MRA Research
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Research Update

United States BioPharmaceuticals

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Tenax Therapeutics, Inc. (TENX: NASDAQ)

Large Validated Market Opportunity Motivates Analyst Valuation
FDA: Single Successful Trial Sufficient to Support Approval of Levosimendan

Reason for Report: Research Update

RATING: OVERWEIGHT/BUY
Price Target $12.00

Recent Price: **$4.01**

Market Data	
Market Capitalization (mln)	$112.71
Fully Diluted Shrs Outstnd (mln)	79.3
Float (mln)	65.2
Ave. Volume (3 month 000)	831.5
Institutional Ownership	N/A
Insider Ownership	N/A
Exchange	NASDAQ

Balance Sheet Data	
Shareholders' Equity (000s)	$81,537
Price / Book Value	2.25
Net Cash (Debt 000)	$26,124
Working Capital (000s)	$(24,460)
Long-term Debt (000s)	N/M
Total Debt to Equity	N/M

Revenue Data	2013	2012
(Qtr End 14/30) Revenue (000's)	289	1,234

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Summary and Investment Thesis

- **After a name change and a refocus of priorities the Company is poised to strengthen its position as an emerging provider of products for the critical care market. In our view this lowers the risk profile and improves the odds of stock appreciation going forward.**
- **Tenax Therapeutics, Inc. is a specialty pharmaceutical company focused on the development and commercialization of a portfolio of products for the critical care market in the United States and Canada. The key compound in the products is levosimendan, 2.5 mg/ml concentrate for use in the reduction of morbidity and mortality in cardiac surgery patients at risk for developing Low Cardiac Output Syndrome. Levosimendan has been granted Fast Track status, and the U.S. Food and Drug Administration (FDA) has also agreed to the protocol design under a Special Protocol Assessment (SPA), and provided guidance that a single successful trial will be sufficient to support approval of levosimendan in this indication. The trial is being conducted by Duke University's Duke Clinical Research Institute.**
- **Large Validated Market Opportunity – Potential for compelling patient & economic benefits. Analysis of previous cardiac surgery data for levosimendan shows potential for per patient hospital a cost reduction midpoint of approximately $10,000 as a result of better patient outcomes. Other indications address collateral benefits such as post-operative infections or need to stay in a higher intensity environment like ICU. If as expected positive metrics are occurring here, this could add ammunition to the value add of the lead compound levosimendan and increase potential pricing over time.**
- **The balance sheet was strengthened through a recent secondary offering that gained the Company $55mm in cash. Management and our analysis suggest this should be adequate to provide funding through FDA review of levosimendan into the 2017 timeframe. Significant revenues will likely to be required after that date.**
- **Looking at the current price to book and valuations on comparables we assign a rating of *Overweight/Buy* and price target of $12 which the Company should be able to grow into over 12-18 months based on clinical trial progress and continued industry growth.**

Please see analyst certification and required disclosures at the end of this report.

TENX Technical Analysis

Tenax Therapeutics, Inc.

DAILY: TENX has been in a downtrending range for several months with rally attempts being unable to push above resistance and gain any upside momentum.

- The potential "good news" is that the stock is printing a continuation pattern and has been rallying on higher volume with RSI gaining strength as well. We have a tick up in our momentum oscillator and are looking for higher lows.
- With positive news catalysts such as FDA announcements and analyst coverage initiations we are watching for volume to accelerate and for some upside momentum to appear. Price is above the 50 day moving average and a break above trendline resistance near $4.20 would be a positive upside breakout.
- Above $4.20 there is no established resistance history so the stock could appreciate several percentage points without too much problem. Important support is $3.70 and we are using an intermediate resistance target of $4.60.

Tenax Therapeutics, Inc. **Daily (TENX $4.01)**

Company Background/Product Overview

NOTE: This discussion is truncated in the interest of brevity. Readers are directed to the Company's recent SEC Filings.

