

## Roka Bioscience (ROKA : US\$4.10)

### Roka Bioscience decreases 6% in 2015

Roka Bioscience Inc, NASDAQ's 52nd largest healthcare-products company by market cap, has now decreased 26.0c (or 6%) year to date in 2015 to close at US\$4.10. The volume YTD has been 0.3 times average trading of 67,633 shares. Compared with the NASDAQ-100 Index which has risen 2.3% YTD, this represents a relative price change of -8.3%. In 2015 the market cap has declined US\$4.6 million.

### Introduction

**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:**

- The price to 200-day MAP ratio is 0.41, a bearish indicator.
- In the last three months the number of falls outnumbered rises 34:23 or 1.48:1.
- It is trailing 97.51% of the market the past 6 months.

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

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.
- "A stock price down to two-thirds of "net current asset value" or "net quick liquidation value"; the price is 0.1 times net current asset value of \$US80.3 per share.

### Stock Summary

<b>Sector</b>	Healthcare-Products
<b>Market Cap</b>	US\$72.3 million
<b>Shares Outstanding</b>	17,631,596
<b>ISIN</b>	US7754311097
<b>Relative Strength (3 mo)</b>	60

### MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	4.1	72.3 million

## Analysis

### Bearish Signals

- Falls to Rises: In the last three months the number of falls outnumbered rises 34:23 or 1.48:1.
- In the last 16 trading sessions there has been a net decline of 6.39%; the stock has retreated eleven times and the biggest one day decline was 6.7% on Feb 11.
- In the NASDAQ market of 2,400 stocks traded today, the stock has a 6-month relative strength of 2 indicating it is trailing 98.0% of the market.
- The Price/MAP of 0.41 for ROKA is lower than the Price/MAP for the NASDAQ-100 Index of 0.9.
- The 200-day MAP has decreased to US\$9.91. A decrease is another bearish indicator.
- The price to 200-day MAP ratio is 0.41, a bearish indicator.
- The current short volume is 1.7 times its own historical average of 0.1%. It increased 0.4% from the previous day, a bearish indicator.

### Overvaluation:

- Price/Sales of 2891.58 versus sector average of 1.5 and market average of 2.4.

### 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 4.4 to 4.8.

### Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
MCap	US\$72.3 million	In Bottom Quartile
Price Change %	-3.5	In Bottom Quartile
Price/MAP200	0.41	In Bottom 3%
Relative Strength (6M)	2	In Bottom 1%
Price/MAP50	0.34	In Bottom 1%
Annual Revenue	US\$25,000	In Bottom 1%

## Note

### Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$7.5 million	In 3rd Quartile

### Bullish Signals:

- The price is at a discount of 3.6% to the 1-month volume weighted average price of US\$4.25, which may appeal as a value proposition.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 4.25 minus the 26-day EMA of 4.22 is positive suggesting a bullish signal.
- The stock is oversold according to the Williams % R indicator of -84.3.

### Undervaluation:

- The company is cash rich with Cash to Market Capitalisation at 45.3%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 1.2. Compared with the rest of the market the stock is undervalued.

### Other Bullish Signals:

### % Growth Y.O.Y, Revenue & Net Profit



Also, the following criteria set by Benjamin Graham:

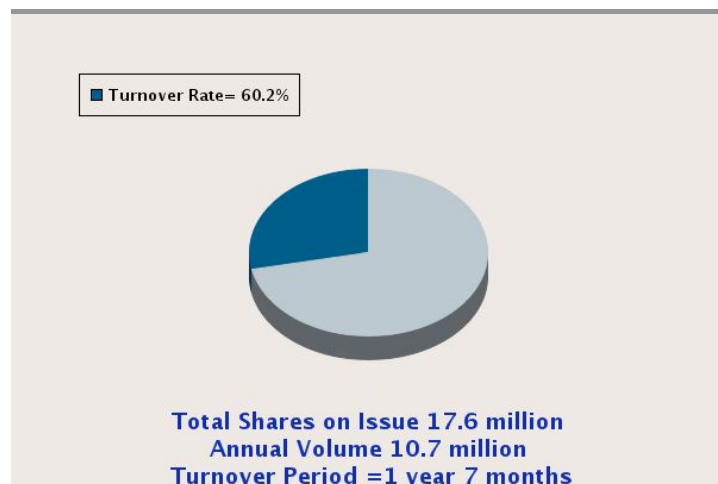
- "A stock price down to two-thirds of "net current asset value" or "net quick liquidation value"; the price is 0.1 times net current asset value of \$US80.3 per share.
- "Current ratio of two or more"; current assets are 4.8 times current liabilities.

### Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Cash to MCap %	45.3	In Top 3%
P/E * P/NTA	2.12	In Top 3%
Volatility %	1.2	In Top Quartile

## Analysis (continued)

### Turnover Rate & Turnover Period



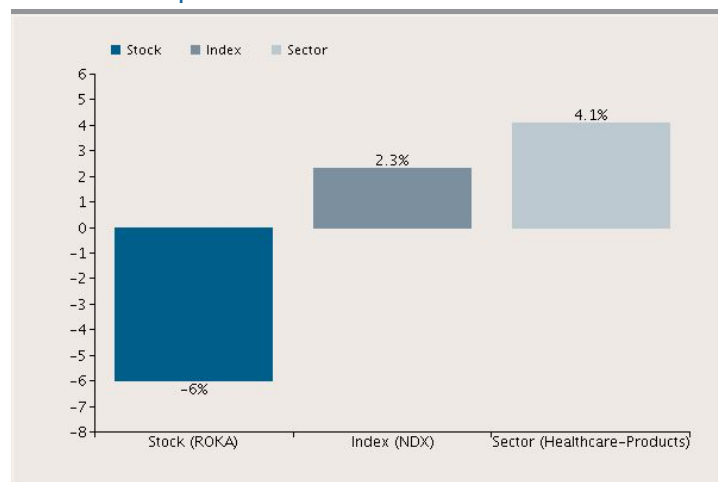
### Trailing 3 months

**Turnover** US\$7.5 million

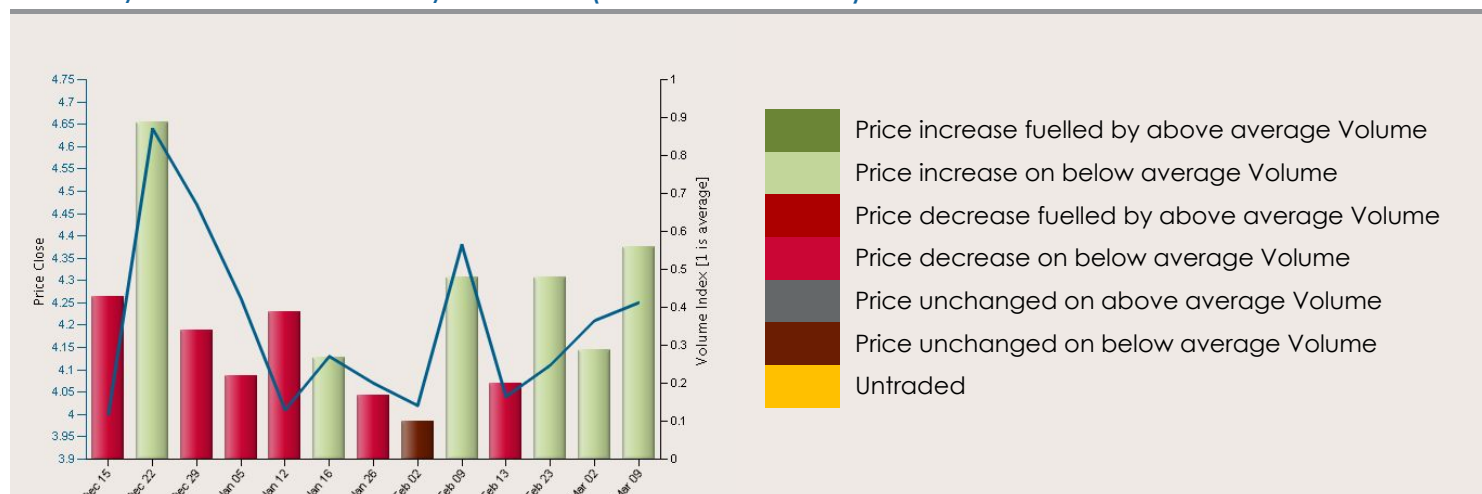
**Volume** 1,742,879

**Volume Index (1 is avg)** 0.4

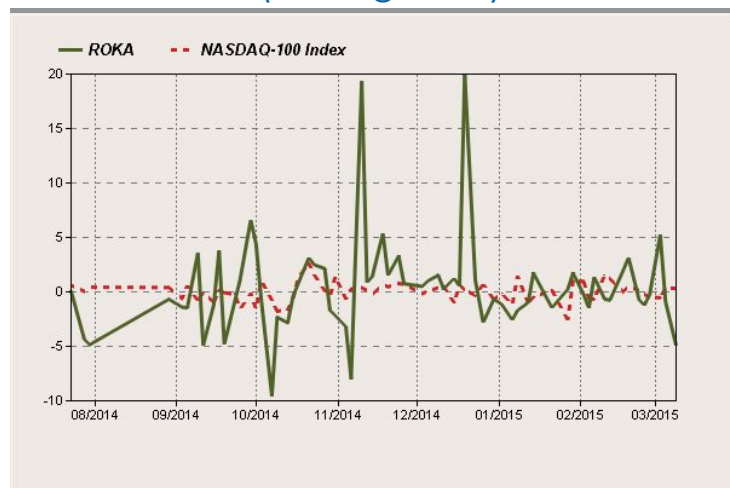
### YTD Comparison Stock Sector Index



## Weekly Price Volume Dynamics (Last 12 Weeks)



## Stock v Index (Trailing Year)



## Price/Moving Average Price [P/MAP]



## Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
06-Jan-2015	Bank of America	Downgrade	Neutral	Underperform	-	-

## Company Overview

### Activities

Roka Bioscience Inc. develops molecular assays and portable diagnostic instruments. The Company offers assays for microbial contaminations in industrial water, and building cooling towers for climate control. Roka Bioscience serves the food safety industry throughout the United States.

Further details can be found at  
[www.rokabin.com](http://www.rokabin.com).

Economic Sector	Healthcare
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### Regulatory Announcements

#### March 06: Roka Bioscience to Report Fourth Quarter 2015 Financial Results On March 26, 2015

[News Story] WARREN, N.J., March 6, 2015 Roka Bioscience, Inc. (NASDAQ:ROKA), a molecular diagnostics company focused on providing advanced testing solutions for the detection of foodborne pathogens, announced plans to release its financial results for the fourth quarter of 2014 on March 26, 2015 after the close of the financial markets.

Roka Bioscience will also host a conference call at 4:30 p.m.  
[For more details click here.](#)

#### February 25: Roka Bioscience to Exhibit and Present at the 2015 Beef Industry Safety Summit

[News Story] WARREN, N.J., Feb. 25, 2015 Roka Bioscience, Inc. (NASDAQ:ROKA), a molecular diagnostics company focused on providing advanced testing solutions for the detection of foodborne pathogens, will be exhibiting at the annual Beef Industry Food Safety Council summit (BIFSCO), March 3-5 in Dallas, Texas.

[For more details click here.](#)

