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Zacks Small-Cap Research

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Vicor Technologies, Inc. (VCRT-OTC)

VCRT: Q4 Results

Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	04/9/2010
Current Price (04/21/11)	$0.33
Target Price	**$1.20**

OUTLOOK

Vicor began generating revenue in January 2010 after 10 years as a developmental company. 2010 was a slow start but indications suggest the PD2i Analyzer™ has received a positive response from physicians.

Several catalysts may accelerate the unit placement rate in 2011 including recent expansion of the domestic sales force and newly penned international distribution deals. In the meantime Vicor will need to continue to raise cash to finance operations.

We maintain our Outperform rating. Our price target is $1.20.

SUMMARY DATA

52-Week High	**$0.85**
52-Week Low	**$0.33**
One-Year Return (%)	**-40.00**
Beta	**-0.41**
Average Daily Volume (sh)	**33,261**
Shares Outstanding (mil)	**46**
Market Capitalization ($mil)	**$15**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**7**
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 2011 Estimate	**N/A**
P/E using 2012 Estimate	**N/A**
Zacks Rank	

Risk Level	**N/A**
Type of Stock	**N/A**

ZACKS ESTIMATES

Revenue
(in 000's)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010	$100 A	$8 A	$14 A	$67 A	$189 A
2011	$156 E	$261 E	$546 E	$831 E	$1,794 E
2012					$7,872 E
2013					$20,232 E

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

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010	-$0.06 A	-$0.05 A	-$0.03 A	-$0.01 A	-$0.14 A
2011					-$0.19 E
2012					-$0.14 E
2013					-$0.01 E

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

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WHAT'S NEW

Q4 2010 Financial Results

Vicor filed its 10-K for the year ending December 31, 2010 on March 31, 2011. Q4 revenue of $67k was right on with our estimate. The components of revenue (system placements versus testing revenue) were not disclosed in the filing, nor was the total installed base (we ballpark the installed base at about 50 units). EPS was ($0.01) in Q4, compared to our ($0.06) estimate - the difference mostly a result of a $2.5 million gain related to the marking-to-market of embedded derivatives in the company's various financing instruments including convertible bonds and preferred stock. For the full-year 2010, revenue and EPS came in at $189k and ($0.14).

Cash used in operations was $1.85 million and was $1.12 million ($373k/month) when excluding changes in working capital. This compares to a quarterly average of $1.26 million and $1.41 million ($470k/month) excluding changes in working capital for the first nine months of 2010. Vicor exited 2010 with $1.12 million in cash, which represents roughly three months of operating cash at the most recent quarterly cash burn rate. Vicor will need to raise another round of financing in the very near-term.

We have made some updates to our model including removing our prior assumption that a recapitalization through a large common stock offering will happen during the current year. Based on the lagging stock price we now think it is unlikely that this will happen. Our revenue estimates remain largely unchanged however.

Business Update

The 10-K provided a limited business update. Some noteworthy items were:

- Independent sales force was at 27, up only slightly from 26 at 9/30/10 and far short of the 50 indicated could be on board by year-end 2010. A February 8, 2011 press release noted that the independent sales force had subsequently been expanded to a total of 34. Vicor has also begun hiring its own sales force as well.

- Vicor is conducting phone-call follow-ups to a 600-piece mail campaign which targeted physicians which had in the past purchased legacy HRV devices for the treatment of diabetic patients (i.e. - diabetic autonomic neuropathy).

- International distribution deals have been signed in Israel, Palestine, China and Australia. The Analyzer is also being sold in parts of Central and South America.

- Enrollment for a normal range study continues. Vicor anticipates filing for normal ranges (initial target application is for diabetic autonomic neuropathy) during the second half of 2011. They also expect FDA filing for use in trauma triage during the second half.

- Vicor issued a press release on April 5, 2011 announcing that they had responded to an FDA inquiry seeking more clarity on clinical trial data relative to their filing for "cardiovascular disease testing." This was followed by an April 19, 2011 press release noting that Vicor had received FDA 510(k) clearance for "its PD2i nonlinear algorithm and software to be used as a measure of heart rate variability at rest, and in response to controlled exercise and paced respiration (Ewing Maneuvers) in patients specifically undergoing cardiovascular disease testing." In July 2010 Vicor had submitted for 510(k) approval to identify "congestive heart failure patients at elevated risk of cardiac mortality." Based on the difference in the labeling language between the July 2010 and the April 19, 2011 press releases, it is unclear to us if the 510(k) clearance actually relates to identification of heart failure patients at risk of cardiac death

- Vicor expects CE Marking to come in 2011, a requirement for sale of the Analyzer in Europe.