TENX, previously, Oxygen Biotherapeutics, Inc. (the "Company") was originally formed as a New Jersey corporation in 1967 under the name Rudmer, David & Associates, Inc., and subsequently changed its name to Synthetic Blood International, Inc. On June 17, 2008, the stockholders of Synthetic Blood International approved the Agreement and Plan of Merger dated April 28, 2008, between Synthetic Blood International and Oxygen Biotherapeutics, Inc., a Delaware corporation. Oxygen Biotherapeutics was formed on April 17, 2008, by Synthetic Blood International to participate in the merger for the purpose of changing the state of domicile of Synthetic Blood International from New Jersey to Delaware. Certificates of Merger were filed

with the states of New Jersey and Delaware and the merger was effective June 30, 2008. Under the Plan of Merger, Oxygen Biotherapeutics is the surviving corporation and each share of Synthetic Blood International common stock outstanding on June 30, 2008 was converted to one share of Oxygen Biotherapeutics common stock. The roots of this Company extend back to early attempts to produce a blood substitute and/or oxygen carrying substances that could be used for transfusion when shortages occurred. That effort had a long and mixed record of success as the scientific problem to be solved was very difficult.

Current Programs

Levosimendan

Levosimendan was discovered and developed by Orion Pharma, a Finnish company. Levosimendan is a calcium sensitizer developed for intravenous use in hospitalized patients with acutely decompensated heart failure. It is currently approved in over 50 countries for this indication and not available in the United States or Canada. It is under development in North America for reduction in morbidity and mortality of cardiac surgery patients at risk of LCOS. TENX acquisition of levosimendan brings to the Company not only the exclusive rights in the United States and Canada to develop and commercialize levosimendan for the specific indication of prevention and treatment of LCOS, but also the United States Food and Drug Administration's, or FDA's, approval of Fast Track status for a Phase 3 trial, and the FDA's Special Protocol Assessment or SPA which represents agreement with the Phase III clinical trial's study protocol. The FDA has also provided guidance that a single successful trial will be sufficient to support approval of levosimendan in this indication. Pursuant to the license to levosimendan, TENX is required to use the "Simdax®" trademark to commercialize this product.

The effects of levosimendan are mediated through:
The physiologic effects of levosimendan have been very well characterized in clinical trials of acutely decompensated heart failure or ADHF patients and cardiac surgery patients. The collective findings of these clinical trials form the basis for developing levosimendan in cardiac surgery patients at risk for LCOS.

Current data in cardiac surgery suggest that levosimendan is superior to traditional inotropes (dobutamine, phosphodiesterase [PDE]-inhibitors) as it achieves:

- Sustained hemodynamic improvement
- Increased cardiac contractility by calcium sensitization of troponin C
- Vasodilation through the opening of potassium channels
- Cardioprotection and antiapoptopic effect through the opening of mitochondrial potassium channel
- Diminished myocardial injury; improved tissue perfusion; better outcomes and fewer hospital days
- Effects most favorable in patients with low left ventricular ejection fraction (LVEF) (< 40%)
- Opportunity to initiate therapy pre-operatively due to increased cardiac contractility without increasing intracellular calcium, without increasing oxygen consumption, or affecting cardiac rhythm and relaxation.

Duke University's Duke Clinical Research Institute, or DCRI, has been selected to conduct the Phase 3 trial of levosimendan. DCRI is the world's largest academic clinical research organization, with substantial experience in conducting cardiac surgery trials. The Phase 3 trial will be conducted in approximately 50 major cardiac surgery centers in North America. The trial will enroll patients undergoing coronary artery bypass graphs or CABG and/or mitral valve surgery who are at risk for developing LCOS. The trial is expected to be a double blind, randomized, placebo controlled study seeking to enroll 760 patients. It is expected that enrollment will begin in the third quarter of calendar year 2014, and will take approximately 18 months to complete. The protocol of the Phase 3 trial has been submitted to ClinicalTrials.gov.

Should levosimendan successfully progress in clinical testing and if it appears regulatory approval for one or more medical uses is likely, management intends to evaluate options for commercializing the product. These options include licensing levosimendan to a third party for distribution, selling the product direct, or establishing some other form of strategic relationship for making and distributing levosimendan with a participant in the pharmaceutical industry.

Oxycyte

TENX's Oxycyte oxygen carrier product is a PFC-based oil in water emulsion, which is provided to the patient intravenously. The physical-chemical properties of PFCs enable the product to concentrate oxygen from the lungs and transport it through the

body releasing it along the way. Over a period of days Oxycyte is gradually exhaled through the lungs during the normal process of respiration. Oxycyte requires no cross matching, so it is immediately available and compatible with all patients' blood types. Oxycyte has an extended shelf life compared to blood and is provided as a sterile emulsion ready for intravenous administration. Because it contains no biological components, there is reduced risk of transmission of blood-borne viruses from human blood products. Further, since Oxycyte is based on readily available inert compounds, TENX believes it can be manufactured on a cost-effective basis in amounts sufficient to meet demand.

