UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 0-26824

COLLABRX, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**68-0370244**
(State or Other Jurisdiction of Incorporation or Organization)	***(I.R.S. Employer Identification No.)***

44 Montgomery Street, Suite 800
San Francisco, California 94104
(Address of Principal Executive Offices)

(415) 248-5350
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports) and (2) has been subject to such filing requirements for the past 90 days. Yes☑ No☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of February 11, 2015, there were 3,174,918 shares of the Registrant's common stock outstanding.

COLLABRX, INC.

INDEX

PART I — FINANCIAL INFORMATION

Item 1. ***Condensed Consolidated Financial Statements (Unaudited)***

COLLABRX, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share data)

	December 31, 2014	March 31, 2014 *
ASSETS		
Current assets:		
Cash and cash equivalents	$ 193	$ 1,430
Accounts receivable	47	148
Prepaid expenses and other current assets	166	183
Deferred financing costs	--	162
Investment in convertible promissory note	399	378
Total current assets	805	2,301
Property and equipment, net	117	130
Intangible assets, net	1,125	1,281
Goodwill	603	603
Total assets	$ 2,650	$ 4,315
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 175	$ 136
Accrued compensation	155	119
Promissory note payable, current	208	--
Deferred revenue	72	108
Liabilities of discontinued operations	-	5
Total current liabilities	610	368
Deferred tax liability	438	500
Promissory notes payable	317	509
Other long-term liabilities	13	13
Total liabilities	1,378	1,390
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, $0.01 par value; 5,000,000 shares authorized; none issued and outstanding		
Common stock, $0.01 par value; 50,000,000 shares authorized; 2,931,621 and 2,005,187 shares issued and outstanding at December 31, 2014 and March 31, 2014 respectively	29	20
Additional paid-in capital	132,720	130,994
Accumulated deficit	(131,477)	(128,089)
Total stockholders' equity	1,272	2,925
Total liabilities and stockholders' equity	$ 2,650	$ 4,315

* Derived from the Company's audited consolidated financial statements.
See accompanying notes to condensed consolidated financial statements.

COLLABRX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2013	2014	2013
Revenue	$ 94	$ 56	$ 334	$ 577
Cost of revenue	18	104	54	140
Gross profit/(loss)	76	(48)	280	437
Operating expenses:				
Engineering	475	473	1,556	1,199
Research and development	1	21	83	234
Sales and marketing	68	57	221	196
General and administrative	672	422	1,869	1,410
Total operating expenses	1,216	973	3,729	3,039
Operating loss	(1,140)	(1,021)	(3,449)	(2,602)
Other income/(expense), net	(4)	7	5	33
Loss before income tax benefit	(1,144)	(1,014)	(3,444)	(2,569)
Income tax benefit, net	(20)	(20)	(56)	(61)
Loss from continuing operations	(1,124)	(994)	(3,388)	(2,508)
Gain on sale of discontinued operations, net of taxes	--	--	--	267
Loss from discontinued operations, net of taxes	--	(10)	--	(122)
Net income/(loss) from discontinued operations, net of taxes	--	(10)	--	145
Net loss	$ (1,124)	$ (1,004)	$ (3,388)	$ (2,363)
Net loss per share from continuing operations:				
Basic and diluted	$ (0.38)	$ (0.51)	$ (1.37)	$ (1.28)
Net income/(loss) per share from discontinued operations:				
Basic and diluted	$ -	$ -	$ -	$ 0.07
Net loss per share:				
Basic and diluted	$ (0.38)	$ (0.51)	$ (1.37)	$ (1.21)
Weighted-average shares used in per share computation:				
Basic and diluted	2,932	1,963	2,478	1,955

See accompanying notes to condensed consolidated financial statements.

COLLABRX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Nine Months Ended December 31, 2014	2013
Cash flows from operating activities:		
Net loss	$ (3,388)	$ (2,363)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	365	272
Fair value adjustment of common stock warrants	--	(10)
Depreciation	30	24
Amortization of intangible assets	156	156
Accrued interest on convertible promissory note	(21)	(25)
Deferred taxes	(62)	(61)
Accrued interest on promissory note payable	16	4
Changes in operating assets and liabilities:		
Accounts receivable	101	195
Prepaid expenses and other current assets	17	(62)
Deferred financing costs	162	(129)
Accounts payable and accrued expenses	39	133
Accrued compensation	36	67
Deferred revenue	(36)	--
Current assets and liabilities from discontinued operations, net	(5)	143
Net cash used in operating activities	(2,590)	(1,656)
Cash flows from investing activities:		
Acquisition of property and equipment	(17)	(17)
Net cash used in investing activities	(17)	(17)
Cash flows from financing activities:		
Proceeds from at-the-market facility	23	--
Proceeds from sale of common stock, net of expenses of $480	1,347	--
Net cash provided by financing activities	1,370	--
Net decrease in cash and cash equivalents	(1,237)	(1,673)
Cash and cash equivalents, beginning	1,430	4,039
Cash and cash equivalents, ending	$ 193	$ 2,366
Supplemental disclosure of non-cash activities:		
Shares issued in CollabRx acquisition	$ --	$ 932
Note receivable used as consideration for CollabRx acquisition	$ --	$ 300
Promissory Note issued in CollabRx acquisition	$ --	$ 500
Fair value of assets acquired in CollabRx acquisition	$ --	$ 2,253
Liabilities assumed in CollabRx acquisition	$ --	$ 997

See accompanying notes to condensed consolidated financial statements.

COLLABRX, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(All amounts in thousands, except share and per share data, unless otherwise noted)

1. Description of Business and Summary of Significant Accounting Policies:

CollabRx, Inc., a Delaware corporation ("CollabRx," the "Company" or "we," "us," or "our"), is the renamed Tegal Corporation, ("Tegal"), which acquired a private company of the same name on July 12, 2012. Following approval by its stockholders on September 25, 2012, Tegal amended its charter and changed its name to "CollabRx, Inc." (the "Name Change").

Tegal was formed in December 1989 to acquire the operations of the former Tegal Corporation, a division of Motorola, Inc. Tegal's predecessor company was founded in 1972 and acquired by Motorola, Inc. in 1978. Tegal completed its initial public offering in October 1995.

CollabRx offers cloud-based expert systems that provide clinically relevant interpretive knowledge to institutions, physicians, researchers and patients for genomics-based medicine in cancer to inform health care decision-making. With access to approximately 75 clinical and scientific advisors at leading academic institutions and a suite of tools and processes that combine artificial intelligence-based analytics with proprietary interpretive content, the Company is well positioned to participate in the value-added "big data" opportunity in the U.S. health care. We use the term "cloud" to mean a product or service that can be delivered via the Internet, usually on a pay-for-use or subscription basis, versus the purchase and installation of enterprise-based software, which typically requires investments in both software and hardware, often also requiring large-scale customization efforts. The Company uses the term "big data" to refer to datasets whose size is beyond the ability of typical database software tools to capture, store, manage, and analyze.

The Company searches publicly available databases as source documents for our knowledge base. Such databases include those that are available, either free or on a commercial basis, in the areas of clinical trials, drugs, investigational compounds, biomarkers, bioinformatics, cancer ontology and literature. The Company then aggregates, annotates and integrates these datasets for the purpose of defining the relationship of biomarkers to therapeutic strategies, drugs and clinical trials. None of the individual databases the Company utilizes as sources provide information on the interrelationships of these discrete elements. In addition, CollabRx has developed a process for incorporating the guidance of our network of physician and research advisors in the selection of the most relevant data for specific diagnoses, histopathology data, prior treatments and biomarkers. The result of this software- and expert-assisted process is proprietary content incorporated into our knowledge base which includes decision rules, succinct statements of therapeutic strategy and a comprehensive listing of appropriate drugs and clinical trials, all related to specific aberrations which might be observed in connection with genomic testing.

Although the process and results are proprietary, the Company always refers to the relevant source documentation that provides the support for the identification of an actionable biomarker, typically a peer-reviewed, published paper. In this way, the Company avoids the "black-box algorithm problem", which is prevalent in other companies' predictive analytical models, but is not currently a trusted methodology in medical practice. Our proprietary content is incorporated into our knowledge base, which is updated regularly with the assistance of a large network of independent advisors, and which forms the basis for all our products and services. Our knowledge base contains no individual patient data, nor do our processes for providing related content include the review by our network of independent experts of any individual test data.

Our knowledge base informs two distinctly different products and services.

Genetic Variant Annotation™ Service. The "Genetic Variant Annotation" or "GVA" is a service offered to diagnostic testing laboratories, including academic medical centers and commercial laboratories. Our lab customers provide us with a test result, usually in the form of an electronic file that represents the results of a genomic test, typically from a "Next Generation Sequencing" ("NGS"), micro-array or similar testing platform. The test results provided to us contain no patient-identifiable information. The Company analyzes the test results for the purpose of identifying those genetic alterations which the Company has annotated in advance as being "actionable" (i.e., related to a therapeutic strategy). The Company provides the testing lab with a report, incorporating information regarding identified biomarkers and associated therapeutic strategies for each, along with relevant drugs and clinical trials, to a level and in a format that the Company has agreed in advance with our customer. The Company is compensated for this service either on a per-test or on a volume-adjusted subscription basis. This service is not available to the public and is not available on our website.