PD2i(R) Garners Interest From Researchers, Physicians at ACC 60th Annual Scientific Session (4/21/11)

David H. Fater, CEO announced that a poster presentation of a study confirming the predictive value of the Company's PD2i® nonlinear algorithm and software for cardiac mortality made during the recent American College of Cardiology 60th Annual Scientific Session garnered interest from researchers and clinicians. Researchers attending the poster presentation expressed interest in using the Company's PD2i® nonlinear algorithm and software in new studies with the goal of determining its applicability for other cardiovascular disease states. Clinicians queried Company representatives about its use in the clinical setting.

The poster presentation -- "Prognostic Significance of PD2i, Novel Risk Marker in Heart Failure Patients" -- was made by Wojciech Zareba, MD, PhD, Professor of Medicine, Director of Cardiology Clinical Research, and Director of the Heart Research Follow-up Program at the University of Rochester Medical Center. The presentation, made on April 4, 2011, is based on a study titled "Prognostic Significance of Point Correlation Dimension Algorithm (PD2i) in Chronic Heart Failure," which was conducted under a collaborative agreement between Vicor Technologies, and the University of Rochester and the Catalan Institute of Cardiovascular Sciences in Barcelona. Dr. Zareba was the Principal Investigator on that study. Commenting on the study results, Dr. Zareba said, "These results are of major importance for risk stratifying heart failure patients who are eligible for therapy with an implantable cardioverter defibrillator (ICD) or cardiac resynchronization therapy with defibrillator (CRT-D). Testing heart failure patients using the PD2i® should enhance risk stratification and motivate physicians to implant these devices in ICD/CRT-D eligible patients with abnormal PD2i® test results."

This presentation preceded Vicor's receipt of 510(k) clearance from the U.S. Food and Drug Administration for its PD2i® nonlinear algorithm and software to be used as a measure of heart rate variability at rest, and in response to controlled exercise and paced respiration in patients specifically undergoing cardiovascular disease testing.

In addition to Mr. Fater, Vicor Technologies' representatives in attendance during Dr. Zareba's poster presentation were Jerry Anchin, PhD, Vicor Vice President and Director of Product Development; Daniel Weiss, MD, FACC, Vicor Chief Medical Officer; and Edward Lundy, MD, PhD, Chief of Cardiothoracic Surgery, Active International Cardiovascular Institute at Good Samaritan Hospital and Chairman of Vicor's Scientific Advisory Board.

"We're extremely pleased and honored to have had Dr. Zareba, a world-renowned researcher and enthusiastic supporter of our PD2i® nonlinear algorithm and software, make this presentation of our MUSIC Trial data at the American College of Cardiology 60th Annual Scientific Session and i2 Summit. We are excited by the attention the PD2i® nonlinear algorithm and software received from researchers interested in exploring its use for applications in other cardiac disease states and from clinicians interested in adding a diagnostic that enables accurate measurement of heart rate variability to determine the health of the autonomic nervous system as a means of identifying potential health risks," Mr. Fater stated.

"Throughout the Scientific Session, there was a focus on the importance of risk stratification, the need for accurate risk stratification, and the importance of the autonomic nervous system in cardiac disease. The PD2i® has demonstrated the ability to accurately measure heart rate variability -- a measure for autonomic nervous system health -- which suggests it is well positioned to provide the cardiology community with a valuable new diagnostic for risk stratifying heart failure patients," stated Dr. Weiss.

"The MUSIC Trial study results presented by Dr. Zareba represent good news for congestive heart failure patients who would benefit from a diagnostic that accurately identifies those at greatest risk for death and thus derive maximal benefit from more comprehensive care and possible earlier initiation of resynchronization therapy. Importantly, they are not the only population that will benefit from Vicor's PD2i® nonlinear algorithm; this is just another one of more than 45 independent studies documenting the predictive value of the PD2i® nonlinear algorithm for use in risk stratifying patients for a variety of clinical disorders and conditions," stated Dr. Lundy.