TENX received approval of its Investigational New Drug application, or IND, for severe TBI filed with FDA and began Phase I clinical studies in October 2003, which were completed in December 2003. TENX submitted a report on the results to the FDA along with a Phase II protocol in 2004. Phase II-A clinical studies began in the fourth quarter of 2004, and were completed in 2006. A further Phase II study protocol was filed with the FDA in the spring of 2008, but remained on clinical hold by the FDA due to safety concerns raised by the regulatory agency.

Should Oxycyte successfully progress in clinical testing and if it appears regulatory approval for one or more medical uses is likely, either in the United States or in another country, TENX intends to evaluate options for commercializing the product. These options include licensing Oxycyte to a third party for manufacture and distribution, manufacturing Oxycyte for distribution through third party distributors, manufacturing and selling the product ourselves, or establishing some other form of strategic relationship for making and distributing Oxycyte with a participant in the pharmaceutical industry.

Other Products

In addition to primary products described above, TENX has also developed the Dermacyte® line of topical cosmetic products, which contain our patented PFC technology and other known cosmetic ingredients to promote the appearance of skin health and other desirable cosmetic benefits, as well as Wundecyte™, a novel gel developed under a contract agreement with a lab in Virginia that is designed to be used as a wound-healing gel. At this time, it is not expected that Dermacyte or Wundecyte constitute a material portion of the business going forward.

Financial Overview

OXYGEN BIOTHERAPEUTICS, INC.
CONSOLIDATED BALANCE SHEETS

	July 31, 2014 (Unaudited)	April 30, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 21,957,661	$ 58,320,555
Marketable securities	4,166,081	-
Accounts receivable	36,358	36,358
Government grant receivable	5,424	29,750
Prepaid expenses	273,579	401,964
Other current assets	216,834	177,406
Total current assets	26,655,937	58,966,033
Marketable securities	30,320,490	-
Property and equipment, net	102,594	124,374
Debt issuance costs, net	-	21,427
Intangible assets, net	22,998,133	22,999,744
Goodwill	11,265,100	11,265,100
Other assets	52,762	52,762
Total assets	$ 91,395,016	$ 93,429,440
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 585,914	$ 411,145
Accrued liabilities	612,822	858,136
Warrant liabilities	680,680	954,876
Current portion of notes payable, net	16,007	346,890
Total current liabilities	1,895,423	2,571,047
Other liabilities	-	10,932
Deferred tax liability	7,962,100	7,962,100
Total liabilities	9,857,523	10,544,079
Commitments and contingencies; see Note 7		
Stockholders' equity		
Preferred stock, undesignated, authorized 9,947,439 and 9,990,400 shares; respectively. See Note 8		
Common stock, par value $.0001 per share; authorized 400,000,000 shares; issued and outstanding 28,107,264 and 27,858,000, respectively	2,811	2,786
Additional paid-in capital	220,357,577	219,468,498
Accumulated other comprehensive loss	(65,560)	-
Accumulated deficit	(138,757,335)	(136,585,923)
Total stockholders' equity	81,537,493	82,885,361
Total liabilities and stockholders' equity	$ 91,395,016	$ 93,429,440

OXYGEN BIOTHERAPEUTICS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three months ended July 31, 2014 (Unaudited)	2013 (Unaudited)
Product revenue	$ -	$ 35,394
Cost of sales	-	27,510
Net product revenue	-	7,884
Government grant revenue	-	157,920
Total net revenue	-	165,804
Operating expenses		
Selling, general, and administrative	1,449,859	982,521
Research and development	966,514	772,893
Total operating expenses	2,416,373	1,755,414
Net operating loss	2,416,373	1,589,610
Interest expense	46,260	655,803
Other income	(291,221)	(141)
Net loss	$ 2,171,412	$ 2,245,272
Unrealized loss on marketable securities	65,560	-
Total comprehensive loss	$ 2,236,972	$ 2,245,272
Reconciliation of net loss to net loss attributable to common stockholders		
Net loss	$ 2,171,412	$ 2,245,272
Preferred stock dividend	-	2,094,551
Net loss attributable to common stockholders	$ 2,171,412	$ 4,339,823
Net loss per share, basic	$ (0.08)	$ (2.06)
Weighted average number of common shares outstanding, basic	27,661,499	2,102,771
Net loss per share, diluted	$ (0.08)	$ (3.36)
Weighted average number of common shares outstanding, diluted	27,661,499	2,210,251

