

Vital Therapies (VTL : US\$27.22)

Vital Therapies climbs 10% in 2015

Vital Therapies Inc., NASDAQ's 17th largest Healthcare-Products company by market cap, climbed US\$2.56 (or 10.4%) year to date in 2015 to close at US\$27.22. Compared with the NASDAQ-100 Index which has risen 4.4% YTD, this is a relative price increase of 6%. The volume YTD has been 0.9 times the average trading of 57,469 shares. In 2015 the market cap has jumped US\$61 million.

Introduction with Trends

We are currently bullish on this stock in the short-term based on technical indicators, but are more bearish in the long-term based on fundamental metrics

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

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.
- In the last three months the number of rises outnumbered falls 37:26 or 1.4:1.
- It is beating 95% of the market the past 6 months.
- The price to 50-day EMAP ratio is 1.1, a bullish indicator. The 50-day EMAP has increased to US\$24.75.

However, there are some reasons why we remain bearish on the stock for the long-term:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 6. Compared with the rest of the market the stock is overvalued and ranks in the bottom 7% of stocks by value of Q Ratio.

Stock Summary

Sector	Healthcare-Products
Market Cap	US\$649.1 million
Shares Outstanding	23,845,220
ISIN	US92847R1041
Relative Strength (3 mo)	83

Financial Summary

Year ended	Dec 2014	Dec 2013	Dec 2012
Pretax (USD)	-	(32.7M)	(6.7M)
Net (USD M)	(56.8)	(39.1)	(7.6)
EPS (USD)	(3.54)	(1.85)	(0.36)

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	27.2	649.1 million

Analysis

Bullish Signals

- In the last 15 trading sessions there has been a net rise of 9.54%; the stock has advanced ten times and the biggest one day rise was 7.2% on Mar 24.
- In the NASDAQ market of 2,406 stocks and 1 unit traded today, the stock has a 6-month relative strength of 95 which means it is beating 95% of the market.
- A price rise combined with a high relative strength is a bullish signal.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 26.44 minus the 26-day EMA of 25.73 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- The current short volume is 0.2 times its own historical average of 0.2%. It plummeted 15.3% from the previous day, plummeted 91.5% from a week ago and plummeted 87.8% from a month ago, a significant bullish indicator.

Undervaluation:

- The company is cash rich with Cash to Market Capitalisation at 15.8%.

Other Bullish Signals:

Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 10.2 times current liabilities.

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Relative Strength (6M)	95	In Top 6%

Bearish Signals

- The price is at a premium of 4.8% to the 1-month volume weighted average price of US\$25.97. Given that this premium has been under 4.8% one hundred sixty-three times and over 4.8% eighty-four times in the last year, the downside:upside probability is estimated at 163:84 or 1.9:1.
- The Price/MAP of 0.82 for VTL is lower than the Price/MAP for the NASDAQ-100 Index of 0.9.
- The price to 200-day MAP ratio is 0.82, a bearish indicator. In the past 200 days this ratio has been under 0.82 117 times suggesting further downside.

Overvaluation:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 6. Compared with the rest of the market the stock is overvalued and ranks in the bottom 7% of stocks by value of Q Ratio.

Other Bearish Signals:

The stock has a score of merely 2 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Improvement in current ratio from 5.9 to 10.2; Reduction in total shares on issue.

Bearish Indicators and Rank in Market:

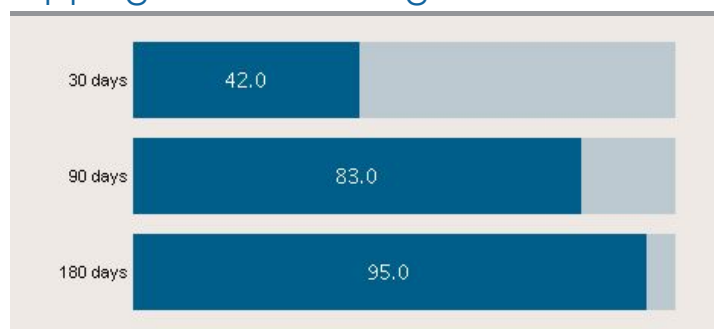
Description	Value	Rank In Market
Price to Book Value	6.6	In Bottom Quartile
Price/MAP200	0.82	In Bottom Quartile
Price/MAP50	0.78	In Bottom Quartile
Volatility %	7.8	In Bottom Quartile

Note

Neutral Indicators and Rank in Market:

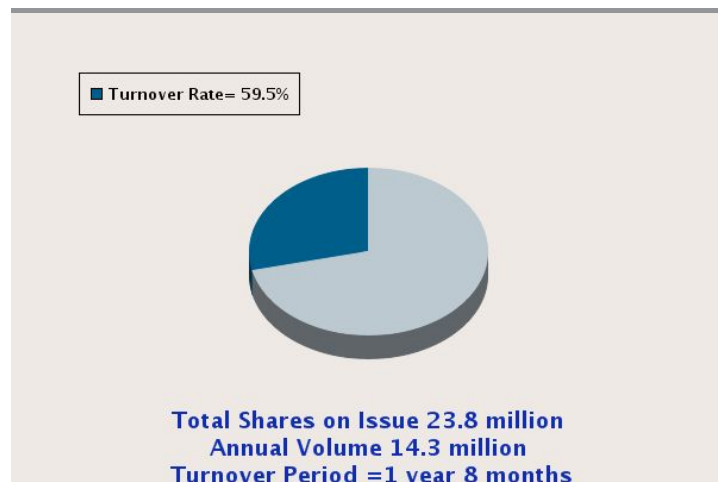
Description	Value	Rank In Market
MCap	US\$649.1 million	In 2nd Quartile
Turnover in Quarter	US\$80.4 million	In 3rd Quartile

Slipping Relative Strength



Analysis (continued)