Therapy Finder Products. Our Therapy Finder™ products are a series of cancer-specific, web-based and mobile apps which are accessed by physicians and patients, usually in the physician's office. After indicating a number of pre-set options related to stage of cancer, histopathology, prior treatments and presence of biomarkers on an input page, the physician is presented with a results page which explains the role of the biomarker, identifies a possible therapeutic strategy for that particular set of inputs, along with tabs associated with searchable lists of relevant drugs and clinical trials. Therapy Finders are an interactive, informational and educational resource for both physicians and patients, and can be used for decision-support. They neither contain nor store any patient identifiable information. The advisors associated with the development and updating of each app are prominently featured. The development and distribution of Therapy Finders is partially supported by sponsorships and advertising revenue. They are available free of charge through both a commercial channel (in association with MedPage Today, a property of on-line media company, Everyday Health, Inc.) and on our company website. Our aim is to make this tool available as widely as possible, through as many channels as possible, to help community physicians understand the relevance of biomarker testing and the availability of potential therapies for their advanced cancer patients.

Recently, the Company redesigned its Therapy Finders so that they could be accessed by physicians using the iOS operating system from Apple, Inc. via an iPhone or an iPad, and have named this mobile application "CancerRx." CancerRx was co-developed with MedPage Today of Everyday Health, Inc., with the ownership of the application retained by CollabRx. A special feature of CancerRx is a daily oncology newsfeed from MedPage Today, all with real-time over the air updates. Our agreement with MedPage Today has each side absorbing its own costs for the development, but sharing the gross advertising, sponsorship and data analytics revenues associated with the app. The Company officially launched CancerRx on May 28, 2014 in connection with the 2014 American Society of Clinical Oncology (ASCO) meeting.

The Company intends to pursue collaborative arrangements with other companies and entities that provide contract research services to oncology practices, conduct in-house clinical and translational research, collect information on patient outcomes and link this information to genetic sequencing data, and calculate the relative costs and benefits associated with different diagnostic tests and therapies. The Company expects such efforts to lead to novel insights and advances to improve the quality of cancer care and reduce the costs of delivering it. The physicians and researchers within our network of advisors have agreed to participate in our efforts for an indefinite term, on an uncompensated basis, and without a formal agreement. The board assignments, biographies and current affiliations of all of our advisors are posted on our website.

The Company's condensed consolidated financial statements contemplate the realization of assets and the satisfaction of liabilities in the normal course of business for the foreseeable future. The Company incurred net losses of $3,388 and $2,363 for the nine months ended December 31, 2014 and 2013, respectively. The Company used $2,590 and $1,656 of cash in operating activities for the nine months ended December 31, 2014 and 2013, respectively. The Company's existing cash and cash equivalents were adequate to fund the Company's operations requirements and obligations through the third quarter of its fiscal year 2015. However, the Company does not have sufficient cash balances to fund future operations. As a result, over the past year it has been pursuing several alternative financing sources to continue operations.

On December 6, 2014, CollabRx, and Medytox Solutions, Inc. ("Medytox") entered into a non-binding letter of intent for a potential business combination between the companies (the "Letter of Intent"). The business combination is subject to, among other things, due diligence, the execution of a definitive agreement, necessary board of director and stockholder approvals and other customary conditions. We cannot assure you that Medytox and CollabRx will enter into a definitive agreement and, if such definitive agreement is entered into, that the contemplated business combination will be consummated.

Pursuant to the Letter of Intent, Medytox agreed to advance certain funding to CollabRx in contemplation of the business combination. On January 16, 2015, CollabRx entered into a Loan and Security Agreement (the "Loan Agreement") with Medytox, pursuant to which it is contemplated that Medytox will loan up to $2,396 to the Company. Medytox is a holding company that owns and operates businesses in the medical services sector. Its principal line of business is clinical laboratory blood and urine testing services, with a particular emphasis in the provision of urine drug toxicology and comprehensive pain medication monitoring programs to physicians, clinics and rehabilitation facilities in the United States.

The Company intends to use the proceeds from the Loan Agreement for working capital and general corporate purposes. Amounts borrowed by CollabRx under the Loan Agreement will accrue simple interest at the rate of fifteen percent (15.0%) per annum. As of February 10, 2015, CollabRx had borrowed $551 under the Loan Agreement. The making of additional advances to the Company under the Loan Agreement is completely discretionary on the part of Medytox. All amounts borrowed under the Loan Agreement mature on December 31, 2015. Upon the occurrence of an event of default under the Loan Agreement, all or a portion of the then outstanding principal and accrued interest under the Loan Agreement is convertible, in the discretion of Medytox, into shares of common stock, $0.01 par value per share of CollabRx at a conversion price equal to the lower of (i) $0.85 or (ii) the average of the bid and ask prices of the Common Stock on the trading day immediately prior to the date of conversion; provided, however, that the maximum number of shares issuable to Medytox is 14.9% of the number of shares of Common Stock then outstanding. CollabRx has agreed to secure the payment and performance of its obligations under the Loan Agreement by the grant of a security interest in all of its assets.

The Loan Agreement includes representations and warranties of the parties, covenants and agreements regarding the operation of the business of CollabRx while amounts are outstanding under the Loan Agreement, and indemnification provisions in the event of a breach of a representation, warranty, covenant or agreement contained in the Loan Agreement.

Also on January 16, 2015, CollabRx entered into an Agreement (the "Agreement") with Medytox. Pursuant to the Agreement, CollabRx agreed that in the event it enters into a merger or other sale transaction involving at least thirty-five percent (35.0%) of its shares or assets with a party other than Medytox, CollabRx will pay Medytox a $1,000 fee (the "Fee"). Notwithstanding the foregoing, no Fee will be payable to Medytox in the event (i) Medytox has not provided funding to CollabRx of at least $500 pursuant to the Loan Agreement or (ii) Medytox has not funded an advance requested by CollabRx under the Loan Agreement, subject to certain exceptions.

On November 18, 2014, CollabRx, was notified by Nasdaq that the bid price of the Company's common stock closed below the minimum $1.00 per share requirement for continued inclusion under Marketplace Rule 4310(c)(4). In accordance with Marketplace Rule 4310(c)(8)(D), the Company has180 calendar days, or until May 18, 2015, to regain compliance. If at any time before May 18, 2015, the bid price of the Company's common stock closes at $1.00 per share or more for a minimum of 10 consecutive business days, the Company will regain compliance with the Rule. If the Company does not regain compliance by May 18, 2015, an additional 180 days will be granted to regain compliance, so long as the Company meets The Nasdaq Capital Market initial listing criteria (except for the bid price requirement).

On November 20, 2014, CollabRx, was notified by Nasdaq that the shareholders' equity balance reported on its last Quarterly Report filed with the Securities and Exchange Commission on November 14, 2014 for its fiscal year 2015's second quarter fell below the $2,500 minimum requirement for continued listing under the Nasdaq Capital Market's Listing Rule 5550(b)(1).

On January 20, 2015, CollabRx announced that it received a letter from the NASDAQ Listing Qualifications Staff indicating that, unless the Company timely requests a hearing before the NASDAQ Listing Qualifications Panel (the "Panel"), the Company's securities would be delisted from The NASDAQ Capital Market due to the Company's non-compliance with NASDAQ Listing Rule 5550(b)(1). The Company timely requested a hearing before the Panel, at which hearing the Company will present its plan to evidence compliance with the Rule, which requires the Company to maintain a minimum of $2,500 in stockholders' equity. The Company's common stock will continue to trade on The NASDAQ Capital Market under the symbol "CLRX" pending completion of the hearing process and the expiration of any extension period granted by the Panel. The hearing has been scheduled for February 19, 2015.

The Company continues to incur recurring losses from operations. Even though the Company has entered into the aforementioned agreement with Medytox, it must still prove its ability to generate sufficient levels of cash from its operations. The Company expects to continue to finance future cash needs through the Loan Agreement with Medytox and the proposed business combination, if completed,may provide financing that will sustain the Company's operations until the Company can achieve profitability and positive cash flows. However, the perception that the Company may not be able to continue as a going concern may cause others to choose not to pursue a business relationship with us due to concerns about our ability to meet our contractual obligations and may adversely affect our ability to raise additional capital. These conditions may raise substantial doubt about the Company's ability to continue as a going concern.

If the Company is not able to achieve profitability and positive cash flows, the Company may not be able to continue the operation of its business.

Discontinued Operations

The Company sold its remaining patents relating to its discontinued semiconductor capital equipment business in fiscal year 2014. With this sale and the closure of the former Tegal's foreign subsidiaries, also in the prior fiscal year, the Company has no other activities or assets related to discontinued operations.

Basis of Presentation

In the opinion of management, the unaudited condensed consolidated financial statements have been prepared on the same basis as the March 31, 2014 audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary to fairly state the information set forth herein. The financial statements have been prepared in accordance with the regulations of the Securities and Exchange Commission ("SEC"), but omit certain information and footnote disclosures necessary to present the financial statements in accordance with GAAP. The accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty, and contemplate the realization of assets and the settlement of liabilities and commitments in the normal course of business. The accompanying condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2014, filed on June 9, 2014. The results of operations for the three and nine months ended December 31, 2014 are not necessarily indicative of results to be expected for the entire year.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of the Company during the period from transactions and other events and circumstances, excluding transactions resulting from investments by owners and other distributions to owners. For the three and nine months ended December 31, 2014 and 2013, respectively, the Company had no items of other comprehensive loss. Therefore the net loss equals the comprehensive loss for each of the three and nine months then ended.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could vary from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash investments. The Company's accounts receivable balance is also subject to credit risk. Substantially all of the Company's cash equivalents are invested in money market funds. The Company's accounts receivable are derived primarily from sales to customers located in the United States. The Company performs ongoing credit evaluations of its customers and generally requires no collateral. The Company no longer maintains reserves for potential credit losses. There have been no write-offs during the periods presented.