#### Conferences/Exhibitions

#### February 06: Events Calendar: Roka Bioscience to Present at the 2015 Leerink Global Healthcare Conference

[News Story] WARREN, N.J., Feb. 5, 2015 -- Roka Bioscience, Inc. (NASDAQ:ROKA), a molecular diagnostics company focused on providing advanced testing solutions for the detection of foodborne pathogens, today announced that Paul G. Thomas will present at the 2015 Leerink Global Healthcare Conference on February 12 at 3:00pm ET.

[For more details click here.](#)

#### February 05: Roka Bioscience Strengthens Management Team to Drive Growth

[News Story] Appoints Mary Duseau as Chief Commercial Officer

WARREN, N.J., Feb. 5, 2015 /PRNewswire/ -- Roka Bioscience, Inc. (NASDAQ:ROKA), a molecular diagnostics company focused on providing advanced testing solutions for the detection of foodborne pathogens, today announced that Mary Duseau has been named Senior Vice President and Chief Commercial Officer, reporting to Paul Thomas, President and Chief Executive Officer.

"I am pleased to announce the addition of Mary Duseau to our senior management team," said Paul Thomas.  
[For more details click here.](#)

#### Product launch & Services

#### January 21: Roka Bioscience Launches White Paper on the Detection of Salmonella in Peanut Products

[News Story]

Report Offers Insights to Food Safety Professionals for Choosing a Reliable Testing Solution and Method

WARREN, N.J., Jan. 21, 2015 -- Roka Bioscience, Inc., (NASDAQ:ROKA) a molecular diagnostics company focused on providing advanced testing solutions for the detection of foodborne pathogens, today announced the launch of a white paper on the detection of Salmonella in peanut products, a topic that has brought much concern to industry professionals and consumers alike as a result of several recent peanut-related Salmonella outbreaks.

"Despite rapid improvements in technology and process controls, the incidence of Salmonella infection has not declined for nearly a decade," said Dr.

[For more details click here.](#)

#### January 12: Harwood Feffer LLP Announces Investigation of Roka Bioscience, Inc.

[News Story] NEW YORK, Jan. 12, 2015 /PRNewswire/ -- Harwood Feffer LLP ([www.hfesq.com](http://www.hfesq.com)) is investigating potential claims against the board of directors of Roka Bioscience, Inc. ("Roka" or the "Company") (NASDAQ:ROKA), concerning whether the board has breached its fiduciary duties to shareholders.