Below is a summary of first quarter fiscal year 2015 ended July 31, 2014 for TENX:
"We were pleased to enroll the first patient earlier this month in our ongoing Phase 3 trial for levosimendan, as we move forward now as Tenax Therapeutics with a primary focus on the critical care market," said John Kelley, Chief Executive Officer of Tenax. "We expect enrollment to continue to ramp up as we activate additional clinical sites during the next four to six months, and to report full results from this study in the first calendar quarter of 2016. "We were also excited to announce our collaboration with Imperial College London to provide supplemental funding for the accelerated enrollment of their ongoing LeoPARDS trial evaluating levosimendan in septic shock. Clinical data to date suggest that levosimendan may provide important clinical benefits to these patients, and we look forward to evaluating this data to guide our potential clinical development strategy in the United States," John Kelley, CEO continued.

Recent Highlights

- In September, Tenax announced the dosing of the first patients in its Phase 3 LEVO-CTS trial for levosimendan, a double-blind, randomized, placebo-controlled study that will evaluate if levosimendan administered before and during cardiac surgery can reduce the incidence of LCOS and associated morbidity and mortality. Levosimendan has been granted Fast Track status, and the U.S. Food and Drug Administration (FDA) has also agreed to the protocol design under a Special Protocol Assessment (SPA), and provided guidance that a single successful trial will be sufficient to support approval of levosimendan in this indication. The trial is being conducted by Duke University's Duke Clinical Research Institute.
- In September, the Company announced that it had received shareholder approval to change the Company name to Tenax Therapeutics, Inc., from Oxygen Biotherapeutics, Inc. The common stock now trades on the NASDAQ Capital Market under the ticker symbol "TENX".
- In September, the Company also announced that it was stopping the Oxycyte Phase IIb trial in traumatic brain injury due to continued enrollment issues and is considering strategic alternatives for the program.
- In August, the Company announced a collaboration with Imperial College London to provide $500,000 in supplemental funding to support the accelerated enrollment and completion of the ongoing LeoPARDS Trial (Levosimendan for the Prevention of Acute oRgan Dysfunction in Sepsis). The LeoPARDS trial is designed to determine whether levosimendan reduces the incidence and severity of acute organ dysfunction in adult patients who have septic shock, as well as evaluate its safety profile.

Upcoming Expected Milestones

- Expected event rate interim analysis following enrollment of 200 patients in LEVO-CTS trial, by the first half of calendar year 2015
- Two interim analyses during LEVO-CTS trial testing for efficacy or futility after 50% and 70% of the planned primary endpoint events have been recorded, in the second half of calendar year 2015
- Last patient of LEVO-CTS trial in the fourth calendar quarter of 2015
- Full data from Phase 3 LEVO-CTS trial in first calendar quarter of 2016
- Readout of LeoPARDS trial for levosimendan in septic shock in calendar year 2016

First Quarter Fiscal Year 2015 Financial Results

The Company reported a net loss of $2.2 million or $0.08 per share for the first quarter fiscal year 2015, compared to a net loss of $2.2 million, or $2.06 per share in the same period in fiscal 2014.

The Company reported general and administrative expenses of $1.4 million in the first quarter fiscal year 2015, compared to $1.0 million in the same period in fiscal 2014.

The Company reported research and development expenses of $1.0 million in the first quarter fiscal year 2015, compared to $0.8 million in the same period in fiscal 2014.

At the end of the first quarter fiscal year 2015, the Company had $56.4 million in cash, including the fair value of available for sale securities, compared to $58.3 million at April 30, 2014.

Financial Guidance

The Company continues to expect that its cash balance, including the fair value of its available for sale securities, will be sufficient for it to accomplish its corporate goals through fiscal year 2017.

Michael Jebsen, Chief Financial Officer, said "We continue to execute on our clinical development plan with a capital-efficient strategy that allows us to fund our ongoing Phase 3 trial through the filing of a potential New Drug Application for levosimendan."