For the three months ended December 31, 2014, four customers accounted for 27.7%, 26.5%, 15.2% and 14.9%, respectively, of the Company's revenue. For the nine months ended December 31, 2014, five customers accounted for 20.0%, 17.9%, 15.0%, 15% and 11.7%, respectively, of the Company's revenue. For the three and nine months ended December 31, 2013, one customer accounted for 89.8% and 86.7%, respectively, of the Company's revenue.

Life Technologies, Inc. had been a major contributor to our revenue and gross profit in the past, however, the Company has funded its operating expenses primarily with prior cash on hand, the net proceeds from the sale of discontinued assets, as disclosed in prior filings, and its recent follow-on public offering of stock. The Company is actively engaged in negotiations with several other companies who are interested in purchasing our content on similar terms or under annual subscriptions or software-as-a-service ("SaaS") arrangements.

For the three months ended December 31, 2014, one customer accounted for 77.8% of the balance in accounts receivable. One customer accounted for 90.9% of the balance in accounts receivable for the three months ended December 31, 2013. The Company sold the last two patent lots of our NLD portfolio for approximately $365 in the second quarter of the prior fiscal year. The related accounts receivable were recorded in other assets of discontinued operations.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments having a maturity of three months or less on the date of purchase to be cash equivalents.

As of December 31, 2014 and March 31, 2014, all of the Company's cash equivalents are included as Level 1 assets on the fair value hierarchy, and were held in the form of money market funds in the condensed consolidated balance sheets.

Promissory Notes Payable

On July 12, 2012, Tegal completed the acquisition of CollabRx. As part of the purchase price, Tegal issued promissory notes in the amount of $500 in exchange for existing CollabRx indebtedness. The principal amount of the promissory notes is payable in equal installments on the third, fourth and fifth anniversaries of the date of issuance, along with the accrued but unpaid interest as of such dates.

Investment in Convertible Promissory Note

On November 22, 2011, the Company completed a $300 strategic investment in NanoVibronix, Inc., ("NanoVibronix") a private company that develops medical devices and products that implement its proprietary therapeutic ultrasound technology. The Company's investment in NanoVibronix was in the form of a convertible promissory note that bears interest at a rate of 10% per year compounded annually, which matured on November 15, 2014. Our investment was intended to precede a possible merger of the two companies. However, those discussions were terminated by mutual agreement between the parties and NanoVibronix, Inc. continues to operate as a private company as of December 31, 2014. NanoVibronix has filed a registration statement with the Securities and Exchange Commission in connection with a proposed initial public offering. If the offering is completed, the Convertible Promissory Note will be converted into common stock of NanoVibronix. In addition, should NanoVibronix, Inc. become a public company, the Company's Chief Executive Officer will become a member of the NanoVibronix, Inc. Board of Directors.

As of December 31, 2014 and March 31, 2014, the Convertible Promissory Note balance was $399 and $378, respectively, consisting of the original $300 investment and $99 and $78, respectively, in accrued interest income receivable.

Accounts Receivable – Allowance for Sales Returns and Doubtful Accounts

For the nine months ended December 31, 2014 and 2013, respectively, the Company had zero reserves for potential credit losses as such risk was determined to be insignificant. The Company does not currently maintain an allowance for doubtful accounts receivable for potential estimated losses resulting from the inability of the Company's customers to make required payments. The Company believes no such reserve is currently required. The Company had zero write-offs during the periods presented. The Company reviews the estimated risk of current customers' inability to make payments on a quarterly basis to determine if any amount is uncollectible.

Revenue Recognition

Each contract sale of our interpretive data is evaluated individually in regard to revenue recognition. The Company has integrated in our evaluation the related guidance included in Accounting Standards Codification ("ASC") Topic 605, *Revenue Recognition*. The Company recognizes revenue when persuasive evidence of an arrangement exists, the seller's price is fixed or determinable, delivery has occurred, and collectability is reasonably assured.

For arrangements that include multiple deliverables, the Company identifies separate units of accounting based on the guidance under ASC 605-25, *Multiple Element Arrangements*, which provides that revenue arrangements with multiple deliverables should be divided into separate units of accounting, if certain criteria are met. The consideration of the arrangement is allocated to the separate units of accounting using the relative fair value method. Applicable revenue recognition criteria are considered separately for each separate unit of accounting.

Revenue from fixed price contracts is recognized primarily under the percentage of completion method. Under this method the Company recognizes estimated contract revenue and resulting income based on costs incurred to date as a percentage of the total estimated costs as the Company considers this model to best reflect the economics of these contracts. In such contracts, the Company's efforts, measured by time incurred, typically represents the contractual milestones or output measure. If at any time during the contract period, the Company determines that a loss will occur, the Company recognizes the loss in that period. Furthermore, if in previous periods a profit was recognized under the percentage-of completion method, the profit would be reversed during the period the Company determined a loss on the contract exists.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"), which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. Under ASC 740, the liability method is used in accounting for income taxes. Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax basis of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. ASC 740 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some or all of the deferred tax asset will not be realized. The Company evaluates annually its ability to realize our deferred tax assets by assessing our valuation allowance and by adjusting the amount of such allowance, if necessary. The factors used to assess the likelihood of realization include our forecast of future taxable income and available tax planning strategies that could be implemented to realize the net deferred tax assets. In 2014 and 2013, the Company has recorded a full valuation allowance for our deferred tax assets based on our past losses and uncertainty regarding our ability to project future taxable income. In future periods, if the Company is able to generate income the Company may reduce or eliminate the valuation allowance.

Fair Value Measurements

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the Company considers what assumptions market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

- Level 2: Directly or indirectly observable inputs as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.

- Level 3: Unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value. The Company's financial instruments consist primarily of money market funds denominated in U.S. dollars. The carrying amounts of our cash and cash equivalents are valued using Level 1 inputs, and totaled $193.

Intangible Assets

Intangible assets include patents, trade names, software, non-compete agreements, customer relationships and trademarks that are amortized on a straight-line basis over periods ranging from three to ten years. The Company performs an ongoing review of its identified intangible assets to determine if facts and circumstances exist that indicate the useful life is shorter than originally estimated or the carrying amount may not be recoverable. If such facts and circumstances exist, the Company assesses the recoverability of identified intangible assets by comparing the projected undiscounted net cash flow associated with the related asset or group of assets over their remaining lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. As of the current reporting period, the Company's remaining intangible assets, not including those related to the acquisition of CollabRx, were internally developed, which have a carrying value of zero. Currently the Company expenses all costs incurred to renew or extend the term of a recognized intangible asset.

The Company sold its remaining patents relating to its discontinued semiconductor capital equipment business in fiscal year 2014. With this sale, the Company has no other intangible assets related to discontinued operations.

With the acquisition of CollabRx, the Company acquired software, trade names, customer relationships, non-compete agreements and goodwill. The lives of the acquired intangible assets range from three to ten years. Intangible assets, except for trade names, are amortized on a straight-line basis. Intangible assets related to trade names are not amortized. The Company tests for impairment at least annually. The fair values of these assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. If undiscounted expected future cash flows are less than the carrying value of the assets, an impairment loss will be recognized based on the excess of the carrying amount over the fair value of the assets. The Company recognized $156 of amortization expense for each of the nine month periods ended December 31, 2014 and 2013, respectively. The amortization expense included in cost of revenue is related to the acquired software and is amortized on a straight-line basis over the expected life of the asset, which the Company believes to be ten years.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for indicators of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, as well as at fiscal year end. If undiscounted expected future cash flows are less than the carrying value of the assets, an impairment loss is recognized based on the excess of the carrying amount over the fair value of the assets.

The Company recorded zero disposal losses for fixed assets for the nine months ended December 31, 2014 and 2013, respectively.

Deferred Offering Costs

Deferred offering costs represent expenses incurred to raise equity capital related to financing transactions which have not yet been completed. In the nine months ended December 31, 2014, the Company recognized previously deferred offering costs of $162 in connection with its underwritten public offering of 913,500 shares of its common stock, which closed on June 25, 2014.

Stock-Based Compensation

The Company has adopted several stock plans that provide for issuance of equity instruments to our employees and non-employee directors. Our plans include incentive and non-statutory stock options and restricted stock awards. These equity awards generally vest ratably over a four-year period on the anniversary date of the grant, and stock options expire ten years after the grant date. Certain restricted stock awards may vest on the achievement of specific performance targets. The Company also had an Employee Stock Purchase Plan ("ESPP"), allowing qualified employees to purchase Company shares at 85% of the fair market value on specified dates. The ESPP was allowed to expire on July 22, 2014 and has not been renewed.

Total stock-based compensation related to stock options and restricted stock units ("RSUs") for the nine months ended December 31, 2014 and 2013 was $365 and $272, respectively.

The Company utilized the following valuation assumptions to estimate the fair value of options that were granted for the three and nine month periods ended December 31, 2014 and 2013, respectively.

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2013	2014	2013
Expected life (years)	6.0	6.0	6.0	6.0
Volatility	141.73%	152.22%	141.73% - 151.70%	152.22% - 152.95%
Risk-free interest rate	1.67%	1.30%	1.63% - 1.75%	1.30% - 1.72%
Dividend yield	0%	0%	0%	0%

The Company's ESPP plan expired in the prior quarter of the current fiscal year. No ESPP awards were made in the current period nor are any future ESPP awards expected to be made. Prior ESPP awards were valued using the Black-Scholes option pricing model with expected volatility calculated using a six-month historical volatility.

