Michael E. Cox, CFA, Sr Research Analyst
612 303-2043, michael.e.cox@pjc.com
Piper Jaffray & Co.
Alexander E. Potter, Research Analyst
612 303-6709, alexander.e.potter@pjc.com
Piper Jaffray & Co.

Reason for Report:
Initiating Coverage

Changes	Previous	Current
Rating	--	Neutral
Price Tgt	--	$14.00
FY10E Rev (mil)	--	$96.1
FY11E Rev (mil)	--	$120.8
FY10E EPS	--	($0.35)
FY11E EPS	--	($0.14)

Price:	$10.34
52 Week High:	$14.98
52 Week Low:	$10.20
12-Month Price Target:	$14.00
Based on 4x EV/2011 sales	
Shares Out (mil):	39.0
Market Cap. (mil):	$403.3
Avg Daily Vol (000):	242
Book Value/Share:	$2.82
Cash Per Share:	$3.18
Debt to Total Capital:	0%
Div (ann):	$0.00
Est LT EPS Growth:	25%
P/E to LT EPS Growth (FY10):	NA
Est Next Rep Date:	08/10/2010
Fiscal Year End:	Dec

Rev (mil)	2009A	2010E	2011E
Mar	$19.4A	$25.7A	$28.0E
Jun	$19.2A	$22.1E	$28.9E
Sep	$20.1A	$22.2E	$31.1E
Dec	$24.2A	$26.1E	$32.8E
FY	$82.9A	$96.1E	$120.8E
CY	$82.9A	$96.1E	$120.8E
FY RM	4.9x	4.2x	3.3x
CY RM	4.9x	4.2x	3.3x

EPS	2009A	2010E	2011E
Mar	($0.18)A	($0.04)A	($0.04)E
Jun	($0.08)A	($0.12)E	($0.04)E
Sep	($0.18)A	($0.12)E	($0.05)E
Dec	($0.15)A	($0.07)E	($0.01)E
FY	($0.59)A	($0.35)E	($0.14)E
CY	($0.59)A	($0.35)E	($0.14)E
FY P/E	NM	NM	NM
CY P/E	NM	NM	NM

EPS assumes post-IPO share count of 34.2mil basic / 39.0mil diluted.

Codexis, Inc. (CDXS - $10.34)

Neutral

Initiate at Neutral: Timing Risk Balances Exciting Industrial Biotech Story

CONCLUSION:

We are initiating coverage of CDXS with a Neutral rating and $14 price target. Through its directed evolution and synthetic biology expertise, CDXS is developing game-changing enzymes for the pharma, biofuels, & bioindustrial markets. Each of these markets individually has the potential to create very strong growth opportunities. Codexis is currently generating product revenue in pharma and we forecast slightly positive EBITDA in 2010. Despite a bright long-term outlook, we believe CDXS will likely be range-bound pending improved timing visibility around partner Shell's decision to construct next generation biofuel facilities.

- **Initiate at Neutral and $14 price target.** Our Neutral rating balances a bright long-term future against the near-term timing uncertainties of Shell's decision to build a next-gen biofuels facility. With scalable applications for its technology in several attractive markets (biofuels, water treatment, etc), we believe CDXS is well-positioned to grow in the long-term. The 20% pullback in CDXS shares last week may present a near-term trading opportunity; however, until Shell sets a definitive timetable for construction of a biofuels facility, we believe CDXS shares are likely to trade in a narrow range.

- **Well positioned for global build-out of next generation biofuels.** By increasing the efficiency of the biofuels production process, we believe the enzymes designed by Codexis have the potential to change the economics of biofuels production. Codexis has an exclusive agreement with Shell (which is also a shareholder). Shell is expected to announce its biofuels timeline by year-end, though with the decision out of Codexis' control, CDXS shares are susceptible to unforeseen delays.

- **Pharma segment provides fundamental visibility as we await biofuels.** As we model through 2012, fundamental trends will largely be driven by growth in Codexis' pharma segment. By working with top-tier drug developers (e.g. Merck, Pfizer) and generic producers (e.g. Teva), we believe Codexis has a very strong pipeline; this provides good visibility into our financial projections.

- **Valuing the biofuels & bioindustrials 'call option' is the challenge.** Our $14 price target is based on an EV/revenue multiple of 4x our FY11 sales estimate of $161 million. By 2015 we expect CDXS to have established a presence in each of its target verticals, but the timing and pathway remain unclear. 4x EV/revenue would place the stock at a premium to a peer group of Clean Tech Industrials and at a modest discount to established enzyme company Novozymes.

INVESTMENT RECOMMENDATION:

Our Neutral rating balances a bright long-term future (12+ months) against the timing uncertainties of Shell's timeline in biofuels. We believe other opportunities in our coverage offer better performance potential on a risk-adjusted basis.

RISKS TO ACHIEVEMENT OF TARGET PRICE:

Facility construction delays, reduced regulatory support for biofuels, competing enzyme-based (or other) technologies, a sustained drop in oil prices

COMPANY DESCRIPTION:

Codexis uses "directed evolution" and synthetic biology to custom-tailor enzymes that can enhance the efficiency - and lower the cost - of producing products such as pharmaceuticals, biofuels, and various other bio-based chemicals.

Investment Thesis

Initiating at Neutral – balancing bright long-term growth potential against near-term timing uncertainties. Through its directed evolution process and synthetic biology expertise, Codexis is developing potentially game-changing biocatalytic enzymes for the pharmaceutical, biofuels, & bioindustrial markets. Each of these markets individually has the potential to create very strong growth opportunities. The 20% pull back in CDXS shares last week may present a near-term trading opportunity. However, we believe uncertainties around Shell's decision to construct a next generation biofuels facilities (and its construction timeline) will limit significant appreciation in the stock.

Shell partnership provides significant long-term opportunities in biofuels, but not without limitations. Codexis partnered with Royal Dutch Shell in 2006 to develop highly optimized enzymes to improve the efficiency of next generation biofuel production. We are encouraged by Shell's commitment to this partnership to-date, which has included equity ownership and funding for R&D work being conducted by Codexis (in which Codexis retains the IP). Under the agreement between the two companies, Codexis will receive royalty payments as well as product revenue once Shell has commercialized a next generation biofuel facility. However, the arrangement with Shell is exclusive, which poses a risk to Codexis. Should Shell move slowly or delay its decision on a biofuels facility, Codexis would have little recourse.

Pharma segment provides fundamental visibility – and path to profitability – as other programs are developed. Codexis' pharmaceutical segment produces bio-enzyme alternatives to traditional drug-making practices, thus helping drug companies control costs and eliminate the harmful bi-products associated with conventional drug manufacturing. The pharma segment has established a high-profile customer list that includes Pfizer, Merck, and Teva. We are projecting Codexis to be EBITDA positive (slightly) in 2010 due in large part to the company's pharmaceutical business (and government grants). We are projecting Codexis' pharma revenues to more than double from 2009 to 2011 based mostly on existing customer relationships and approved drugs.

Valuation balances near-term risks against longer-term potential – accelerated Shell timeline would present meaningful catalyst. Our $14 price target is based on an enterprise value to 2011 revenue multiple of 4.0x (using end-of-year 2011 cash in the EV calculation). CDXS lacks a direct comparable, but this valuation is generally in-line with other bioindustrial stocks and represents a modest discount to Novozymes – a more well-established enzyme maker that is listed in Denmark. Should Shell accelerate its timeline to commercialize next generation biofuels, this would have a significant positive impact on CDXS shares, though the likelihood of such an event is difficult to predict (and even with acceleration in Shell's biofuels timeline, long construction lead times would still mean that any fundamental impact would be 24+ months away). We will look to the consummation of Shell's proposed venture with Brazilian ethanol producer Cosan as a key determinant of Shell's commitment to the biofuels market.

Investment Risks

Dependence on key strategic partnership with Shell. Codexis' strategic partnership with Royal Dutch Shell can (and for the most part should) be viewed as a strength; however, the exclusivity of this partnership does present risk to CDXS shares. Integrated oil companies and chemical conglomerates have historically moved slowly (more slowly than startups would prefer) in commercializing new technology due to high upfront capital costs and volatile commodity pricing. Should Shell postpone its decision to construct a next generation biofuel facility in Canada in connection with its partnership with Iogen and Codexis, this would adversely impact CDXS shares. Importantly, we have not incorporated any product or royalty revenue into our projections through 2012. We would expect these revenue streams to commence in 2013 provided a Shell biofuels facility (either in Canada in conjunction with Iogen/Codexis or in Brazil under the proposed joint venture with Cosan) begins construction in 2011.