Dr. Anchin noted that the Company received requests from multiple organizations in Latin America for the PD2i® nonlinear algorithm and software for research and use in clinical settings.

Lawsuit (per 8-K filed 4/20/11)

On April 11, 2011, the Company was served with a derivative suit (styled Craig Hudson, Mark Woods and Edward Wiesmeier, derivatively on behalf of nominal defendant Vicor Technologies, Inc., a Delaware corporation, Plaintiffs vs. David H. Fater, et al., Defendants - Circuit Court of the Fifteenth Judicial Circuit, In and For Palm Beach County, Florida, Case No. 50-2011 CA 005338.) This derivative suit alleges claims for breach of fiduciary duty, abuse of control and gross mismanagement against all of the directors, as well as a claim for unjust enrichment against David H. Fater, the Company's President and Chief Executive Officer.

Many of the factual allegations in this suit directed at Mr. Fater were the subject of prior grievances and claims submitted by the plaintiffs to the Company in December 2010. At that time Mr. Fater denied any improprieties and the Board authorized an investigation by a special committee comprised of the independent directors, which investigation commenced in early January 2011 with the retention of independent counsel by the special committee. As of the date hereof, the special committee has not reported its findings to the Board. The Company is reviewing the derivative suit with counsel in order to determine an appropriate response.

FDA Clearance of 510(k) for PD2i(R) Nonlinear Algorithm and Software to Be Used in Cardiovascular Disease Testing (4/19/11)

David H. Fater announced the Company's receipt of 510(k) clearance from the U.S. Food and Drug Administration for its PD2i® nonlinear algorithm and software to be used as a measure of heart rate variability at rest, and in response to controlled exercise and paced respiration (Ewing Maneuvers) in patients specifically undergoing cardiovascular disease testing. Vicor Technologies is a biotechnology company focused on the commercialization of its PD2i Analyzer™, an innovative, non-invasive diagnostic employing its patented, proprietary PD2i® nonlinear algorithm. Physician use of the PD2i Analyzer™ is supported by an expanding body of literature demonstrating the value of the PD2i® nonlinear algorithm as a metric for risk stratifying specific target populations for future pathological events, including diabetics for the presence of diabetic autonomic neuropathy (DAN), cardiovascular disease patients for death resulting from arrhythmia or congestive heart failure, and trauma victims for imminent death absent immediate lifesaving intervention.

This approval enables Vicor to market the PD2i Analyzer™ directly to cardiologists as a diagnostic specifically targeted for use in cardiovascular disease testing, including the Ewing Maneuvers, which are performed during PD2i Analyzer™ ECG data collection.

"We are excited to receive this additional marketing clearance for the PD2i Analyzer™ from the FDA, which demonstrates its recognition of the PD2i Analyzer™ as a meaningful metric for cardiovascular testing and validates, from a regulatory perspective, our use of the Internet for the delivery of test data and analyses. While cardiologists are already among users of the PD2i Analyzer™ as a diagnostic for heart rate variability -- which is a widely-accepted measure of autonomic nervous system health and, by extension, cardiac health -- we are confident this new clearance will contribute positively to our cardiologist-directed marketing efforts of the PD2i Analyzer™ and spur market acceptance of the PD2i Analyzer™ as a valuable new diagnostic for cardiovascular disease testing," stated Mr. Fater.

Expanded Sales Force Driving Revenue Growth (2/8/2011)

David H. Fater, CEO, announced that the Company's continually expanding nationwide network of independent sales representatives is driving sales of its PD2i Analyzer™ and revenue growth. Revenues from sales of Vicor's PD2i Analyzer™ during January 2011 were $77,000 as compared with total revenues of $69,000 for the fourth quarter of 2010 and $190,000 for all of 2010. According to Christopher Vissman, who joined Vicor as National Sales Manager in mid September 2010, the Company now has 34 independent sales representatives targeting physicians specializing in endocrinology, internal medicine, cardiology, and family medicine in 16 states across the United States: AZ, CA, CO, FL GA, MA, MD, MO, MS, NC, NJ, NV, NY, OH, SC, TN, and TX.