Roka only recently went public in during the summer of 2014.  
[For more details click here.](#)

## Company Overview (continued)

### December 29 2014: Federman & Sherwood Announces Filing of Securities Class Action Lawsuit Against Roka Bioscience, Inc.

[News Story] On December 24, 2014, a class action lawsuit was filed in the United States District Court for the District of New Jersey against Roka Bioscience, Inc. (NASDAQ:ROKA). The complaint alleges violations of the Securities Exchange Act, including allegations of issuing a series of material or false misrepresentations to the market relating to the Company's offering documents in its Initial Public Offering (the "IPO") which commenced on or about July 17, 2014.

Plaintiff seeks to recover damages on behalf of all Roka Bioscience, Inc.

[For more details click here.](#)

### 8-K other news

#### November 06: Roka Bioscience: Results of Operations and Financial Condition

[News Story]

[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1472343\\_000147234314000006\\_0001472343-14-000006.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1472343_000147234314000006_0001472343-14-000006.txt)

Source: 8-K United States Securities and Exchange Commission

#### August 11: Roka Bioscience: Results of Operations and Financial Condition

[News Story]

[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1472343\\_000119312514303820\\_0001193125-14-303820.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1472343_000119312514303820_0001193125-14-303820.txt)

Source: 8-K United States Securities and Exchange Commission

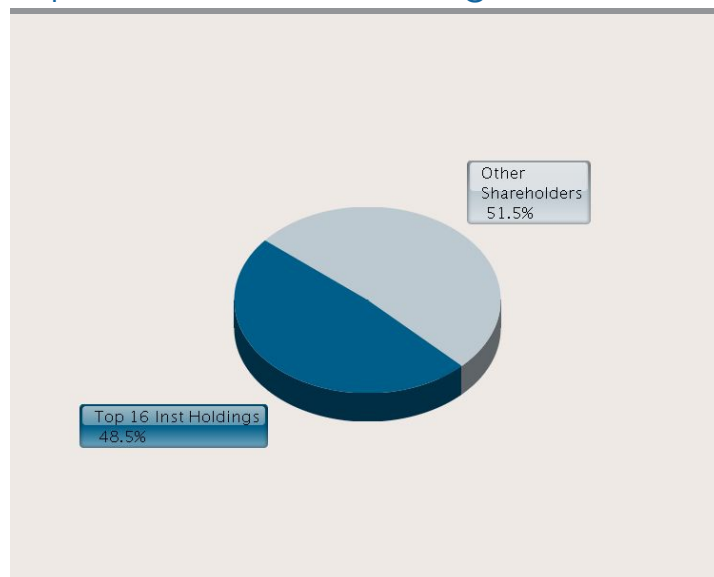
### Issued Capital

Based on 17,631,596 issued equity shares the market capitalisation is US\$72.3 million. It is NASDAQ's 25th largest Healthcare-Products company by total revenue. The top sixteen shareholders hold 48.5% of the issued capital leaving a float of 51.5%.

### Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Nea Management Company Llc	3,220,433	18.27
Tpg Group Holdings (Sbs) Advisors Inc.	2,989,282	16.95
Fmr Llc	1,467,519	8.32
Nicholas Investment Partners Lp	308,028	1.75
Jpmorgan Chase & Co	275,200	1.56
Blackrock Fund Advisors	111,481	0.63
California Public Employees Retirement System	52,704	0.3
Goldman Sachs Group Inc	37,940	0.22
Northern Trust Corp	27,202	0.15
Spark Investment Management Llc	21,700	0.12
<b>Total</b>	<b>8,511,489</b>	<b>48.27</b>

### Top 16 Institutional Holdings





## Board and Management

### Paul G. Thomas CEO & Director



Mr. Thomas joined Roka Bioscience, a company focused on the development and commercialization of rapid, accurate and cost-effective molecular assays for biopharmaceutical processing, food safety and other industrial testing applications, as CEO and Founder in September 2009. Mr. Thomas previously served as Chairman, Chief Executive Officer and President of LifeCell Corporation, a publicly traded regenerative medicine company, from 1998 until it was acquired by KCI in 2008. Prior to joining LifeCell, Mr. Thomas held various senior positions during his tenure of 15 years with Ohmeda, a world leader in inhalation anesthetics and acute care pharmaceuticals. Mr. Thomas received his M.B.A. degree from Columbia University Graduate School of Business and completed his postgraduate studies in Chemistry at the University of Georgia Graduate School of Arts and Science. He received his B.S. degree in Chemistry from St. Michael's College in Vermont. Mr. Thomas serves as a Director of AbioMed, Inc. (NASDAQ: ABMD) a leading provider of medical devices that provide circulatory support to acute heart failure patients across the continuum of care in heart recovery. Mr. Thomas also serves as a Director of Aegerion Pharmaceuticals, Inc. (NASDAQ: AEGR) focused on the commercialization of a life-altering therapy for debilitating and fatal orphan diseases.