Competition escalates as key end markets develop and eventually mature. At present there are countless numbers of biofuels/biomaterials companies pursuing a variety of pathways to commercialize plant-based alternatives to petrochemicals and hydrocarbon fuels. Codexis is employing proven technology, which is well protected from a patent perspective, to target these large and growing markets. We expect competition to escalate as these markets mature, potentially pressuring margins and returns.

Pharma product launches are delayed or fall shy of expectations. Codexis has a strong track record of developing and delivering enzymes to improve the production process of leading pharmaceuticals on the market today. Should drug sales fall shy of market expectations – or prospective drugs not reach the market on schedule – this would present fundamental risk to Codexis that is out of the company's control.

New biodindustrial platforms do not develop as expected. Codexis has developed a highly scalable technology that has broad market applications. While our financial model contains minimal contribution from new markets such as carbon sequestration and water treatment, we believe that a lack of development in these areas by the end of 2012 would be a disappointment. Codexis is currently exploring partnerships in both of these markets that could lead to commercialization. We would expect these platforms to begin contributing positively to the model by 2013.

Cash burn exceeds expectation in the near term. Following the company's recent IPO, which netted the company more than $70 million, we believe Codexis is in solid financial position – particularly since we are projecting the company to be EBITDA positive in 2010. However, should the cash burn increase (in combination with the aforementioned risks – shortfalls in pharma, delays in biofuels, lack of progress in other bioindustrial platforms), we would expect this to put pressure on CDXS shares.

Revenue & Earnings Outlook

We are projecting the fundamental backdrop for Codexis to improve significantly over the next 3 years due in large part to growth in the pharma segment. We are providing financial estimates through 2012, with growth in the pharma segment leading to positive EBITDA this year and positive net income in 2012. Projecting financials past 2012 (with specific quarter by quarter certainty) is difficult due to the uncertainty around timing of new program development and commercialization of existing programs. With that said, we believe the non-pharma programs are very promising, with significant financial potential. Meeting milestones in the Shell program will provide updates on the progress of this program (along with Shell's decision to move forward with a facility later this year). Forming a partnership similar to the Shell agreement or possibly an acquisition would provide visibility into the development and timeline of the other bioindustrial markets (water, carbon, etc.).

Within the pharma segment, the company has good visibility through 2010 due to current drug development programs and existing, commercialized programs with relatively stable volumes. We are projecting pharma revenue of $29.5 million in 2010, up from $20 million in 2009. The company is strategically focusing on the Innovator segment of the market which offers more compelling margin characteristics. In 2010, we believe the Innovator segment of the pharma business will account for approximately 2/3 of total pharma revenue, and we expect this mix to rise steadily through 2012. Commensurate with this increasing mix of Innovator revenue, as well as service revenue associated with new program development, we believe pharma segment gross margins should increase through 2012. In 2012, we are modeling the pharma segment to reach $76.8 million in revenue generating $28 million in gross profit.

Exhibit 1

PHARMA SEGMENT HIGHLIGHTS
($ Millions)

	2009	2010E	2011E	2012E
Revenue:				
Innovator	11.2	18.3	28.6	55.9
Generic	8.8	11.1	17.0	20.8
Total	20.0	29.5	45.7	76.8
Gross Profit	3.3	8.1	15.1	27.6
Profit %	17%	28%	33%	36%

Source: Company reports, Piper Jaffray estimates

We are projecting the biofuels segment to be relatively stable through the term of our financial model, with modest growth forecasted in full-time equivalent funded R&D (and accompanying cost of living wage adjustments) and consistent milestone revenue. In total, we expect the biofuels segment to produce revenue of $64 million in 2010, which is roughly flat to 2009. We are projecting biofuels segment revenue to ramp to $75 million in 2012. Assuming that Shell moves ahead with its planned biofuel facility in Canada on time, we would expect 2013 to mark an important inflection point in the model as this would mark the beginning of royalty and product revenue for Codexis in the biofuels segment.

Exhibit 2

BIOFUELS SEGMENT HIGHLIGHTS
($ Millions)

	2009	2010E	2011E	2012E
Revenue:				
FTE revenue	53.5	55.1	62.2	64.9
# of FTE researchers	*128*	*128*	*143*	*145*
Milestones & other	9.3	8.5	10.0	10.0
Total	62.8	63.6	72.2	74.9

Source: Company reports, Piper Jaffray estimates

Within the other bioindustrial categories (carbon, water, chemicals), we are incorporating only a modest financial contribution through our 2012 model period. The commencement of a development program with a strategic partner would provide increased visibility around the financial impact of these programs. At this time, we have elected to err on the side of conservatism and will incorporate a larger contribution (should it be warranted) once a partnership deal is announced.

Exhibit 3

BIOINDUSTRIALS SEGMENT HIGHLIGHTS
($ Millions)

	2009	2010E	2011E	2012E
Revenue:				
Water	0.1	0.0	2.0	4.0
Carbon Capture	0.0	0.0	0.0	2.0
Other/Grants	0.0	3.1	1.0	2.8
Total	0.1	3.1	3.0	8.8

Source: Company reports, Piper Jaffray estimates

We are expecting total revenue (including pharma product and development revenue, R&D work in the Shell program & milestone revenues, and initial progress in water & carbon markets) to ramp from $83 million in 2009 to $160.5 million in 2012. Earlier commercialization of the biofuels or other bioindustrial programs would significantly alter these projections. We expect the company to turn slightly EBITDA positive (after adjusting for non-cash stock compensation) in 2010 following several cost reduction measures taken in 2009, including the closure of the company's operations in Germany. We are projecting EBITDA (ex-stock compensation) to ramp to nearly $11 million in 2011 before reaching $27 million in 2012. We expect Codexis to become earnings positive in 2012, with net profit of a modest $4.4 million which equates to $0.16 per share on a fully diluted share count of 39.0 million. Net operating loss carry forwards totaling $106 million were accumulated since the company's inception and will serve to eliminate the tax burden through the term of our financial model.

Exhibit 4

INCOME STATEMENT HIGHLIGHTS
($ Millions)

	2009	2010E	2011E	2012E
Total Revenue	82.9	96.1	120.8	160.5
% change		*16%*	*26%*	*33%*
Pharma COGS	16.7	21.3	30.6	49.1
Gross Profit	66.2	74.8	90.2	111.4
R&D	45.9	52.2	57.5	63.5
SG&A	38.7	34.6	40.0	43.5
Operating Profit/Loss	($18.4)	($12.0)	($7.3)	$4.4
Interest, net & Other	-1.9	-0.3	1.6	2.0
Taxes	-0.1	0.5	0.8	0.0
Net Income/Loss	($20.3)	($11.8)	($4.9)	$6.4
EPS	($0.52)	($0.30)	($0.12)	$0.16
EBITDA (ex-stock comp)	($7.3)	$2.9	$10.7	$26.9
EBITDA Margin %	*-8.8%*	*3.0%*	*8.9%*	*16.7%*

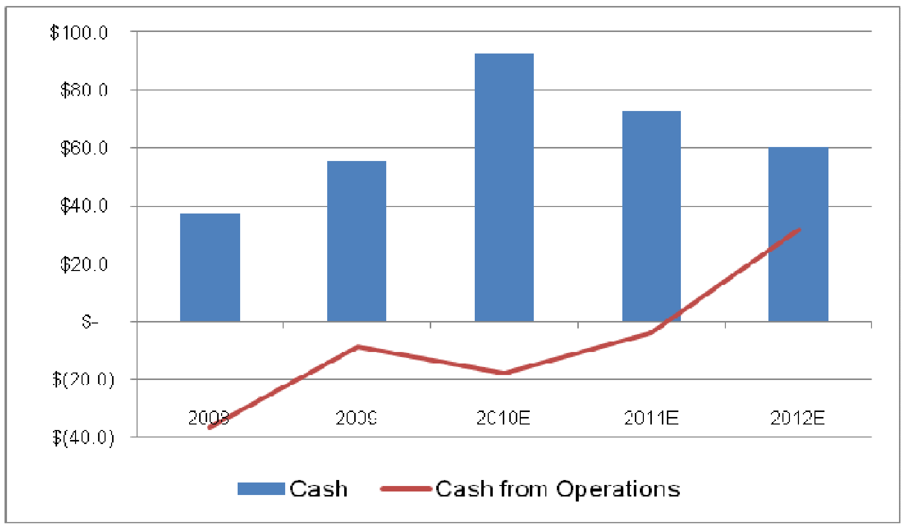
Source: Company reports, Piper Jaffray estimates

Financial Condition

IPO proceeds provide the financial position to support new platform growth. In raising $68 million through the company's initial public offering in April, Codexis has a strong balance sheet that will position the company to pursue several growth platforms across the pharma, biofuels, and bioindustrial markets. Codexis has no debt and ~$110 million in cash following the IPO. We believe this cash position will provide ample funding for the company's growth plans in the upcoming years.

