

August 30, 2022

Zacks Small-Cap Research

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Biotricity Inc.

(BTCY-NASDAQ)

BTCY: Health Monitoring Ecosystem is Expanding With New & Upcoming Products

BCTY is leveraging the shift in healthcare towards preventive care, with its growing ecosystem of smart tools to monitor patient's health & prevent traumatic events. BCTY believes its solutions are disrupting existing standards of care, detecting & reporting anomalies earlier to help prevent adverse events.

OUTLOOK

As BTCY initiatives measures to grow its share in the cardiac health cloud service niche, the company also seeks to expand horizontally beyond cardiac and believes its emerging ecosystem offers a user-friendly platform that can be applied to monitor and assist people suffering with diabetes, obesity, hypertension, sleep apnea, pain management and potentially many other areas of healthcare management.

Current Price (8/29/22)

\$1.09

Valuation

\$7.50

SUMMARY DATA

52-Week High \$5.30
 52-Week Low \$0.95
 One-Year Return (%) -10.88
 Beta 1.71
 Average Daily Volume (sh) 81,366

Shares Outstanding (mil) 50
 Market Capitalization (\$mil) \$58
 Short Interest Ratio (days) 3
 Institutional Ownership (%) 4
 Insider Ownership (%) 26

Annual Cash Dividend \$0.00
 Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates

Sales (%) N/A
 Earnings Per Share (%) N/A
 Dividend (%) N/A

P/E using TTM EPS N/A

P/E using cal 2022 Estimate N/A

P/E using cal 2023 Estimate N/A

Risk Level

Above Average

Type of Stock
IndustrySmall-Growth
Healthcare-Devices

ZACKS ESTIMATES

Revenue

(In millions \$ USD, Fiscal Year-End March)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2021	0.5 A	0.7 A	1.0 A	1.2 A	3.4 A
2022	1.8 A	1.8 A	1.9 A	2.2 A	7.7 A
2023	2.1 A	2.6 E	3.2 E	4.1 E	11.9 E
2024	4.7 E	5.2 E	6.1 E	8.1 E	24.1 E

EPS / Loss per share

(In \$ USD, fiscal year-end March)

	Q1 (Jun)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2021	-\$0.09 A	-\$0.08 A	-\$0.11 A	-\$0.14 A	-\$0.43 A
2022	-\$0.14 A	-\$0.26 A	-\$0.15 A	-\$0.12 A	-\$0.66 A
2023	-\$0.10 A	-\$0.06 E	-\$0.05 E	-\$0.07 E	-\$0.28 E
2024	-\$0.09 E	-\$0.02 E	-\$0.02 E	-\$0.03 E	-\$0.16 E

Q's might not sum (rounding, shr count) Disclosures pg11

KEY POINTS SALES ADVANCE AS DISTRIBUTION EXPANDS

- Biotricity reported 1Q FY2023 (FY ends March) results earlier this month. Revenue growth of 17% year-over-year illustrates the opportunities BTCY has, as it expands its distribution network and its product / services portfolio.
- There is an ongoing shift in healthcare towards preventive care, which Biotricity is leveraging to modernize chronic care & disease management.
- The company believes its diagnostic and post-diagnostic solutions help reduce healthcare costs and detect anomalies earlier than existing monitoring solutions and provide faster and better reporting, as well. BTCY has expanded its salesforce in 2022 and targets further penetration into doctor's offices and clinics with the recent launch of Biotres and the upcoming launch of other products.
- The company believes its tech platform is disrupting the traditional cardiac care model. With Biotricity's technology, cardiac patients can access advanced diagnostics from their homes using Biotricity devices, and thereby minimize visits to the cardiologist or hospital to times when therapeutic treatment or procedures are needed. The company's lead product, Bioflux, is designed to detect an arrhythmia, heart attack, ventricular or atrial issue faster and transmit the information to a call center to prevent a traumatic health event faster than a conventional Holter device.
- As BTCY moves to grow its share in the cardiac health cloud service niche, the company also seeks to expand horizontally beyond the cardiac market. Biotricity believes its emerging ecosystem offers a user-friendly platform that can be applied to help people suffering with diabetes, obesity, hypertension, sleep apnea, pain management and potentially many other areas.
- The company launched Biotres earlier this year. It is a wearable wireless 3-lead patch device for continuous recording of ECG heart data and wider array of arrhythmia monitoring.