"The trend indicated by January sales is very exciting. Within the first month of 2011, Vicor realized revenues in excess of revenues realized during the entire fourth quarter of 2010 and reached 40% of revenues for all of 2010. As we continue to add new sales representatives, we anticipate we will continue to reap revenues from increased unit sales and tests. The response from physicians -- whether in family or internal medicine, endocrinology or cardiology -- has been very positive, and extremely gratifying," stated Mr. Fater.

Exclusive Distribution Agreement for Its PD2i(R) Products in Israel (2/23/2011)

David H. Fater, announced the Company has entered into an agreement with Hadar Training and Medical Services to serve as its exclusive agent for the marketing and sale of its PD2i Analyzer™, PD2i CA™ (Cardiac Analyzer) and PD2i VS ™ (Vital Sign) in Israel and Palestine. "We're extremely pleased to have HADAR representing our PD2i® products. Hadar is a leader in the importation and marketing of emergency medical equipment to the Israeli community and field hospitals. Hadar will obtain approval from the Israel Ministry of Health and any other required regulatory authorities for the marketing of our products at its expense. We are confident that Hadar will be successful in securing the necessary regulatory approvals for our products as quickly as possible and are excited by the prospect of having our PD2i® products made available throughout the Israeli emergency medical community," stated Mr. Fater.

Founded in 1987, Hadar Training and Medical Services is a leading provider of first aid, resuscitation, EMT, ATLS, and trauma training and medical programs. It is also a leader in the importation and marketing of emergency medical equipment to community and field hospitals, and in the conversion and supply of mobile intensive care units and ambulances.

Vicor's Chief Medical Officer Addresses Meeting of The Royal Melbourne Hospital Cardiologists (3/24/2011)

David H. Fater, CEO announced that Daniel N. Weiss, MD, FACC, Vicor's Chief Medical Officer, addressed a meeting of The Royal Melbourne Hospital cardiologists. During the meeting, which 30 of The Hospital's cardiologists attended, Dr. Weiss introduced Vicor's patented, proprietary PD2i® nonlinear algorithm, described how the PD2i Analyzer™ is being used by cardiologists to measure heart rate variability to assess autonomic nervous system function as a means of identifying the potential for a pathological cardiac event, and discussed the results of recent clinical trials involving the PD2i® nonlinear algorithm.

"We're grateful to Dr. Harry Mond -- a globally-recognized authority in the cardiac care arena -- for inviting Dr. Weiss to present at one of The Hospital's weekly cardiology staff meetings. We're also gratified by the response to Dr. Weiss' presentation, which included questions about availability of the PD2i Analyzer™ for clinical use in Australia and research opportunities. The response of The Royal Melbourne Hospital cardiologists confirms our understanding that cardiologists worldwide are keenly interested in a non-invasive diagnostic that will enable them to accurately risk stratify patients for future pathological cardiac events," stated Mr. Fater.

Vicor has a signed agreement with Greatest Asset Limited to serve as its non-exclusive agent for the marketing and sale of its PD2i Analyzer™ in Australia.

Vicor Responds to FDA Regarding 510(k) for Cardiac Marketing Claim for Its PD2i(R) Nonlinear Algorithm

David H. Fater, CEO announced that on March 30, 2011 the Company submitted its response to FDA inquiries concerning its 510(k) premarket notification for its PD2i® nonlinear algorithm and software to be used in cardiovascular disease testing.

This submission is a response to inquiries received from the FDA during its routine review of the Company's 510(K) premarket notification originally submitted in 2010. Commenting on the submission, Mr. Fater said, "The inquiries from the FDA were primarily concerned with obtaining clarity and greater detail concerning the clinical trial data originally submitted and our novel internet-based delivery model."

"This marketing clearance will be an important milestone because it will enable us to accelerate our marketing efforts. However, it is important for our current and potential investors to understand that we already have all the regulatory approvals we need to generate substantial revenue; our PD2i Analyzer™ is already being marketed to and being utilized by cardiologists as part of their practice protocols," concluded Mr. Fater.