OXYGEN BIOTHERAPEUTICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended July 31, 2014 (Unaudited)	Three months ended July 31, 2013 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (2,171,412)	$ (2,245,272)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	38,486	37,300
Interest on debt instruments	45,606	628,321
Issuance and vesting of compensatory stock options and warrants	71,032	34,071
Issuance of common stock as compensation	14,840	13,261
Change in the fair value of warrants	(274,196)	-
Amortization of premium on marketable securities	9,728	-
Changes in operating assets and liabilities		
Accounts receivable, prepaid expenses and other assets	204,949	679,044
Inventory	-	268
Accounts payable and accrued liabilities	78,590	(710,135)
Net cash used in operating activities	(1,982,377)	(1,563,142)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable securities	(35,627,219)	-
Sale of marketable securities	1,065,360	-
Capitalization of patent costs and license rights	(15,095)	(33,156)
Net cash used in investing activities	(34,576,954)	(33,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sale of common stock and exercise of stock options and warrants, net of related expenses and payments	543,998	-
Proceeds for issuance of convertible preferred stock, net of issuance costs	-	4,920,183
Payments on notes - short-term	(347,561)	(34,372)
Net cash provided by financing activities	196,437	4,885,811
Net change in cash and cash equivalents	(36,362,894)	3,289,513
Cash and cash equivalents, beginning of period	58,320,555	783,528
Cash and cash equivalents, end of period	$ 21,957,661	$ 4,073,041
Cash paid for:		
Interest	$ 655	$ 27,483

Intellectual Property

TENX relies on a combination of patent applications, patents, trade secrets, proprietary know-how, trademarks, and contractual provisions to protect its proprietary rights. Management believes that to have a competitive advantage, TENX must develop and maintain the proprietary aspects of its technologies. Currently, TENX requires officers, employees, consultants, contractors, manufacturers, outside scientific collaborators and sponsored researchers, and other advisors to execute confidentiality agreements in connection with their employment, consulting, or advisory relationships with us, where appropriate. TENX also requires employees, consultants, and advisors who are expected to work on products to agree to disclose and assign to TENX all inventions conceived during the work day, developed using TENX property, or which relate to the business. To date, TENX owns or in-license the rights to 9 U.S. and foreign patents. In addition, TENX has numerous U.S. patent applications pending that are complemented by the appropriate foreign patent applications related to product candidates and proprietary processes, methods and technologies. Issued and in-licensed patents, as well as pending patents, expire between 2014 and 2030. Please refer to the most recent form 10K filed with the Securities and Exchange Commission for further details.

Recent Developments

September 24, 2014

Corporate Update and Discussion of First Quarter Fiscal Year 2015 Financial Results
The Company provided a recorded webinar update. Details are on the company website and in the financial section of this report. In the interest of brevity we will not reproduce here.

Tenax Therapeutics Announces First Patients Enrolled in Phase 3 LEVO-CTS Clinical Trial of Levosimendan
Monday, September 22, 2014 8:30 am EDT

MORRISVILLE, N.C.

- North American study is evaluating levosimendan in cardiac surgery patients at risk of developing low cardiac output syndrome (LCOS) –
- FDA has granted Fast Track status for levosimendan in LCOS, agreed to Phase 3 protocol design under SPA –
- Full data readout expected in first quarter of 2016 –

MORRISVILLE, N.C.--(BUSINESS WIRE [3])--Tenax Therapeutics, Inc. (NASDAQ: TENX), formerly Oxygen Biotherapeutics, Inc., a specialty pharmaceutical company focused on developing and commercializing a portfolio of products for the critical care market, today announced that the first patients have been enrolled in the LEVO-CTS Phase 3 trial designed to assess the benefits of levosimendan in cardiac surgery patients at risk of developing low cardiac output syndrome (LCOS).

"We are pleased to begin this important Phase 3 study, which has been designed in consultation with leading cardiovascular experts and investigators to provide a clear answer on the potential of levosimendan to prevent complications after high-risk cardiac surgery," said John Kelley, CEO of Tenax Therapeutics. "We look forward to working with our colleagues at Duke Clinical Research Institute and the other cardiac surgery centers and hospitals involved in the trial, as we continue to activate many additional clinical sites in the months ahead."

LEVO-CTS is a multi-center, double blind, randomized, placebo-controlled clinical trial that is testing the hypothesis that levosimendan reduces morbidity and mortality in cardiac surgery patients at risk for developing (LCOS). The U.S. Food and Drug Administration (FDA) has already granted Fast Track status for levosimendan in this LCOS indication, and agreed to the Phase 3 protocol design under Special Protocol Assessment (SPA) with guidance that this single successful trial will be sufficient to support approval.