Exhibit 5

CASH BALANCE & CASH FLOW PROFILE



Source: Company reports, Piper Jaffray estimates

Cash flow profile should improve by late 2011 / early 2012, but remain negative on a free cash flow basis. We are projecting a use of operating cash flow of $18 million in FY10, along with $10 million in capital expenditures. As a result, we are projecting the cash balance to decline to $92.3 million at the end of 2010. We are forecasting cash flow from operating activities to be modestly negative in 2011, though turning positive on a quarterly basis by the end of the year. We are expecting capital expenditures of $18 million in 2011. In 2012, we are projecting cash flows from operations to turn positive, with $32 million in cash generation. However, we expect capital expenditures to ramp in 2012 (assuming the Shell biofuel facility is nearing completion) to support internal cellulase production. Considering current government support for next generation biofuels development, it is possible that Codexis could pursue and receive support (either in the form of a guaranteed loan or direct funding) for the construction of a cellulase facility, though we have not included any sort of government assistance in our model. As a result, we are modeling free cash flow to remain negative through 2012.

Key Potential Catalysts

Timeline of Shell biofuels facility. Since 2006, Codexis has been working closely with Shell to develop highly optimized enzymes to efficiently and cost-effectively break down cellulosic material into biofuel. While Shell is expected to make a final determination on its planned biofuels facility in Canada (where a site has already been selected) in partnership with Iogen and Codexis, we believe the proposed Shell / Cosan joint venture could present a faster path to commercialization. Once this venture is consummated, we believe Codexis will begin working with the entity on potential opportunities at existing first generation ethanol facilities as well as possible add-on facilities that would process cellulosic waste derived from the traditional ethanol process. Separate, stand-alone cellulosic facilities would also present revenue opportunities for Codexis down the road. Ultimately, timing is the key uncertainty. Timing as to when a final decision is made as well as the timeline of construction, testing, and de-bottlenecking.

Expansion of the pharma business through strategic relationships. Codexis' Pharma segment represents the most near-term fundamental driver of the business. In February 2010, Codexis entered into an agreement with India-based pharmaceutical outsourcing company Dishman. We believe this relationship could serve to expand Codexis'already deep list of pharma customers. Dishman provides a strong presence in the European pharma market, an area that Codexis is currently underpenetrated. Additionally, each of Dishman's top three customers are currently not currently in Codexis' top ten, which presents a significant revenue opportunity. Once again, timing is the key consideration. Codexis has already begun working with Dishman to incorporate its enzymatic approach into the drug manufacturing process.

Progress in new platforms – most notably carbon sequestration. Codexis was recently awarded a $4.7 million grant under the ARPA-E program of the U.S. stimulus package. This grant could begin to be recognized this year, which would represent upside to our estimates. More importantly, the grant will allow Codexis to further develop its technological approach to the carbon capture market and adds credibility for Codexis in this new platform. Codexis is actively pursuing a Shell-like partnership program in this market. Securing such a partnership agreement would be a positive catalyst for the stock and could accelerate the timeline of revenue (and eventually profits) from this new platform. While carbon capture remains an uncertain market in the U.S. – and will likely remain so given the current political stalement ahead of mid-term elections – the market is (and has been) developing in other regions of the world which present promising opportunities for Codexis.

Valuation

There is no obvious U.S.-listed peer upon which to base a CDXS valuation argument. Denmark-listed enzyme company Novozymes is a logical comparison, though it is important to note that Novozymes is an established market leader in its key end markets, with a long track record of operating performance generating $1.4 billion USD in annual revenue. Also, comparing valuations across market exchanges in different countries can present challenges. Like Codexis, Metabolix is an early stage company in the bioindustrial sector, though Metabolix has yet to deliver meaningful fundamental results under its joint venture agreement with Archer Daniels Midland. With that said, we view Novozymes as the closest comparable from a valuation perspective. Novozymes shares are currently trading at 4.3x EV/CY11 estimated revenue on the Danish exchange. While Codexis is likely positioned to grow at a faster rate than Novozymes (due to the earlier stage nature of the Codexis business model), we believe applying an approximately in-line – perhaps even slightly lower – valuation is appropriate. We believe the risks inherent in the Codexis business model (e.g. limited track record across the breadth of the company's targeted end markets) balances this higher expected growth rate.

Below we outline two separate valuation peer groups. The first is a peer group of Bioindustrial stocks. Again, we consider Novozymes the best comparable within this group. Second, we provide a peer group of high-growth Clean Tech Industrial stocks with varying end market exposure (including water treatment, environmental services, renewable energy, and electric vehicles).

Exhibit 6

VALUATION COMPARISON
(Market Cap in $ Millions)

		Price	Market Cap	CY11 P/E	CY11 EV/EBITDA	CY11 EV/Sales
Industrial Biotech						
Novozymes	NZYM-B.CO	$108.36	$7,006	25.5x	15.2x	4.3x
Danisco	DCO.CO	$59.23	$2,796	13.8x	7.5x	1.4x
Martech Biosciences	MATK	$18.59	$605	11.2x	3.6x	1.0x
Metabolix	MBLX	$14.50	$387	NEG	NEG	NA
Average			$2,699	16.8x	8.8x	2.2x
Clean Tech Industrial						
Covanta	CVA	$15.43	$2,437	20.3x	7.6x	2.3x
Calgon Carbon	CCC	$14.87	$855	16.0x	7.4x	1.5x
Capstone Turbine	CPST	$1.15	$268	NEG	NEG	2.6x
Energy Recovery, Inc	ERII	$3.58	$194	21.1x	6.6x	1.8x
Fuel Cell Energy	FCEL	$2.15	$188	NEG	10.5x	0.8x
UQM Technologies	UQM	$3.44	$117	34.4x	14.0x	3.0x
Average			$677	22.9x	9.2x	2.0x

Source: Thomson, Piper Jaffray estimates for covered companies

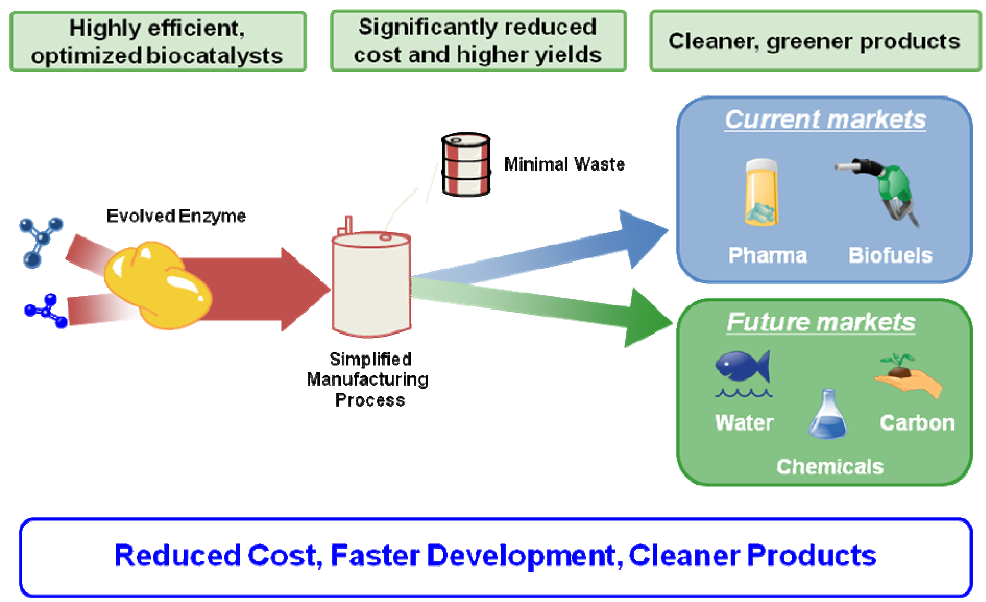
Our $14 price target for CDXS shares assumes that the stock trades at an enterprise value to sales multiple of 4.0x, based on our CY11 revenue estimate. This valuation represents a slight discount to Novozymes and is roughly double the Clean Tech Industrial peer group, which on average is trading at 2.0x revenue. The growth potential of Codexis justifies a premium valuation to the broader peer group average, in our view. Note that our enterprise value calculation is based on the end-of-year 2011 cash balance of $72 million. This is consistent with the last point at which we expect the company to be burning cash from an operational standpoint.