Valuation and Other Assumptions for Stock Options

Valuation and Amortization Method. The Company estimates the fair value of stock options granted using the Black-Scholes option pricing model. The Company estimates the fair value using a single option approach and amortize the fair value on a straight-line basis over the requisite service periods of the awards, which are generally the vesting periods.

Expected Term. The expected term of options granted represents the period of time that the options are expected to be outstanding. The Company estimates the expected term of options granted based on our historical experience of exercises including post-vesting exercises and termination.

Expected Volatility. The Company estimates the volatility of our stock options at the date of grant using historical volatilities. Historical volatilities are calculated based on the historical prices of our common stock over a period at least equal to the expected term of our option grants.

Risk-Free Interest Rate. The Company bases the risk-free interest rate used in the Black-Scholes option pricing model on U.S. Treasury yield curve in effect at the time of grant for zero-coupon issues with remaining terms equivalent to the expected term of our option grants.

Dividends. The Company has never paid any cash dividends on common stock and the Company does not anticipate paying any cash dividends in the foreseeable future.

Forfeitures. The Company uses historical data to estimate pre-vesting option forfeitures. The Company record stock-based compensation only for those awards that are expected to vest.

During the three months ended December 31, 2014, the Company granted 64,500 options to current employees and 134,179 options to current members of the Board of Directors.

Stock Options

A summary of the stock option activity during the nine months ended December 31, 2014 is as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value
Beginning outstanding, March 31, 2014	371,759	$ 7.89	7.59	$ 775.00
Granted	352,747	1.29		
Forfeited	(32,848)	2.87		
Expired	(17,982)	8.66		
Ending outstanding, December 31, 2014	673,676	$ 4.66	8.26	$ -
Ending vested and expected to vest	673,345	$ 4.66	8.26	$ -
Ending exercisable	258,536	$ 9.10	6.41	$ -

The aggregate intrinsic value of stock options outstanding as of December 31, 2014 is calculated as the difference between the exercise price of the underlying options and the market price of our common stock as of December 31, 2014.

The following table summarizes information with respect to stock options outstanding as of December 31, 2014:

Range of Exercise Prices		Number Outstanding As of December 31, 2014	Weighted-Average Remaining Contractual Term (in years)	Weighted-Average Exercise Price	Number Exercisable As of December 31, 2014	Weighted-Average Exercise Price As of December 31, 2014
$ 0.75	$ 1.50	218,679	9.92	$ 0.80	9,166	$ 1.38
1.99	3.22	190,567	9.34	2.55	47,315	2.28
3.35	6.00	169,830	7.83	3.91	107,455	3.91
6.25	11.70	45,358	3.89	11.50	45,358	11.50
17.80	28.10	37,578	2.67	21.80	37,578	21.80
34.20	41.45	11,664	0.74	40.37	11,664	40.37
$ 0.75	$ 41.45	673,676	8.26	$ 4.66	258,536	$ 9.10

As of December 31, 2014, there was $440 of total unrecognized compensation cost related to outstanding options which the Company expects to recognize over an estimated weighted average period of 1.89 years.

Restricted Stock Units

The following table summarizes the Company's unvested RSU activity for the nine months ended December 31, 2014:

	Number of Shares	Weighted-Average Grant Date Fair Value
Balance March 31, 2014	129,050	$ 2.77
Granted	100,000	1.99
Forfeited	(10,000)	3.75
Vested	(52,050)	2.42
Balance, December 31, 2014	167,000	$ 2.35

Unvested Restricted Stock as of December 31, 2014

As of December 31, 2014, there was $219 of total unrecognized compensation cost related to outstanding RSUs, which the Company expects to recognize over an estimated weighted average period of 1.32 years.

In the three months ending December 31, 2014, the Company did not grant any RSUs.

2. Earnings Per Share (EPS):

Basic EPS is computed by dividing net income (loss) available to common stockholders (numerator) by the weighted-average number of common shares outstanding (denominator) for the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period. The computation of diluted EPS uses the average market prices during the period.

Basic net loss per common share is computed using the weighted-average number of shares of common stock outstanding.

The following table represents the calculation of basic and diluted net loss per common share:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2013	2014	2013
Loss from continuing operations	$ (1,124)	$ (994)	$ (3,388)	$ (2,508)
Net income/(loss) from discontinued operations, net of taxes	-	(10)	-	145
Net loss applicable to common stockholders	$ (1,124)	$ (1,004)	$ (3,388)	$ (2,363)
Weighted-average common shares used in per share computation	2,932	1,963	2,478	1,955
Net loss per share from continuing operations:				
Basic and diluted	$ (0.38)	$ (0.51)	$ (1.37)	$ (1.28)
Net income/(loss) per share from discontinued operations:				
Basic and diluted	$ -	$ -	$ -	$ 0.07
Net loss per share:				
Basic and diluted	$ (0.38)	$ (0.51)	$ (1.37)	$ (1.21)

The following shares of common stock equivalents and warrants were excluded from the computation of diluted earnings per share for the nine months ended December 31, 2014 and 2013 because including them would have been anti-dilutive.

	December 31, 2014	December 31, 2013
Outstanding Options	673,676	300,926
Outstanding RSUs	239,297	126,654
ESPP	-	-
	912,973	427,580
Warrants - Sequel	92,888	92,888
Warrants	27,405	-
Shares Excluded from EPS calculation	1,033,266	520,468

The weighted-average exercise price per share of the excluded outstanding options and outstanding and deferred RSUs was $6.88 and $9.99 on December 31, 2014 and 2013, respectively. The warrants to purchase 92,888 shares of common stock had an exercise price of $3.15 per share, and represented the balance of Sequel Power's grant, which expired unexercised on January 14, 2015. In addition, the outstanding balance excludes 27,405 warrants to purchase shares of common stock, which were issued in connection with the recent public offering, which closed on June 25, 2104. These warrants have an exercise price of $2.50 per share and are not exercisable until June 24, 2015 and expire June 24, 2020. Such securities could potentially dilute earnings per share in future periods.

3. Financial Instruments:

The carrying amount of the Company's financial instruments, including cash and cash equivalents, accounts receivable and accounts payable, convertible promissory note, notes receivable, accrued expenses, promissory note payable and other liabilities approximates fair value due to their relatively short maturity. The Company currently has only minimal sales in global markets and is not exposed to changes in foreign currency exchange rates. The Company does not hold derivative financial instruments for speculative purposes. Foreign currency transaction gains and (losses), if any, are included in other income (expense), and were $0 for the three month periods ended December 31, 2014 and 2013. On December 31, 2014, the Company had no open foreign exchange contracts to sell Euros or any other foreign currencies. Certain warrants expired on September 9, 2013, which then ended the Company's liability associated with these warrants, which had an exercise price of $30.00. The Company recorded no related gains or losses in the three months ended December 31, 2013.

Changes in the exchange rate between the Euro and the U.S. dollar are currently immaterial to our operating results. Exposure to foreign currency exchange rate risk may increase over time as our business evolves.

4. Discontinued Operations:

The Company sold its remaining patents relating to its discontinued semiconductor capital equipment business in fiscal year ending March 31, 2014. With this sale, the Company has no other intellectual property related to discontinued operations. With this sale and the closure of the former Tegal's foreign subsidiaries, also in the prior fiscal year, the Company has no other activities or assets related to discontinued operations.

The exit from the Company's historical operations was essentially completed by the end of the fourth quarter of our 2011 fiscal year.

In the nine months ended December 31, 2013, the Company recognized a cash gain of $20 in discontinued operations as a result of final closing of bank accounts in its Italian subsidiary and a federal tax refund regarding discontinued operations, and a net $4 non cash gain related to the write off of discontinued assets and liabilities in its foreign subsidiaries. In the same period, the Company also recognized a reclassification out of accumulated other comprehensive loss and into Loss from Discontinued Operations, net of taxes. The reclassification is related to the recognition of a non-cash loss of $142 from the foreign exchange differences from its former Tegal foreign subsidiaries, primarily as a result of the final closing the former Tegal German subsidiary. The Company received permission to close the German subsidiary in June 2013. No further audits or reviews are anticipated by foreign taxing authorities.

As of December 31, 2014, the Company had $0 in both discontinued assets and liabilities. As of March 31, 2014, the Company had $0 in discontinued assets and $5 in discontinued liabilities. During the three months ended December 31, 2014, the Company recognized no activity in discontinued operations. The Company has no remaining intellectual property related to discontinued operations.

5. Geographical and Segment Information:

For the periods presented, the Company's source of revenue was related to genomics based technology information services. The Company's chief operating decision-maker has been identified as the President and Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire Company.

For geographical reporting, revenues are attributed to the geographic location in which the customers' facilities are located. Long-lived assets consist of property, plant and equipment and are attributed to the geographic location in which they are located. For all periods presented, revenues by geographic region were all in the United States.

Revenues for the three and nine months ended December 31, 2014 and 2013, respectively, are all part of continuing operations, and all related to our genomics based technology information.

CollabRx's genomics based technology information business is the core of our business and operations going forward. Additionally, all long-lived, intangible and goodwill assets are located in the United States and are included in continuing operations. There are no long-lived assets in discontinued operations.

