

ZS Pharma (ZSPH : US\$39.87)

ZS Pharma sinks 12% in 2015, underperforming 82% of the market

ZS Pharma Inc., NASDAQ's 16th largest Healthcare-Products company by market cap, sank US\$5.29 (or 11.7%) year to date in 2015 to close at US\$39.87. This means the stock has underperformed 82% of NASDAQ-listed stocks in 2015. Compared with the NASDAQ-100 Index which has risen 4.4% YTD, this is a relative price change of -16.1%. The volume YTD has been 1.3 times the average trading of 162,760 shares. In 2015 the market cap has declined US\$110.1 million.

Introduction with Trends

We are currently bearish on this stock, both in the short-term based on technical indicators, as well as in the long-term based on fundamental metrics

What makes us most bearish on the stock is the following:

- Its Moving Average Convergence Divergence indicators are falling, with its 12-day EMA lower than its 26-day EMA.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 7.1. Compared with the rest of the market the stock is overvalued and ranks in the bottom 5% of stocks by value of Q Ratio.
- The price to 200-day MAP ratio is 0.66, a bearish indicator.
- In the last three months the number of falls outnumbered rises 34:28 or 1.21:1.

However, there are some reasons why some in the market are more bullish on the stock:

- The stock is oversold according to the Williams % R indicator of -85.8.
- "Current ratio of two or more"; current assets are 11.3 times current liabilities.

Stock Summary

Sector	Healthcare-Products
Market Cap	US\$830 million
Shares Outstanding	20,818,771
ISIN	US98979G1058
Relative Strength (3 mo)	21

Financial Summary

Year ended	Dec 2014	Dec 2013	Dec 2012
Net (USD M)	(64.4)	(34.3)	(10.5)
EPS (USD)	(5.47)	(21.84)	(6.74)

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	39.9	830 million

Analysis

Bearish Signals

- Falls to Rises: In the last three months the number of falls outnumbered rises 34:28 or 1.21:1.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 42.14 minus the 26-day EMA of 43.53 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The Price/MAP of 0.66 for ZSPH is lower than the Price/MAP for the NASDAQ-100 Index of 0.9.
- The 200-day MAP has decreased to US\$60.58. A decrease is another bearish indicator.
- The price to 200-day MAP ratio is 0.66, a bearish indicator.
- The stock traded at a five-month low of US\$39.06 today.

The bears are maintaining control with price open, high, low and close being below yesterday's levels.

Overvaluation:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 7.1. Compared with the rest of the market the stock is overvalued and ranks in the bottom 5% of stocks by value of Q Ratio.

Other Bearish Signals:

The stock has a score of merely 1 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Improvement in current ratio from 2 to 11.3.

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Price to Book Value	8.6	In Bottom Quartile
Price Change %	-1.6	In Bottom Quartile
Price/MAP50	0.61	In Bottom Quartile
Price/MAP200	0.66	In Bottom 9%

Note

Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$652.4 million	In 2nd Quartile
MCap	US\$830 million	In 2nd Quartile

Bullish Signals:

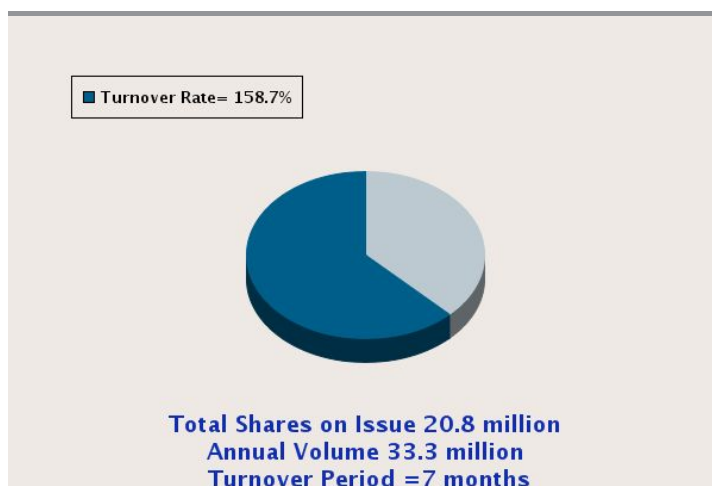
- The price is at a discount of 8.8% to the 1-month volume weighted average price of US\$43.73, which may appeal as a value proposition.
- In the NASDAQ market of 2,406 stocks and 1 unit traded today, the stock has a 6-month relative strength of 59 which means it has outperformed 59% of the market.
- The stock is oversold according to the Williams % R indicator of -85.8.
- The current short volume is 0.1 times its own historical average of 0.7%. It plummeted 29.7% from the previous day, plummeted 94.5% from a week ago and plummeted 94.6% from a month ago, a significant bullish indicator.