Business Overview

Based in the San Francisco bay area (Redwood City), Codexis was a spin-off of Maxygen Corporation in 2002 and was founded by current CEO Alan Shaw. Codexis has licenses to the underlying technology developed at Maxygen for the genetic manipulation of individual genes and full microorganisms where the resultant enzymes or microbes are used to manufacture certain types of products. Codexis was focused exclusively on the pharmaceutical market up until 2006, at which time it took on a large partnership with Shell to develop a bacteria to produce an enzyme that could make hydrocarbon fuel (gasoline) directly from cellulose and cellulase – essentially a feedstock-agnostic approach to biofuel production. In the future Codexis plans to use its proprietary genetic techniques and "green chemistry" to expand in the air treatment, water treatment and specialty chemicals markets (see below). Oil scarcity issues, persistently high energy prices, and carbon footprint considerations all point towards biological approaches to chemical and fuel production in the future. Genetic manipulation of existing organisms appears to be the best way to accomplish this, and Codexis is well positioned to develop such methods.

Exhibit 7

A BASIC OVERVIEW OF THE CDXS APPROACH



Source: Codexis

There are several broad macro drivers that are supportive of the key end markets that Codexis is targeting. These include:

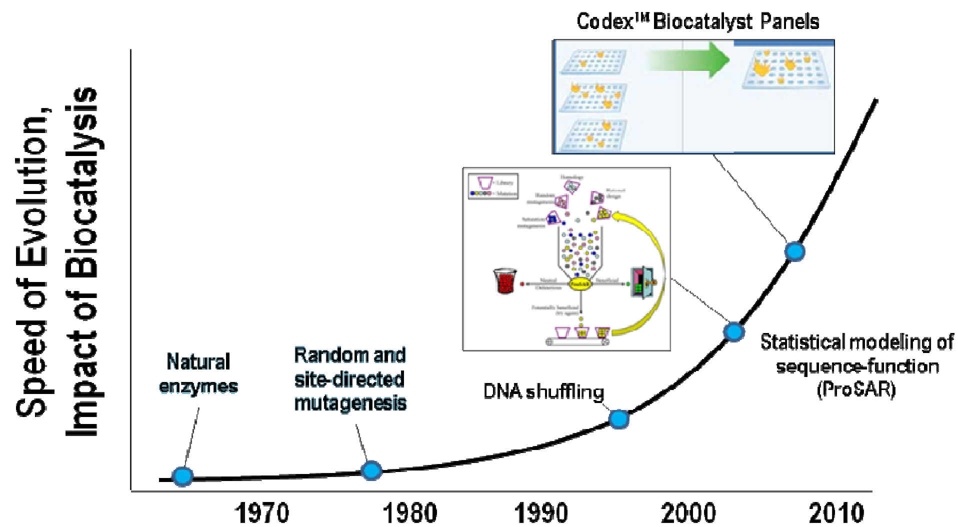
1. Fossil fuels remain the biggest source of energy. Elevated energy prices and increased volatility have given rise to re-thinking the dependence on fossil fuels and the need for alternatives. Advanced biofuels are expected to play a key role in reducing this dependence on fossil fuels, though production costs will need to be reduced, which is where a highly optimized biocatalyst solution can play an important role.
2. Drug development costs and competition are leading 'Big Pharma' to drive down costs. Biocatalyst solutions provide an economical way to reduce the manufacturing costs and upfront capex associated with traditional drug making pathways.
3. Energy-related CO2 emissions are rising. Increased scrutiny around CO2 emissions and the impact on climate change is leading to investment (both private and government-supported) in carbon capture technology. Codexis is developing an enzymatic solution for carbon capture.
4. Water shortage and quality issues are spreading around the globe. According to a UN study, up to 7 billion people will be facing water scarcity by 2050. Urbanization and industrialization in developing countries are also putting a strain on clean water resources. Biological water treatment methods can play a role in preserving clean water resources.

Markets and Opportunities

Pharmaceutical: Codexis has a growing franchise in this market. The company has existing relationships with many of the large pharma companies as well as the generic manufacturers. The main goal is to develop enzymatic methods to produce the active compound in a drug, or an intermediate compound needed to make the final active ingredient. The company has developed a 'panel' which contains 96 enzymes for rapid testing by the pharma customer. Once the panel is tested, enzymes that are deemed successful are then modified for further optimization. It is an iterative process. This panel approach is unique to the market and allows for easy customer adoption. The chart below illustrates the historical milestones that have given rise to this approach, with each progressive technological advance allowing for a greater degree of enzyme customization.

Exhibit 8

THE DEVELOPMENT OF CODEXIS' TECHNOLOGY: A HISTORICAL PERSPECTIVE



Source: Codexis

In the pharmaceutical market, the Codexis enzyme approach is designed to (1) reduce cost of goods sold in drug production, (2) reduce capital expenditures for pharma companies, (3) enhance product quality, and (4) optimize the manufacturing process. An example of this is an intermediate used to make Atorvastatin (Lipitor) that requires several costly and dangerous chemical steps in the Pfizer process. Codexis developed a way to create the compound in one step with no dangerous side products or inputs, cutting the cost from $1500/kg to $300/kg.

Codexis receives revenues in the pharma segment from both product sales as well as services rendered. Product revenues include intermediates and Active Pharmaceutical Ingredients (APIs), which are designed by Codexis and then manufactured by a 3rd party outsourcing arrangement. Codexis has a strong relationship with Arch – a leading producer of APIs and intermediates and in February 2010 the company signed an agreement with India's Dishman Pharmaceuticals and Chemicals, Ltd. Service revenues are recognized for contracted research & manufacturing services. Codexis is focusing its sales efforts on the 'Innovator' category of the pharma market as margins are generally higher with this customer base. To-date, more than 10 large pharma companies have incorporated the Codexis process and enzymes into production, spanning across 30+ drugs. Pharma partners have included: Pfizer, Merck, Lilly, Schering-Plough, Teva and Vertex.

Energy: Codexis originally entered into a 5-year program with Shell to commercialize fuels, fuel additives, and lubricants produced from cellulose. Shell has also made direct investments totaling approximately $66 million in Codexis. Through the arrangement, Shell funds R&D efforts for the program and Codexis will receive a royalty on a per gallon basis of production once the technology is commercialized. Codexis would also benefit if Shell decides to license the technology once it is proven. Codexis is currently in the process of developing a library of enzymes (similar to what took place leading up to the launch of the Codexis panel in the pharma market).