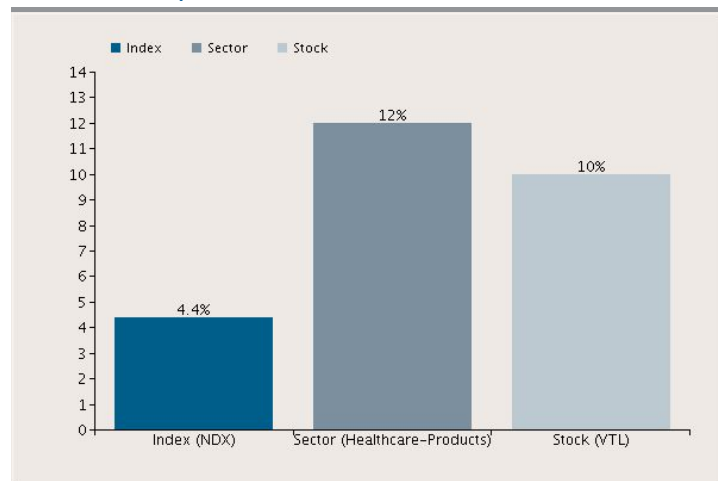
Turnover Rate & Turnover Period



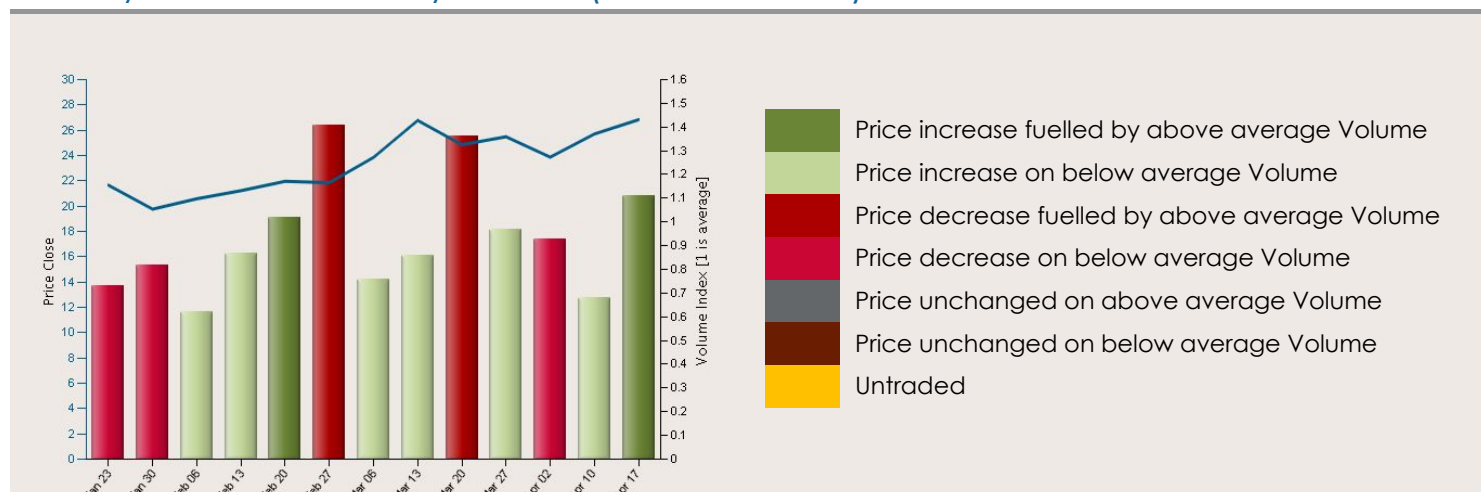
Trailing 3 months

Turnover	US\$80.4 million
Volume	3,383,141
Volume Index (1 is avg)	0.9

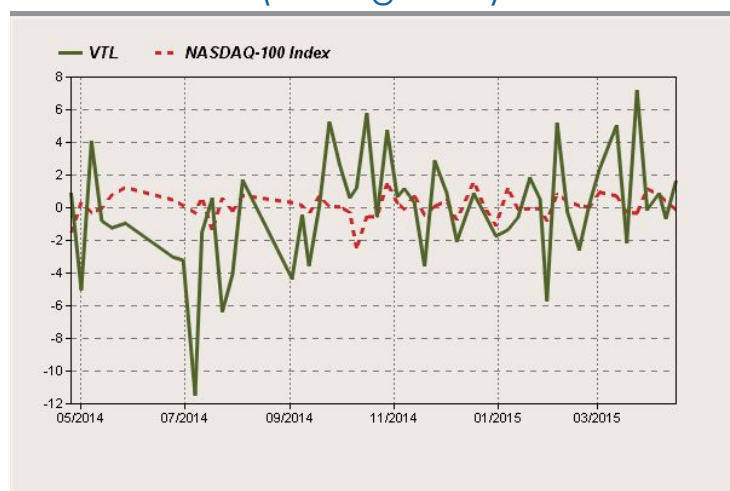
YTD Comparison Stock Sector Index



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)
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
NutriSystem	US\$19.68	76	566.2M	1,413	403.1M	19.3M	109.9M

Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
30-Jan-2015	Canaccord Genuity	Reiterated Rating	-	Buy	-	35

Company Overview

Activities

Vital Therapies Inc. develops and discovers cell based therapies. The Company designs and produces medical cartridges to stabilize liver function in patients with life-threatening acute liver failure. Vital Therapies operates in the United States, Europe, and China.

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

Economic Sector

Healthcare

Regulatory Announcements

Directors Option Buying

March 26: Vital Therapies director awarded Stock Options

Vital Therapies (NASDAQ:VTL) director Millis J. Michael, has been awarded Stock Options on 5,604 shares at an exercise price of US\$26.13. The transaction date was March 24, 2015. The shares last traded at US\$26.02.

Directors Option Buying

March 26: Vital Therapies director awarded Stock Options

Vital Therapies (NASDAQ:VTL) director Bienaime Jean Jacques, has been awarded Stock Options on 5,604 shares at an exercise price of US\$26.13. The transaction date was March 24, 2015. The shares last traded at US\$26.02.

Directors Option Buying

March 26: Vital Therapies director awarded Stock Options

Vital Therapies (NASDAQ:VTL) director Halperin Errol R., has been awarded Stock Options on 5,604 shares at an exercise price of US\$26.13. The transaction date was March 24, 2015. The shares last traded at US\$26.02.

Directors Option Buying

March 26: Vital Therapies director awarded Stock Options

Vital Therapies (NASDAQ:VTL) director Steer Randolph C, has been awarded Stock Options on 5,604 shares at an exercise price of US\$26.13. The transaction date was March 24, 2015. The shares last traded at US\$26.02.

Directors Option Buying

March 26: Vital Therapies director awarded Stock Options

Vital Therapies (NASDAQ:VTL) director Godshall Douglas Evan, has been awarded Stock Options on 5,604 shares at an exercise price of US\$26.13. The transaction date was March 24, 2015. The shares last traded at US\$26.02.

Directors Option Buying

March 26: Vital Therapies director awarded Stock Options

Vital Therapies (NASDAQ:VTL) director Croxford Philip M, has been awarded Stock Options on 5,604 shares at an exercise price of US\$26.13. The transaction date was March 24, 2015. The shares last traded at US\$26.02.

Directors Option Buying

March 26: Vital Therapies director awarded Stock Options

Vital Therapies (NASDAQ:VTL) director Sears Lowell, has been awarded Stock Options on 5,604 shares at an exercise price of US\$26.13. The transaction date was March 24, 2015. The shares last traded at US\$26.02.

8-K other news

March 19: Vital Therapies: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1280776_000117184315001507_0001171843-15-001507.txt

Source: 8-K United States Securities and Exchange Commission

August 06: Vital Therapies: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1280776_000117184314003762_0001171843-14-003762.txt

Source: 8-K United States Securities and Exchange Commission

Issued Capital

Based on 23,845,220 issued equity shares the market capitalisation is US\$649.1 million.