Other Bullish Signals:

Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 11.3 times current liabilities.

Turnover Rate & Turnover Period

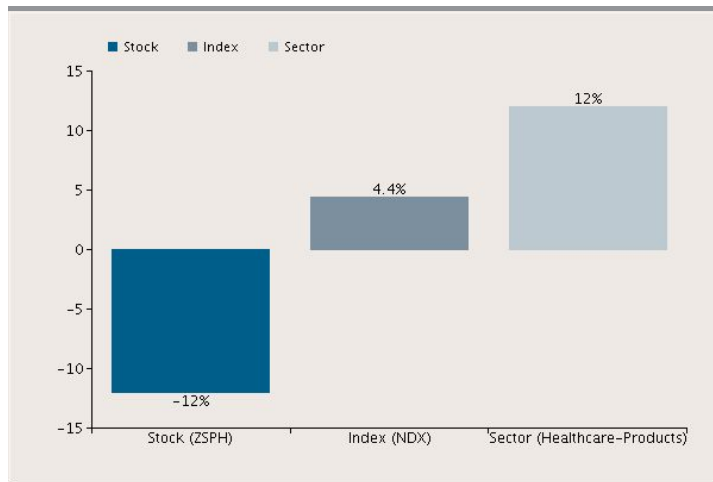


Trailing 3 months

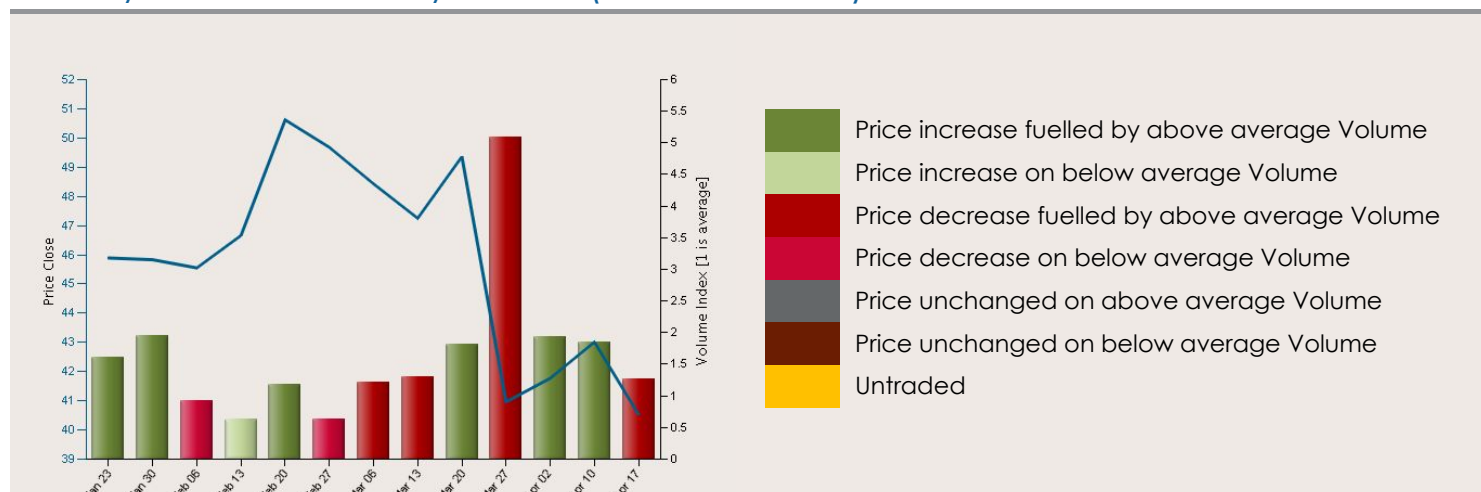
Turnover	US\$652.4 million
Volume	14,571,296
Volume Index (1 is avg)	1.4

Analysis (continued)

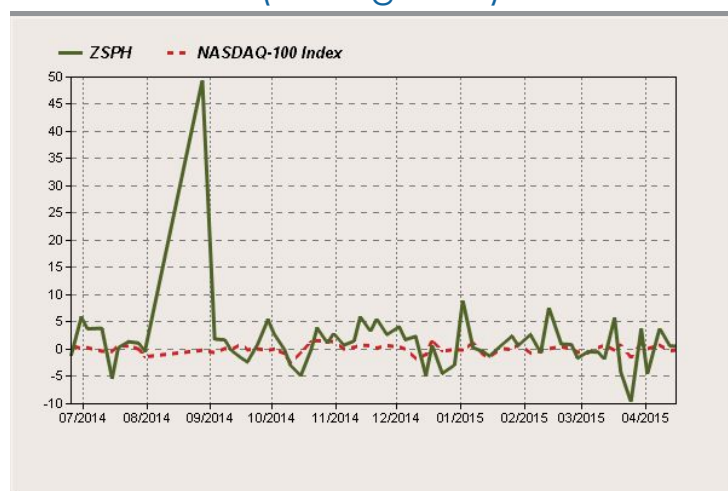
YTD Comparison Stock Sector Index



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Price/Moving Average Price [P/MAP]



