtain accurate quantities of 1,000s of proteins expressed in such samples.

The combination of PBIO's PCT technology with mass spectrometry can accurately quantifies thousands of proteins with a high degree of reproducibility across large sample cohorts, which resulted in significantly improved proteomic data from needle biopsy samples. The PCT-SWATH will greatly

enhance proteomic analysis of needle biopsy samples in both clinical and research settings. This in turn should lead to better drug discovery and design, shortened time to discovery, and measurable advances in personalized medicine, especially in the areas of cancer diagnosis and treatment.

The market for the new method is very large and underserved. PBIO plans to focus greater efforts in this area over the coming months. We believe the significantly improved analysis of needle biopsy tissue by the PCT-SWATH, if adopted by the thousands of research and clinical laboratories analyzing needle biopsy tissue, could result in greatly increased sales of PBIO's PCT product line of instruments and consumables.

PBIO Partners with Powertech to Develop China Market

In October 2014, PBIO announced a three-year, exclusive distribution agreement with Powertech Technology Company Ltd.

Based in Xiamen, China, Powertech is one of China's most recognized and prestigious distributors of analytical instruments and other equipment to the biotechnology, pharmaceutical, agricultural, environmental, food safety, and commercial testing laboratory markets. Powertech offers strong distribution and support network of 20 offices/laboratories, over 60 sales/marketing/service/engineering staff, and multiple sub-dealers throughout China. Powertech's current business partners include Dupont, GE Healthcare, Sartorius, Zeiss, and Agilent.

In recent years, Chin has greatly increased its investment in biotech and pharmaceutical research industry. China will become the largest single country market for PBIO's PCT products outside the US. In the coming quarters, Powertech will introduce the advantages of PCT to its existing customer base, to the overall Chinese life sciences market, and to other markets that can benefit greatly from PCT as well.

We believe the partnership will accelerate revenue growth drastically in the coming quarters.

First Phase of Commercialization Plan for the Barozyme HT48 Completed

In September, 2014, PBIO announced that it had received and approved all parts required to build nine high throughput Barozyme HT48 instruments and had begun to manufacture the new PCT-based instrument system.

According to management, the first instrument will be ready for shipment by mid-October and that additional Barozyme instruments will be built and released at a rate of about one per week thereafter.

PBIO officially launched its much anticipated High Throughput PCT-based **Barozyme HT48** for the enhanced preparation of proteins for mass spectrometry analysis at the American Society for Mass Spectrometry (ASMS) Annual Conference on Mass Spectrometry and Allied Topics held June 15-19, 2014 in Baltimore, Maryland.

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Although a number of studies have shown significant advantages of the PCT platform in preparing biomolecules (e.g., DNA, proteins, and lipids) for analysis, the PCT platform continues to be used primarily in small but important research studies. Unlike today's popular HT multiwell plates that use an automated, unattended approach, the PCT Platform uses individual test tubes that require a lot of manual sample handling. These manual sample handling requirements have prevented the PCT platform from being better accepted by the research community. To that end, PBIO's new HT multiwell format will substantially enhance and accelerate the acceptance of the PCT platform in the life sciences R&D marketplace. This technology breakthrough is a game-changer for PBIO in our view.

From a financial perspective, we believe the new Barozyme HT48 has the potential to significantly fuel growth and increase revenue for both existing and new PCT-based applications and products, as soon as in the second half of 2014. We also believe that the new Barozyme HT48 high throughput system can greatly facilitate the commencement of new strategic partnerships.

PBIO gave guidance earlier this year to not expect the sale of Barozyme HT48 instruments in 2014. However, based on discussions with existing customers, the Company is changing that guidance. PBIO believes that the evaluation period required by some existing customers will be shorter than first thought, and that one or more existing customers will ask to purchase the instrument shortly after their evaluation concludes, which will positively impact 4Q14 revenue.

As of this writing, PBIO has installed its first two Barozyme HT-48 high throughput systems for independent evaluation and subsequent potential sale.

