

BeyondSpring (NASDAQ/BYSI)

August 27, 2019

BUY: Head-Head: Plinabulin vs. Pegfilgrastim : QOL

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The results of a head-to-head clinical trial for Study BPI-2358-105, have been accepted as an abstract titled, "Quality of Life (QoL) in Advanced NSCLC Patients Treated with Docetaxel and with Either Plinabulin or Pegfilgrastim for the Prevention of Neutropenia." The poster (Abstract No. 2513) will be presented during the IASLC World Conference on Lung Cancer in Barcelona, Spain on September 8, 2019 from 9:45 a.m. - 6:00 p.m. local time.

Investment Highlights

How does Plinabulin compare to PEG in a head to head study? In the P2 portion of the P2/3 study, (a multicenter, randomized double-blind trial) where all patients received docetaxel 75 mg/m² on Day 1. Patients were randomly assigned one of three Plinabulin doses (5 mg/m² [n=14], 10 mg/m² [n=13] or 20 mg/m² [n=14]) given by IV infusion 30 minutes after chemotherapy over four cycles, or the standard dose (6 mg) of Pegfilgrastim on Day 2. QoL was assessed with the validated health-related questionnaires before dose on Day 1 of each of the four cycles, prior to the study and at the end of treatment.

The latest abstract reports that the 20 mg/m² Plinabulin dose demonstrated a significant improvement in the QoL over four treatment cycles for global health status (p-value < 0.0001), symptom scale (p-value < 0.009) and summary score (p-value < 0.02). Moreover, there were significant improvements in the QoL of patients for fatigue (p-value < 0.03), pain (p-value < 0.03) and insomnia (p-value < 0.05).

- Plinabulin, in contrast to Pegfilgrastim and other G-CSFs, does not produce bone pain, which remains an unaddressed patient complaint with the use of Pegfilgrastim monotherapy.

Conclusion: We believe Plinabulin represents a low risk / high reward opportunity for BeyondSpring.

Prophylactic Advantage in Fighting Neutropenia. Presently, the market for chemotherapy-induced neutropenia (CIN) is dominated by Neulasta and Neupogen. These biologics are primarily only offered to high-risk patients and must be administered over 24 hours post chemotherapy. Plinabulin is mechanistically different than Neulasta/Neupogen. It promotes anti-oncolytic effects and can be offered as soon as 30 minutes after chemo, establishing Plinabulin as a viable prophylactic treatment for CIN.

Platform Drug. Plinabulin is in multiple clinical trials to evaluate its utility in multiple indications. The drug offers breakthrough treatment for CIN prevention, shows signs for anti-cancer efficacy, and immune-related side effect reduction with a favorable adverse events profile. Two Phase 2/3 trials are evaluating the efficacy of Plinabulin and Plinabulin combined with G-CSF (granulocyte colony-stimulating factor) in the prevention of chemotherapy-induced neutropenia. A Phase 3 trial studying Plinabulin in combination with docetaxel for treatment of NSCLC is nearing a final readout. These clinical trials for the two most advanced indications are expecting NDA filings in China during 2H19 for NSCLC and CIN, and in the U.S. during 2020.

Current Price	\$16.00
Price Target	\$39.00

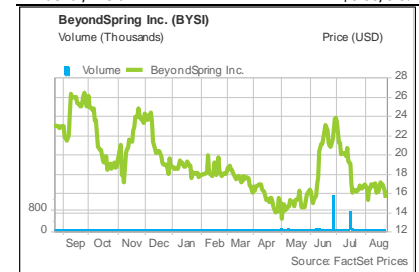
Estimates	F2019E	F2020E	F2020E
Expenses (\$000s)	\$ 45,000	\$ 57,736	\$ 68,001
1Q March	\$ 7,969	\$ 13,279	\$ 15,640
2Q June	\$ 10,800	\$ 13,857	\$ 16,320
3Q September	\$ 11,700	\$ 15,011	\$ 17,680
4Q December	\$ 14,531	\$ 15,589	\$ 18,360