Peer Group Analysis

Name	Last Price	Relative strength (6-months)	MCap (USD)	PV \$1000 (1 yr)	Revenue (USD)	Net Profit (USD)	Total Assets (USD)
Zafgen	US\$36.56	98	974.3M	0		(28.2M)	90.6M
Alder Biopharmaceuticals	US\$25.67	98	967.9M	0	54.9M	8.9M	64.4M
K2M Group Holdings	US\$23.58	91	930.6M	0	181.9M	(52.8M)	302.6M
ZS Pharma	US\$39.87	59	830M	0		(64.4M)	116.2M
Vital Therapies	US\$27.22	95	649.1M	0		(56.8M)	108.1M
Supernus Pharmaceuticals	US\$13.41	93	627.3M	1,665	12.4M	(92.3M)	111M
Intersect ENT	US\$26.03	92	608.2M	0	38.6M	(18.4M)	63M

Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
13-Mar-2015	JPMorgan Chase & Co.	Reiterated Rating	-	Overweight	-	57

Company Overview

Activities

ZS Pharma Inc. develops and distributes specialty pharmaceutical products. The Company produces non-absorbed drugs to treat cardiovascular, renal, liver and metabolic diseases. ZS Pharma offers its products to the medical and healthcare industries.

Further details can be found at
www.zspharma.com.

Economic Sector	Healthcare
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Regulatory Announcements

April 15: ZS Pharma Announces Publications in Peer-Reviewed Medical Journals

[News Story] REDWOOD CITY, Calif., April 15, 2015 ZS Pharma (Nasdaq:ZSPH), a biopharmaceutical company focused on the development and commercialization of highly selective, non-absorbed drugs to treat renal, cardiovascular, liver and metabolic disorders, announced publications related to ZS-9, the Company's lead product candidate for the treatment of hyperkalemia, in two peer reviewed medical journals.

The first will appear in the April 16, 2015 issue of the New England Journal of Medicine (NEJM) as a letter to the Editor.
[For more details click here.](#)

Key Developments

March 25: ZS Pharma Announces Upsizing and Pricing of \$186 Million Public Offering of Common Stock

[News Story]

REDWOOD CITY, Calif., March 25, 2015 -- ZS Pharma, Inc. (Nasdaq:ZSPH), a biopharmaceutical company focused on the development and commercialization of highly selective, non-absorbed drugs to treat renal, cardiovascular, liver and metabolic disorders, today announced the upsizing and pricing of its underwritten public offering.

[For more details click here.](#)

Key Developments

March 23: ZS Pharma Announces Proposed Public Offering of Common Stock

[News Story] REDWOOD CITY, Calif., March 23, 2015 (GLOBE NEWSWIRE) -- ZS Pharma, Inc. (Nasdaq:ZSPH), a biopharmaceutical company focused on the development and commercialization of highly selective, non-absorbed drugs to treat renal, cardiovascular, liver and metabolic disorders, today announced that it intends to offer and sell, subject to market and other conditions 3,300,000 shares of its common stock in an underwritten public offering.

[For more details click here.](#)

March 19: ZS Pharma to Present Data From Phase 3 Trials of ZS-9 in Presentations at the National Kidney Foundation 2015 Spring Clinical Meetings

[News Story] REDWOOD CITY, Calif., March 19, 2015 -- ZS Pharma, Inc. (Nasdaq:ZSPH), a biopharmaceutical company focused on the development and commercialization of highly selective, non-absorbed drugs to treat renal, cardiovascular, liver and metabolic disorders, today announced that data from Phase 3 trials of ZS-9 (sodium zirconium cyclosilicate), an investigational treatment for hyperkalemia, will be presented at the National Kidney Foundation 2015 Spring Clinical Meetings being held March 25 to 29, 2015 in Dallas, Texas.

[For more details click here.](#)

March 13: ZS Pharma Reports Fourth Quarter and Year-End 2014 Financial Results and Provides ZS-9 Program Update

[News Story] ZS Pharma, Inc. (Nasdaq:ZSPH), a biopharmaceutical company focused on the development and commercialization of highly selective, non-absorbed drugs to treat renal, cardiovascular, liver and metabolic disorders, today provided a program update on ZS-9 (sodium zirconium cyclosilicate), the Company's investigational treatment for hyperkalemia, and reported its financial results for the fourth quarter and year ended December 31, 2014.