6. Recent Accounting Pronouncements:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and the IASB has issued IFRS 15, Revenue from Contracts with Customers. The issuance of these documents completes the joint effort by the FASB and the IASB to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and IFRS. The new guidance affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. For public entities, the amendments are effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. The Company will continue to evaluate this newly issued guidance.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements – Going Concern (Sub Topic 205-40) - Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* (Ability to Conti ASU 2014-15 clarifies principles and definitions that may be used by an organization's management for disclosures that are currently made available in financial statement footnotes. Presently, U.S. GAAP does not provide an organization's management guidance regarding its responsibility to assess whether substantial doubt exists regarding the ability to continue as a going concern or to prepare related footnote disclosures. Instead, auditors are responsible for assessing an entity's ability to continue as a going concern under AU-C 570. ASU 2014-15 will move this responsibility to management. ASU 2014-15 will require management to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern for one year from the date the financial statements are issued. ASU 2014-15 is effective for annual periods ending after December 15, 2016 to allow the auditing guidance to catch up with this change. ASU No. 2014-15 affects all companies and nonprofits and early application is allowed. The Company is currently evaluating the impact of adopting this new guidance on our condensed consolidated financial statements.

7. Commitments and Contingencies

The Company has several non-cancelable operating leases, primarily for general office space, that expire over the next four years. The Company has no capital leases at this time. Future minimum lease payments under these leases are as follows:

Year Ending March 31,	Operating Leases
2015	$ 31
2016	126
2017	129
2018	54
Thereafter	-
Total minimum lease payments	$ 340

Most leases provide for the Company to pay real estate taxes and other maintenance expenses. Rent expense for operating leases related to discontinued operations, net of sublease income, was $0 during each of the three and nine months ended December 31, 2014, and 2013, respectively. Rent expense for operating leases related to continuing operations, net of sublease income, was $32 and $97, during the three and nine months ended December 31, 2014, respectively. Rent expense for operating leases related to continuing operations, net of sublease income, was $30 and $100, during the three and nine months ended December 31, 2013, respectively.

8. Subsequent Events:

On January 16, 2015, CollabRx entered into a Loan and Security Agreement (the "Loan Agreement") with Medytox, pursuant to which it is contemplated that Medytox will loan up to $2,396 to the Company. Medytox is a holding company that owns and operates businesses in the medical services sector. Its principal line of business is clinical laboratory blood and urine testing services, with a particular emphasis in the provision of urine drug toxicology and comprehensive pain medication monitoring programs to physicians, clinics and rehabilitation facilities in the United States.

On January 16, 2015, CollabRx entered into an Agreement with Medytox. Pursuant to the Agreement, CollabRx agreed that in the event it enters into a merger or other sale transaction involving at least thirty-five percent (35.0%) of its shares or assets with a party other than Medytox, CollabRx will pay Medytox a $1,000 fee (the "Fee"). Notwithstanding the foregoing, no Fee will be payable to Medytox in the event (i) Medytox has not provided funding to CollabRx of at least $500 pursuant to the Loan Agreement or (ii) Medytox has not funded an advance requested by CollabRx under the Loan Agreement, subject to certain exceptions.

On January 14, 2011, CollabRx entered into a Formation and Contribution Agreement with se2quel Partners and Sequel Power. We impaired the entire book value of the investment in Sequel Power on March 31, 2012. In two separate transactions, Sequel Power irrevocably assigned and transferred to the Company for cancelation all of its Warrants representing the right to purchase shares of the Company's common stock. In exchange, we agreed to terminate our Management Services Agreement with Sequel Power and to waive receivables related to accrued fees thereunder. On January 14, 2015, warrants representing the right to purchase 92,888 shares of the Company's common stock held by se2quel Management, GMBH expired unexercised. There are no other warrants relating to this investment.

The Company filed a second amendment to the Registration Statement on Form S-1 with the Securities and Exchange Commission ("SEC") on February 6, 2015. CollabRx anticipates using the net proceeds from the offering for general corporate purposes, including development of its products and services, general and administrative expenses and working capital. Aegis Capital Corporation is to act as the sole book-running manager for the offering. The Company also filed a final prospectus supplement and accompanying prospectus describing the terms of the offering which is available on the SEC's website located at http://www.sec.gov.

CollabRx, invested $300 in NanoVibronix, Inc. on November 22, 2011 in the form of a convertible promissory note. NanoVibronix intends to form a public company board (as disclosed in the S-1) and to appoint new independent directors, including the CollabRx's Chief Executive Officer to the Board. The appointment will take place upon the S-10 being declared effective by the SEC.

The convertible series B-1 promissory notes matured on November 15, 2014. The entire outstanding principal balance and any outstanding fees or interest became due and payable in full on such date. On February 9, 2015 NanoVibronix, Inc. filed a Form S-10 with the SEC, and on February 10, 2015, coincident with the additional investment of $3,000, the series B-1 promissory note held by CollabRx was converted into Series B-1 preferred shares. Coincident with the effectiveness of this filing, the Series B-1 preferred shares held by CollabRx will be converted into 204,507 shares of NanoVibronix common stock, representing 8.9% of the 2,289,682 shares of total common shares outstanding as of January 30, 2015.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations – (Amounts in thousands)***

Special Note Regarding Forward Looking Statements

Information contained or incorporated by reference in this report contains forward-looking statements. These forward-looking statements are based on current expectations and beliefs and involve numerous risks and uncertainties that could cause actual results to differ materially from expectations. These forward-looking statements should not be relied upon as predictions of future events as we cannot assure you that the events or circumstances reflected in these statements will be achieved or will occur. You can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology which constitutes projected financial information. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company including, but not limited to, industry conditions, economic conditions and acceptance of new technologies. For a discussion of the factors that could cause actual results to differ materially from the forward-looking statements, see "Part II, Item 1A.—Risk Factors" and the "Liquidity and Capital Resources" section set forth in this section and such other risks and uncertainties as set forth below in this report or detailed in our other SEC reports and filings. We assume no obligation to update forward-looking statements.

The Company

Corporate Information

CollabRx, Inc., a Delaware corporation ("CollabRx," the "Company" or "we," "us," and "our"), is the renamed Tegal Corporation, ("Tegal"), which acquired a private company of the same name on July 12, 2012. Following approval by its stockholders on September 25, 2012, Tegal amended its charter and changed its name to "CollabRx, Inc." (the "Name Change").

Tegal was formed in December 1989 to acquire the operations of the former Tegal Corporation, a division of Motorola, Inc. Tegal's predecessor company was founded in 1972 and acquired by Motorola, Inc. in 1978. Tegal completed its initial public offering in October 1995.

Company Background

CollabRx (f/k/a Tegal) was formed in December 1989 to acquire the operations of the former Tegal Corporation, a division of Motorola, Inc. Until recently, the Company designed, manufactured, marketed and serviced specialized systems used primarily in the production of semiconductors and micro-electrical mechanical devices, including integrated circuits, memory devices, sensors, accelerometers and power devices. Beginning in late 2009, the Company experienced a sharp decline in revenues resulting from the collapse of the semiconductor capital equipment market and the global financial crisis. In a series of transactions from 2010 to 2012, the Company sold the majority of our operating assets and intellectual property portfolio. During the same time period, our Board of Directors evaluated a number of strategic alternatives, which included the continued operation of the Company as a stand-alone business with a different business plan, a merger with another company, a sale of the Company's remaining assets, and the liquidation or dissolution of the Company. The Company investigated opportunities within and outside the semiconductor capital equipment industry and evaluated a number of transactions involving other diversified technology-based companies. Throughout this process, The Company developed and refined our criteria for a business combination, with an eventual focus on the healthcare industry, and specifically information technology and services within the healthcare industry. In July 2012, the Company completed its acquisition of CollabRx (the "CollabRx Transaction"). Following approval by our stockholders on September 25, 2012, the Company amended its charter and changed our name to "CollabRx, Inc." (the "Name Change").

Overview of our Current Business

CollabRx, Inc. is entering the commercialization phase of our business. The Company is focused on developing and delivering content-rich knowledge-based products and services that inform healthcare decision-making, with an emphasis on genomics-based "precision" medicine and big data analytics. Our proprietary content is organized in a knowledge base that expresses the relationship between genetic profiles and therapy considerations including molecular diagnostics, medical tests, clinical trials, drugs, biologics, and other information relevant for cancer treatment planning. The Company has developed a method for capturing how practicing physicians use this information in the clinical setting, by incorporating within the knowledge base the views of a large network of independent key opinion leaders in medicine and medical research.

The Company searches publicly available databases as source documents for our knowledge base. Such databases include those that are available, either free or on a commercial basis, in the areas of clinical trials, drugs, investigational compounds, biomarkers, bioinformatics, cancer ontology and literature. The Company aggregates, annotates and integrates these datasets for the purpose of defining the relationship of biomarkers to therapeutic strategies, drugs and clinical trials. None of the individual databases the Company utilizes as sources provide information on the interrelationships of these discrete elements. In addition, CollabRx has developed a process for incorporating the guidance of our network of physician and research advisors in the selection of the most relevant data for specific diagnoses, histopathology data, prior treatments and biomarkers represented within the knowledge base. The result of this software- and expert-assisted process is proprietary content which includes decision rules, succinct statements of therapeutic strategy and a comprehensive listing of appropriate drugs and clinical trials, all related to specific aberrations which might be observed in connection with genomic testing. Although the process and results are proprietary, the Company always refers to the relevant source documentation that provides the support for the identification of an actionable biomarker, typically a peer-reviewed, published paper. In this way, the Company avoids the "black-box algorithm problem", which is prevalent in other companies' predictive analytical models, but is not currently a trusted methodology in medical practice. Our proprietary content is incorporated into our knowledge base, which is updated regularly with the assistance of a large network of independent advisors, and which forms the basis for all our products and services.

Our knowledge base contains no individual patient data, nor do our processes for providing content include the review by our network of independent experts of any individual test data. The physicians and researchers within our network of advisors have agreed to participate in our efforts for an indefinite term, on an uncompensated basis, and without a formal agreement. The board assignments, biographies and current affiliations of all of our advisors are posted on our website.