Based on the strong financial performance so far for 2014, as well as the two new products launch in 1H14 and continued marketing efforts by management, we estimate that revenue will continue to grow in 4Q14 and beyond.

PBIO Shares are Undervalued

We maintain our **Outperform** rating on PBIO shares and reiterate our twelve-month **price target of $2.50** per share.

PBIO reported 45% increase in products and services revenue in the first three quarters of 2014. We expect continued revenue growth in 4Q14 and beyond due to two new products launch and continued marketing efforts from management.

In terms of valuation, we think PBIO shares are undervalued based on the Company's fundaments. Currently, the Company trades around $0.42 per share with a market cap of $6.7 million based on 16 million outstanding shares. We believe this deeply undervalues the Company based on the current fundamentals we discussed above. We understand that market discounts the value of the Company because the Company has only limited revenue base and has been losing money since its inception. We also understand that the Company has a relatively weak balance sheet, and further financing will be needed. However, when we look at the Company and the industry in which it operates in detail, we realize that PBIO is a company with huge opportunity and one that can grow its revenue and earnings at a tremendous rate in the next few years.

PBIO operates in the rather large, but underserved research services market. The Company has developed a unique and superior pressure cycling technology (PCT) for the preparation of biological laboratory samples. The Company's PCT platform holds competitive advantages over incumbent technologies in many important aspects related to sample preparation.

Currently, the Company is in the early stage of commercialization of its platform technology. We have realized that sales have not been stellar so far, but this is understandable. Pressure cycling technology is quite new to most customers in the sample preparation market, and the costs for PCT are also higher than those for most existing technologies. Therefore, rollout of the PCT platform will take time. However, once customers become familiar with the new PCT platform, and realize its advantages over existing technologies, uptake of PCT and its consumable products by the industry will increase dramatically in our view.

We are now optimistic about the Company's prospect. With a rapidly growing market worldwide, combined with its unique technology and broad range of product offering, the Company is well positioned to boost its top line and bottom line in the coming years. According to our long term financial model, the Company's revenue will grow at a compound annual growth rate (CAGR) of 66% in the next five fiscal years from 2015 to 2019. PBIO will become profitable in fiscal 2017 with an EPS of $0.02.

We think PBIO is more like a development stage biotech company. We use a 45x P/E ratio, multiplied by the EPS of $0.13 in 2019, and discount at 20% for 5 years. Then we come up with our price target of $2.50 per share.

Our price target of $2.50 per share values the company at $40 million in market cap based on 16 million outstanding shares. This valuation is still very conservative in our view. As long as the Company can execute its growth strategy correctly, we believe this goal is achievable. Patient investors will get rewarded.