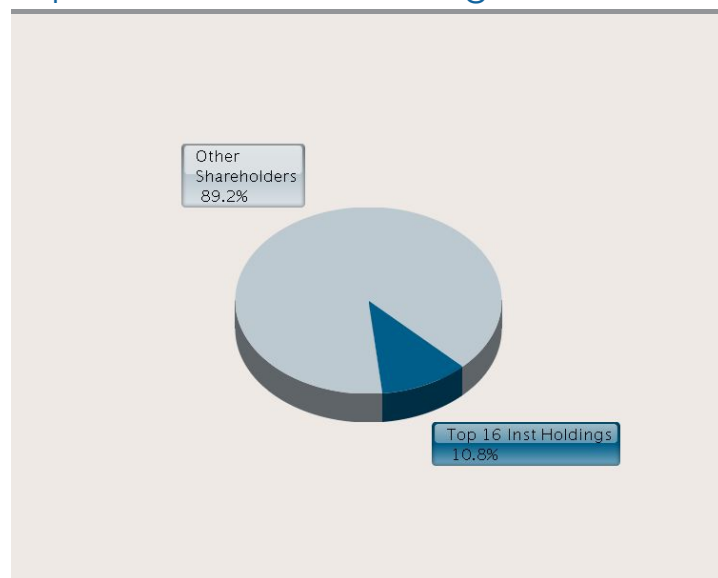
The top sixteen shareholders hold 10.8% of the issued capital leaving a float of 89.2%.

Company Overview (continued)

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Fmr Llc	1,750,000	7.34
Vanguard Group Inc	365,536	1.53
Deutsche Bank Ag\	102,273	0.43
State Street Corp	80,049	0.34
Goldman Sachs Group Inc	58,355	0.24
D. E. Shaw & Co. Inc.	57,406	0.24
Bank Of New York Mellon Corp	36,934	0.15
Spark Investment Management Llc	30,600	0.13
Driehaus Capital Management Llc	29,000	0.12
Tiaa Cref Investment Management Llc	18,995	0.08
Total	2,529,148	10.61

Top 16 Institutional Holdings



Board and Management

Terence E. Winters CEO

Terence E. Winters, Ph.D., is Co-Chairman of the Board, Chief Executive Officer of the company. Dr. Winters became Co-Chairman of our board of directors in March 2013 and currently serves as such. Dr. Winters has served as our Chief Executive Officer since June 2003. Dr. Winters is also a Special Limited Partner of Valley Ventures, an investor in Vital Therapies since May 2003. He was formerly a General Partner of Columbine Venture Funds and Vice President of DS Ventures, a venture capital subsidiary of Diamond Shamrock Corp., a chemical, life science and petroleum company. Dr. Winters was previously a director of three public companies: CollaGenex Pharmaceuticals, Inc., a developer and marketer of proprietary medical therapies to the dermatology market, Orthologic Corp., a biotechnology company focused on development and commercialization of novel synthetic peptides for tissue repair and healing, and Clinuvel Pharmaceuticals, a global biopharmaceutical company committed to developing drugs for the treatment of a range of severe skin disorders. Dr. Winters has also served as a director of over 20 private companies. He earned a B.Sc. as well as a Ph.D. in chemistry from the University of Wales, U.K. He also completed a post-doctoral fellowship at the University of California, Los Angeles.

Michael V. Swanson CFO

Mr. Michael V. Swanson is Chief Financial Officer of Vital Therapies Inc. Mr. Swanson has over 20 years of experience in senior financial positions in both public and private life sciences companies. Mr. Swanson was Chief Financial Officer of Amira Pharmaceuticals, Inc., a pharmaceutical company focused on the discovery and early development of drugs to treat inflammatory and fibrotic diseases, from May 2008 until the company was acquired in September 2011, and of Panmira Pharmaceuticals, LLC, a spin out from Amira from September to December 2011. Since January 2012, Mr. Swanson has been providing financial consulting services to development stage companies. From July 2000 to April 2008, Mr. Swanson served in senior finance positions including Senior Vice President, Finance and Chief Financial Officer at Prometheus Laboratories Inc., a specialty pharmaceutical company marketing and selling pharmaceutical products and diagnostic testing services for gastrointestinal diseases and disorders. Previously, Mr. Swanson was Senior Vice President and Chief Financial Officer of Advanced Tissue Sciences, Inc., a publicly-traded biomedical company, where he served in senior financial positions for over ten years. Mr. Swanson also served as Director of Finance of the Fisher Scientific Group, Inc., a health and scientific technology company, and its parent, The Henley Group, Inc., a widely diversified holding company. Mr. Swanson began his career working approximately nine years with the public accounting firm of Deloitte Haskins & Sells, now Deloitte & Touche LLP. Mr. Swanson earned a B.S. in business administration from the California Polytechnic State University at San Luis Obispo and an M.B.A. from the University of Southern California. He is also a Certified Public Accountant (inactive).