Estimates	F2019E	F2020E	F2020E
EPS (diluted)	\$ (1.79)	\$ 1.73	\$ 7.22
1Q March	\$ (0.32)	\$ 0.45	\$ 1.66
2Q June	\$ (0.45)	\$ 0.40	\$ 1.73
3Q September	\$ (0.47)	\$ 0.43	\$ 1.88
4Q December	\$ (0.56)	\$ 0.45	\$ 1.95

EBITDA/Share	(\$1.83)	\$1.76	\$7.61
EV/EBITDA (x)	216	-225	-52

Stock Data		
52-Week Range	\$13.06	\$26.98
Shares Outstanding (mil.)	26.0	
Market Capitalization (mil.)	\$415	
Enterprise Value (mil.)	\$396	
Debt to Capital	0%	
Book Value/Share	\$1.20	
Price/Book		

Average Three Months Trading Volume (K)	22
Insider Ownership	69.3%
Institutional Ownership	8.9%
Short interest (mil.)	2.0%
Dividend / Yield	\$0.00/0.0%



Initiation - August 16, 2019 - Buy - Price Target \$39

Valuation. Our therapeutic models for Plinabulin go out to the year 2030. For modeling purposes, we use a 30% risk rate (r) in our Free Cash Flow to the Firm (FCFF), discounted EPS and Some-Of-The-Parts (SOP) models. Our price target is derived from these three models, equally weighting and averaged to the nearest whole number. The result is a one year price target of \$39.00 per share.

Risk to our thesis, include the following: (1) clinical trial; (2) commercial; (3) employee; (4) financial; (5) intellectual property; (6) partnership; and (7) regulatory. We review these and other risks in the risk section of this report.

Exhibit 1. Upcoming Catalysts for BeyondSpring Pharmaceuticals

Product	Geography	Indication	Event	Timeline	Impact
Plinabulin	China	CIN Study 105	Phase 3 final readout and China NDA filing	2H19	+++
Plinabulin	US	CIN Study 105	Phase 3 final readout and U.S. NDA filing	2020	+++
Plinabulin+G-CSF	China	CIN Study 106	Phase 2 final readout	2H19	++
Plinabulin+G-CSF	US	CIN Study 106	Phase 2 final readout	2020	++
Plinabulin+docetaxel	China	NSCLC (2nd/3rd line) Study 103	Phase 3 final readout and China NDA filing	2H19	+++
Plinabulin+docetaxel	US	NSCLC (2nd/3rd line) Study 103	Phase 3 final readout and China NDA filing	2020	++

Stock Significance Scale: + of moderate importance; ++ higher level; +++ very important

Source: Company reports and Dawson James forecasts

Exhibit 2. BeyondSpring Pipeline

	Program	Indication	Trial name	Preclinical	Phase 1	Phase 2	Phase 3	Commercial rights	China NDA filing	U.S. NDA filing
Late stage	Plinabulin + docetaxel	NSCLC (2 nd /3 rd line)	Study 103	Phase 3 first interim data analysis completed				Global ¹	Q4 2019/ Q1 2020	2020
	Plinabulin	CIN	Study 105	Phase 3 primary end point met at interim analysis				Global ¹	Q4 2019/ Q1 2020	2020
	Plinabulin + pegfilgrastim		Study 106	Phase 2 efficacy / safety end points met						
Investigator-initiated IO	Plinabulin + nivolumab	NSCLC (2 nd /3 rd line)	Fred Hutch/Univ. Washington/UCSD					Global ¹		
	Plinabulin + nivolumab + ipilimumab	SCLC	Rutgers University					Global ¹		
	Plinabulin + pembrolizumab + chemo	NSCLC (1 st line)	Johns Hopkins					Global ¹		
Other oncology pipeline	Ubiquitination platform	Target KRAS	Univ. Washington /NYU					Global		
	BPI-002	Oral CTLA-4 inhibitor						Global		
	BPI-003	IKK inhibitor						Global		
	BPI-004	Neo-antigen generator						Global		

Note: ¹ We own global rights to Plinabulin in all countries except China. In China, we currently own a 60% interest in our Chinese subsidiary, Wanchun Bulin, which owns a 100% interest in Plinabulin. Wanchun Bulin has entered into definitive agreements for the sale of equity interests to certain investors, which are expected to close in the near term. Upon closing, it is expected that we would hold 57.14% of Wanchun Bulin.