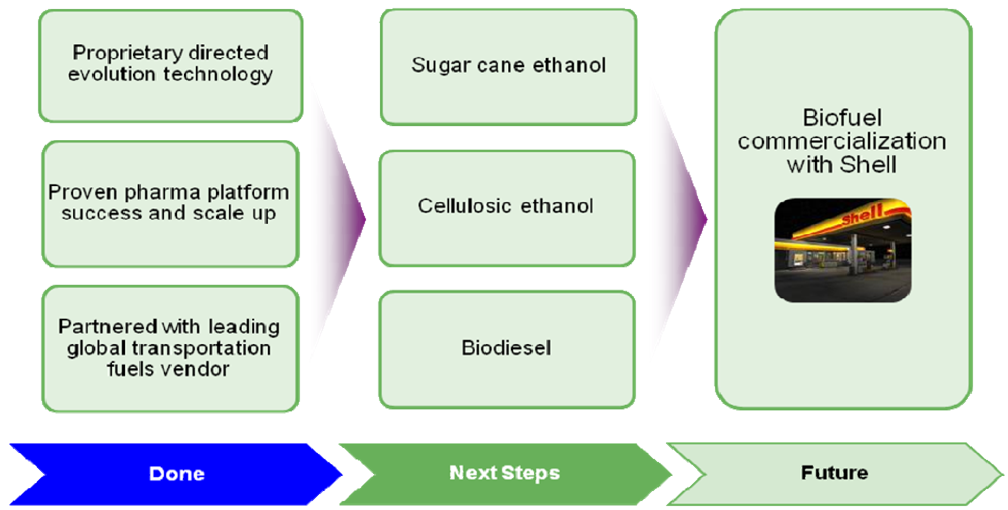
Codexis is currently recognizing funded R&D revenue from the Shell partnership. In 2009, funded R&D revenue totaled $53.5 million, with milestone payments accounting for an additional $9 million. The funded R&D revenue covers the expense associated with 128 full-time equivalent researchers and the associated facility and capital costs. Shell has the option to reduce the FTE count by approximately 10% with no notice and after Nov. 1 2010. In addition, after this date Shell and Codexis will have the option to make significant changes to the research program. Considering that Codexis has consistently outperformed the milestones set forth by Shell we would be surprised to see a significant change in the research program. On the company's first quarter earnings conference call, management indicated that the FTE count is expected to remain unchanged through the balance of 2010.

Should Shell finalize its joint venture agreement with Cosan in the near future, we believe this could result in an increase in FTE count due to increased R&D work performed around employing the Codexis technology around the sugarcane (and waste by-product) feedstock. We have incorporated an increase of 15 FTE employees in our 2011 projections in the Biofuels segment of our revenue model.

Once Shell decides to move ahead with the construction of a cellulosic biofuel facility (a decision that is expected later this year), we estimate the facility construction time to be 24 months, including initial start up and testing. The first facility will likely be in the 20 to 30 million gallon range and located in Canada as part of a venture between Shell and Iogen using wheat grass as the cellulosic feedstock. Another pathway to commercialization for Codexis lies in Shell's planned joint venture with Brazilian sugarcane ethanol producer Cosan. Once this venture is consummated, we believe it could present significant revenue opportunities for Codexis. As such, we estimate that commercial revenues (including product revenue and royalties) will commence in 2013, which is 2 years ahead of the original schedule outlined by Shell and Codexis. Additionally, Codexis will receive a $10 million milestone payment once 30 million gallons of advanced biofuels have been produced in a Shell-developed facility.

Exhibit 9

PATHWAY TO BIOFUELS COMMERCIALIZATION



Source: Codexis

Water treatment, carbon sequestration, and chemicals. We believe the Codexis business model is highly scalable. The company's ability to harness microbe mutations, isolate specific characteristics, and develop enzyme libraries is applicable to a number of fields. Initially, this proof of concept has and continues to take place in the pharmaceutical market. Following up the successes in pharma, we expect the Shell partnership to spawn the next major market in biofuels. Looking beyond these two sizeable markets, we believe Codexis has significant opportunities in water treatment, carbon sequestration, and chemicals. In water treatment, we have identified biological water treatment (in particular when used on a decentralized basis) as a key growth theme in the water market. In carbon sequestration, Codexis is working on specific enzymatic approaches to capturing and managing emissions from coal-fired power plants. The company has also entered into a joint development agreement with CO2 Solutions in Canada to further expand in this area. Codexis was recently awarded a $4.7 million grant from the Department of Energy under the ARPA-E Recovery Act program to develop carbon capture technologies. Lastly, the specialty chemicals market is estimated at $25-$30 billion a year. Using biocatalyst methods as an alternative to traditional petrochemicals is proving to be a viable solution during periods of elevated – and volatile – fuel prices.

Currently, Codexis is evaluating 'go to market' strategies for each of these platforms. In each of these markets, we believe Codexis is likely to pursue a partnership or strategic development agreement to reach commercialization, not unlike what Codexis has entered into with Shell. While this type of agreement does not come without risks (i.e. a potential cap on upside depending on how the agreement is structured), it also greatly reduces the upfront costs incurred by Codexis. This effectively allows the company to draw on the deeper resources and distribution channels made available by larger partners. In our financial model, we have incorporated a modest contribution from these new platforms in 2012. As development agreements are formed over the next couple years, we will have greater visibility on the potential financial contribution of these programs.

Management

Strong leadership team bolstered by recent strategic hires. Codexis was founded by current CEO Alan Shaw in 2002. Shaw brings a deep technical background (Ph.D and Bachelor's Degree in Chemistry from University of Durham in the U.K.) along with a strong business acumen centered on converting this science-based company into a profit generating business. The latter is particularly important for a public company and a skill that company founders often struggle with. Prior to founding Codexis, Shaw held a variety of executive managerial positions at Clariant, Chiroscience, and Zeneca. Bob Lawson joined Codexis in November 2009 as the company's chief financial officer. Prior to joining the company, Lawson worked at software-maker Intuit in a variety of finance functions which provided experience at a public company. Lawson also has 15 years of work experience at General Electric in various finance and operational roles. Over the past 3 years, Codexis has made a number of strategic hires to bolster its business development and sales/marketing teams across each of its targeted end market verticals. Specifically, the company hired David Anton to serve as senior vice president managing research & development for the company. Anton brings a wealth of business development experience from his 25 years at DuPont serving in many capacities across DuPont's variety of bioproducts divisions. In April 2007, Codexis hired Mike Knauf to serve as vice president & general manager with responsibility for the bioindustrials platforms. Knauf worked in the ethanol technology business unit of Lallemand for 2 years prior to joining Codexis and before that he spent nearly 20 years at Genencor.

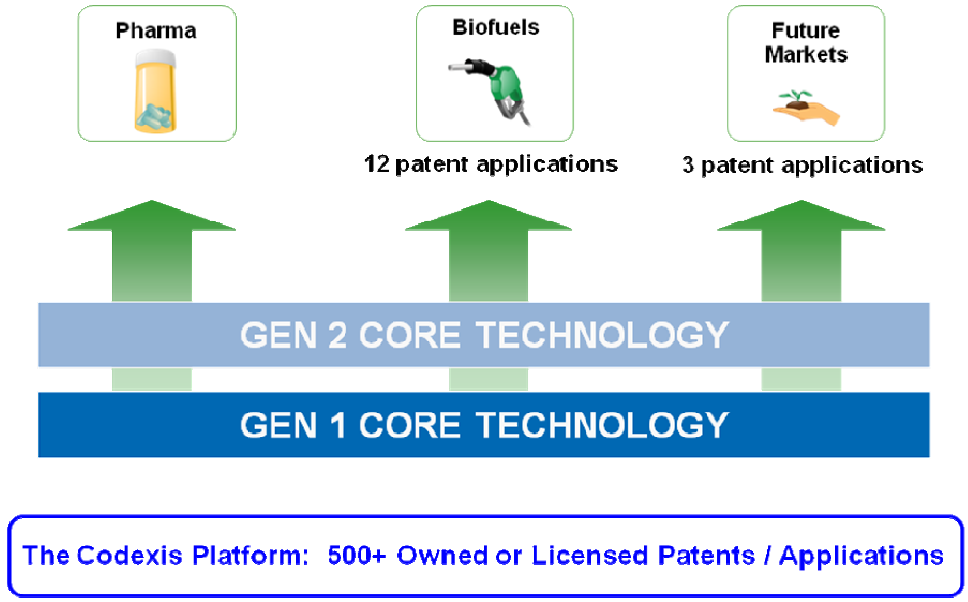
Technology

Skilled technical team with broad experience across functional areas. Codexis employs 185 scientists in its R&D team, with approximately half of the R&D team holding Ph.D degrees. Approximately two-thirds of the company's R&D team is located in the company's headquarters in Redwood City, California. An additional 35 R&D staff members are located in Singapore, with the remaining 30 located in Hungary. The R&D team's experience ranges from directed evolution / DNA shuffling, microbiology, biochemistry, process design & development, to enzyme production. The ultimate goal of the Codexis R&D team is to evolve biocatalysts in a way that enables a desired process; this runs contrary to traditional methods, which typically alter the process in order to fit the catalyst. Where applicable, this shift in thinking has the potential to drive down manufacturing costs, improve efficiency, and reduce harmful bi-products (solvents). The breadth of Codexis' R&D effort positions the company to tackle this challenge.