COMPANY UPDATE SALES ADVANCE AS DISTRIBUTION EXPANDS

Biotricity Inc (NASDAQ: BTCY) reported 1Q FY2023 (FY ends March) results earlier this month. Revenue growth (see below) of 17% year-over-year illustrates the company's opportunities, as it expands its distribution network and its product / services portfolio. Biotricity is an emerging medical technology company focused on biometric remote data monitoring solutions for cardiac, chronic illnesses and pain management, among other areas. Its growing product portfolio makes Biotricity one of a handful of companies offering real-time higher-end pre-diagnostics and diagnostics for cardiac health. The company's lead product, the Bioflux device and software components, offers FDA-approved Mobile Cardiac Telemetry (MCT). MCT is a more accurate detection and real-time monitoring substitute, which is disrupting and taking share from the Holter market. MCT is continuous outpatient heart rhythm monitoring approved by the FDA two decades ago.

The company believes its diagnostic and post-diagnostic solutions help reduce healthcare costs and detect anomalies earlier than and provide faster and better reporting compared to existing monitoring solutions. BTCY also believes its solutions are less exposed to reimbursement rates. Consistent with its growth strategy, BTCY has expanded its salesforce in 2022 and targets further penetration into doctor's offices and clinics. With the recent launch of Biotres, which BCTY expects will facilitate its ability to make inroads into hospitals, and the upcoming launch of Biosphere ecosystem. BTCY is executing a strategy to increase revenue through expanding its distribution network and product and services portfolio.

Why BTCY's is a disruptive technology...

The company believes that the conventional cardiac model, with patients having to report symptoms to their physicians and then being diagnosed at the clinic or cardiologist's office, is outdated. Under the existing model, patients frequently wear a cardiac monitoring device that records basic data for download at the doctor's cardiologist's office. The company believes its tech platform is disrupting this model. Specifically, with Biotricity's technology, cardiac patients can access advanced diagnostics from their homes using Biotricity devices. In turn, this minimizes the need to visit the cardiologist or hospital to times when therapeutic treatment or procedures are needed.

Specifically, the company believes that its lead product Bioflux is disruptive compared to a conventional Holter, which is a monitor that operates as a portable electrocardiogram (ECG) to record the electrical activity of the heart continuously over a period last for 24 hours up to two weeks. The Holter is intended to measure how quickly the heart is beating, whether the heart beats are steady or irregular, and the strength and timing of the electrical impulses. After wearing the Holter, the patient returns the device to the physician or clinic so that the data can be downloaded and analyzed. This process can often take up to two weeks. By comparison, Bioflux can detect an arrhythmia, heart attack, ventricular or atrial issue (risks for blood clots, stroke, heart failure) faster and transmit the information to a call center to prevent a traumatic health event.

BTCY's product portfolio consists of:

Bioflux – Bioflux is the company's lead product. It is a smart monitor that contains built-in cellular modem capabilities to monitor data and potentially transmit anomalies in real time to prevent traumatic health events.

Biotres – BTCY introduced Biotres in April 2022 after getting FDA clearance for the patch in early 2022. Biotres is a three-lead patch solution for real-time and passive arrhythmia monitoring. It is designed for patients who are at risk for, or diagnosed with, certain cardiac issues. It can operate as a Holter (see below), Event Loop and potentially as a wireless patch in conjunction with Bioflux for MCT (mobile cardiac telemetry). The conventional one-lead patch Holter monitor has been the standard of care for cardiac monitoring. The conventional Holter is generally worn for up to two weeks, after which the patient sends the device to the doctor or clinic for data uploading and analysis, which can take up to two weeks. With its three-lead patch enabling the continuous recording of ECG heart data and remote data uploading, Biotres can facilitate faster diagnosis. Moreover, the company believes that as a 3-channel device, Biotres can provide greater accuracy and efficiency compared to 1- and 2-channel Holters. The Biotres three-lead technology can provide connected Holter monitoring that is designed to produce more accurate recordings compared to 1-channel Holter solutions. Biotres' connectivity enables faster data availability.

Bioheart – Bioheart is for consumers seeking self-management of pre-diagnosis heart health, wellness and preventive care. Following strong pre-sales, the company launched Bioheart late in 2021 and intends to ramp marketing for the product throughout 2022.