### Steven T. Sobieski CFO & Senior Vice President



Mr. Sobieski joined Roka Bioscience in September 2009. He brings to Roka 20 years of financial management experience in a variety of roles in biotechnology and public accounting. Prior to joining Roka, Mr. Sobieski served from 2000 to 2009 as senior vice president and chief financial officer at LifeCell Corporation, a public company focused on developing and marketing reconstructive surgical products. Mr. Sobieski was vice president of finance at Osteotech, Inc., a public company focused on orthopedic products, where he also served in other positions, from 1991 to 2000. From 1981 through 1991, Mr. Sobieski was with Coopers & Lybrand, a public accounting firm. Mr. Sobieski received his BS in business administration from Monmouth University, his MBA degree with a concentration in accounting from Rutgers University, and he is a CPA. Mr. Sobieski serves as a director and chairman of the audit committee of Insulet Corporation, a public medical device company specializing in insulin infusion systems.

### Jonathan T. Silverstein Director

Jonathan T. Silverstein, JD, is a general partner of OrbiMed, a healthcare-focused investment company. Mr. Silverstein joined OrbiMed in 1998 to focus on private equity and structured transaction in small capitalization public biotechnology and medical device companies. Mr. Silverstein was previously a director of life sciences in the Investment Banking Department at Sumitomo Bank, and an associate at Hambro Resource Development. Mr. Silverstein holds a JD and MBA from the University of San Diego, and a BA in economics from Denison University. Currently, Mr. Silverstein is the chairman of two companies Enobia and Cerapedics, and a director of three companies, SuperDimension, Glaukos, and NxStage Medical (NXTM). He has been a director or observer in more than a dozen companies including: LifeCell (LIFC), Given Imaging (GIVN), Cerexa (sold to Forest Labs), Peninsula Pharmaceuticals (sold to JNJ), Predix (sold to EPIX), Avanir (AVNR), Orthovita (VITA), Auxilium (AUXL), Bioenvision (sold to Genzyme), Adiana (sold to Cytac), and Adolor (ADLR).

## Board and Management (continued)

### Josh Bilenker Director

Josh Bilenker, MD, serves as a Partner of Aisling Capital. Previously, Dr. Bilenker was a Medical Officer in the Office of Oncology Drug Products at the U.S. Food and Drug Administration. While at the FDA, he conducted clinical reviews of IND-stage and licensed biologic oncology products. Prior to joining the FDA, Dr. Bilenker trained at the University of Pennsylvania in internal medicine and medical oncology, earning board certification in these specialties. Dr. Bilenker currently serves as a director of LensAR, Inc., T2 Biosystems and ViewRay, Inc and as a board observer at Aragon Pharmaceuticals. He is also a member of the Board of Directors at BioEnterprise in Cleveland, OH. Dr. Bilenker received his MD from The Johns Hopkins School of Medicine. He received his AB from Princeton, awarded summa cum laude in English.

### Fred Cohen Director

Fred Cohen, PhD MD, is a managing director at Texas Pacific Group Ventures, where he initiated their investment efforts in the life sciences. He retains a professorship of cellular and molecular pharmacology at the University of California, San Francisco (UCSF). Dr. Cohen also serves as a member of the boards of GenomicHealth, XDx, Kemia, CardioDx, Anaborex, and Matrix Pharmaceuticals. He is also a member of the investment committee of the board of Quintiles Transnational. Mr. Cohen received his MD from Stanford, his PhD in molecular biophysics from Oxford as a Rhodes Scholar, and his bachelor's degree from Yale University in molecular biophysics and biochemistry. Dr. Cohen has been a member of the faculty of UCSF since 1986, and is best known for his work on protein structure and the conformational basis of prion disease. He is a member of the Institute of Medicine of the National Academy of Sciences.