Broad patent portfolio and aggressive IP strategy provides defensible position. Codexis has established a core competency around its intellectual property protection and we view this as a competitive strength. In total, the company has established a portfolio of 500+ owned or licensed patents and pending applications. The company employs a dual strategy in which patents are filed independently at the company level and key technology is licensed if developed elsewhere (e.g. DNA shuffling from Maxygen, fungal enzyme (C1) platform from Dyadic). The patent portfolio is structured in two ways: (1) by the core technology and (2) by end market platform – pharma, biofuel, bioindustrial, etc. By doing so, we believe the company establishes a good competitive barrier, both from a technology and process standpoint.

Exhibit 10

CODEXIS' PATENT PORTFOLIO



Source: Codexis

Michael Cox, CFA
Piper Jaffray
(612) 303-2043
michael.e.cox@pjc.com

Codexis

Income Statement

($ In Million Except Per Share Data)

For up-to-date disclosure information on this company, please visit http://www.piperjaffray.com/researchdisclosures

Date: 6/1/10
Price: $10.34

	2009				2010E				2011E				2012E								
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
	Mar	*June*	*Sept*	*Dec*	*Mar*	*June*	*Sept*	*Dec*	*Mar*	*June*	*Sept*	*Dec*	*Mar*	*June*	*Sept*	*Dec*	**FY08**	**FY09**	**FY10E**	**2011E**	**2012E**
Net Sales	19.4	19.2	20.1	24.2	25.7	22.1	22.2	26.1	28.0	28.9	31.1	32.8	36.5	37.7	42.1	44.2	50.5	82.9	96.1	120.8	160.5
Cost of Sales	3.9	3.4	4.6	4.8	5.2	5.0	5.1	6.0	6.8	7.5	7.9	8.4	10.9	11.7	12.9	13.6	13.2	16.7	21.3	30.6	49.1
Gross Profit	15.6	15.8	15.4	19.4	20.5	17.1	17.2	20.1	21.2	21.5	23.2	24.4	25.6	26.0	29.2	30.6	37.3	66.2	74.8	90.2	111.4
Research & development	13.2	10.2	10.1	12.3	13.0	12.7	13.0	13.5	13.5	14.0	15.0	15.0	15.0	16.0	16.0	16.5	45.6	45.9	52.2	57.5	63.5
Operations	1.8	1.8	1.9	3.3	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	3.0	3.0		8.9	8.0	9.0	11.0
SG&A	6.2	6.3	8.9	8.5	6.6	6.5	6.5	7.0	7.5	7.5	8.0	8.0	8.0	8.0	8.0	8.5	35.7	29.9	26.6	31.0	32.5
Operating Income from operations	(5.6)	(2.5)	(5.5)	(4.7)	(1.100)	(4.1)	(4.3)	(2.4)	(1.8)	(2.0)	(2.3)	(1.1)	0.1	(0.5)	2.2	2.6	(44.0)	(18.4)	(12.0)	(7.3)	4.4
Interest Expense, net	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	-	-	-	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	(0.8)	(1.2)	(0.3)	1.6	2.0
Other	(0.0)	(0.0)	(0.4)	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.6)	-	-	-
Total Other Income (loss)	(0.4)	(0.3)	(0.7)	(0.5)	(0.3)	-	-	-	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	(0.8)	(1.9)	(0.3)	1.6	2.0
Pretax Income	(6.0)	(2.8)	(6.2)	(5.2)	(1.4)	(4.1)	(4.3)	(2.4)	(1.4)	(1.6)	(1.9)	(0.7)	0.6	(0.0)	2.7	3.1	(44.8)	(20.2)	(12.3)	(5.7)	6.4
Tax Provision	(0.1)	(0.0)	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-	-	-	-	0.3	(0.1)	0.5	0.8	-
Net Income	(6.1)	(2.9)	(6.2)	(5.2)	(1.4)	(4.0)	(4.2)	(2.3)	(1.2)	(1.4)	(1.7)	(0.5)	0.6	(0.0)	2.7	3.1	(45.1)	(20.3)	(11.8)	(4.9)	6.4
Shares - Basic	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2		34.2	34.2	34.2	34.2
Shares - Diluted	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0		39.0	39.0	39.0	39.0
EPS-Reported	**($0.18)**	**($0.08)**	**($0.18)**	**($0.15)**	**($0.04)**	**($0.12)**	**($0.12)**	**($0.07)**	**($0.04)**	**($0.04)**	**($0.05)**	**($0.01)**	**$0.01**	**($0.00)**	**$0.07**	**$0.08**		**($0.59)**	**($0.35)**	**($0.14)**	**$0.16**
Depreciation and amortization	$1.3	$1.4	$1.6	$1.7	$1.8	$2.1	$2.1	$2.1	$2.4	$2.4	$2.4	$2.4	$3.8	$3.8	$3.8	$3.8		$6.1	$8.2	$9.5	15.0
Non-cash stock comp & other	$0.9	$1.0	$1.3	$1.8	$2.0	$1.7	$1.5	$1.5	$2.1	$2.1	$2.1	$2.1	$1.9	$1.9	$1.9	$1.9		$4.9	$6.6	$8.5	7.5
EBITDA	($3.4)	($0.1)	($2.6)	($1.2)	$2.8	($0.3)	($0.7)	$1.2	$2.7	$2.5	$2.2	$3.4	$5.7	$5.1	$7.8	$8.2		($7.3)	$2.9	$10.7	26.9
Margins:																					
Gross Margin	80.1%	82.2%	77.0%	80.2%	79.7%	77.3%	77.2%	76.9%	75.6%	74.2%	74.5%	74.5%	70.1%	69.0%	69.3%	69.2%	73.9%	79.9%	77.8%	74.7%	69.4%
R&D expense ratio	67.9%	53.2%	50.5%	50.9%	50.5%	57.5%	58.4%	51.7%	48.2%	48.4%	48.2%	45.8%	41.1%	42.5%	38.0%	37.3%	90.2%	55.3%	54.3%	47.6%	39.6%
Operations expense ratio	9.4%	9.3%	9.6%	13.7%	7.8%	9.1%	9.0%	7.7%	7.1%	6.9%	8.0%	7.6%	6.9%	6.6%	7.1%	6.8%	0.0%	10.7%	8.3%	7.4%	6.9%
SG&A expense ratio	32.0%	32.8%	44.2%	35.0%	25.7%	29.4%	29.2%	26.8%	26.8%	25.9%	25.7%	24.4%	21.9%	21.2%	19.0%	19.2%	70.7%	36.0%	27.7%	25.7%	20.3%
EBITDA Margin	-17.5%	-0.5%	-12.9%	-5.2%	10.7%	-1.4%	-3.4%	4.4%	9.5%	8.5%	7.1%	10.4%	15.6%	13.6%	18.6%	18.6%	0.0%	-8.8%	3.0%	8.9%	16.7%
Operating Margin	-29.1%	-13.0%	-27.4%	-19.5%	-4.3%	-18.7%	-19.4%	-9.3%	-6.6%	-7.0%	-7.4%	-3.3%	0.2%	-1.3%	5.2%	5.9%	-87.1%	-22.2%	-12.4%	-6.0%	2.7%
Pretax Margin	-31.1%	-14.7%	-30.8%	-21.4%	-5.6%	-18.7%	-19.4%	-9.3%	-5.2%	-5.6%	-6.1%	-2.1%	1.5%	0.0%	6.4%	7.0%	-88.8%	-24.4%	-12.8%	-4.7%	4.0%
Net Income Margin	-31.4%	-14.9%	-30.7%	-21.4%	-5.3%	-18.0%	-18.8%	-8.7%	-4.4%	-4.9%	-5.5%	-1.5%	1.5%	0.0%	6.4%	7.0%	-89.4%	-24.5%	-12.3%	-4.0%	4.0%