"We made significant progress with ZS-9 last year including the publication of our Phase 3 trials in JAMA and NEJM highlighting the interest from the medical community in hyperkalemia and in ZS-9," said Robert Alexander, Ph.D., chief executive officer of ZS Pharma.

[For more details click here.](#)

February 19: ZS Pharma Hires Key Medical Affairs and Commercial Executives

[News Story] REDWOOD CITY, Calif., Feb. 19, 2015 ZS Pharma (Nasdaq:ZSPH), a biopharmaceutical company developing novel treatments for kidney, cardiovascular, liver and metabolic disorders, today announced the appointment of several new senior executives. Jose A. Menoyo, M.D., has joined the Company as Senior Vice President of Medical Affairs and Stewart A.

[For more details click here.](#)

Board and Management

February 10: ZS Pharma appoints Director

ZS Pharma has appointed Martin Babler as a Director. The effective date is February 10, 2015.

8-K other news

April 15: ZS Pharma: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1459266_000119312515131427_0001193125-15-131427.txt

Source: 8-K United States Securities and Exchange Commission

Company Overview (continued)

March 25: ZS Pharma: Entry into a Material Definitive Agreement

[News Story]

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Source: 8-K United States Securities and Exchange Commission

March 23: ZS Pharma: Other Events

[News Story]

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Source: 8-K United States Securities and Exchange Commission

March 19: ZS Pharma: Other Events

[News Story]

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Source: 8-K United States Securities and Exchange Commission

March 13: ZS Pharma: Results of Operations and Financial Condition

[News Story]

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Source: 8-K United States Securities and Exchange Commission

February 19: ZS Pharma: Other Events

[News Story]

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Source: 8-K United States Securities and Exchange Commission

January 06: ZS Pharma: Other Events

[News Story]

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Source: 8-K United States Securities and Exchange Commission

November 21: ZS Pharma: Regulation FD Disclosure

[News Story]

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Source: 8-K United States Securities and Exchange Commission

November 20: ZS Pharma: Regulation FD Disclosure

[News Story]

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Source: 8-K United States Securities and Exchange Commission

November 17: ZS Pharma: Other Events

[News Story]

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Source: 8-K United States Securities and Exchange Commission

November 10: ZS Pharma: Results of Operations and Financial Condition

[News Story]

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Source: 8-K United States Securities and Exchange Commission

October 30: ZS Pharma: Regulation FD Disclosure

[News Story]

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Source: 8-K United States Securities and Exchange Commission

October 28: ZS Pharma: Regulation FD Disclosure

[News Story]

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Source: 8-K United States Securities and Exchange Commission

September 23: ZS Pharma: Regulation FD Disclosure

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1459266_000119312514350095_0001193125-14-350095.txt

Source: 8-K United States Securities and Exchange Commission

Company Overview (continued)

September 17: ZS Pharma: Regulation FD Disclosure

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1459266_000119312514344394_0001193125-14-344394.txt

Source: 8-K United States Securities and Exchange Commission

September 16: ZS Pharma: Regulation FD Disclosure

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1459266_000119312514341954_0001193125-14-341954.txt

Source: 8-K United States Securities and Exchange Commission

September 11: ZS Pharma: Regulation FD Disclosure

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1459266_000119312514338651_0001193125-14-338651.txt

Source: 8-K United States Securities and Exchange Commission

August 26: ZS Pharma: Regulation FD Disclosure

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1459266_000119312514320739_0001193125-14-320739.txt

Source: 8-K United States Securities and Exchange Commission

August 14: ZS Pharma: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1459266_000119312514310235_0001193125-14-310235.txt

Source: 8-K United States Securities and Exchange Commission

Sector Sorting

For Company searches, or for sorting by Stocks and variables, an interactive version of today's Table is available [here](#)