PROJECTED INCOME STATEMENT

$ in million except per share data	12/12A	12/13A	Q1	Q2	Q3	Q4	12/14E	12/15E	12/16E	12/17E	12/18E	12/19E
Product/Service Revenue	$0.81	$1.05	$0.40	$0.31	$0.37	$0.50	$1.58	$4.50	$8.00	$12.00	$15.00	$22.00
YOY Growth	*5.4%*	*29.3%*	*82.4%*	*56.5%*	*13.6%*	*66.3%*	*51.4%*	*184.1%*	*77.8%*	*50.0%*	*25.0%*	*46.7%*
Grant Revenue	$0.43	$0.46	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total Revenues	**$1.24**	**$1.50**	**$0.40**	**$0.31**	**$0.37**	**$0.50**	**$1.58**	**$4.50**	**$8.00**	**$12.00**	**$15.00**	**$22.00**
YOY Growth	*25.4%*	*21.4%*	*9.0%*	*-14.1%*	*-11.5%*	*41.2%*	*5.4%*	*184.1%*	*77.8%*	*50.0%*	*25.0%*	*46.7%*
CoGS	$0.4	$0.6	$0.2	$0.1	$0.1	$0.3	$0.7	$2.1	$3.7	$5.6	$7.0	$10.2
Gross Income	**$0.82**	**$0.94**	**$0.23**	**$0.17**	**$0.22**	**$0.23**	**$0.85**	**$2.41**	**$4.28**	**$6.42**	**$8.03**	**$11.78**
Gross Margin	*66.4%*	*62.2%*	*56.1%*	*56.3%*	*60.0%*	*45.0%*	*53.5%*	*53.5%*	*53.5%*	*53.5%*	*53.5%*	*53.5%*
Gross Margin for PCT revenue	*48.5%*	*45.7%*	*56.1%*	*56.3%*	*60.0%*	*45.0%*	*53.5%*	*53.5%*	*53.5%*	*53.5%*	*53.5%*	*53.5%*
R&D	$1.0	$1.0	$0.2	$0.3	$0.2	$0.3	$1.0	$1.2	$1.4	$1.6	$1.8	$2.0
% R&D	*78.0%*	*68.9%*	*57.2%*	*82.4%*	*62.3%*	*60.0%*	*64.2%*	*26.7%*	*17.5%*	*13.3%*	*12.0%*	*9.1%*
SG&A	$3.3	$3.2	$0.8	$0.8	$0.8	$0.9	$3.2	$3.6	$4.0	$4.2	$4.8	$5.2
% SG&A	*268.1%*	*214.7%*	*192.5%*	*249.3%*	*211.8%*	*180.0%*	*204.1%*	*80.0%*	*50.0%*	*35.0%*	*32.0%*	*23.6%*
Other	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
% Other	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Operating Income	**($3.5)**	**($3.3)**	**($0.8)**	**($0.8)**	**($0.8)**	**($1.0)**	**($3.4)**	**($2.4)**	**($1.1)**	**$0.6**	**$1.4**	**$4.6**
Operating Margin	*-279.7%*	*-221.3%*	*-193.6%*	*-275.4%*	*-214.1%*	*-195.0%*	*-214.7%*	*-53.1%*	*-14.0%*	*5.2%*	*9.5%*	*20.8%*
Other Net	$0.01	($0.76)	($0.98)	$0.24	($0.16)	$0.00	($0.90)	$0.00	$0.00	$0.00	$0.00	$0.00
Pre-Tax Income	**($3.5)**	**($4.1)**	**($1.8)**	**($0.6)**	**($1.0)**	**($1.0)**	**($4.3)**	**($2.4)**	**($1.1)**	**$0.6**	**$1.4**	**$4.6**
Pref. stk Div	$0.95	$1.16	$1.33	$0.12	$0.04	$0.20	$1.69	$0.00	$0.00	$0.00	$0.00	$0.00
Taxes (Benefit)	($0.0)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Reported Net Income	**($4.4)**	**($5.2)**	**($3.1)**	**($0.7)**	**($1.0)**	**($1.2)**	**($6.0)**	**($2.4)**	**($1.1)**	**$0.6**	**$1.4**	**$4.6**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-
Net Margin	*-355.4%*	*-349.1%*	*-763.3%*	*-234.4%*	*-269.1%*	*-235.0%*	*-377.7%*	*-53.1%*	*-14.0%*	*5.2%*	*9.5%*	*20.8%*
Shares Out	*10.2*	*11.8*	*12.1*	*13.6*	*15.2*	*16.0*	*14.2*	*18.0*	*22.0*	*25.0*	*30.0*	*35.0*
Reported EPS	**($0.43)**	**($0.44)**	**($0.25)**	**($0.05)**	**($0.07)**	**($0.07)**	**($0.42)**	**($0.13)**	**($0.05)**	**$0.02**	**$0.05**	**$0.13**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-
One time charge	*($0.18)*	*$0.00*	*$0.73*	*$0.00*	*$0.00*	*$0.00*	*$0.73*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
Non GAAP Net Income	**($4.6)**	**($5.2)**	**($2.4)**	**($0.7)**	**($1.0)**	**($1.2)**	**($5.3)**	**($2.4)**	**($1.1)**	**$0.6**	**$1.4**	**$4.6**
Non GAAP EPS	**($0.45)**	**($0.44)**	**($0.19)**	**($0.05)**	**($0.07)**	**($0.07)**	**($0.37)**	**($0.13)**	**($0.05)**	**$0.02**	**$0.05**	**$0.13**