Douglas E. Godshall Director

Mr. Godshall has served on our board of directors since May 2013. Mr. Godshall has been the Chief Executive Officer of HeartWare International, Inc., a developer of a range of implantable mechanical circulatory assist devices, since September 2006 and a director since October 2006. Prior to joining HeartWare, Mr. Godshall served in various executive and managerial positions at Boston Scientific Corporation, a manufacturer and a developer of medical supplies and medical devices in a variety of fields, including as a member of Boston Scientific's Operating Committee and President, Vascular Surgery. Previously, Mr. Godshall spent five years as Vice President, Business Development, at Boston Scientific, where he was focused on acquisition strategies for the cardiology, electrophysiology, neuroradiology and vascular surgery divisions. In March 2012, Mr. Godshall was appointed a director of pSivida Corp., a developer of drug delivery products for treatment of back-of-the-eye diseases. Mr. Godshall earned a B.A. in business from Lafayette College and an M.B.A from Northeastern University.

Board and Management (continued)

Errol Halperin Director

Mr. Halperin has served on our board of directors since December 2012. Mr. Halperin has been a senior partner of DLA Piper since January 1979 until December 2013. At the present time, Mr. Halperin is a senior strategic advisor to DLA Piper (U.S.). In his practice, Mr. Halperin has provided general business advice to clients in a broad range of sectors, including the manufacturing, real estate industry and real estate investment trust industry. Mr. Halperin's practice was concentrated in the areas of mergers and acquisitions, corporate law, international transactions, real estate law and federal income tax law. Mr. Halperin has also served on the board of Equity Residential, a public REIT, and private company boards. Currently, he is a director of Elkay Manufacturing Company, a privately held corporation, and Pangea Properties, a real estate investment and management company. He also currently serves as a director of other late stage private venture companies, including LINQ3, LLC and Restorsea, LLC. Before joining DLA Piper, from June 1972 to January 1979 he was legislation counsel of the Joint Committee on Taxation of the United States Congress; and was an assistant branch chief of the Legislation and Regulations Division of the Chief Counsel for the Internal Revenue Service from June 1968 to June 1972. Mr. Halperin earned a B.S. and a J.D. from DePaul University and an L.L.M. in taxation from New York University.

Jean-Jacques Bienaimé Director

Jean-Jacques Bienaimé has served on our board of directors since September 2013. Since May 2005, Mr. Bienaimé has served as the chief executive officer and as a director of BioMarin Pharmaceutical Inc., a publicly-traded company that develops and commercializes innovative pharmaceuticals for serious diseases and medical conditions. From November 2002 to April 2005, Mr. Bienaimé served as chairman, chief executive officer and president of Genencor, a biotechnology company focused on industrial bioproducts and targeted cancer biotherapeutics. Prior to joining Genencor, Mr. Bienaimé was chairman, president and chief executive officer of SangStat Medical Corporation, another biotechnology company. He became president of SangStat Medical Corporation, a global pharmaceutical company, in 1998 and chief executive officer in 1999. Prior to joining SangStat Medical Corporation, Mr. Bienaimé held various management positions from 1992 to 1998 with Rhône-Poulenc Rorer Pharmaceuticals (now known as Sanofi-Aventis), including Senior Vice President of Corporate Marketing and Business Development, and Vice President and General Manager of the Advanced Therapeutic and Oncology Division. Mr. Bienaimé currently serves on the boards of Intermune, Inc., a biotechnology company and The Biotech Industry Organization. He earned an M.B.A. from the Wharton School at the University of Pennsylvania and a B.S. in economics from the Ecole Supérieure de Commerce de Paris.