Michael Cox, CFA
Piper Jaffray
(612) 303-2043
michael.e.cox@pjc.com

Codexis
Segment Sales & Profit Analysis
($ In Thousands Except Per Share Data)

	2009				2010E				2011E				2012E							
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
	Mar	*June*	*Sept*	*Dec*	*Mar*	*June*	*Sept*	*Dec*	*Mar*	*June*	*Sept*	*Dec*	*Mar*	*June*	*Sept*	*Dec*	FY09	FY10E	2011E	2012E
Revenue																				
Pharma	5.0	4.7	5.1	5.3	6.937	6.7	7.2	8.6	10.2	11.2	11.8	12.5	17.0	18.2	20.2	21.3	20.0	29.5	45.7	76.8
Generic	1.9	1.6	1.6	3.6	2.4	2.5	2.6	3.6	3.9	4.2	4.4	4.5	5.1	5.0	5.3	5.5	8.8	11.1	17.0	20.8
Innovator	3.1	3.0	3.4	1.7	4.5	4.2	4.7	5.0	6.3	7.0	7.4	7.9	12.0	13.2	14.9	15.9	11.2	18.3	28.6	55.9
Biofuels	14.4	14.5	15.0	18.8	16.0	15.0	15.0	17.5	17.0	17.0	18.5	19.5	17.7	17.7	19.2	20.2	62.8	63.6	72.2	74.9
FTE	13.0	13.5	13.5	13.6	14.5	13.5	13.5	13.5	15.5	15.5	15.5	15.5	16.2	16.2	16.2	16.2	53.5	55.1	62.2	64.9
Other/Milestones	1.5	1.0	1.5	5.3	1.5	1.5	1.5	4.0	1.5	1.5	3.0	4.0	1.5	1.5	3.0	4.0	9.3	8.5	10.0	10.0
Bio-industrials	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	1.0	1.0	2.0	2.0	0.1	0.0	2.0	6.0
Carbon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	2.0
Water, Other	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0	0.1	0.0	2.0	4.0
Grants	0.0	(0.0)	(0.0)	0.0	2.7	0.4	0.0	0.0	0.3	0.3	0.3	0.3	0.7	0.7	0.7	0.7	0.0	3.1	1.0	2.8
TOTAL	19.4	19.2	20.1	24.2	25.700	22.1	22.2	26.1	28.0	28.9	31.1	32.8	36.5	37.7	42.1	44.2	82.9	96.1	120.8	160.5
Revenue % Change																				
Pharma					39.4%	43.5%	43.0%	62.4%	47.0%	66.8%	63.6%	45.2%	67.1%	63.7%	70.3%	70.8%		47.4%	55.0%	68.1%
Generic					30.0%	50.0%	60.0%	0.0%	60.0%	70.0%	70.0%	25.0%	30.0%	20.0%	20.0%	20.0%		26.8%	53.1%	22.3%
Innovator					45.0%	40.0%	35.0%	200.0%	40.0%	65.0%	60.0%	60.0%	90.0%	90.0%	100.0%	100.0%		63.4%	56.2%	95.4%
Biofuels					11.2%	3.2%	0.0%	-7.1%	6.2%	13.6%	23.6%	11.6%	4.0%	4.0%	3.7%	3.5%		1.2%	13.5%	3.8%
FTE					12.2%	-0.1%	0.2%	-0.5%	6.9%	15.1%	15.1%	15.1%	4.4%	4.4%	4.4%	4.4%		2.8%	12.9%	4.4%
Other/Milestones					2.9%	46.9%	-1.4%	-24.1%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%		-8.3%	17.6%	0.0%
Bio-industrials					n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a
Grants					n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a
Total					32.4%	15.0%	10.9%	7.7%	8.9%	31.0%	40.0%	25.5%	30.3%	30.2%	35.2%	35.0%		15.9%	25.7%	32.8%
Gross Profit																				
Pharma	1.123	1.244	0.444	0.499	1.719	1.671	2.171	2.579	3.366	3.680	3.907	4.118	6.135	6.570	7.258	7.674	3.310	8.140	15.070	27.64
Biofuels	14.419	14.544	15.000	18.843	16.041	15.004	15.004	17.504	17.039	17.039	18.539	19.539	17.729	17.729	19.229	20.229	62.806	63.553	72.156	74.92
Bio-industrials	0.000	0.000	0.000	0.069	0.000	0.000	0.000	0.000	0.500	0.500	0.500	0.500	1.000	1.000	2.000	2.000	0.069	0.000	2.000	6.00
Grants	0.012	(0.001)	(0.001)	0.035	2.722	0.400	0.000	0.000	0.250	0.250	0.250	0.250	0.700	0.700	0.700	0.700	0.046	3.122	1.000	2.80
TOTAL	15.554	15.786	15.444	19.446	20.482	17.075	17.175	20.083	21.155	21.469	23.196	24.407	25.564	25.999	29.188	30.603	66.230	74.815	90.227	111.35
Gross Margins																				
Pharma	22.6%	26.7%	8.8%	9.4%	24.8%	25.0%	30.0%	30.0%	33.0%	33.0%	33.0%	33.0%	36.0%	36.0%	36.0%	36.0%	16.6%	27.6%	33.0%	36.0%
Biofuels	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a				
Bio-industrials	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a				
Grants	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a				
Total	80.1%	82.2%	77.0%	80.2%	79.7%	77.3%	77.2%	76.9%	75.6%	74.2%	74.5%	74.5%	70.1%	69.0%	69.3%	69.2%	79.9%	77.8%	74.7%	69.4%

Michael Cox, CFA
Piper Jaffray
(612) 303-2043
michael.e.cox@pjc.com

Codexis
Balance Sheet

	FY09				FY10E				FY11E				FY12E				Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
($ Million)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2008	2009E	2010E	2011E	2012E
Cash	56.24	60.56	55.96	55.56	29.2	102.3	96.6	92.3	87.1	81.3	75.9	72.2	67.0	62.7	61.3	60.4	37.1	55.6	92.3	72.2	60.4
Other current assets	9.2	12.0	11.7	11.8	21.5	24.4	27.4	30.8	36.2	40.7	44.1	44.8	48.0	49.7	52.0	54.4	11.2	11.8	30.8	44.8	54.4
Current Assets	65.4	72.5	67.7	67.4	50.7	126.7	124.0	123.1	123.3	122.0	120.0	117.1	115.0	112.5	113.3	114.8	48.3	67.4	123.1	117.1	114.8
Plant/Property/Equipment (Net)	16.2	18.2	18.8	21.6	21.3	22.1	23.0	23.9	25.5	27.1	29.8	32.4	39.6	46.9	54.1	61.4	16.0	21.6	23.9	32.4	61.4
Other long-term assets	6.3	6.2	6.7	10.1	11.9	11.9	21.9	26.9	31.9	31.9	31.9	31.9	21.9	11.9	11.9	11.9	6.5	10.1	26.9	31.9	11.9
TOTAL ASSETS	87.9	96.9	93.2	99.0	83.8	160.8	169.0	173.9	180.8	181.0	181.7	181.4	176.6	171.3	179.4	188.1	70.9	99.0	173.9	181.4	188.1
Current liabilities:																					
Notes Payable	12.0	10.8	9.5	7.9	-	-	-	-	-	-	-	-	-	-	-	-	5.2	7.9	-	-	-
Deferred revenue	13.9	12.4	19.8	24.7	9.4	9.7	10.0	10.2	10.4	11.1	12.1	11.5	12.3	13.1	14.2	15.3	10.6	24.7	10.2	11.5	15.3
Other Current Liabilites	33.8	37.1	27.0	31.5	28.0	28.9	29.6	30.2	30.9	29.7	29.0	27.6	29.6	31.6	34.1	36.7	26.6	31.5	30.2	27.6	36.7
Total Current Liabilities:	59.7	60.3	56.4	64.2	37.4	38.6	39.6	40.3	41.3	40.9	41.1	39.2	41.9	44.7	48.3	52.0	42.4	64.2	40.3	39.2	52.0
Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.5	-	-	-	-
Other liabilities	-	-	-	-	10.9	12.6	24.0	30.5	37.6	39.7	41.9	44.0	35.9	27.7	29.6	31.5	16.4	-	30.5	44.0	31.5
Total Liabilities	59.7	60.3	56.4	64.2	48.3	51.2	63.6	70.8	78.9	80.6	83.0	83.1	77.8	72.5	77.9	83.5	67.3	64.2	70.8	83.1	83.5
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-					-	-	-		
Stockholders' equity	28.2	36.6	36.9	34.8	35.5	109.5	105.4	103.1	101.9	100.4	98.7	98.2	98.8	98.8	101.5	104.6	3.6	34.8	103.1	98.2	104.6
TOTAL LIABILITIES & S.E.	87.9	96.9	93.2	99.0	83.8	160.8	169.0	173.9	180.8	181.0	181.7	181.4	176.6	171.3	179.4	188.1	70.9	99.0	173.9	181.4	188.1