BTCY offers a one-piece turnkey solution with GPS to its extensive direct network of cardiologists for better and more accurate arrhythmia detection. The company's platform also facilitates billing and simplifies the workflow of doctors and nurses and other healthcare providers. Cardiologists and Electrophysiologists benefit from Biotricity's technology-as-a-service (TaaS) model and also translate to strong recurring revenue for the company. Biotricity has expanded its network to cover 29 states with more than 2,000 physicians using its products.

Focus on cardiac disease ...

The company believes its focus niche on the cardiac segment of healthcare is compelling because of its complexity and because of its potential as a leading market for remote monitoring for outpatients and at-

home patients. According to the World Health Organization ([WHO](#)), cardiovascular diseases (CVDs) are “the leading cause of death globally. An estimated 17.9 million people died from CVDs in 2019, representing 32% of all global deaths. Of these deaths, 85% were due to heart attack and stroke.”

The American Heart Association estimates that 48% of US adults are living with some form of cardiovascular disease. More than 30 million are diagnosed with heart disease. Factors behind this include obesity, physical inactivity and metabolic syndrome, high blood pressure, improper nutrition, smoking, sodium consumption, high cholesterol, inadequate sleep hours, kidney issues and diabetes, among others.

... while company also expands beyond cardiac with a growing product portfolio

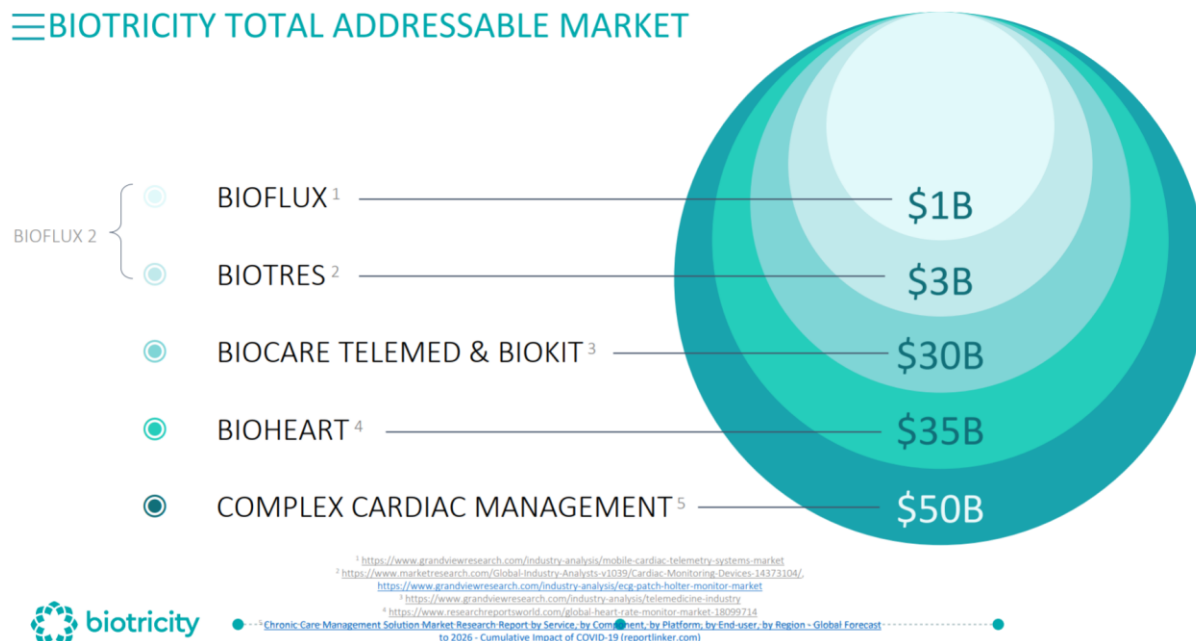
Given the high prevalence of CVDs, the cardiac diagnostics market is growing, with some estimates forecasting 10-13% growth per annum and 15-18% growth of real-time remote monitoring. The company's strategy is to expand its product / services portfolio and distribution to be a leader in the cardiac health cloud service space. Concurrently, BTCY is also expanding horizontally beyond cardiac. Biotricity believes its emerging ecosystem offers a user-friendly platform that can be applied beyond cardiac and into chronic care & disease management and many areas of healthcare such as diabetes, obesity, hypertension, sleep apnea, COPD and kidney, among others.