Source: Company filings and Zacks Investment Research Inc. estimates

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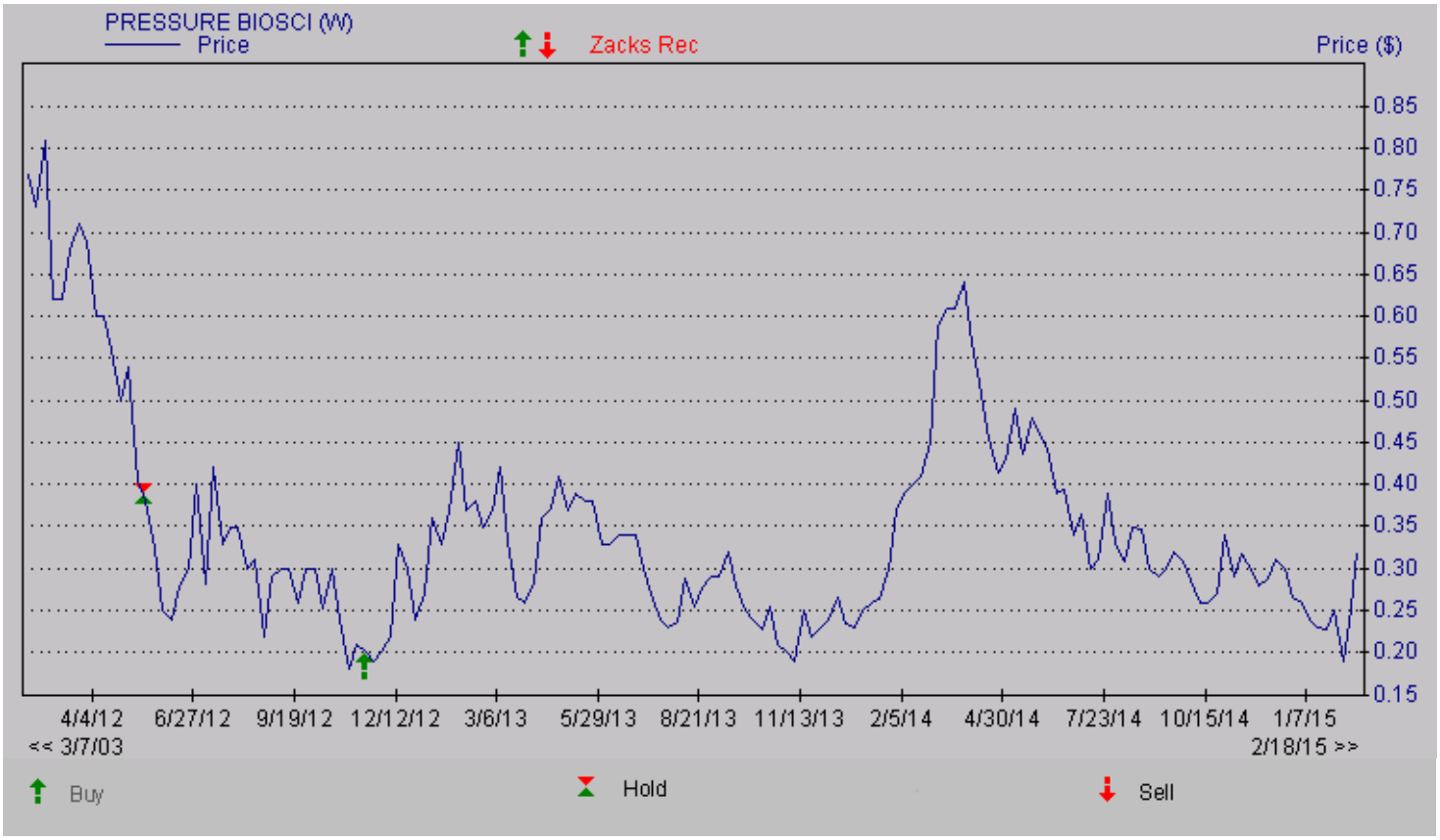

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