Source: BeyondSpring

MODELING ASSUMPTIONS

1. We assume Plinabulin will receive approval for both CIN and NSCLC in 2020 in both the U.S. and China for conservatism.
2. Based on the clinical profile of Plinabulin, we assume it will capture 5% of the U.S. market for CIN and 8% of the total CIN treatment market in China, given the competitions from current SOC and biosimilars coming to the market. However, our estimates could be proven conservative.
3. We assume a \$20,000 annual cost of treatment in the U.S. with a 2% price increase. We also assume a significant price reduction in China with no price increase as we expect Plinabulin will be included in the National Reimbursement List.
4. Our therapeutic model has not yet factored in potential revenues from Plinabulin in combination with Nivolumab given it is still in the early development stage.

Exhibit 3. Chemotherapy-Induced Neutropenia Market Model (U.S.)

2nd/3rd Line NSCLC (US)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Incidence of Lung Cancer (US)	224,731	225,854	226,983	228,118	229,259	230,405	231,557	232,715	233,879	235,048	236,223	237,404
Number of Cases NSCLC (87%)	195,516	196,493	197,476	198,463	199,455	200,453	201,455	202,462	203,474	204,492	205,514	206,542
Patients with second-line disease (80%)	156,412	157,195	157,981	158,770	159,564	160,362	161,164	161,970	162,780	163,593	164,411	165,233
Patients with measurable lesions (70%)	109,489	110,036	110,586	111,139	111,695	112,253	112,815	113,379	113,946	114,515	115,088	115,663
Patients with EGFR wild-type (85%)	93,065	93,531	93,998	94,468	94,941	95,415	95,893	96,372	96,854	97,338	97,825	98,314
Market Share		1%	3%	5%	7%	8%	9%	10%	11%	11%	11%	11%
Number of Patients Treated		935	2,820	4,723	6,646	7,633	8,630	9,637	10,654	10,707	10,761	10,815
Cost of Treatment		\$ 25,000	\$ 25,500	\$ 26,010	\$ 26,530	\$ 27,061	\$ 27,602	\$ 28,154	\$ 28,717	\$ 29,291	\$ 29,877	\$ 30,475
Increase in Price		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenues ('000)		23,383	71,909	122,856	176,316	206,561	238,214	271,326	305,950	313,630	321,502	329,571
Risk adjustment		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue ('000)		\$ 23,383	\$ 71,909	\$ 122,856	\$ 176,316	\$ 206,561	\$ 238,214	\$ 271,326	\$ 305,950	\$ 313,630	\$ 321,502	\$ 329,571

Source: Dawson James estimates

Exhibit 4. Chemotherapy-Induced Neutropenia Market Model (China)

Chemotherapy-Induced Neutropenia (US)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Patients receiving chemotherapy in the U.S.	656,516	659,799	663,098	666,413	669,745	673,094	676,460	679,842	683,241	686,657	690,091	693,541
Increase in Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
High/Moderate Risk of Neutropenia (90%)	590,865	593,819	596,788	599,772	602,771	605,785	608,814	611,858	614,917	617,992	621,082	624,187
Market Share		0.5%	1%	1.5%	2%	2.5%	3%	4%	5%	5%	5%	5%
Number of Patients Treated		2,969	5,968	8,997	12,055	15,145	18,264	24,474	30,746	30,900	31,054	31,209
Cost of Treatment		\$ 20,000	\$ 20,400	\$ 20,808	\$ 21,224	\$ 21,649	\$ 22,082	\$ 22,523	\$ 22,974	\$ 23,433	\$ 23,902	\$ 24,380
Increase in Price		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Revenues ('000)		59,382	121,745	187,201	255,866	327,860	403,308	551,241	706,346	724,076	742,250	760,880
Risk adjustment		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue ('000)		\$ 59,382	\$ 121,745	\$ 187,201	\$ 255,866	\$ 327,860	\$ 403,308	\$ 551,241	\$ 706,346	\$ 724,076	\$ 742,250	\$ 760,880

Source: Dawson James estimates

Exhibit 5. NSCLC Market Model (U.S.)