Bioflux is its flagship FDA-approved wearable device for real-time monitoring of electrocardiogram (ECG or EKG) results that patients can use without being inconvenienced. It is a diagnostic device for at high-risk patients or ones complaining of palpitations or comorbidities. Bioflux version 2.0 was updated following physician and patient feedback and is designed to help Biotricity gain further inroads with physicians, clinics and patients. With the expansion of its product / services portfolio, the company believes it has increased its total addressable market (TAM – see below) and opportunities to gain share.

Disruptive offering of Bioflux compared to conventional Holter

- Bioflux collects data and sends communications to a patient's physician in the event of a cardiac distress. Electrophysiologists and physicians evaluate the data.
- The cardiologist does diagnoses for prescriptions or a surgery procedure, resulting in a process that is faster than traditional Holter monitoring. The device equips doctors with improved anomalies detection.
- Bioflux is for higher-risk patients than a Holter substitute devices. Bioflux detects an arrhythmia, heart attack, ventricular or atrial issue (risks for blood clots, stroke, heart failure) and transmits that info to a call center.
- BTCY believes that Bioflux has more than twice the diagnostic yield compared to traditional Holter or event products.
- Bioflux has continuous real-time cloud connectivity & monitoring to be used up to 30 days/patient. Unlike a Holter that is 24-48 hours or an inferior Event Loop that is not continuous monitoring or real-time connectivity. Bioflux does not need to be implanted, it is worn.
- Biotres is its new wearable wireless 3-lead patch device for continuous recording of ECG heart data and wider array of arrhythmia monitoring. Rechargeable device with wireless connectivity and comfort fit. Can displace the incumbent patch Holter.
- Shift in the healthcare landscape is moving towards preventive care. Biotricity is tapping into this shift to modernize chronic care & disease management.

BIOTRICITY TOTAL ADDRESSABLE MARKET



- **Cost Savings & Workflow Time Efficiency for Nurses.** Instead of expensive hospitals and emergency room bills, pro-active monitoring and early detection of medicine need or surgery allows outpatient cost savings. Remote monitoring allows cost-effective at \$11,000/year (NIH/Journal of Cardiovascular Electrophysiology) per patient year.
- **Reimbursement rates reduction or cut risk from Medicare is minimal exposure for Biotricity and its physicians network.** Bioflux and the recently launched Biotres patch already fit into the existing billing codes and resilient clinical fee. Biotricity's wheelhouse is more insulated because no reimbursement specialist is needed for billing and reads are insurance reimbursable.
- **Recurring revenue play and easily deployable tech.** There is also lower operational expense for the doctors and clinics, along with easy integration into their back offices. Rechargeable devices help keep the margins high and further insulate from reimbursement.
- **Detection & Accuracy are improved with Bioflux compared to conventional products.** Artificial Intelligence (AI) and Biotricity's database on nearly 100,000 patients of ECG data can identify ECG abnormalities with 90%+ accuracy and speed up response time, according to BTCY.
- **Beneficiary of the ongoing shift to remote monitoring of outpatients and improved efficiency for doctors and nurses workflow.** Physicians benefit from earlier detection of patient's heart issues, improved workflow and efficiencies with Biotricity's software and automation. The physician can increase their own annual revenues by approximately \$180,000-260,000 as seen below.

Biosphere ecosystem enables a "virtual" cardiac clinic

Biotricity believes its Biosphere technology platform enables a more accurate and predictive diagnostic than standalone data by incorporating artificial intelligence (AI) into the cloud based ecosystem of solutions. This enables BTCY to deliver a synergistic deliver a synergistic deliver a synergistic picture of the patient's health. The company intends to combine AI with data to enhance the insights and predictive capabilities of the ecosystem, enable faster analytics that enable faster delivery of medical care. The company intends to introduce the major components of the virtual cardiac clinic near-term.

Attractive economics for physicians

Physician can earn \$6,000/year for a single Bioflux device that circulates usage among patients. By comparison, traditional competitive offerings generate only \$400-500/year for a doctor.