Issued Capital

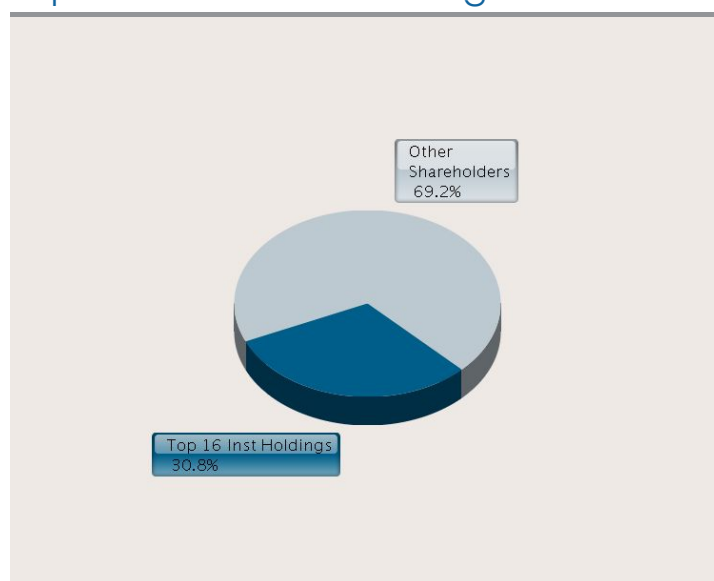
Based on 20,818,771 issued equity shares the market capitalisation is US\$830 million.

The top sixteen shareholders hold 30.8% of the issued capital leaving a float of 69.2%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Fmr LLC	2,951,261	14.18
Price T Rowe Associates Inc /Md/	669,171	3.21
Ra Capital Management LLC	564,483	2.71
Partner Fund Management L.P.	500,949	2.41
Blackrock Fund Advisors	415,370	2
Vanguard Group Inc	357,741	1.72
Emerald Advisers Inc/Pa	177,662	0.85
Wall Street Associates	140,500	0.67
Emerald Mutual Fund Advisers Trust	136,924	0.66
Rock Springs Capital Management Lp	107,000	0.51
Total	6,021,061	28.92

Top 16 Institutional Holdings



Board and Management

Alvaro Guillem President & Director

Al co-founded ZS Pharma in 2008. He is a veteran of the pharmaceutical industry with over 30 years of leadership experience in bringing new therapies to market at both well-established and start-up companies. Prior to ZS Pharma, he held senior positions at Genzyme/Bone Care, Wyeth and Boehringer Ingelheim, as well as at start-up companies such as Medeva Americas and Adams Respiratory Therapeutics. Most recently, Al held the role of Vice President of Quality and Scientific Affairs at Ash Access Technology, which developed a catheter lock for patients with ESRD on dialysis. Al holds a B.S. in chemistry from Mary Washington University and a Ph.D. in chemistry from Virginia Commonwealth University.

Martin Babler Director

Mr. Babler, current Chief Executive Officer of Principia Biopharma, brings to the board significant industry knowledge and expertise in the commercialization of biopharmaceutical products, including several recent successful product launches. Prior to joining Principia, Mr. Babler was President and Chief Executive Officer of Talima Therapeutics. Previously, he was a senior executive at Genentech for eight years including Vice President, Immunology Sales and Marketing where he oversaw the successful product launches of Xolair and Rituxan for Rheumatoid Arthritis. During his tenure at Genentech, he also helped prepare for the launches of additional novel products such as Avastin, Tarceva, and Lucentis. Mr. Babler began his pharmaceutical industry career at Eli Lilly and Company with positions in sales management, global marketing and business development. Mr. Babler has been a Guest Lecturer for the BioExec Institute at the Haas School of Business at the University of California, Berkeley. He also serves on the BIO Emerging Companies Section Governing Board. Mr. Babler holds a Swiss Federal Diploma in Pharmacy from the Federal Institute of Technology in Zurich. Mr. Babler also graduated from the Executive Development Program at the Kellogg Graduate School of Management at Northwestern University.

Creation of shareholder value in ZS Pharma:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of February 10, 2015 at close price of US\$44.94 is US\$887, for a capital loss of US\$113.

Srinivas Akkaraju Director

Srinivas Srinivas Akkaraju is currently a General Partner at Sofinnova Ventures where he concentrates on biopharmaceutical investments. Srinivas has more than 16 years of investment and operational experience in the life sciences sector. Most recently, he was a Managing Director at New Leaf Venture Partners. Previously, he was a co-founder and Managing Director at Panorama Capital, and served on the investment team at J.P. Morgan Partners, most recently as Partner. He held business and corporate development positions at Genentech. Currently, Srinivas serves on the board of directors of Seattle Genetics, Principia Biopharma and Versartis. His previous board memberships have included Piramed (acquired by Roche), Eyetech Pharmaceuticals, and Synageva BioPharma. He holds bachelor's degrees in both Biochemistry and Computer Science from Rice University and M.D. and Ph.D. degrees in Immunology from Stanford University School of Medicine.