### Jim Barrett Director

Jim Barrett, PhD, joined NEA, an investment company, in 2001 as a general partner. He specializes in biotechnology and works with members of NEA's healthcare investment group on medical devices, healthcare information systems and healthcare services companies. Mr. Barrett's present board memberships include Cardioxyl Pharmaceuticals, GlycoMimetics, Inc., Inhibitex, Inc. (INHX), Nucleonics, Inc., Peptimmune, Inc., Predictive Biosciences, Proteostasis Therapeutics, Inc., Psyadon Pharmaceuticals, Ruxton Pharmaceuticals, Sensors for Medicine and Science, Inc., Supernus Pharmaceuticals, Inc., Targacept, Inc. (TRGT), and Zosano Pharma, Inc. Mr. Barrett formerly served on the boards of CoGenesys (acquired by Teva Pharmaceutical Industries), Iomai Corporation (acquired by Intercell A G), MedImmune, Inc. (acquired by AstraZeneca) and Pharmion (acquired by Celgene). Prior to NEA, Mr. Barrett founded and served as chairman / CEO of Sensors for Medicine and Science (1997-2001), where he remains chairman. Prior to 1997, he led three NEA-funded companies, serving as chairman / CEO of Genetic Therapy, Inc. (1987-1995), president / CEO of Life Technologies (1985-1987), and president / CEO of Bethesda Research Labs (1982-1983). Prior to 1982, Mr. Barrett worked in various divisions of SmithKline. He holds a PhD in biochemistry from the University of Tennessee, an MBA from University of Santa Clara, and a BS in chemistry from Boston College.



## Board and Management (continued)

### David W. J. McGirr Director

David W. J. McGirr, is a Senior Advisor at Cubist Pharmaceuticals, Inc., Lexington, MA. He was Senior Vice President & Chief Financial Officer of Cubist from November 2002 to March 2013. Prior to joining Cubist, Mr. McGirr was the President, Chief Operating Officer and a member of the Board of Directors of hippo inc, an internet technology, venture-financed company, from 1999 to 2002. From 1996 to 1999, he was the President of GAB Robins North America, Inc., serving also as Chief Executive Officer from 1997 to 1999. Mr. McGirr was a private equity investor from 1995 to 1996. From 1978 to 1995, Mr. McGirr served in various positions within the S.G. Warburg Group in New York, London and Toronto, ultimately as Chief Financial Officer, Chief Administrative Officer and Managing Director of S.G. Warburg & Co., Inc., New York, a position held from 1992 to 1995. Mr. McGirr received a B.Sc. (First Class Honors) in Civil Engineering from the University of Glasgow in 1976 and received an MBA in 1978 from The Wharton School at the University of Pennsylvania where he was a Thouron Scholar. Mr. McGirr is a member of the Board of Directors and Chairman of the Audit Committee of Insmmed Incorporated, Relypsa, Inc and Roka Bioscience, Inc.

### Michael P. Doyle Director

Michael P. Doyle, PhD, is a Regent's Professor of Food Microbiology and Director of the Center for Food Safety at the University of Georgia. He is an active researcher in the area of food safety and security and works closely with the food industry, government agencies, and consumer groups on issues related to the microbiological safety of foods. He serves on food safety committees of many scientific organizations and has served as a scientific advisor to many groups, including the World Health Organization, the Institute of Medicine, the National Academy of Science-National Research Council, the International Life Sciences Institute-North America, the Food and Drug Administration, the U.S. Department of Agriculture, the U.S. Department of Defense, and the U.S. Environmental Protection Agency. He is a Fellow of the American Academy of Microbiology, the International Association for Food Protection and the Institute of Food Technologists, and is a member of the Institute of Medicine of the National Academies.

### Wally Narajowski Senior Vice President



Mr. Narajowski joined Roka Bioscience as SVP and General Manager of the San Diego operation. He comes to Roka with over 25 years of experience in the business of life science. In the industry he is well known for his ability to take new technological concepts and turn them into successful businesses or major product lines. Before joining Roka, Mr. Narajowski served from 2005 to 2008 as president, chief executive officer of Pathway Diagnostics, a biomarker development and testing company, which was sold to Quest Diagnostics. Prior to Pathway, Mr. Narajowski served as vice president, general manager of Focus Diagnostics, an infectious disease reference laboratory and diagnostic product business. The majority of Mr. Narajowski's career was with Abbott Laboratories where he served as vice president, general manager of critical care products, vice president, general manager of the infusion pump business, general manager of physician office diagnostics, and a director of research and development. Mr. Narajowski received his MS in bioengineering from the University of Utah, and his BS in electrical engineering from the Illinois Institute of Technology.

## Financial Results (Annual)

31 December, 2013

### Annual Report for the year ended December 31, 2013

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-70.54 in the previous year to \$US-56.81
- Current ratio up 7.9% to 4.8
- Working capital to total assets up 25.2% to 56.8%.