Attractive Value Proposition for Doctors

<u>Per Doctor</u>	Bioflux	Biotres patch*	Biocare Health Subscription
Patients Seen Daily	20	20	40
Monthly Workdays	<u>20</u>	<u>20</u>	<u>25</u>
Total Monthly Patients	400	400	1,000
% Penetration Who Could Use These Products	7.5%	10%	20%
Users of Biotricity Products Monthly	30	40	200
Reimbursement Value For Doctor Monthly	\$500	\$75	\$25
Reimbursement Total Per Doctor Monthly*	\$15,000	\$1,500	\$5,000
Reimbursement Total Per Doctor Yearly	\$180,000	\$18,000	\$60,000
Individual Doctor Annual Revenues Total	<div><div>\$258,000</div></div>		
Clinic Annual Revenues (assuming 2.5 docs/clinic ave)	<div><div>\$645,000</div></div>		
Larger Clinic Annual Revenues (assuming 4 docs/clinic ave)	<div><div>\$1,032,000</div></div>		
*Biotres is \$25/usage & six times max usage = \$150, but we consider it over 6 months & swapped to other patients			
Biocare assumes 25 workdays monthly instead of 20 because nurses can activate it without a doctor			
Biocare assumes 2x as many patients are seen or eligible because of chronic care and overall health			
Biocare assumes calendar 2024 uptake penetration (lower % early on rollout in calendar 2022 & 2023)			

Source: Biotricity & Zacks SCR

The delivery of services and the monitoring of patients no longer take place exclusively in hospitals, clinics or doctor's offices. Digital health technology and remote monitoring have been converging, a trend that accelerated during the pandemic. Telehealth use rates tripled between February and July 2020 (from 11% to 35%) due to the COVID-19 pandemic, which created more awareness of the convenience of this offering. The majority (about 71%) of U.S. adults said they are willing to use telehealth post-pandemic (Insider Intelligence February 2022), reflecting cost savings, reduced time and convenience, among other factors.

RECENT RESULTS & FINANCIAL FORECASTS

1Q FY 2023 Highlights

BTCY's Bioflux MCT device was launched initially in limited market release in April 2018. By increasing the company's sales force and geographic footprint, the company had since launched sales in 20 states. This increased geographic penetration contributed to higher revenue in 1Q FY2023 (fiscal year ends March). In 1Q FY23, BTCY generated revenues of \$2.1 million, up 17% compared to 1Q FY22, despite the continued negative impact of the pandemic. Device sales and technology fee income totaled a combined \$2.1 million, which was a 17% year-over-year increase. Technology fees comprised 91.9% of total revenues. The 1Q FY23 gross margin was 60% compared to 66% in the prior year 1Q, primarily reflecting higher raw material costs and sales discounts to drive sales. BTCY expects margins to improve as sales volumes expand.

Operating expenses of \$5.7 million compared to \$4.2 million on higher G&A expenses (\$4.9 million compared to \$3.6 million) as BTCY establishes the salesforce and infrastructure to support and drive growth and R&D (\$0.8 million, compared to \$0.6 million) related to the development of new technologies. Including one-time expenses related to convertible note conversions, as well as fair value adjustments on derivative liabilities, Biotricity reported a net loss of \$5.0 million, or (\$0.10) per share compared to a net loss of \$0.15 per share in 1Q FY 2022.

VALUATION

We are optimistic about the outlook for BTCY's technology and ecosystem as the company expands both distribution and its product and service offerings. At this early stage in its development, it is difficult to compare BTCY to other companies on traditional valuation metrics such as P/E or EV/ EBITDA, in our view. We therefore value BTCY shares using a peer comparables valuation methodology based on EV/Sales.

We appreciate the company's runway and addressable market for additional penetration of its network for Bioflux, the Biotres launch contribution and the recurring revenues stream and shift in the sales mix towards higher margin TaaS over time. We therefore think the current share price level does not reflect the fundamental value of the company's prospects. As the company continues to advance its strategy, we would anticipate multiple and share price expansion. We believe accelerating revenue ramp as both Bioflux and Biotres gain traction could be catalysts.

Although the revenue arc for BTCY is somewhat unclear at this stage because of many variables, including whether the pandemic has a lingering impact and global logistics challenges, we believe it reasonable to project that BTCY can attain revenue in the \$40-\$45 million range by FY25-FY26. We reach \$7.50 valuation per share based on peer group median of 9.0x EV/sales applied to this anticipated range, which includes a ramp-up in contribution from Biotres, Bioflux and other offerings in development.