Todd A. Creech CFO

Todd joined ZS Pharma in August 2013. He was previously CFO and Vice-President of Business Development at Sarcodes Biosciences, where he led all financing, legal, accounting and corporate development activities. Shire Pharmaceuticals acquired Sarcodes in April 2013. Prior to Sarcodes, Todd was CFO of Sirion Therapeutics, an ophthalmic pharmaceutical company. During his tenure, he raised \$100 million in debt and equity financing to support the development of six late-stage clinical programs, two NDA approvals and led the sale of Sirion's drug assets to Alcon and Bausch and Lomb. Todd worked with NovaQuest, the investment group within Quintiles, Inc., where he structured, placed and managed capital investments into U.S. emerging biotech and specialty pharmaceutical companies. Prior to his work with NovaQuest, he co-founded Centice, an optical sensor spin out from Duke University in 2003. Todd has an additional 10 years of experience consulting to biotech and high-tech companies while at SRI International and Andersen Consulting. Todd holds bachelor's degrees in finance and accounting from Miami (Ohio) University and an M.B.A. from Duke University.

Board and Management (continued)

Guy Nohra Director

Guy Nohra is a co-founder of Alta Partners and was a partner at Burr, Egan, Deleage & Co., which he joined in 1989. Guy has been involved in the funding and development of notable medical technology and life science companies including ATS Medical, Cutera, Innerdyne, R2 Technology, deCODE genetics and Vesica. Previously, Guy was Product Manager of Medical Products with Security Pacific Trading Corporation. He was responsible for a multi-million dollar product line and traveled extensively in Korea, Taiwan, Hong Kong, China and Southeast Asia. Currently, Guy serves on the board of directors of several companies, including AcelRx Pharmaceuticals, Bioventus, Carbylan Biosurgery, Cerenis Therapeutics, PneumRx and Vertiflex, and is the Chairman of the Board of USGI Medical. He also serves on the board of directors of the Medical Device Manufacturing Association (MDMA). He was recently named to the Forbes "Midas List" of dealmakers in high-tech and life sciences. Guy also serves as President of the Silicon Valley chapter of The Leukemia and Lymphoma Society. He holds an M.B.A. from the University of Chicago and a B.A. in history from Stanford University.

Marc Ostro Director

Marc Ostro is a General Partner at Devon Park Bioventures, a venture capital fund targeting investments in therapeutics companies and medical device, diagnostic and drug discovery technology companies. Previously, Marc was a partner at TL Ventures, L.P., a venture capital firm. Prior to that, he was Senior Managing Director and Head of KPMG's Life Science Group (Mergers and Acquisitions) and was Senior Vice President of Ross Financial Corporation prior to KPMG. Marc was a Managing Director at USB Securities, where he was involved with numerous IPOs and secondary offerings and was with Mabon Securities, where he initiated and grew the firm's biotechnology practice. Dr. Ostro has served on the board of directors of 11 biotechnology companies. In 1981, he co-founded The Liposome Company, a biotechnology company and served as President, Vice Chairman and Chief Science Officer. Marc also founded the Journal of Liposome Research. Marc received a B.S. in biology from Lehigh University and a Ph.D. in biochemistry from Syracuse University. He was a Postdoctoral Fellow and Assistant Professor at the University of Illinois Medical School.

D. Jeffrey Keyser Director & Chief Operating Officer

Jeff co-founded ZS Pharma in 2008 and has over 30 years of experience in the pharmaceutical industry. Prior to joining ZS Pharma, Jeff served as the Chief Compliance Officer and Vice President of Regulatory Affairs at Encysive Pharmaceuticals. In addition, he served as Vice President of Development and Regulatory Affairs at Adams Respiratory Therapeutics and held senior management positions at Medeva Americas, Marion Merrell Dow, Marion Laboratories and Abbott Laboratories. Jeff has experience in regulatory, medical, clinical and product development and has directed efforts to develop, prepare and secure approvals of numerous INDs and NDAs/MMAs in the United States, Canada, Australia and Europe. Jeff received his B.S. degree in pharmacy and his J.D. from Creighton University. He earned an M.P.A. from the University of Missouri at Kansas City and a Ph.D. in economics from the University of Texas at Dallas.

Robert Alexander CEO & Director

Robert joined ZS Pharma as Executive Chairman in March of 2013 and became CEO in December 2013. Prior to ZS Pharma, Robert was a Director at Alta Partners, a venture capital firm located in San Francisco. In addition, he acted as Executive Chairman and interim CEO of SARcode Biosciences. During his time at Alta, he led investments in SARcode Biosciences (acquired by Shire), Sonexa Therapeutics, Allakos, Lumena Pharmaceuticals and ZS Pharma. Prior to Alta, Robert was a Principal in MPM Capital's BioEquities fund where he sourced opportunities and led due diligence efforts for both public and private investments. Robert joined MPM from Genentech where he worked in the Business Development group. At Genentech, his responsibilities included sourcing and screening product opportunities based on scientific merit and strategic fit, leading diligence teams and negotiating terms and definitive agreements. Prior to joining Genentech, Robert was a post-doctoral fellow at Stanford University in the Department of Pathology. He holds a Ph.D. in immunology from the University of North Carolina at Chapel Hill and a bachelor's degree in zoology from Miami University of Ohio.