The Company currently delivers its proprietary content to users via web-based applications and services in the "cloud, " serving physicians and their patients in two settings: (i) at the point-of-care in the clinic and (ii) indirectly, as a part of a genetic test report provided to an ordering physician by a diagnostic testing laboratory, (i.e., the "lab"). Portions of our web-based applications are currently available free to physicians and patients through commercial on-line media partners. The content that the Company offers to laboratories is based on a "Software as a Service" or SaaS business model, in which its content is provided on a one-time, subscription or per test basis. The Company uses the term "cloud" to mean a product or service that can be delivered via the Internet, usually on a pay-for-use or subscription basis, versus the purchase and installation of enterprise-based software, which typically requires investments in both software and hardware, often also requiring large-scale customization efforts.

Our "Genetic Variant Annotation™" or "GVA" is a service offered to diagnostic testing laboratories, including academic medical centers and commercial laboratories. Our lab customers provide us with a test result, usually in the form of an electronic file that represents the results of a genomic test, typically from a "Next Generation Sequencing" ("NGS"), micro-array or similar testing platform. The test results provided to us contain no patient-identifiable information. The Company analyzes the test results for the purpose of identifying those alterations which the Company has annotated in advance as being "actionable" (i.e., related to a therapeutic strategy). The Company provides the testing lab with a report, incorporating specific information regarding identified biomarkers and associated therapeutic strategies for each, along with relevant drugs and clinical trials, to a level and in a format that The Company has agreed in advance with our customer. The Company is compensated for this service either on a per-test or on a volume-adjusted subscription basis. This service is not available to the public and is not available on our website.

Our Therapy Finder™ products are a series of cancer-specific, web-based and mobile apps which are accessed by physicians and patients, usually in the physician's office. After indicating a number of pre-set options related to stage of cancer, histopathology, prior treatments and presence of biomarkers on an input page, the physician is presented with a results page which explains the role of the biomarker, identifies a possible therapeutic strategy for that particular set of inputs, along with tabs associated with searchable lists of relevant drugs and clinical trials. Therapy Finders are an interactive, informational and educational resource for both physicians and patients, and can be used for decision-support. They neither contain nor store any patient identifiable information. The advisors associated with the development and updating of each app are prominently featured. The development and distribution of Therapy Finders is partially supported by sponsorships and advertising revenue. They are available free of charge through both a commercial channel and on our company website. Our aim is to make this tool available as widely as possible, through as many channels as possible, to help community physicians understand the relevance of biomarker testing and the availability of potential therapies for their advanced cancer patients.

Our Therapy Finder™ products are available free-of-charge on both our website and on the MedPage Today website. There is no material difference between the Therapy Finders presented on both websites. The only differences are cosmetic, such as background color and placement of individual frames. Initially, the language used in our Therapy Finders presented on our website was geared toward patients. When the opportunity arose in connection with MedPage Today, the Company modified the language to be more physician-friendly and indicated this by appending "Professional" to the title "Therapy Finder." In order to avoid confusion, the Company replaced the patient oriented version on our website with the professional version that is distributed through MedPage Today. At the same time, the Company also undertook to revise the other Therapy Finders appearing on our website, but not yet distributed through MedPage today, to the professional (physician-friendly) version, and labeled them as such. The Company anticipates offering both professional and patient oriented versions of our Therapy Finders in the future.

The Company redesigned its Therapy Finders so that they could be accessed by physicians using the iOS operating system from Apple, Inc. via an iPhone or an iPad, and have named this mobile application "CancerRx." CancerRx was co-developed with MedPage Today of Everyday Health, Inc., with the ownership of the application retained by CollabRx. A special feature of CancerRx is a daily oncology newsfeed from MedPage Today, all with real-time over the air updates. Our agreement with MedPage Today has each side absorbing its own costs for the development, but sharing the gross advertising, sponsorship and data analytics revenues associated with the app. The Company officially launched CancerRx on May 28, 2014 in connection with the 2014 American Society of Clinical Oncology (ASCO) meeting.

The systems and approach that the Company has developed for knowledge aggregation, content creation and expert advisory management can be applied to many disease states, but the Company has chosen to focus initially on genomic medicine in cancer, which is sometimes referred to as "precision oncology." This is an area of tremendous activity and promise, where clinical research in genomics has given rise to scores of "targeted" therapies that have proven in many cases to prolong the lives of cancer patients. The Company believe that oncology is also the area of greatest need, where physicians and patients lack convenient access to clear and easy-to-understand information about which drugs, tests and clinical trials should be considered in constructing a cancer treatment plan based on the genetic profile of a tumor. Our overall vision is that the Company is at the dawn of an era of explosive growth of data and information generated at the molecular level that must be interpreted and contextualized into knowledge before it can be used effectively by either physicians or patients. The Company regards this knowledge as being the most valuable portion of the molecular diagnostic process and the Company believes that all sectors of the healthcare industry, including providers, insurers, drug developers and patients are potential users of this knowledge. The Company aims to deliver its proprietary interpretive content as quickly as possible and in as many usable forms as possible, via the Internet.

The condensed consolidated financial statements have been prepared using the going concern basis, which assumes that the Company will be able to realize our assets and discharge our liabilities in the normal course of business for the foreseeable future. The condensed consolidated financial statements are prepared in conformity with generally accepted accounting principles ("GAAP").

Originally founded in 2008, CollabRx has developed clinical advisory networks, expert systems, proprietary tools and processes, and a pipeline of commercial data products and applications ("apps") for cancer. CollabRx Therapy Finders™, the Company's first commercial product, provides sophisticated, credible, personalized, and actionable information to physicians and patients for rapidly determining which medical tests, therapies, and clinical trials may be considered in cancer treatment planning with a specific emphasis on the tumor genetic profile. CollabRx combined three unique elements to solidify its position in advance of commercialization, namely the creation of a highly specialized knowledge base, specialized software tools and applications and a large network of independent experts. CollabRx's staff of PhD-level molecular biologists have worked directly on the curation of our oncology-specific knowledge base for over five years and are supported by others on our team who are trained in molecular biology and bioinformatics, along with consultants, contractors and interns.

The Company does not believe that any of our current or planned products are subject to regulation by the United States Food and Drug Administration (the "FDA") and other regulatory authorities worldwide. However, our business could be adversely affected by any increased regulation of our customers. Changes in the level of regulation, including an increase in regulatory requirements, could subject us to regulatory approvals and delays in launching our products or result in a decrease in demand for our products. Modifying our products to comply with changes in regulations or regulatory guidance could require us to incur substantial costs. Further, changing regulatory requirements may render our products obsolete or make new products or product enhancements more costly or time consuming than the Company currently anticipates. Failure by us or our customers to comply with applicable regulations could result in increased regulatory scrutiny and enforcement. If our products fail to comply with government regulations or guidelines, the Company could incur significant liability or be forced to cease offering our applicable products or services.

In both domestic and foreign markets, sales by our customers may depend, in large part, upon the availability of reimbursement from third-party payers. These third-party payers include government healthcare programs such as Medicare, managed care providers, private health insurers, and other organizations. Physicians and patients may not order genomic test services or products from our customers unless commercial third-party payers and government payers pay for all, or a substantial portion, of the list price, and certain commercial third-party payers may not agree to reimburse our customers if Centers for Medicaid and Medicare Services ("CMS") does not issue a positive coverage decision. There is currently no national coverage decision that determines whether and how certain genomic tests are covered by Medicare. In the absence of a national coverage decision, local Medicare contractors that administer the Medicare program in various regions have some discretion in determining coverage and therefore payment for such tests. Accordingly, if our customers do not receive full or partial reimbursement for their tests, our revenue and results of operations could be adversely affected.

On November 22, 2011, the Company made an investment of $300 in NanoVibronix, Inc. in the form of a convertible promissory note. NanoVibronix is a private company that develops medical devices and products that implement its proprietary therapeutic ultrasound technology which may be utilized for a variety of medical applications requiring low cost therapeutic ultrasound qualities. NanoVibronix is focused on creating products utilizing its unique, patented approach which enables the transmission of low-frequency, low-intensity ultrasound surface acoustic waves ("SAWs") through a variety of soft, flexible materials, including skin and tissue, enabling low-cost, breakthrough devices targeted at large, high-growth markets. Our investment was intended to precede a possible merger of the two companies. However, those discussions were terminated by mutual agreement between the parties and NanoVibronix, Inc. continues to operate as a private company. NanoVibronix has filed a registration statement with the Securities and Exchange Commission in connection with a proposed initial public offering. If the offering is completed, the Convertible Promissory Note will be converted into common stock of NanoVibronix. In addition, should NanoVibronix, Inc. become a public company, then the Company's Chief Executive Officer will become a member of the NanoVibronix, Inc. Board of Directors.

CollabRx, Inc. will form the core of our operations going forward. In September 2012, the Company changed its name to "CollabRx, Inc." and the Company's common stock, which previously traded under the ticker symbol "TGAL" on the Nasdaq Capital Market, began trading under the new ticker symbol "CLRX".

On December 6, 2014, we entered into a non-binding letter of intent with Medytox Solutions, Inc. for a potential business combination between the companies. The business combination is subject to, among other things, due diligence, the execution of a definitive agreement, necessary board of director and stockholder approvals and other customary conditions. We cannot assure you that we will enter into a definitive agreement and, if such definitive agreement is entered into, that the contemplated business combination will be consummated.