NSCLC (China)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Patients with lung cancer in China	831,765	858,381	885,849	914,197	943,451	973,641	1,004,798	1,036,951	1,070,134	1,104,378	1,139,718	1,176,189
Number of Cases NSCLC (80%)	665,412	686,705	708,679	731,357	754,761	778,913	803,838	829,561	856,107	883,502	911,774	940,951
Patients with second-line disease (80%)	532,329	549,364	566,944	585,086	603,809	623,130	643,071	663,649	684,886	706,802	729,420	752,761
Patients with measurable lesions (70%)	372,631	384,555	396,861	409,560	422,666	436,191	450,149	464,554	479,420	494,761	510,594	526,933
EGFR Wild Type (70%)	260,841	269,188	277,802	286,692	295,866	305,334	315,105	325,188	335,594	346,333	357,416	368,853
Market Share		1%	4%	5%	6%	7%	8%	9%	10%	10%	10%	10%
Number of Patients Treated		2,692	11,112	14,335	17,752	21,373	25,208	29,267	33,559	34,633	35,742	36,885
Cost of Treatment		\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Revenues ('000)		16,151	66,673	86,008	106,512	128,240	151,250	175,601	201,356	207,800	214,449	221,312
60% Ownership Interest		9,691	40,004	51,605	63,907	76,944	90,750	105,361	120,814	124,680	128,670	132,787
Risk adjustment		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue ('000)		\$ 9,691	\$ 40,004	\$ 51,605	\$ 63,907	\$ 76,944	\$ 90,750	\$ 105,361	\$ 120,814	\$ 124,680	\$ 128,670	\$ 132,787

Source: Dawson James estimates

Exhibit 6. NSCLC Market Model (China)

NSCLC (China)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Incidence of cancer in China	4,378,269	4,422,052	4,466,272	4,510,935	4,556,044	4,601,605	4,647,621	4,694,097	4,741,038	4,788,449	4,836,333	4,884,696
Increase in Incidence	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Patients Undergoing Chemotherapy (25%)	1,094,567	1,105,513	1,116,568	1,127,734	1,139,011	1,150,401	1,161,905	1,173,524	1,185,260	1,197,112	1,209,083	1,221,174
High/Moderate Risk of Neutropenia (90%)	985,111	994,962	1,004,911	1,014,960	1,025,110	1,035,361	1,045,715	1,056,172	1,066,734	1,077,401	1,088,175	1,099,057
Market Share		0.5%	2%	4%	5%	6%	7%	8%	8%	8%	8%	8%
Number of Patients Treated		4,975	20,098	30,449	41,004	51,788	62,743	73,932	85,339	86,192	87,054	87,925
Cost of Treatment		\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Revenues ('000)		29,849	120,589	182,693	246,026	310,608	376,457	443,592	512,032	517,152	522,324	527,547
60% Ownership Interest		17,909	72,354	109,616	147,616	186,365	225,874	266,155	307,219	310,291	313,394	316,528
Risk adjustment		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Revenue ('000)		\$ 17,909	\$ 72,354	\$ 109,616	\$ 147,616	\$ 186,365	\$ 225,874	\$ 266,155	\$ 307,219	\$ 310,291	\$ 313,394	\$ 316,528

Source: Dawson James estimates

Valuation. Our therapeutic model assumes Plinabulin launches in both the U.S. and China in 2020. We assume modest market share numbers, but these could prove to be conservative. We apply a 30% discount rate (r) in our FCFF, discounted EPS and sum-of-the-parts (SOP) models. For cash flow positive companies with high visible earnings we typically use 10% but for companies dependent on one product, not yet approved, we use the higher rate, 30%. Our three valuation models are equal weighted and averaged and rounded to the nearest whole number to derive our \$39.00 price target.