RECOMMENDATION

We model EPS of ($0.19) for the full-year 2011, ($0.14) in 2012, ($0.01) in 2013 and $0.08 in 2014. We are maintaining our Outperform rating on Vicor. Our price target is $1.20, based on 25x 2014 EPS, discounted back at an annual rate of 15%.

Risks to our recommendation include; Vicor is unable to obtain additional or sufficient financing, loans are called, PD2i® technology fails to gain significant acceptance by physicians, problems with insurance reimbursement to physicians, per-test revenue and/or unit placements are significantly below our updated forecasts, economic forces constrain physician spending on the Analyzer, Vicor fails to gain SCD and/or trauma indications, and unexpected or higher- than-anticipated expenses adversely impact cash flow/profitability.

FINANCIAL STATEMENTS

INCOME STATEMENT

Vicor Technologies, Inc

	2010 A	Q1E	Q2E	Q3E	Q4E	2011 E	2012 E	2013 E	2014 E
Total Revenues	$188.9	$156.4	$260.7	$546.4	$830.5	$1,794.0	$7,872.3	$20,231.9	$34,994.3
YOY Growth	-	*-56.4%*	*-3159.1%*	*3802.9%*	*1141.4%*	*-849.7%*	*338.8%*	*157.0%*	*73.0%*
Cost of Goods Sold	$131.0	$114.7	$178.5	$305.1	$412.2	$1,010.5	$2,767.8	$5,703.3	$9,370.6
Gross Profit	$57.9	$41.8	$82.2	$241.3	$418.2	$783.5	$5,104.5	$14,528.6	$25,623.7
Gross Margin	*30.7%*	*26.7%*	*31.5%*	*44.2%*	*50.4%*	*43.7%*	*64.8%*	*71.8%*	*73.2%*
R&D	$638.0	$165.0	$172.0	$225.0	$245.0	$807.0	$1,145.0	$1,230.0	$1,510.0
% R&D	*337.7%*					*45.0%*	*14.5%*	*6.1%*	*4.3%*
G&A	$5,944.0	$1,645.0	$1,665.0	$1,632.0	$1,705.0	$6,647.0	$8,114.0	$11,250.0	$15,650.0
% G&A	*3146.6%*					*370.5%*	*103.1%*	*55.6%*	*44.7%*
Interest Expense	$2,273.0	$285.0	$346.0	$387.0	$405.0	$1,423.0	$2,440.0	$1,950.0	$1,400.0
Operating Income	($8,797.1)	($2,053.2)	($2,100.8)	($2,002.7)	($1,936.8)	($8,093.5)	($6,594.5)	$98.6	$7,063.7
Operating Margin	-	-	-	-	-	-	-	*0.5%*	*20.2%*
Gain/(loss) on derivatives	$3,991.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income before preferred div.	($4,806.1)	($2,053.2)	($2,100.8)	($2,002.7)	($1,936.8)	($8,093.5)	($6,594.5)	$98.6	$7,063.7
Preferred Stock (series A&B) dividends	($436.0)	($100.0)	($100.0)	($100.0)	($100.0)	($400.0)	($400.0)	($400.0)	($400.0)
Amort of deriv discount on series B pref	($1,004.0)	($249.0)	($249.0)	($249.0)	($249.0)	($500.0)	($500.0)	($500.0)	($500.0)
Value of warrants	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total dividends to preferred stock holders	($1,440.0)	($349.0)	($349.0)	($349.0)	($349.0)	($1,396.0)	($900.0)	($900.0)	$0.0
Pre-Tax Income	($6,246.1)	($2,402.2)	($2,449.8)	($2,351.7)	($2,285.8)	($9,489.5)	($7,494.5)	($801.4)	$7,063.7
Taxes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	-	-	-	-	-	-	-	-	-
Net Income to common stock	($6,246.1)	($2,402.2)	($2,449.8)	($2,351.7)	($2,285.8)	($9,489.5)	($7,494.5)	($801.4)	$7,063.7
YOY Growth	*5.7%*	*-1.9%*	*14.3%*	*99.6%*	*379.1%*	*51.9%*	*-21.0%*	*-89.3%*	*-981.4%*
Net Margin	-					-	-	*-4.0%*	*20.2%*
EPS	($0.14)	($0.05)	($0.05)	($0.05)	($0.04)	($0.19)	($0.14)	($0.01)	$0.08
YOY Growth	-					-	-	-	*-655.7%*
Diluted Shares O/S	44,853	47,722	48,811	49,905	51,001	49,360	54,000	58,000	92,000