View recent inclusion in Russell Microcap index as a positive

The shares have come under pressure in 2022, which we believe reflects general market volatility. As such, we expect it will be transient if the company successfully executes on its strategy. The shares were recently added to the Russell Microcap index, which we view as a positive that can boost awareness of the company, its strategy and prospects and potentially expand the pool of potential investors.

In our view, BTCY shares represent an option on management's ability to continue to execute its growth strategy. We believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon. Any delay or failure in successful execution of the strategy could cause the share price to decline and represent a potential risk to our valuation.

RISKS

Risks to BTCY achieving its objectives, and to our valuation, include the following, among others.

- Competition could increase, reflecting potential new entrants or larger peers
- Revenue growth could ramp more slowly than anticipated
- The pandemic could have a longer than anticipated impact on the company's sale steam, as visits to clinics or physician offices are constrained.
- A potential recession.
- Failure to penetrate and monetize enough new physician offices and cross-sell offerings.
- Dependent on physicians & clinics acceptance and utilization of the company's products & services.
- Reimbursement rates pressure by Medicare, Medicaid or private insurance companies.
- Software issues or inaccuracy claims could harm operations and revenue potential.
- Brand reputational impairment or negative news such as glitches or missed detections.
- MCT device slowdown in adoption for various reasons (if newer or more affordable integrated substitutes, cost per study deterrent, Holter patch gets improved enough or real-time connectivity).
- Regulatory changes, lack of FDA approval for new products or iterations, FDA approval withdrawal.
- Supply chain issues, dependency on some third-party suppliers and manufacturers.
- Trade secrets protection, Intellectual Property or Know-how infringement protection challenges.
- Departure of key sale force members.
- The company might need to raise capital to support working capital during high-growth periods or for acquisitions that could be dilutive to shareholders.
- Lack of liquidity of stock could cause fluctuations in stock prices and bid/ask spreads.
- Bank covenants could be breached.

PROJECTED FINANCIALS

Biotricity Inc. (\$M except per share data)

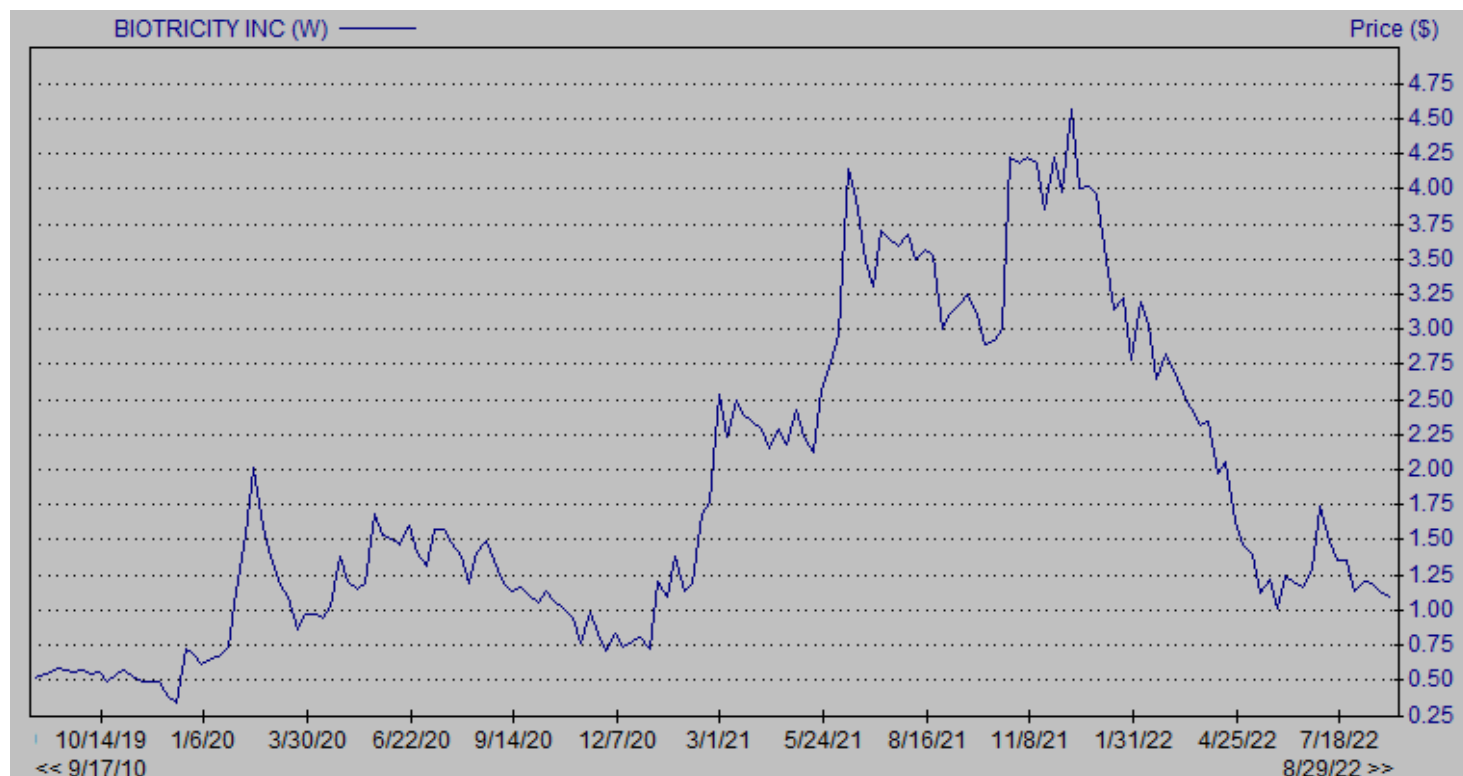
(March Year-End)