Exhibit 7. Free Cash Flow Model.

Average	39
Price Target	54
Year	2020

DCF Valuation Using FCF (mln):

Units ('000)	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
EBIT	(45,000)	52,628	238,010	390,380	544,932	683,390	827,590	1,039,751	1,261,181	1,290,093	1,319,709	1,350,047
Tax Rate	0%	2%	5%	5%	10%	18%	28%	29%	30%	32%	32%	32%
EBIT (1-t)	(45,000)	51,576	226,109	370,861	490,439	560,380	595,865	738,223	882,827	877,263	897,402	918,032
CapEx	(92)	(101)	(111)	(122)	(135)	(148)	(163)	(179)	(197)	(9)	(57)	(194)
Depreciation	46	55	66	80	96	115	138	165	198	119	97	163
Change in NWC												
FCF	(45,046)	51,530	226,064	370,818	490,400	560,346	595,840	738,209	882,828	877,373	897,442	918,001
PV of FCF	(58,560)	51,530	173,896	219,419	223,213	196,193	160,477	152,939	140,693	107,557	84,628	66,590
Discount Rate		30%										
Long Term Growth Rate		1%										
Terminal Cash Flow	3,197,178											
Terminal Value YE2030	231,917											
NPV	1,750,492											
NPV-Debt												
Shares out ('000)	32,441	2030E										
NPV Per Share	54											

Source: Dawson James estimates

Exhibit 8. Discounted-EPS Model.

Current Year	2020
Year of EPS	2030
Earnings Multiple	15
Discount Factor	30%
Selected Year EPS	28
NPV	30

Source: Dawson James estimates

		Discount Rate and Earnings Multiple Varies, Year is Constant					
		5%	10%	15%	20%	25%	30%
Earnings Multiple	1	17.12	10.75	6.89	4.50	2.99	2.02
	5	85.59	53.75	34.46	22.52	14.97	10.11
	10	171.17	107.50	68.92	45.03	29.94	20.23
	15	256.76	161.25	103.38	67.55	44.91	30.34
	20	342.35	215.00	137.84	90.06	59.88	40.45
	25	427.94	268.75	172.30	112.58	74.85	50.56
	30	513.52	322.50	206.76	135.10	89.82	60.68
	35	599.11	376.25	241.23	157.61	104.79	70.79

Exhibit 9. Sum-of-the-Parts Model.

BeyondSpring Pharmaceuticals	LT Gr	Discount Rate	Yrs to Mkt	% Success	Peak Sales (MMs)	Term Val
Plinabulin NSCLC (US)	1%	30%	2	70%	\$330	\$1,136
NPV						\$6
Plinabulin Chemo-Induced-Neutropenia (US)	1%	30%	1	70%	\$761	\$2,624
NPV						\$17
Plinabulin NSCLC (China)	1%	30%	2	70%	\$133	\$458
NPV						\$2
Plinabulin Chemo-Induced-Neutropenia (China)	1%	30%	1	70%	\$317	\$1,091
NPV						\$7
Net Margin						40%
MM Shrs OS (2030E)						32
Total						\$33

Source: Dawson James estimates

Risk Analysis

Investment Risk: BeyondSpring is an early stage biotechnology company currently with a high expenditures rate and no revenues. A significant element of the company's valuation is associated with its lead clinical candidate Plinabulin. As such, clinical progress with this compound represents the key risk for the company and shareholders.

Clinical and Regulatory Risk: There are no assurances that BeyondSpring's products will be approved in China, the U.S., or other markets.

Commercial Risk: There can be no assurances that the pipeline products will be commercialized, and even if they receive regulatory approval, there is a risk that BeyondSpring will not be able to secure a commercial partner in the China market or launch Plinabulin successfully through its own sales force in China.