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SALES/GROSS MARGIN ESTIMATES

Vicor Technologies, Inc

	Units sold qtr	Total units sold	Average sale price		Rev/ test	Product revenue	Prod rev % of total		# tests/ unit per month	tests/ qtr	Test revenue	Test rev % of total	Total Revenue	Product GM	Test GM	Gross Profit	Gross Margin
2010																	
Q1	37	37	$2,378		$30	$88,000	88%		4	11	$12,000	12%	$100,000	-27.8%	329.1%	$15,000	15.0%
Q2	0	37	N/ A		$30	$0	0%		2	7	$8,000	100%	$8,000	0.0%	75.0%	$6,000	75.0%
Q3	0	37	N/ A		$30	$0	0%		6	18	$14,000	100%	$14,000	0.0%	92.9%	$13,000	92.9%
Q4	15	52	$2,900		$30	$43,500	65%		5	15	$23,400	35%	$66,900	-12.0%	124.4%	$23,900	35.7%
FY	**52**	**52**	**$2,639**	**avg**	**$30**	**$131,500**	**70%**	**avg**	**4**	**13**	**$57,400**	**30%**	**$188,900**	**-19.9%**	**155.3%**	**$57,900**	**30.7%**
2011																	
Q1	30	82	$3,000		$30	$90,000	58%		9	27	$66,420	42%	$156,420	-9.0%	75.0%	$41,757	26.7%
Q2	45	127	$3,000		$30	$135,000	52%		11	33	$125,730	48%	$260,730	-9.0%	75.0%	$82,211	31.5%
Q3	70	197	$3,500		$30	$245,000	45%		17	51	$301,410	55%	$546,410	6.2%	75.0%	$241,300	44.2%
Q4	85	282	$3,500		$30	$297,500	36%		21	63	$532,980	64%	$830,480	6.2%	75.0%	$418,244	50.4%
FY	**230**	**282**	**$3,250**	**avg**	**$30**	**$767,500**	**43%**	**avg**	**15**	**44**	**$1,026,540**	**57%**	**$1,794,040**	**-1.4%**	**75.0%**	**$783,513**	**43.7%**
2012																	
Q1	100	382	$3,500		$30	$350,000	28%		26	78	$893,880	72%	$1,243,880	18.0%	75.0%	$733,563	59.0%
Q2	115	497	$3,500		$30	$402,500	24%		28	84	$1,252,440	76%	$1,654,940	18.0%	75.0%	$1,011,956	61.1%
Q3	120	617	$4,200		$30	$504,000	23%		30	90	$1,665,900	77%	$2,169,900	41.7%	75.0%	$1,459,354	67.3%
Q4	145	762	$4,200		$30	$609,000	22%		32	96	$2,194,560	78%	$2,803,560	41.7%	75.0%	$1,899,584	67.8%
FY	**480**	**762**	**$3,850**	**avg**	**$30**	**$1,865,500**	**24%**	**avg**	**29**	**87**	**$6,006,780**	**76%**	**$7,872,280**	**29.8%**	**75.0%**	**$5,104,459**	**64.8%**
2013																	
Q1	165	927	$4,500		$30	$742,500	20%		35	105	$2,920,050	80%	$3,662,550	51.8%	75.0%	$2,574,435	70.3%
Q2	180	1107	$4,500		$30	$810,000	18%		37	111	$3,686,310	82%	$4,496,310	51.8%	75.0%	$3,184,075	70.8%
Q3	195	1302	$4,750		$30	$926,250	17%		39	117	$4,570,020	83%	$5,496,270	60.2%	75.0%	$3,985,139	72.5%
Q4	210	1512	$4,750		$30	$997,500	15%		41	123	$5,579,280	85%	$6,576,780	60.2%	75.0%	$4,784,979	72.8%
FY	**750**	**1512**	**$4,625**	**avg**	**$30**	**$3,476,250**	**17%**	**avg**	**38**	**114**	**$16,755,660**	**83%**	**$20,231,910**	**56.0%**	**75.0%**	**$14,528,627**	**71.8%**
2014																	
Q1	215	1727	$4,750		$30	$1,021,250	14%		41	123	$6,372,630	86%	$7,393,880	60.2%	75.0%	$5,394,289	73.0%
Q2	215	1942	$4,750		$30	$1,021,250	12%		41	123	$7,165,980	88%	$8,187,230	60.2%	75.0%	$5,989,302	73.2%
Q3	225	2167	$4,750		$30	$1,068,750	12%		42	126	$8,191,260	88%	$9,260,010	60.2%	75.0%	$6,786,858	73.3%
Q4	230	2397	$4,750		$30	$1,092,500	11%		42	126	$9,060,660	89%	$10,153,160	60.2%	75.0%	$7,453,206	73.4%
FY	**885**	**2397**	**$4,750**	**avg**	**$30**	**$4,203,750**	**12%**	**avg**	**42**	**125**	**$30,790,530**	**88%**	**$34,994,280**	**60.2%**	**75.0%**	**$25,623,654**	**73.2%**