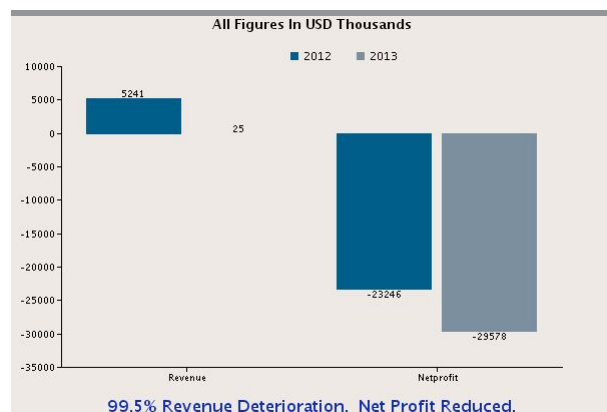
#### Unfavourable Changes

- Total revenue down 99.5% to \$US25,000
- Loss of \$US29.6m
- Total liabilities to total assets up 5.0% to 0.2
- Operating cash flow is negative
- Total revenue to total assets down 99.7% to 0.0004.

#### Major Common Size Ratios

- Total current assets to total assets up from 58.6% to 71.8%
- Cash to total assets up from 45.1% to 55.4%
- Fixed assets to total assets down from 35.9% to 24.5%
- Current inventory to total assets down from 10.6% to 6.6%
- Intangibles to total assets down from 4.9% to 2.9%.

### Year on Year Revenue & Net Profit (In USD millions)



### INCOME STATEMENT

Currency in Thousand of USD	2013-12-31	2012-12-31	Change %
Revenue	2,182	105	Up 1,978.1
Operating expenses:			
Cost of revenue	6,600	3,186	Up 107.2
Research and development	7,568	9,584	Down 21.0
Selling, general and administrative	17,483	16,052	Up 8.9
Amortization of intangible assets	168	168	Steady
Total operating expenses	31,819	28,990	Up 9.8
Loss from operations	-29,637	-28,885	Deterioration 2.6

## Financial Results (Annual) (continued)

31 December, 2013

### Other income (expense):

Change in fair value of financial instruments	-2,595	4,996	Deterioration
Interest income (expense), net	438	140	Up 212.9
Loss before income taxes	-32,670	-24,029	Deterioration 36.0
Income tax provision (benefit)	-3,092	-783	Deterioration 294.9
Net loss and comprehensive loss	-29,578	-23,246	Deterioration 27.2

### Net Loss per Common Share:

Basic and diluted	-5,681.0c	-7,054.0c	Reduced 19.5
Weighted average common shares outstanding used in computing net loss per common share:			
Basic and diluted	519,995	329,561	Up 57.8

### Unaudited Pro Forma Net Loss per common share:

Basic and diluted	-3.26		
Unaudited Pro Forma weighted average common shares outstanding used in computing net loss per common share:			
Basic and diluted	9,069,000		

## BALANCE SHEET

Currency in Thousand of USD	2013-12-31	2012-12-31	Change %
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	32,728	17,314	Up 89.0
Trade accounts receivable, net of 0 allowance for doubtful accounts	277	30	Up 823.3
Inventories	3,879	4,066	Down 4.6
Deferred tax assets	3,135		
Prepaid expenses and other current assets	2,437	1,088	Up 124.0
Total current assets	42,456	22,498	Up 88.7
Property and equipment, net	14,510	13,783	Up 5.3
Intangible assets, net	1,344	1,512	Down 11.1
Goodwill	360	360	Steady
	1,704	1,872	Down 9.0
Other assets	444	264	Up 68.2
Total assets	59,114	38,417	Up 53.9
<b>LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT</b>			

## Financial Results (Annual) (continued)

31 December, 2013

### Current Liabilities:

Accounts payable	1,226	3,333	Down 63.2
Short-term deferred payments	339	121	Up 180.2
Notes payable	4,919		
Accrued expenses	2,381	1,612	Up 47.7
Total current liabilities	8,865	5,066	Up 75.0
Deferred payments	3,205	2,098	Up 52.8
Convertible preferred stock warrant liability	212	100	Up 112.0
Deferred tax liabilities	40	32	Up 25.0
Other long-term liabilities	339	312	Up 8.7
Total liabilities	12,661	7,608	Up 66.4

### Commitments and Contingencies

Series A convertible preferred stock, 0.001 par value: zero shares authorized, issued and outstanding at December 31,

2013 and 107,263 shares authorized, issued and outstanding at December 31, 2012; zero shares authorized, issued and

outstanding on a pro forma basis 3,413

Series A-1 convertible preferred stock, 0.001 par value: zero shares authorized, issued and outstanding at December 31,

2013 and 121,296 shares authorized, 14,033 shares issued and outstanding at December 31, 2012; zero shares

authorized, issued and outstanding on a pro forma basis 402

Series B convertible preferred stock, 0.001 par value: 39,680,000 shares authorized; 37,200,000 shares issued and

outstanding at December 31, 2013 and 2012, respectively. (Liquidation Value: 37,200); zero shares authorized, issued

and outstanding on a pro forma basis 33,450 33,450 Steady

Series C convertible preferred stock, 0.001 par value: 12,090,672 shares authorized, issued and outstanding at