Pursuant to the Letter of Intent, Medytox Solutions agreed to advance certain funding to CollabRx in contemplation of the business combination. On January 16, 2015, we entered into a Loan and Security Agreement with MedytoxSolutions, pursuant to which it is contemplated that Medytox Solutions will loan up to $2,396 to CollabRx. We intend to use the proceeds from the Loan and Security Agreement for working capital and general corporate purposes. Amounts borrowed by our company under the Loan and Security Agreement will accrue simple interest at the rate of fifteen percent (15.0%) per annum. As of February 10, 2015, we had borrowed $551 under the Loan and Security Agreement. The making of additional advances to our company under the Loan and Security Agreement is completely discretionary on the part of MedytoxSolutions. All amounts borrowed under the Loan and Security Agreement mature on December 31, 2015. Upon the occurrence of an event of default under the Loan and Security Agreement, all or a portion of the then outstanding principal and accrued interest under the Loan and Security Agreement is convertible, in the discretion of MedytoxSolutions, into shares of our common stock at a conversion price equal to the lower of (i) $0.85 or (ii) the average of the bid and ask prices of ourcommon stock on the trading day immediately prior to the date of conversion; provided, however, that the maximum number of shares issuable to Medytox Solutions is 14.9% of the number of shares of common stock then outstanding. We agreed to secure the payment and performance of our obligations under the Loan and SecurityAgreement by the grant of a security interest in all of our assets.

The Loan Agreement includes representations and warranties of the parties, covenants and agreements regarding the operation of our business while amounts are outstanding under the Loan and Security Agreement, and indemnification provisions in the event of a breach of a representation, warranty, covenant or agreement contained in the Loan and Security Agreement.

Also on January 16, 2015, we entered into an Agreement with MedytoxSolutions, pursuant to which we agreed that in the event we enter into a merger or other sale transaction involving at least thirty-five percent (35.0%) of our shares or assets with a party other than MedytoxSolutions, we will pay MedytoxSolutions a $1,000 fee. Notwithstanding the foregoing, no fee will be payable to MedytoxSolutions in the event (i) Medytox Solutions has not provided funding to our company of at least $500 pursuant to the Loan and Security Agreement or (ii) MedytoxSolutions has not funded an advance requested by us under the Loan and Security Agreement, subject to certain exceptions.

The Company continues to incur recurring losses from operations and thus sought out additional sources of funding. Even though the Company has entered into the aforementioned agreement with Medytox, it must still prove its ability to generate sufficient levels of cash from its operations. The Company expects to continue to finance future cash needs through the Loan Agreement with Medytox and the proposed business combination if completed may provide financing that will sustain the Company's operations until the Company can achieve profitability and positive cash flows. However, the perception that the Company may not be able to continue as a going concern may cause others to choose not to pursue a business relationship with us due to concerns about our ability to meet our contractual obligations and may adversely affect our ability to raise additional capital. These conditions may raise substantial doubt about the Company's ability to continue as a going concern.

If the Company is not able to achieve profitability and positive cash flows, the Company may not be able to continue the operation of its business.

Discontinued Operations

The Company sold its remaining patents relating to its discontinued semiconductor capital equipment business in fiscal year 2014. With this sale, the Company has no other intellectual property related to discontinued operations. With this sale and the closure of the former Tegal's foreign subsidiaries, also in the prior fiscal year, the Company has no other activities or assets related to discontinued operations.

The exit from the Company's historical operations was essentially completed by the end of the fourth quarter of our 2011 fiscal year.

Critical Accounting Policies and Estimates

The Company prepares the condensed consolidated financial statements in conformity with GAAP which requires management to make certain estimates, judgments and assumptions that affect the reported amounts in the accompanying condensed consolidated financial statements, disclosure of contingent assets and liabilities and related footnotes. Accounting and disclosure decisions with respect to material transactions that are subject to significant management judgment or estimates include but are not limited to revenue recognition, accounting for stock-based compensation, accounts for receivables and allowance for doubtful accounts and impairment of goodwill and intangible assets. Actual results may differ from these estimates under different assumptions or conditions. Critical accounting policies are defined as those that are required for management to make estimates, judgments and assumptions giving due consideration to materiality, in certain circumstances that affect amounts reported in the condensed consolidated financial statements, and potentially result in materially different results under different conditions and assumptions. The Company based these estimates and assumptions on historical experience and evaluate them on an on-going basis to help ensure they remain reasonable under current conditions. Actual results could differ from those estimates. During the three months ended December 31, 2014, there were no significant changes to the critical accounting policies and estimates discussed in the Company's 2014 Annual Report on Form 10-K.

Results of Operations

The following table sets forth certain financial items for the three and nine months ended December 31, 2014 and 2013:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2013	2014	2013
Revenue	$ 94	$ 56	$ 334	$ 577
Cost of revenue	18	104	54	140
Gross profit/(loss)	76	(48)	280	437
Operating expenses:				
Engineering	475	473	1,556	1,199
Research and development	1	21	83	234
Sales and marketing	68	57	221	196
General and administrative	672	422	1,869	1,410
Total operating expenses	1,216	973	3,729	3,039
Operating loss	(1,140)	(1,021)	(3,449)	(2,602)
Other income/(expense), net	(4)	7	5	33
Loss before income tax benefit	(1,144)	(1,014)	(3,444)	(2,569)
Income tax benefit, net	(20)	(20)	(56)	(61)
Loss from continuing operations	(1,124)	(994)	(3,388)	(2,508)
Gain on sale of discontinued operations, net of taxes	--	--	--	267
Loss from discontinued operations, net of taxes	--	(10)	--	(122)
Net income/(loss) from discontinued operations, net of taxes	--	(10)	--	145
Net loss	$ (1,124)	$ (1,004)	$ (3,388)	$ (2,363)
Net loss per share from continuing operations:				
Basic and diluted	$ (0.38)	$ (0.51)	$ (1.37)	$ (1.28)
Net income/(loss) per share from discontinued operations:				
Basic and diluted	$ -	$ -	$ -	$ 0.07
Net loss per share:				
Basic and diluted	$ (0.38)	$ (0.51)	$ (1.37)	$ (1.21)
Weighted-average shares used in per share computation:				
Basic and diluted	2,932	1,963	2,478	1,955

Revenue

Revenue for the three and nine month periods ended December 31, 2014 increased by $38 and decreased $243, respectively, compared to the three and nine month periods ended December 31, 2013. Revenues in fiscal 2014 were derived primarily from the Company's first multiple-element arrangement with a strategic customer. This arrangement began in fiscal year 2013 and expired in fiscal year 2014. Revenues in fiscal 2015 were derived from multiple customer SaaS service agreements, a royalty agreement, advertising revenues and testing fees.

As a percentage of total revenue for each of the three and nine months ended December 31, 2014 and 2013, international sales were an immaterial portion of total revenues.

Gross Profit

Gross profit for the three and nine months ended December 31, 2014 increased by $124 and decreased by $157, respectively, compared to the three and nine months ended December 31, 2013. Our gross profit reflects the amortization of the Company's product specific software, which was included in the CollabRx acquisition. Any engineering expenses related to revenue are also included in cost of revenue. For the three and nine months ended December 31, 2014 there was no additional engineering expenses included in cost of revenue.

Our gross margins for the three and nine months ended December 31, 2014 were 80.9% and 83.8%, respectively. Our gross margins for the three and nine months ended December 31, 2013 was (85.7)% and 75.7% respectively. These periods included revenue solely derived from our genomics based information products. The amortization of acquired software is included in cost of goods.

Engineering

The Company defines "Engineering" as those development activities that are related to products, content or services which have been offered for sale or for which the Company has been paid. The Company defines research and development ("R&D") as those development activities which are related to products which have not yet been offered for sale or for activities for which the Company has not been paid. Engineering expenses consist primarily of salaries, and those salaries and related expenses are assigned to either Engineering or R&D based on the specific projects that the staff is working on during the quarter. The increase in Engineering expense of $2 and $357 for the three and nine months ended December 31, 2014, compared to the same period in 2013, reflected lower employee related expenses and a greater level of effort focused on existing products than on products that had not yet been offered for sale.

Research and Development

The decrease of R&D expense of $20 and $151 for the three and nine month periods ended December 31, 2014, respectively, compared to the same periods in 2013 reflects the focus of development activities on products offered for sale, as opposed to those that may be offered in the future. The launch of the Genetic Variant Annotation Service in August 2013 significantly lowered the amount of effort being devoted to future products. Extensions or improvements to the Therapy Finders, CancerRx mobile app and the GVA, along with fee-for-service development activities are all assigned as Engineering expenses rather than R&D.

Sales and Marketing

Sales and marketing expenses consist primarily of salaries. For the three months ended December 31, 2014 and 2013, respectively, sales and marketing expenses increased by $11, primarily from stock-based compensation. For the nine months ended December 31, 2014 and 2013, respectively, the increase of $25 resulted primarily from increased expenses related to stock-based compensation, outside services and medical conference attendance.

General and Administrative

General and administrative expenses consist of salaries, legal, accounting and related administrative services and expenses associated with general management, finance, information systems, human resources and investor relations activities. The increase in general and administrative expenses of $250 and $460 for the three and nine month periods ended December 31, 2014, compared to the same period in 2013 was due primarily to higher expenses related to consultants, investor relations and presentations, as well as higher expenses for director compensation, accounting, legal, stock-based compensation and corporate taxes.

Other Income, net

Other income, net primarily consists of the interest earned on our NanoVibronix investment.

Income Taxes

As a result of the acquisition of CollabRx by stock purchase, the Company had no tax basis in the intangible assets acquired. During the three and nine months ended December 31, 2014, the Company recognized $20 and $56 in each period, respectively, in tax benefit as a result of this difference. The Company also recognized $20 and $61 in each of three and nine month periods ended December 31, 2013 in tax benefit as a result of this difference.