Financial Risk: BeyondSpring has a high burn rate and is currently not a profitable company. The company is likely to raise additional capital. There can be no promises that the company will be able to raise the needed capital or that the terms of such, are favorable.

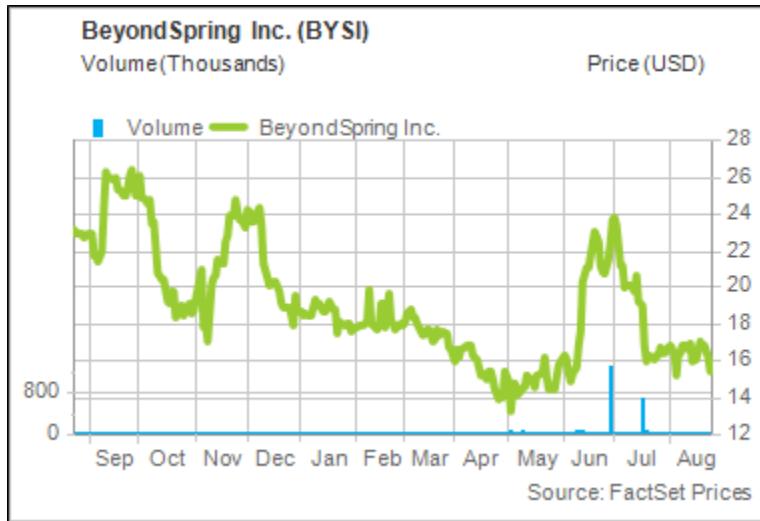
Exhibit 10. Income Statement

BeyondSpring Pharmaceuticals: Income Statement (\$'000)																						
YE December 31	2018A	1Q19A	2Q19E	3Q19E	4Q19E	2019E	1Q20E	2Q20E	3Q20E	4Q20E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	
Revenue:																						
Revenue from NSCLC (US)	-	-	-	-	-	-	5,378	5,612	6,079	6,313	23,383	71,909	122,856	176,316	206,561	238,214	271,326	305,950	313,630	321,502	329,571	
Revenue from Chemotherapy-Related Neutropenia (US)	-	-	-	-	-	-	13,658	14,252	15,439	16,033	59,382	121,745	187,201	255,866	327,860	403,308	551,241	706,346	724,076	742,250	760,880	
Revenue from NSCLC (China)	-	-	-	-	-	-	2,229	2,326	2,520	2,617	9,691	40,004	51,605	63,907	76,944	90,750	105,361	120,814	124,680	128,670	132,787	
Revenue from Chemotherapy-Related Neutropenia (China)	-	-	-	-	-	-	4,119	4,298	4,656	4,836	17,909	72,354	109,616	147,616	186,365	225,874	266,155	307,219	310,291	313,394	316,528	
Total Product Sales	-	-	-	-	-	-	25,384	26,488	28,695	29,798	110,365	306,011	471,277	643,705	797,731	958,147	1,194,083	1,440,330	1,472,676	1,505,816	1,539,767	
Total royalties, collaborative revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue	-	-	-	-	-	-	25,384	26,488	28,695	29,798	110,365	306,011	471,277	643,705	797,731	958,147	1,194,083	1,440,330	1,472,676	1,505,816	1,539,767	
Expenses:																						
Costs of Goods Sold	-	-	-	-	-	-	2,538	2,649	2,869	2,980	11,036	30,601	47,128	64,370	79,773	95,815	119,408	144,033	147,268	150,582	153,977	
%COGS							10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Research and Development	51,618	6,330	8,400	9,100	11,170	35,000	7,521	7,848	8,502	8,829	32,700	22,000	17,600	17,424	17,250	17,077	16,906	16,737	16,570	16,404	16,240	
%R&D	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
General and Administrative	5,927	1,639	2,400	2,600	3,361	10,000	3,220	3,360	3,640	3,780	14,000	15,400	16,170	16,979	17,318	17,664	18,018	18,378	18,746	19,121	19,503	
%SG&A	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Total Expenses	57,545	7,969	10,800	11,700	14,531	45,000	13,279	13,857	15,011	15,589	57,736	68,001	80,898	98,773	114,341	130,556	154,333	179,148	182,583	186,106	189,720	
Operating Income (Loss)	(57,545)	(7,969)	(10,800)	(11,700)	(14,531)	(45,000)	12,104	12,631	13,683	14,210	52,628	238,010	390,380	544,932	683,390	827,590	1,039,751	1,261,181	1,290,093	1,319,709	1,350,047	
Foreign exchange gain (loss), net	(455)	173																				
Interest income	211	6																				
Interest expense	315	(37)																				