Board and Management (continued)

Lowell E. Sears Director

Mr. Sears has served on our board of directors since May 2013. Mr. Sears is the Chairman and CEO of Sears Capital Management, a venture investment and portfolio management firm specializing in life sciences. He has served on the board of directors of Cellerant Therapeutics, Inc., a clinical stage biotechnology company focused on the regulation of the hematopoietic, or blood-forming, system, since February 2012 and has been Chairman of the Board since June 2012. Mr. Sears has also served on the board of directors of Symbio Pharmaceuticals, KK, Ltd., a biotechnology company that is engaged in identifying and developing therapeutics for the treatment of leukemia, multiple myeloma and lymphoma, since September 2005. From 1986 until 1994, Mr. Sears was a part of the senior management team of Amgen, Inc., a developer and manufacturer of therapeutics targeting cancers, kidney ailments, inflammatory disorders, and metabolic diseases, where he was Chief Financial Officer as well as the Senior Vice President responsible for the Asia Pacific Region. Prior to joining Amgen, Mr. Sears held senior planning and financial positions with Atlantic Richfield Company, an oil company from 1976 until 1986, including Chief Financial Officer for its Ventures Division. He earned a B.A. in economics from Claremont McKenna College and an M.B.A. from the Stanford University Graduate School of Business.

J. Michael Millis Director

Dr. Millis has served on our board of directors since 2006. Dr. Millis is a Professor of Surgery and Chief of the Section of Transplantation at the University of Chicago. Dr. Millis currently serves on the medical staff at the University of Chicago Hospital. His current research explores the application of cellular technology on patient care, including how hepatocyte transplantation, extracorporeal assist technology and stem cells can assist in the care of patients with liver disease or liver tumors. Dr. Millis has been associated with the ELAD System since 1994, and was an investigator on the Phase I clinical trial. He has been the chairman of the Vital Therapies Clinical Advisory Board since 2003. Dr. Millis currently serves or has served in the past on a variety of committees, such as the American Association for the Study of Liver Diseases's Ethics Committee, the American Society of Transplant Surgeons, Studies of Pediatric Liver Transplantation Scientific Advisory Board and Publication and Research Committee, and the ROBI Liver Intestinal Subcommittee, for which he is the former chairman. Dr. Millis is also a member of the Medical Advisory Committee of the American Liver Foundation Illinois Chapter. He also serves on the board of directors of Gift of Hope (the organ procurement organization for Illinois) and the Editorial Board of the American Journal of Transplantation, Transplantation, and Liver Transplantation. He earned a B.A. in chemistry and political science from Emory University and an M.D. with high honors from the University of Tennessee. He completed his surgical residency, clinical and research fellowship in liver transplantation at the University of California, Los Angeles.

Board and Management (continued)

Philip M. Croxford Director

Mr. Croxford has served on our board of directors since 2009. Mr. Croxford has been President of LifeCell Corporation, a tissue biotechnology engineering company since June 2014, and has been a member of its parent, KCI Group Company, Executive Leadership Team, since September 2014. Prior to his promotion, Mr. Croxford was Senior Vice President of Global Commercial Operations for LifeCell from December 2012. From June 2008 to December 2012 he was President and Chief Executive Officer of ArjoHuntleigh, North America, a member of The Getinge AB Group, a global medical and safety technology company listed on the OMX Nordic Exchange. He served on their Executive Leadership Team during his term in office. From February 2006 to October 2007, Mr. Croxford was President and Chief Executive Officer and member of the board of directors of Draeger Medical, Inc., a private medical device company. Mr. Croxford also served as Group Vice President and Worldwide General Manager of Arrow International, Inc. and as an Operating Company Board Member and Vice President for the Worldwide Wound Management Business of Ethicon, a Johnson & Johnson Company. Mr. Croxford also held other executive management positions with Johnson & Johnson Company. He earned a B.Sc. (Honors) degree in pharmacy from the University of Manchester, School of Pharmacy, in England. Mr. Croxford is also a licensed member of the Royal Pharmaceutical Society of Great Britain. He earned a Post Graduate Diploma in marketing from the Royal Chartered Institute of Marketing, and is a Chartered Member of the Institute. He earned his M.B.A. from Heriot Watt University, Edinburgh Business School, United Kingdom.

Randolph C. Steer Independent Director

Dr. Steer has served on our board of directors since May 2005. Dr. Steer has been an independent pharmaceutical, biotechnology and medical devices consultant since 1989. Dr. Steer has served as Associate Director of Medical Affairs at Marion Laboratories, a then-public pharmaceutical company; Medical Director at Ciba Consumer Pharmaceuticals (a division of Ciba-Geigy Corporation, a then-public pharmaceutical company); Vice President, Senior Vice President and Member of the Executive Committee at Physicians World Communications Group; Chairman, President and Chief Executive Officer of Advanced Therapeutics Communications International, a drug regulatory group serving the United States, Mexico, Latin America, the Pacific Rim, Europe and Japan; Chairman and Chief Executive Officer of Vicus.com, Inc.; and President and Chief Operating Officer of Capstone Therapeutics Corp., a public biotechnology company. Dr. Steer is a member of the board of directors of Techne Corporation, a public biotechnology company, and the Board of Trustees of the Mayo Clinic. He earned his B.A. in Physiology from University of Minnesota. He earned an M.D. from the Mayo Medical School and a Ph.D. from the University of Minnesota where he also completed a residency and subspecialty training in clinical and chemical pathology. He is a Fellow of the American College of Clinical Pharmacology.