(March Year-End)	June Sept** Dec** Mar						June Sept Dec Mar						June Sept Dec Mar					
	2020	2021	1Q	2Q	3Q	4Q	2022A	1QA	2QE	3QE	4QE	2023E	1QE	2QE	3QE	4QE	2024E	
Revenues:																		
Technology Fee Income (incl study rendering)	1.1	2.8	1.5	1.5	1.6	2.1	6.7	1.9	2.1	2.6	3.3	9.9	3.4	3.8	4.8	6.6	18.6	
% change (yoy)	NM	159%	324%	155%	87%	116%	141%	29%	40%	67%	55%	49%	80%	82%	85%	100%	88%	
Device Sales (Bioflux & Biotres)	0.4	0.6	0.3	0.3	0.4	0.0	1.0	0.2	0.2	0.2	0.3	0.9	0.4	0.3	0.4	0.6	1.8	
% change (yoy)	NM	77%	182%	99%	123%	-92%	59%	-44%	-43%	-35%	NM	-9%	112%	82%	85%	100%	95%	
Other								-	0.3	0.3	0.5	109%	0.9	0.6	0.8	0.9	330%	
Total Revenues	1.4	3.4	1.8	1.8	1.9	2.2	7.7	2.1	2.6	3.2	4.1	11.9	4.7	5.2	6.1	8.1	24.1	
% change (yoy)	256%	139%	290%	143%	93%	81%	126%	17%	44%	63%	89%	55%	128%	99%	94%	100%	103%	
Cost of Revenue	0.9	1.9	0.5	0.7	1.1	0.8	3.1	0.8	1.1	1.3	1.6	4.8	1.8	2.0	2.4	3.1	9.4	
Gross Profit	0.5	1.5	1.2	1.1	0.8	1.4	4.6	1.2	1.5	1.9	2.5	7.1	2.8	3.2	3.7	5.0	14.7	
Gross Profit Margin	34.3%	44.7%	70.2%	62.8%	42.7%	65.1%	60.1%	59.6%	59.5%	59.9%	60.6%	60.0%	60.6%	60.9%	60.6%	61.8%	61.1%	
Operating Expenses:																		
General & Administrative Expenses (incl Selling)	10.1	12.8	3.7	5.7	4.7	5.9	19.8	4.9	1.8	2.1	3.7	12.5	5.1	1.5	1.8	4.3	12.6	
% change (yoy)	37%	27%	14%	119%	26%	76%	55%	34%	-67%	-55%	-37%	-37%	4%	-21%	-13%	15%	1%	
Research & Development Expenses	1.4	2.1	0.6	0.6	0.9	0.6	2.7	0.8	0.9	0.9	0.9	3.5	1.0	1.0	1.0	1.0	3.9	
Total Operating Expenses	11.4	14.9	4.2	6.3	5.6	6.5	22.6	5.7	2.7	3.0	4.6	16.1	6.0	2.4	2.8	5.3	16.5	
% change (yoy)	32%	30%	17%	111%	27%	67%	52%	34%	-56%	-46%	-29%	-29%	6%	-12%	-6%	14%	3%	
Operating Income (Loss)	(10.9)	(13.4)	(3.0)	(5.2)	(4.7)	(5.1)	(18.0)	(4.5)	(1.2)	(1.1)	(2.1)	(8.9)	(3.2)	0.7	0.9	(0.2)	(1.8)	
Other Income	(0.0)	(0.0)	0.0	0.8	0.3	(1.1)	(0.0)	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	-	
Accretion & Amortization Expense (Debt/Discount)	0.1	2.5	2.3	5.2	1.3	0.5	9.3	0.1	1.5	1.5	1.5	4.6	1.5	1.5	1.5	1.5	6.0	