"The LEVO-CTS trial design will test levosimendan in the prevention of LCOS in high-risk patients undergoing cardiac surgery – an area of high unmet medical need and one where several smaller published clinical trials have suggested potential benefit," said lead investigator John H. Alexander, M.D., MHS, Director of Cardiovascular Research, Duke Clinical Research Institute (DCRI). "We are pleased to be getting started with enrollment and are projected to have results in early 2016."

The LEVO-CTS trial is being led by DCRI and will take place at approximately 50 major cardiac surgery centers in North America. It is seeking to enroll 760 patients undergoing coronary artery bypass graft surgery or mitral valve surgery that are at risk for developing LCOS.

The trial is event-driven, and includes a review of the event rate after the first 200 patients have been randomized in the trial. Two interim analyses will test for efficacy or futility after 50% and 70% of the planned primary endpoint events have been recorded.

The full protocol for this trial has been published on *ClinicalTrials.gov* [4] (NCT02025621).

Oxygen Biotherapeutics Announces Halt of Oxycyte Phase IIb Traumatic Brain Injury Trial
Release Date: Thursday, September 11, 2014 5:30 pm EDT

MORRISVILLE, N.C.--(BUSINESS WIRE [1])--Oxygen Biotherapeutics, Inc. (NASDAQ: OXBT), a specialty pharmaceutical company focused on developing and commercializing a portfolio of products for the critical care market, today announced that the Company, with unanimous approval from the Board of Directors, has elected to stop the current Phase IIb trial for its Oxycyte drug candidate and consider strategic alternatives for the program moving forward. The company will review the data generated on the patients enrolled in the trial to date.

"With the difficulties we have had enrolling patients at the current Phase IIb clinical sites for Oxycyte, the Oxygen Board of Directors and management team has decided that completing this trial in a reasonable period of time is not feasible," said Dr. Ronald Blanck, Chairman of the Oxygen Board of Directors. "We will be considering strategic alternatives for Oxycyte moving forward."

Oxycyte, a proprietary perfluorocarbon (PFC) therapeutic oxygen carrier, was in clinical and preclinical studies for intravenous delivery in indications such as traumatic brain injury, decompression sickness and stroke. The current Phase IIb study was evaluating the safety and tolerability of Oxycyte in patients with severe non-penetrating traumatic brain injury (STOP-TBI).

The Company will be focusing resources on its lead critical care product, levosimendan, a calcium sensitizer in Phase 3 development in the United States for the reduction of morbidity and mortality in cardiac surgery patients at risk for developing Low Cardiac Output Syndrome (LCOS).

In July 2014, Oxygen initiated a Phase 3 trial in the United States to evaluate levosimendan in cardiac surgery patients at risk of developing LCOS. The FDA has granted Fast Track status for levosimendan in this indication.

Summary/Conclusion

TENX is beneficiary of a potentially very lucrative drug candidate that has been approved in approximately 50 countries globally but fortunately for this Company not yet in the U.S. or Canada. This, combined with a fast track approval for late stage clinical trials from FDA provide what we view as a better risk/reward profile than many clinical trials that have a much higher chance of abject failure and large financial loss. Naturally success will still come down to proper execution by management as well as all of the regular risk factors that can arise in the lifecycle of drug development and marketing.

The combination of factors in play here, prior approvals, a large unmet need with a sense of urgency, the potential for additional new products and expanded indications give TENX a chance to break out of the pack and move toward longer term success. There is clearly a large unment need and we see the operative factors involved conspiring to present a revenue opportunity north of $600mm by the time of anticipated full approvals in the 2017 timeframe. We are rating the shares OVERWEIGHT/BUY due to a large available market and approval in 50 countries worldwide. Looking at the current price to book and valuations on comparables we assign a price target of $12 which the Company should be able to grow into over 12-18 months based on clinical trial progress and continued industry growth.

Risk Factors

This is only a partial list of risks that should be considered by investors. Readers are advised to study the Company's filings with the Securities & Exchange Commission including but not limited to Forms 8K and 10K.

The following risk factors and other information contained in this report should be carefully considered. The risks and uncertainties described below are not the only ones the Company faces. Additional risks and uncertainties that are not currently known to TENX or that are currently deemed immaterial also may impair business operations. If any of the following risks actually occurs, the business, financial condition, and operating results could be materially adversely affected. In addition to the other information included in this report, the following factors should be considered in evaluating the business and future prospects.