BALANCE SHEET

	December 31, 2010	December 31, 2009
Assets		
Current assets:		
Cash	$1,119	$544
A/R	$58	$0
Inventory	$58	$0
Prepaid expenses	$411	$74
Total current assets	$1,646	$618
PP&E, net	$155	$21
Deposits	$18	$12
Deferred charges	$8,076	$1,117
Intellectual property, net of accum. Amortization	$192	$229
Total Assets	**$10,087**	**$1,997**
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$1,166	$600
Deferred revenue	-	-
Current debt	$360	$460
Due to related parties	$88	$100
Total current liabilities	$1,614	$1,160
Long-term liabilities:		
Long-term debt	$8,277	$2,200
Accrued dividends	$932	$833
Derivative financial instruments payable in common stock	$7,692	$4,414
Total Liabilities	**$16,901**	**$7,658**
Net capital deficiency:		
Preferred stock:		
Series A Conv., 157,592 shares o/s @ FYE '08 and '09	-	-
Series B Junior Conv., 4,781,295 o/s @ FYE '08 and 5,210,101 o/s @ FYE '09	-	-
Common stock	$5	$4
Additional paid-in-capital	$51,275	$46,848
Stock subscriptions in process	-	-
Deficit accumulated during development stage	($59,708)	($53,462)
Net capital deficiency:	($8,248)	($6,610)