December 31, 2013, 15,094,340 shares authorized; issued and outstanding at December 31, 2012 (Liquidation Value:

16,020); zero shares authorized, issued and outstanding on a pro forma basis 15,836 20,000 Down 20.8

Series D convertible preferred stock, 0.001 par value: 32,511,979 shares authorized, issued and outstanding at

December 31, 2013 and December 31, 2012, respectively. (Liquidation Value 47,500); zero shares authorized, issued

and outstanding on a pro forma basis 43,272 43,272 Steady

Series E convertible preferred stock, 0.001 par value: 33,601,367 and zero shares authorized, 32,934,700 and zero

shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively. (Liquidation Value

41,992); zero shares authorized, issued and outstanding on a pro forma basis 35,239

127,797 100,537 Up 27.1

### Stockholders' Deficit:

## Financial Results (Annual) (continued)

31 December, 2013

Common stock, 0.001 par value:

Additional paid-in capital	19,422	1,460	Up 1,230.3
Accumulated deficit	-100,774	-71,196	Deterioration 41.5
Total stockholders' deficit	-81,344	-69,728	Deterioration 16.7
Total liabilities and stockholders' deficit	59,114	38,417	Up 53.9

### CASH FLOW

Currency in Thousand of USD	2013-12-31	2012-12-31	Change %
Cash flows from operating activities			
Net loss	-29,578	-23,246	Deterioration 27.2
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	2,437	2,045	Up 19.2
Change in fair value of financial instruments	2,595	-4,996	Recovery
Loss on disposal of property and equipment	89	177	Down 49.7
Provisions for inventory	1,029	2,020	Down 49.1
Share-based compensation expense	696	739	Down 5.8
Non-cash interest expense	457	177	Up 158.2
Deferred taxes	-3,127	9	Deterioration
Changes in operating assets and liabilities:			
Accounts receivable	-187	-30	Deterioration 523.3
Inventories	-842	-4,799	Reduced 82.5
Prepaid expenses and other assets	-923	-618	Deterioration 49.4
Accounts payable and accrued expenses	-125	685	Deterioration
Other liabilities	27	63	Down 57.1
Net cash used in operating activities	-27,452	-27,774	Reduced 1.2
Cashflows from investing activities			
Purchases of property and equipment, net	-3,410	-5,929	Reduced 42.5
Net cash used in investing activities	-3,410	-5,929	Reduced 42.5
Cashflows from financing activities			
Net proceeds from issuance of convertible preferred stock and warrants	41,783	20,000	Up 108.9
Net proceeds from issuance of debt and warrants	4,672		
Net proceeds from exercise of warrants	171		
Net proceeds from exercise of stock options	20	4	Up 400.0
Issuance costs related to planned issuance of common stock	-370		
Net cash from financing activities	46,276	20,004	Up 131.3
Net change in cash and cash equivalents	15,414	-13,699	Recovery
Cash and cash equivalents, beginning of period	17,314	31,013	Down 44.2
Cash and cash equivalents, end of period	32,728	17,314	Up 89.0



## Financial Results (Annual) (continued)

31 December, 2013

### EBITDA AND MARGINS

	2013-12-31	2012-12-31
Gross Profit Margin %	-26,300	39.21
Net Income Margin %	-118,312	-443.54

### PERFORMANCE RATIOS

	2013-12-31	2012-12-31	Change %
Return on Assets (%)	-50.04	-60.51	Reduced 17.3
Total debt to net tangible assets (%)	-0.82	-0.6	Deterioration 35.0
Total Liabilities to Operating Cash Flow	-0.46	-0.27	Deterioration 68.4
Total Liabilities/Total Assets	0.21	0.2	Up 8.2
Current Ratio	4.79	4.44	Up 7.8

### PER SHARE FIGURES

	2013-12-31	2012-12-31	Change %
Revenue from operating activities	US\$4.20	31.86c	
Cash	US\$62.94	US\$52.54	Up 19.8
Working Capital	US\$64.60	US\$52.89	Up 22.1
Shareholders' Funds	-15,643.23c	-21,157.84c	Reduced 26.1
Total Liabilities	US\$24.35	US\$23.09	Up 5.5
Total Assets	US\$113.68	US\$116.57	Down 2.5
Current Debt	65.19c	36.72c	Up 77.6
Non Current Debt	65.19c	94.67c	Down 31.1
Total Debt	US\$1.30	US\$1.31	Down 0.8
Net Tangible Assets	-15,970.92c	-21,725.87c	Reduced 26.5
EPS Final	-5,681.0c	-7,054.0c	Reduced 19.5

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