Liquidity and Capital Resources

The Company has financed its operations since September 1990 through the issuance of debt and equity securities and loans from stockholders. It had $26,655,937 and $58,966,033 total current assets and working capital of $24,760,514 and $56,394,986 as of July 31, 2014 and April 30, 2014, respectively. Its practice is to invest excess cash, where available, in short-term money market investment instruments.

Cash resources including the fair value of available for sale marketable securities as of July 31, 2014 were approximately $56.4 million, compared to approximately $58.3 million as of April 30, 2014. Based on its resources at July 31, 2014,

and the current plan of expenditure on continuing development of the Company's current product candidates, the Company believes that it has sufficient capital to fund its operations through the fiscal year ending April 30, 2017. However, the Company will need substantial additional financing in order to fund its operations beyond such period and thereafter until it can achieve profitability, if ever. The Company depends on its ability to raise additional funds through various potential sources, such as equity and debt financing, or to license its product candidates to another pharmaceutical company. The Company will continue to fund operations from cash on hand and through sources of capital similar to those previously described. The Company cannot assure that it will be able to secure such additional financing, or if available, that it will be sufficient to meet its needs.

To the extent that the Company raises additional funds by issuing shares of its common stock or other securities convertible or exchangeable for shares of common stock, stockholders will experience dilution, which may be significant. In the event the Company raises additional capital through debt financings, the Company may incur significant interest expense and become subject to covenants in the related transaction documentation that may affect the manner in which the Company conducts its business. To the extent that the Company raises additional funds through collaboration and licensing arrangements, it may be necessary to relinquish some rights to its technologies or product candidates, or grant licenses on terms that may not be favorable to the Company. Any or all of the foregoing may have a material adverse effect on the Company's business and financial performance.

Government regulation

The manufacture and distribution of levosimendan and Oxycyte, as well as our other products, and the operation of our manufacturing facilities will require the approval of United States government authorities as well as those of foreign countries. In the United States, the FDA regulates medical products. The Federal Food, Drug and Cosmetic Act and the Public Health Service Act govern the testing, manufacture, safety, effectiveness, labeling, storage, record keeping, approval, advertising and promotion of our medical products. In addition to FDA regulations, we are also subject to other federal and state regulations, such as the Occupational Safety and Health Act and the Environmental Protection Act.
Product development and approval within this regulatory framework requires a number of years and involves the expenditure of substantial funds.

Risks Related to Financial Position and Need for Additional Capital

TENX has a limited operating history, and expects a number of factors to cause operating results to fluctuate on a quarterly and annual basis, which may make it difficult to predict future performance.

Company operations, to date, have been primarily limited to organizing and staffing the company, developing technology and undertaking preclinical studies and clinical trials of product candidates. TENX has not yet obtained regulatory approvals for any clinical product candidates. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if TENX had a longer operating history.

Specifically, the financial condition and operating results have varied significantly in the past and will continue to fluctuate from quarter-to-quarter and year-to-year in the future due to a variety of factors, many of which are beyond management control.
Factors relating to the business that may contribute to these fluctuations include the following factors among others:

- TENX ability to obtain additional funding to develop product candidates;
- the need to obtain regulatory approval of most advanced product candidates;
- potential risks related to any collaborations TENX may enter into for product candidates;
- delays in the commencement, enrollment and completion of clinical testing, as well as the analysis and reporting of results from such clinical testing;
- the success of clinical trials of Oxycyte and levosimendan product candidates or future product candidates;

Appendix

Our Rating System

We rate enrolled companies based on the appreciation potential we believe their shares represent, and the "riskiness" we perceive in our ratings. The business results of those companies "NOT RATED" are often highly dependent on some future event, such as FDA drug approval or the option of a new key technology.

Explanation of Ratings Issued by MRA Research

OVERWEIGHT/BUY	Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country Index average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis over the next 12-18 months.
EQUAL WEIGHT/HOLD	Equal-weight (E or Equal) - The stock's total return is expected to be in line with the total return of the relevant country Index or the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis over the next 12-18 months.
NOT RATED	Not-Rated (NR) - Currently the analyst does not have adequate conviction about the stock's total return relative to the relevant country Index or the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.
UNDERWEIGHT/SELL	Underweight (U or Under) - The stock's total return is expected to be below the total return of the relevant country's equity indices and/or the total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Analyst Certification

I, Michael Anderegg, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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