Board and Management (continued)

John Whiting Director

John Whiting is currently the Vice President, Chief Financial and Administrative Officer of Gladstone Institutes where he provides overall direction and leadership to a wide range of Gladstone's finance and administrative functions, including finance and accounting, extramural funding and grants and contracts, human resources, information technology, operations and facilities management, and purchasing. Previously, John spent a decade at Genentech, Inc. (now a member of the Roche Group), most recently as Deputy Chief Financial Officer. Mr. Whiting's responsibilities at Genentech, included accounting and financial reporting, financial planning, treasury, divisional controllerships, mergers and acquisitions and strategic planning. Currently, John serves on the board of directors, and as chair of the finance committee, for the non-profit Larkin Street Youth Services. He has also served on the board of directors, and as chair of the audit committee, for MacPherson's, an art supply and distribution company. He holds both a bachelor's degree in biology and an M.B.A. from the University of Oregon. He is an inactive certified public accountant licensed in the state of California.

Financial Results (Annual)

31 December, 2014

Annual Report for the year ended December 31, 2014

year-on-year comparisons with previous corresponding period

Favourable Changes

- EPS continued to be negative like in the previous year
- However, there was an improvement from \$US-21.84 in the previous year to \$US-5.47
- Total liabilities to total assets down 68.5% to 0.2
- Net tangible assets per share up 100.0% to \$US8.22.

Unfavourable Changes

- Loss of \$US64.4m
- Losses in all of the last 3 years
- Operating cash flow is negative.

Major Common Size Ratios

- Total current assets to total assets up from 65.8% to 88.9%
- Cash to total assets down from 65.3% to 40.8%
- Total non-current assets to total assets down from 34.2% to 11.1%
- Fixed assets to total assets down from 32.9% to 10.7%.

INCOME STATEMENT

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Costs and expenses:			
Research and development	45,618	24,762	Up 84.2
General and administrative	14,919	7,432	Up 100.7
	60,537	32,194	Up 88.0
Loss from operations	-60,537	-32,194	Deterioration 88.0
Other (income) expense:			
Interest income	94	30	Up 213.3
Interest expense	530	9	Up 5,788.9
Expense to mark warrants to market	3,071	1,424	Up 115.7
Net loss	-64,044	-33,597	Deterioration 90.6
Preferred stock accretion	-310	-689	Reduced 55.0
Net loss attributable to common shareholders	-64,354	-34,286	Deterioration 87.7
Net loss per share attributable to common shareholders, basic and diluted	-547.0c	-2,184.0c	Reduced 75.0
Weighted-average common shares used to compute net loss per share attributable to common shareholders, basic and diluted	11,768,267	1,569,583	Up 649.8

BALANCE SHEET

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Assets			
Current assets:			
Cash and cash equivalents	47,402	9,170	Up 416.9
Short-term investments	54,878		

Financial Results (Annual) (continued)

31 December, 2014

Prepaid expenses	556	71	Up 683.1
Other current assets	419	6	Up 6,883.3
Total current assets	103,255	9,247	Up 1,016.6
Property and equipment, net	12,425	4,625	Up 168.6
Restricted cash	301	150	Up 100.7
Other assets	181	24	Up 654.2
	12,907	4,799	Up 169.0
Total assets	116,162	14,046	Up 727.0
Liabilities and shareholders' equity (deficit)			
Current liabilities:			
Accounts payable	4,565	1,489	Up 206.6
Clinical trial accrual	1,244	534	Up 133.0
Accrued liabilities	3,025	2,580	Up 17.2
Current portion of capital lease obligation	304	73	Up 316.4
Total current liabilities	9,138	4,676	Up 95.4
Deferred rent	74	67	Up 10.4
Lease incentive	92	184	Down 50.0
Capital lease obligation	127		
Long-term debt, net of discount	9,959		
Series B redeemable preferred stock warrant liability		2,667	
Total liabilities	19,390	7,594	Up 155.3
Commitments and contingencies			
Preferred stock whose redemption is outside the control of the issuer:			
Series B convertible, redeemable preferred stock, par 0.001; nil and 6,768,033 shares authorized at December31, 2014 and 2013, respectively; nil and 2,261,506 shares issued and outstanding at December31, 2014 and 2013, respectively; liquidation value of 8,409 at December31, 2013		8,387	
Series C convertible, redeemable preferred stock, par 0.001; nil and 17,692,308 shares authorized at December31, 2014 and 2013, respectively; nil and 6,899,281 shares issued and outstanding at December31, 2014 and 2013, respectively; liquidation value of 46,000 at December31, 2013		43,247	
Shareholders' equity (deficit):			
Series A convertible preferred stock, par 0.001; nil and 1,494,966 shares authorized at December31, 2014 and 2013, respectively; nil and 582,976 shares issued and outstanding at December31, 2014 and 2013, respectively		1,196	
Preferred Stock, par 0.001; 5,000,000 and nil shares authorized at December31, 2014 and 2013, respectively; nil shares issued and outstanding at December31, 2014 and 2013			