Change in Fair Value of Derivative Liabilities	0.1	(0.4)	0.3	(0.4)	0.8	0.0	0.7	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	-	
Loss from Conversion of Notes	-	0.1	-	-	-	1.2	1.2	0.1	-	-	-	0.1	-	-	-	-	-	
Net Interest Expense (part of Accretion/Amortization)	0	0	-	-	-	-	0	-	-	-	-	0	-	-	-	-	0	
Income before Taxes	(11.1)	(15.5)	(5.7)	(10.8)	(7.1)	(5.6)	(29.1)	(4.8)	(2.7)	(2.6)	(3.6)	(13.7)	(4.7)	(0.8)	(0.6)	(1.7)	(7.8)	
Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Income (Loss) Before Preferred Dividends	(11.1)	(15.5)	(5.7)	(10.8)	(7.1)	(5.6)	(29.1)	(4.8)	(2.7)	(2.6)	(3.6)	(13.7)	(4.7)	(0.8)	(0.6)	(1.7)	(7.8)	
Less: Preferred Stock Dividends	0.3	1.0	0.2	0.2	0.2	0.2	1.1	0.2	0.2	0.2	0.2	1.0	0.2	0.2	0.2	0.2	1.0	
Net Income (Loss) to Common Shareholders	(11.3)	(16.5)	(5.9)	(11.0)	(7.3)	(5.8)	(30.2)	(5.0)	(2.9)	(2.9)	(3.9)	(14.7)	(4.9)	(1.0)	(0.9)	(2.0)	(8.7)	
EPS (reported)	(\$0.31)	(\$0.44)	(\$0.15)	(\$0.26)	(\$0.15)	(\$0.12)	(\$0.66)	(\$0.10)	(\$0.06)	(\$0.05)	(\$0.07)	(\$0.28)	(\$0.09)	(\$0.02)	(\$0.02)	(\$0.03)	(\$0.16)	
Shares Outstanding (reported weighted avg)	36.0	37.5	39.1	42.9	49.2	50.3	45.4	51.4	51.9	52.4	53.4	52.3	53.9	54.4	54.9	56.4	54.9	
Shares Out (FD)			56.9	60.8	67.1	68.2	63.2	69.3	69.8	70.3	71.3	70.2	71.8	72.3	72.8	74.3	72.8	
Margins:																		
Gross Margin	34.3%	44.7%	70.2%	62.8%	42.7%	56.5%	60.1%	59.0%	59.5%	59.9%	60.6%	60.0%	60.6%	60.9%	60.6%	61.8%	61.5%	
OpEx % of Revenues	805%	439%	240%	349%	288%	302%	295%	277%	106%	95%	113%	135%	128%	47%	46%	65%	68%	
General & Admin % of Revenues	709%	378%	207%	314%	241%	272%	259%	237%	71%	67%	91%	106%	108%	28%	30%	52%	52%	
R&D % of Revenues	96%	61%	33%	35%	47%	29%	36%	40%	35%	29%	22%	30%	20%	18%	16%	12%	16%	

Source: Zacks

**Revenue split between Technology Fee & Devices is our estimate for these quarters

HISTORICAL STOCK PRICE



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