Source: Vicor Technologies, Inc. / Zacks Investment Research *Brian Marckx, CFA*

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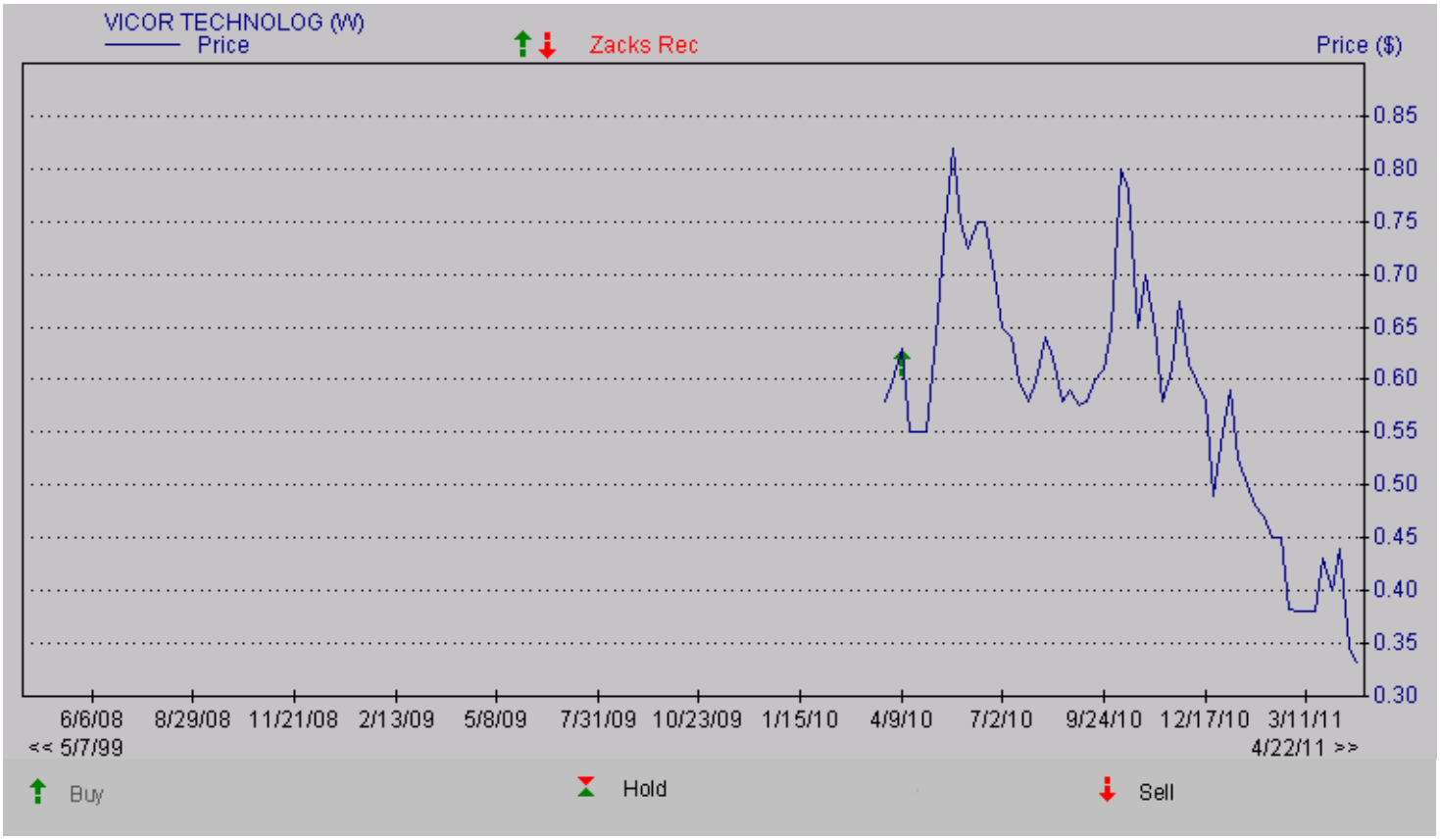
CASH FLOW STATEMENT

	Year Ended December 31, 2010	Year Ended December 31, 2009
Cash Flows From Operating Activities:		
Net loss	($4,806)	($5,164)
Depreciation and Amortization	$81	$41
Noncash interest from conversion of debt to equity	$0	$331
Noncash interest from deferred financing costs and debt-based derivative liabilites	$1,937	$2,149
Gain on derivative financial instruments	($3,991)	($2,157)
Gain from sale of assets	-	-
Securities issued for services	$596	$1,109
Beneficial conversion feature of notes	$102	-
Contributed research and development expenses	-	-
Merger related costs	-	-
Shares in lieu of interest payments	$7	$119
Warrants issued for consulting	$35	
Equity-based compensation	$684	$620
Changes in assets and liabilities:		
A/R	($58)	-
Inventory	($58)	-
Prepaid expenses and other assets	($1,475)	($311)
Accounts payable and accrued expenses	$1,328	($400)
Net cash provided by operating activities	($5,618)	($3,663)
Cash Flows From Investing Activities:		
Purchase of intellectual property	-	-
Net proceeds from sale of equipment	-	-
Purchase of PP&E	($178)	($23)
Net cash used in investing activities	($178)	($23)
Cash Flows From Financing Activities:		
Due to related parties	-	-
Proceeds from bank loans	-	-
Proceeds from sale of preferred stock	-	$351
Proceeds from sale of common stock	-	$128
Repayment of notes	($100)	($300)
Proceeds from bridge loan	-	$300
Procceds from sale of notes	$6,471	$3,569
Proceeds for stock to be issued	-	-
Contributed capital	-	-
Net cash provided by financing activities	$6,371	$4,048
Net increase in cash	$575	$362
Cash at beginning of year	$544	$182

Cash at end of year	**$1,119**	**$544**

Source: Vicor Technologies, Inc. / Zacks Investment Research *Brian Marckx, CFA*

HISTORICAL ZACKS RECOMMENDATIONS



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