Financial Results (Annual) (continued)

31 December, 2014

Common stock, par 0.001; 250,000,000 and 49,574,865 shares authorized December 31, 2014 and 2013, respectively; 20,898,212 and 1,628,997 shares issued and outstanding at December 31, 2014 and 2013, respectively	21	2	Up 950.0
Additional paid-in capital	211,059	3,854	Up 5,376.4
Accumulated deficit	-114,278	-50,234	Deterioration 127.5
Accumulated other comprehensive loss	-30		
	96,772	6,452	Up 1,399.9
Total shareholders' equity (deficit)	96,772	-45,182	Recovery
Total liabilities and shareholders' equity (deficit)	116,162	14,046	Up 727.0

CASH FLOW

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Operating activities			
Net loss	-64,044	-33,597	Deterioration 90.6
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	1,340	705	Up 90.1
Amortization of lease incentive	-92	-18	Deterioration 411.1
Stock-based compensation	7,668	2,142	Up 258.0
Warrant expense			
Series B warrant mark-to-market expense	3,071	1,424	Up 115.7
Other	-1		
Amortization of deferred debt issuance costs	19		
Amortization of debt discount	131		
Amortization of premium on marketable securities	107		
Interest expense repaid in Series B preferred stock upon conversion of convertible notes			
Loss on disposal of assets and other noncash income		-2	
Changes in operating assets and liabilities:			
Prepaid expenses and other assets	-1,083	-84	Deterioration 1,189.3
Accounts payable	2,543	505	Up 403.6
Clinical trial accrual	839	67	Up 1,152.2
Accrued expenses	474	2,262	Down 79.0
Deferred rent	7	67	Down 89.6
Net cash used in operating activities	-49,021	-26,529	Deterioration 84.8
Investing activities			
Purchases of property and equipment	-7,999	-3,771	Deterioration 112.1

Financial Results (Annual) (continued)

31 December, 2014

Purchase of short-term investments	-54,889		
Net cash used in investing activities	-62,888	-3,771	Deterioration 1,567.7
Financing activities			
Proceeds from issuance of note payable, net of issuance costs	9,828		
Payment of debt issuance costs for long-term debt	-115		
Proceeds from exercise of stock options	157		
Proceeds from exercise of warrants	3,780	265	Up 1,326.4
Proceeds from issuance of Series C preferred stock, net of issuance costs	25	15,100	Down 99.8
Proceeds from issuance of Series D preferred stock, net of issuance costs	24,751		
Proceeds from issuance of common stock, net of issuance costs	112,117		
Principal payments on capital lease	-251	-146	Deterioration 71.9
Restricted cash	-151	-150	Deterioration 0.7
Net cash provided by financing activities	150,141	15,069	Up 896.4
Net increase (decrease) in cash and cash equivalents	38,232	-15,231	Recovery
Cash and cash equivalents at beginning of period	9,170	24,401	Down 62.4
Cash and cash equivalents at end of period	47,402	9,170	Up 416.9

PERFORMANCE RATIOS

	2014-12-31	2013-12-31	Change %
Return on Assets (%)	-55.4	-244.1	Reduced 77.3
Total Liabilities to Operating Cash Flow	-0.4	-0.29	Deterioration 38.2
Total Liabilities/Total Assets	0.17	0.54	Down 69.1
Current Ratio	11.3	1.98	

PER SHARE FIGURES

	2014-12-31	2013-12-31	Change %
Cash	US\$4.03	US\$5.84	Down 31.1
Working Capital	US\$8.0	US\$2.91	Up 174.6
Shareholders' Funds	US\$8.22	US\$4.11	Up 100.0
Total Liabilities	US\$1.65	US\$4.84	Down 65.9
Total Assets	US\$9.87	US\$8.95	Up 10.3
Non Current Debt	84.63c		
Net Tangible Assets	US\$8.22	US\$4.11	Up 100.0
EPS Final	-547.0c	-2,184.0c	Reduced 75.0

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