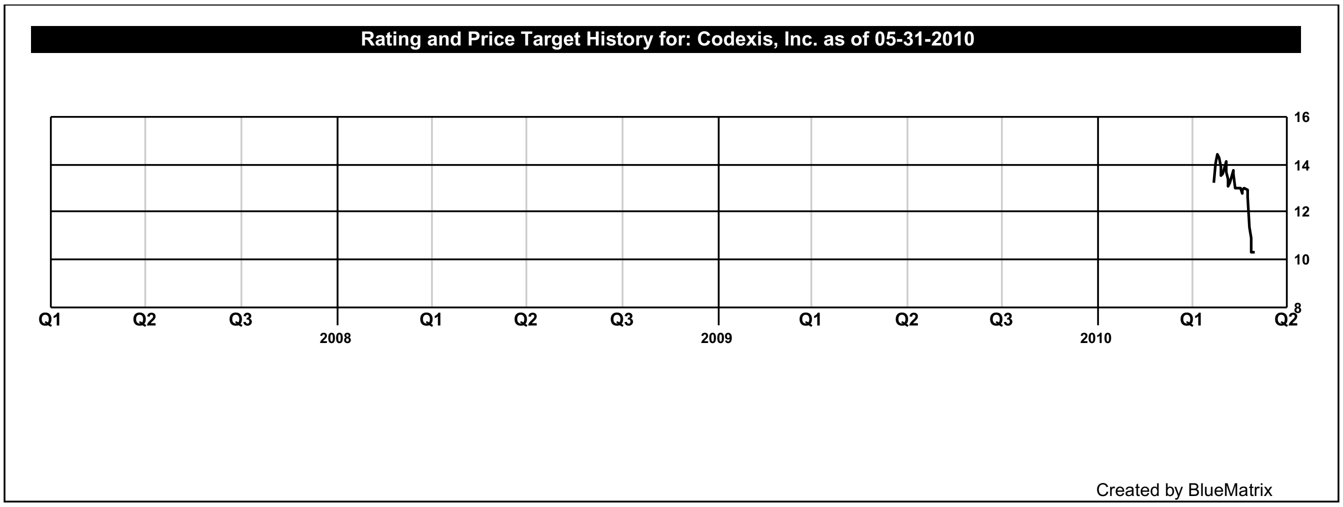
Michael Cox, CFA
Piper Jaffray
(612) 303-2043
michael.e.cox@pjc.com

Codexis
Statement of Cash Flow

	FY09				FY10E				FY11E				FY12E			
($ Millions)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating:																
Net Income	(6.1)	(2.9)	(6.2)	(5.2)	(1.4)	(4.0)	(4.2)	(2.3)	(1.2)	(1.4)	(1.7)	(0.5)	0.6	(0.0)	2.7	3.1
Depreciation/Amortization	1.4	1.6	2.3	2.4	1.8	2.1	2.1	2.1	2.4	2.4	2.4	2.4	3.8	3.8	3.8	3.8
Share-based compensation	0.9	0.9	1.3	1.6	1.7	1.7	1.5	1.5	2.1	2.1	2.1	2.1	1.9	1.9	1.9	1.9
Changes in operating assets and liabilities:	(4.6)	(0.9)	(3.5)	8.0	(14.1)	(1.7)	(2.2)	(2.6)	(4.5)	(4.9)	(3.2)	(2.7)	(0.4)	1.1	1.2	1.4
Net Cash Flow for Operating Activities	(8.3)	(1.2)	(6.0)	6.8	(12.0)	(1.8)	(2.8)	(1.3)	(1.2)	(1.8)	(0.4)	1.3	5.8	6.7	9.5	10.1
Investing:																
Purchases of plant, property, equipment	(1.3)	(3.2)	(2.0)	(4.3)	(1.3)	(3.0)	(3.0)	(3.0)	(4.0)	(4.0)	(5.0)	(5.0)	(11.0)	(11.0)	(11.0)	(11.0)
Other	5.3	(22.3)	-	16.7	13.6	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	(1.3)	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Investing Cash Flow	3.9	(25.5)	(3.3)	12.4	12.3	(3.0)	(3.0)	(3.0)	(4.0)	(4.0)	(5.0)	(5.0)	(11.0)	(11.0)	(11.0)	(11.0)
Financing:																
Net change in long-term debt	(1.4)	(1.3)	(1.3)	(2.1)	(1.3)	-	-	-	-	-	-	-	-	-	-	-
Issuance of equity/preferred	30.0	10.0	5.0	1.0	-	78.0	-	-	-	-	-	-	-	-	-	-
Other	0.0	0.0	0.0	0.0	(1.5)	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by Financing Activities	28.6	8.8	3.7	(1.1)	(2.8)	78.0	-	-	-	-	-	-	-	-	-	-
Exchange rate changes					(0.0)											
Increase in cash and cash equivalents	24.2	(17.9)	(5.6)	18.1	(2.6)	73.2	(5.8)	(4.3)	(5.2)	(5.8)	(5.4)	(3.7)	(5.2)	(4.3)	(1.5)	(0.9)
Cash at beginning of period	37.1	61.3	43.4	37.8	55.9	53.4	126.5	120.8	116.5	111.3	105.4	100.0	96.4	91.2	86.9	85.4
Cash at end of period	61.3	43.4	37.8	55.9	53.4	126.5	120.8	116.5	111.3	105.4	100.0	96.4	91.2	86.9	85.4	84.6
Free cash flow																

($ Millions)	Fiscal 2008	Fiscal 2009	Fiscal 2010E	Fiscal 2011E	Fiscal 2012E
Operating:					
Net Income	(45.1)	(20.3)	(11.8)	(4.9)	6.4
Depreciation/Amortization	4.6	7.8	8.2	9.5	15.0
Share-based compensation	3.5	4.8	6.3	8.5	7.5
Changes in operating assets and liabilities:	0.8	(1.0)	(20.6)	(15.3)	3.3
Net Cash Flow for Operating Activities	(36.3)	(8.7)	(17.9)	(2.1)	32.2
Investing:					
Purchases of plant, property, equipment	(8.5)	(10.8)	(10.3)	(18.0)	(44.0)
Other	15.6	(0.4)	13.6	-	-
Acquisitions	-	(1.3)	-	-	-
Net Investing Cash Flow	7.1	(12.5)	3.3	(18.0)	(44.0)
Financing:					
Net change in long-term debt	(4.3)	(6.1)	(1.3)	-	-
Issuance of equity/preferred	0.4	-	-	-	-
Other	-	0.1	(1.5)	-	-
Net cash provided by Financing Activities	(3.9)	(6.0)	(2.8)	-	-
Exchange rate changes					
Increase in cash and cash equivalents		(27.2)	(17.4)	(20.1)	(11.8)
Cash at beginning of period		37.1	55.9	38.5	96.4
Cash at end of period		10.0	38.5	96.4	84.6
Free cash flow	(44.9)	(19.5)	(28.2)	(20.1)	(11.8)

Important Research Disclosures



Notes: The boxes on the Rating and Price Target History chart above indicate the date of the Research Note, the rating, and the price target. Each box represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first Note written during the past three years.

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R: Resuming Coverage

T: Transferring Coverage

D: Discontinuing Coverage

S: Suspending Coverage

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N: Neutral

UW: Underweight

B: Buy (Piper Jaffray discontinued use of the B, N, and S ratings on June 30, 2009)

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UP: Underperform

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			IB Serv./Past 12 Mos.	
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HOLD [N]	**271**	**39.90**	**15**	**5.54**
SELL [UW]	**68**	**10.00**	**1**	**1.47**

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