Aron Stern Company Secretary

Mr. Aron Stern is Chief Administrative Officer, Secretary of the company. Between June 2003 and August 2013, Mr. Stern served as our Treasurer, Vice President and Chief Financial Officer. Mr. Stern has over 20 years of experience in capital formation, acquisitions, financial strategy and financial and operational management in growth-stage high technology and biotechnology companies. He previously was Chief Financial Officer at each of Protein Polymer Technologies, Inc., a developer of a protein-based technology, 4-D Neuroimaging, a medical equipment manufacturing company, and VitaGen, Inc., our predecessor company. Mr. Stern also held positions at Apple Computer and Isis Pharmaceuticals, a developer of antisense drugs. Mr. Stern earned a B.S. in economics and business administration and an M.B.A. in finance and marketing from the University of California, Berkeley.

Board and Management (continued)

Robert A. Ashley **Executive Vice President**

Mr. Robert A. Ashley is Executive Vice President, Chief Technical Officer of the company. Between May 2008 and September 2013 he served as our Vice President and Chief Operating Officer. Mr. Ashley's career in the pharmaceutical industry extends for 34 years. He was formerly Chairman, President and Chief Executive Officer of AmpliMed Corporation, a privately-held cancer drug development company, from January 2004 to March 2007, and Senior Vice President of Commercial Development at CollaGenex Pharmaceuticals, Inc., a publicly-held pharmaceutical company, from September 1994 to December 2003. Prior to that he held positions of increasing responsibility at Bristol-Myers Squibb from January 1989 to September 1994, and with Amersham International from 1979 to 1989. He earned a Masters Degree in Biochemistry from Oxford University. Mr. Ashley is the inventor of several issued and pending patents, as well as the author of several scientific papers. He serves on the Board of Directors of Rowpar Pharmaceuticals, a privately-held manufacturer of proprietary dental pharmaceuticals.

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

- Current ratio up 73.2% to 10.2
- Working capital to total assets up 11.9% to 87.5%.

Unfavourable Changes

- Loss of \$US56.8m
- EPS deterioration of 91.4% to -354.0 U.S. cents
- Losses in all of the last 4 years
- Operating cash flow is negative.

Major Common Size Ratios

- Total current assets to total assets up from 94.1% to 97.0%
- Cash to total assets up from 82.0% to 94.6%
- Fixed assets to total assets down from 5.3% to 2.8%.

INCOME STATEMENT

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Operating expenses:			
Research and development	39,479	21,787	Up 81.2
General and administrative	10,863	9,615	Up 13.0
Total operating expenses	50,342	31,402	Up 60.3
Loss from operations	-50,342	-31,402	Deterioration 60.3
Other income (expense):			
Interest income	19	5	Up 280.0
Interest expense			
Other income (expense), net	56	-15	Recovery
Revaluation of preferred stock warrant liabilities			
Revaluation of future purchase rights liabilities	2,600	-1,306	Recovery
Total other income (expense)	2,675	-1,316	Recovery
Net loss	-47,667	-32,718	Deterioration 45.7
Amortization of deemed dividend	-4,744	-64	Deterioration 7,312.5
Accretion to redemption value of redeemable convertible preferred stock	-4,410	-6,303	Reduced 30.0
Net loss attributable to common stockholders	-56,821	-39,085	Deterioration 45.4
Net loss per share attributable to common stockholders, basic and diluted	-354.0c	-7,486.0c	Reduced 95.3
Weighted-average common shares outstanding, basic and diluted	16,054,452	522,102	Up 2,975.0

BALANCE SHEET

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Assets			

Financial Results (Annual) (continued)

31 December, 2014

Current assets:

Cash and cash equivalents	102,238	38,186	Up 167.7
Restricted cash	1,592	963	Up 65.3
Deferred financing costs		3,506	
Other current assets and prepaid expenses	986	1,200	Down 17.8
Total current assets	104,816	43,855	Up 139.0
Property and equipment, net	3,068	2,467	Up 24.4
Other assets	198	263	Down 24.7
Total assets	108,082	46,585	Up 132.0

Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)

Current liabilities:

Accounts payable	1,153	1,224	Down 5.8
Accrued expenses	8,875	3,253	Up 172.8
Future purchase rights liabilities		2,600	
Other current liabilities	250	369	Down 32.2
Total current liabilities	10,278	7,446	Up 38.0
Other long-term liabilities	241	321	Down 24.9
	241	321	Down 24.9

Commitments and contingencies

Convertible preferred stock (Junior); 0.0001 par value, no and 3,501,401 shares designated at December31, 2014 and 2013, respectively; 3,501,400 shares issued and outstanding at December31, 2013

1,359

Redeemable convertible preferred stock (Senior); 0.0001 par value, no and 17,000,000 shares designated at December31, 2014 and 2013, respectively; 10,212,007 shares issued and outstanding at December31, 2013

82,116

Stockholders' equity (deficit):

Preferred stock, 0.0001 par value; 20,000,000 and 25,000,000 (4,498,599 undesignated) authorized at December31, 2014 and 2013, respectively; no shares issued and outstanding at December31, 2014 and 2013

Common stock, 0.0001 par value; 130,000,000 and 29,250,000 shares 2 authorized at December31, 2014 and 2013, respectively; 23,982,786 and 606,238 shares issued and outstanding at December31, 2014 and 2013, respectively

Additional paid-in capital	248,305	58,413	Up 325.1
Accumulated other comprehensive income	89	96	Down 7.3
Accumulated deficit	-150,833	-103,166	Deterioration 46.2
Total stockholders' equity (deficit)	97,563	-44,657	Recovery
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	108,082	46,585	Up 132.0

Financial Results (Annual) (continued)

31 December, 2014

CASH FLOW

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Cash flows from operating activities:			
Net loss	-47,667	-32,718	Deterioration 45.7
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	1,087	799	Up 36.0
Stock-based compensation	2,510	948	Up 164.8
Non-cash interest expense			
Revaluation of preferred stock warrant liabilities			
Revaluation of future purchase rights liabilities	-2,600	1,306	Deterioration
Gain on sale of equipment			
Other	21	-17	Recovery
Changes in operating assets and liabilities:			
Other assets and prepaid expenses	279	-1,141	Recovery
Accounts payable	46	-91	Recovery
Accrued expenses	5,499	2,266	Up 142.7
Net cash used in operating activities	-40,825	-28,648	Deterioration 42.5
Cash flows from investing activities:			
Purchases of short-term investments		-2,999	
Sales of short-term investments		17,000	
Proceeds from sale of equipment			
Increase in restricted cash	-631	-608	Deterioration 3.8
Purchases of property and equipment	-1,409	-1,484	Reduced 5.1
Net cash (used in) provided by investing activities	-2,040	11,909	Deterioration
Cash flows from financing activities:			
Proceeds from debt, net of issuance costs			
Deferred financing costs		-3,112	
Principal payments on term loan			
Proceeds from issuance of common stock, net of issuance costs	87,899		
Proceeds from issuance of preferred stock, net of issuance costs	18,167	53,195	Down 65.8
Proceeds from exercise of stock options	852	135	Up 531.1
Proceeds from early exercise of stock options		227	
Net cash provided by financing activities	106,918	50,445	Up 111.9
Effect of exchange rate changes on cash and cash equivalents	-1	3	Deterioration
Net change in cash and cash equivalents	64,052	33,709	Up 90.0
Cash and cash equivalents, beginning of period	38,186	4,477	Up 752.9
Cash and cash equivalents, end of period	102,238	38,186	Up 167.7

Financial Results (Annual) (continued)

31 December, 2014

PERFORMANCE RATIOS

	2014-12-31	2013-12-31	Change %
Return on Equity (%)	-58.24	-100.7	Reduced 42.2
Return on Assets (%)	-52.57	-83.9	Reduced 37.3
Total Liabilities to Operating Cash Flow	-0.26	-0.27	Reduced 5.0
Total Liabilities/Total Assets	0.1	0.17	Down 41.6
Interest Cover		-3,271	
Current Ratio	10.2	5.89	Up 73.2

PER SHARE FIGURES

	2014-12-31	2013-12-31	Change %
EBIT		-154.88c	
Cash	US\$6.37	US\$1.81	Up 252.2
Working Capital	US\$5.89	US\$1.72	Up 241.6
Shareholders' Funds	US\$6.08	US\$1.84	Up 230.6
Total Liabilities	65.52c	36.79c	Up 78.1
Total Assets	US\$6.73	US\$2.21	Up 205.2
Net Tangible Assets	US\$6.08	US\$1.84	Up 230.6
EPS Final	-354.0c	-185.0c	Deterioration 91.4

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