Loss on disposal of property and equipment																						
Net loss on equity method investment																						
Total Other Income	71	142	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Pretax Income	(57,474)	(7,827)	(10,800)	(11,700)	(14,531)	(45,000)	12,104	12,631	13,683	14,210	52,628	238,010	390,380	544,932	683,390	827,590	1,039,751	1,261,181	1,290,093	1,319,709	1,350,047	
Non Controlling Interest																						
Income tax benefit	-	-	-	-	-	-	242	253	274	284	1,053	11,900	19,519	54,493	123,010	231,725	301,528	378,354	412,830	435,504	445,516	
Tax Rate							2%	2%	2%	2%	2%	5%	5%	10%	18%	28%	29%	30%	32%	33%	33%	
GAAP Net Income (Loss)	(57,474)	(7,827)	(10,800)	(11,700)	(14,531)	(45,000)	11,862	12,378	13,410	13,925	51,576	226,109	370,861	490,439	560,380	595,865	738,223	882,827	877,263	884,205	904,532	
Net loss attributable to noncontrolling interests	(2,605)	(534)																				
GAAP Net Income (Loss)	(54,869)	(7,293)	(10,800)	(11,700)	(14,531)	(45,000)	11,862	12,378	13,410	13,925	51,576	226,109	370,861	490,439	560,380	595,865	738,223	882,827	877,263	884,205	904,532	
GAAP-EPS	(2.42)	(0.32)	(0.45)	(0.47)	(0.56)	(1.83)	0.45	0.40	0.43	0.45	1.72	7.23	11.80	15.55	17.69	18.74	23.12	27.54	27.26	27.37	27.88	
GAAP-EPS (Dil)	(2.42)	(0.32)	(0.45)	(0.47)	(0.56)	(1.83)	0.45	0.40	0.43	0.45	1.72	7.23	11.80	15.55	17.69	18.74	23.12	27.54	27.26	27.37	27.88	
Wgtd Avg Shrs (Bas) - '000s	22,665	23,029	24,052	25,076	26,102	24,565	26,128	31,154	31,185	31,216	29,921	31,294	31,420	31,545	31,672	31,799	31,926	32,054	32,182	32,311	32,441	
Wgtd Avg Shrs (Dil) - '000s	22,665	23,029	24,052	25,076	26,102	24,565	26,128	31,154	31,185	31,216	29,921	31,294	31,420	31,545	31,672	31,799	31,926	32,054	32,182	32,311	32,441	

Source: Dawson James estimates

Important Disclosures:

Price Chart:



Price target and ratings changes over the past three years:

Initiated – Buy – August 16, 2019 – Price Target \$26.00

Update – Buy – August 27, 2019 – Price Target \$26.00

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- 1) **Buy:** the analyst believes the price of the stock will appreciate and produce a total return of at least 20% over the next 12-18 months;
- 2) **Neutral:** the analyst believes the price of the stock is fairly valued for the next 12-18 months;
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The following chart reflects the range of current research report ratings for all companies followed by the analysts of the Firm. The chart also reflects the research report ratings relating to those companies for which the Firm has performed investment banking services.

Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	45	85%	13	29%
Market Perform (Neutral)	8	15%	0	0%
Market Underperform (Sell)	0	0%	0	0%
Total	53	100%	13	25%

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