Due to our net loss and the aforementioned valuation allowance on the resulting deferred tax asset, the Company recognized no federal or state income taxes in our condensed consolidated statements of operations for the three and nine months ended December 31, 2014 and 2013, respectively.

The Company did however recognize $5 for city taxes and the annual minimum amount due for state income taxes in the nine months ended December 31, 2014.

As of March 31, 2014, the Company had net operating loss carryforwards of approximately $121.5 million and $65.2 million for federal and state tax purposes, respectively. The federal net operating loss carryforward will begin to expire in the year ending March 31, 2020 and the state of California net operating loss carryforward began to expire in the year ended March 31, 2013. As of March 31, 2014, the Company also had research and experimentation credit carryforwards of $1.4 million and $ 0.9 million for federal and state income tax purposes, respectively. A portion of the federal credit began to expire in the year ended March 31, 2012 and the state of California will never expire under current law. Net operating loss carryforwards and R&D credits can only offset 90% of taxable state income.

Discontinued Operations

Discontinued operations consists of interest income from accounts related to discontinued operations, other income, gains and losses on the disposal of fixed assets of discontinued operations, gains and losses on foreign exchange and interest income on money market funds, as well as the reclassification of net expenses associated with our exit from our historical core operations. The Company no longer has any assets or liabilities associated with discontinued operations as of the end of fiscal year 2014.

In the nine months ended December 31, 2013, the Company completed the final closing of bank accounts in its Italian subsidiary. It also recognized a net $4 non cash gain related to the write off of discontinued assets and liabilities in its foreign subsidiaries, and recognized a reclassification out of accumulated other comprehensive loss and into Loss from Discontinued Operations, net of taxes. The reclassification is related to the recognition of a non-cash loss of $142 from the of foreign exchange differences from its former Tegal foreign subsidiaries, primarily as a result of the final closing of the former Tegal German subsidiary. The Company received permission to close the German subsidiary in June 2013. No further audits or reviews are anticipated by foreign taxing authorities.

With the closure of the former Tegal's foreign subsidiaries and the sale of the Company's last two patent lots in fiscal year 2014, the Company has no other activities or assets related to discontinued operations.

Contractual Obligations

The following summarizes our contractual obligations as of December 31, 2014, and the effect such obligations are expected to have on our liquidity and cash flows in future periods (in thousands).

Contractual obligations:	Total	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years
Promissory note payable	$ 500	$ 167	$ 333	$ -	$ -
Interest due on promissory notes payable	71	41	30	-	-
Non-cancelable operating lease obligations	340	125	215	-	-
Total contractual cash obligations	$ 911	$ 333	$ 578	$ -	$ -

Most leases provide for the Company to pay real estate taxes and other maintenance expenses. Rent expense for operating leases related to discontinued operations, net of sublease income, was $0 for the periods presented. Rent expense for operating leases related to continuing operations was $32 and $97 for the three and nine month periods ended December 31, 2014, respectively. Rent expense for operating leases related to continuing operations was $30 and $100 for the three and nine month periods ended December 31, 2013, respectively. The Company has no sublease income for the periods presented.

Certain of our past sales contracts included provisions under which customers would be indemnified by us in the event of, among other things, a third party claim against the customer for intellectual property rights infringement related to our products. There are no limitations on the maximum potential future payments under these guarantees. The Company has accrued no amounts in relation to these provisions as no such claims have been made, and the Company believes it has valid, enforceable rights to the intellectual property embedded in our products.

Liquidity and Capital Resources

For the nine months ended December 31, 2014 and the fiscal year ended March 31, 2014, the Company financed our operations from existing cash on hand, the net proceeds raised from an underwritten public offering which closed on June 25, 2014, and the net proceeds from the sale of discontinued assets, as disclosed in prior filings. Net cash used in operating activities during the nine months ended December 31, 2014 was $2,590. The primary changes in our cash flow statement for the nine months ended December 31, 2014 compared to the corresponding period in the prior fiscal year were due to our net loss of $3,388, partially offset by changes in stock-based compensation, amortization of intangibles, deferred financing expenses of the Company's recent round of new financing and changes in accounts receivable. Net cash used in operating activities during the nine months ended December 31, 2013 was $1,656, due primarily to our net loss of $ 2,363, our acquisition of CollabRx, partially offset by changes in assets and liabilities of discontinued operations, stock-based compensation and changes in accounts receivable due to revenues related to our new operations.

The condensed consolidated financial statements contemplate the realization of assets and the satisfaction of liabilities in the normal course of business for the foreseeable future. The Company incurred net losses of $3,388 and $2,363 for the nine months ended December 31, 2014 and 2013, respectively. The Company's existing cash and cash equivalents were adequate to fund the Company's operations requirements and obligations through the third quarter of its fiscal year 2015. However, the Company does not have sufficient cash balances to fund future operations. As a result, it pursued several alternative financing sources to continue operations.

On October 20, 2014, the Company filed a registration statement with the SEC on Form S-1 under the Securities Act. CollabRx anticipates using the net proceeds from the related offering for general corporate purposes, including development of its products and services, general and administrative expenses and working capital.

On January 16, 2015, CollabRx entered into a Loan and Security Agreement (the "Loan Agreement") with Medytox, pursuant to which it is contemplated that Medytox will loan up to $2,396 to the Company.

The Company intends to use the proceeds from the Loan Agreement for working capital and general corporate purposes. Amounts borrowed by CollabRx under the Loan Agreement will accrue simple interest at the rate of fifteen percent (15.0%) per annum. As of February 10, 2015, CollabRx had borrowed $551 under the Loan Agreement. The making of additional advances to the Company under the Loan Agreement is completely discretionary on the part of Medytox. All amounts borrowed under the Loan Agreement mature on December 31, 2015. Upon the occurrence of an event of default under the Loan Agreement, all or a portion of the then outstanding principal and unpaid accrued interest under the Loan Agreement is convertible, in the discretion of Medytox, into shares of common stock, $0.01 par value per share of CollabRx at a conversion price equal to the lower of (i) $0.85 or (ii) the average of the bid and ask prices of the Common Stock on the trading day immediately prior to the date of conversion; provided, however, that the maximum number of shares issuable to Medytox is 14.9% of the number of shares of Common Stock then outstanding. CollabRx has agreed to secure the payment and performance of its obligations under the Loan Agreement by the grant of a security interest in all of its assets.

The Company continues to incur recurring losses from operations. Even though the Company has entered into the aforementioned agreement with Medytox, it must still prove its ability to generate sufficient levels of cash from its operations. The Company expects to continue to finance future cash needs through the Loan Agreement with Medytox and the proposed business combination if completed may provide financing that will sustain the Company's operations until the Company can achieve profitability and positive cash flows. However, the perception that the Company may not be able to continue as a going concern may cause others to choose not to pursue a business relationship with us due to concerns about our ability to meet our contractual obligations and may adversely affect our ability to raise additional capital. These conditions may raise substantial doubt about the Company's ability to continue as a going concern.

If the Company is not able to achieve profitability and positive cash flows, the Company may not be able to continue the operation of its business.

It is not possible to predict when our business and results of operations will improve.

The Company's investing activities consisted primarily of furniture purchases for additional staff.

Off-Balance Sheet Arrangements

The Company does not currently have, nor has it ever had, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, the Company does not engage in trading activities involving non-exchange traded contracts.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

Foreign Currency Exchange Risk

As of December 31, 2014 and March 31, 2014, all of the Company's cash equivalents were held in the form of money market funds denominated in U.S. dollars in the condensed consolidated balance sheet. Changes in the exchange rate between other currencies and the U.S. dollar are currently immaterial to our operating results. Exposure to foreign currency exchange rate risk may increase over time as our business evolves.

Fair Value Measurements

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers what assumptions market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. The fair value hierarchy distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

- Level 2: Directly or indirectly observable inputs as of the reporting date through correlation with market data, including quoted prices for similar assets and liabilities in active markets and quoted prices in markets that are not active. Level 2 also includes assets and liabilities that are valued using models or other pricing methodologies that do not require significant judgment since the input assumptions used in the models, such as interest rates and volatility factors, are corroborated by readily observable data from actively quoted markets for substantially the full term of the financial instrument.

- Level 3: Unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Our financial instruments consist primarily of money market funds. As of December 31, 2014, all of our investments were classified as cash equivalents in the condensed consolidated balance sheet. The carrying amounts of our cash equivalents are valued using Level 1 inputs. Our cash equivalents total $193.

Interest Rate Risk

The Company is not exposed to interest rate risk. The Company does not hold or issue derivatives, commodity instruments or other financial instruments for trading purposes.

Item 4. ***Controls and Procedures***

Disclosure Controls and Internal Controls for Financial Reporting

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Chief Executive Officer and Acting Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Internal controls for financial reporting are procedures which are designed with the objective of providing reasonable assurance that our transactions are properly authorized, our assets are safeguarded against unauthorized or improper use and our transactions are properly recorded and reported, all to permit the preparation of our financial statements in conformity with U.S. GAAP.

Evaluation of Disclosure Controls and Procedures

As of the period covered by this Quarterly Report on Form 10-Q, management performed, with the participation of our Chief Executive Officer and Acting Chief Financial Officer, an evaluation of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the report the Company files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Acting Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Based on the evaluation, our Chief Executive Officer and Acting Chief Financial Officer concluded that as of December 31, 2014, such disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2014 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. ***Legal Proceedings***

From time to time, we may be involved in routine legal proceedings, as well as demands, claims and threatened litigation, which arise in the normal course of our business. We believe there is no litigation pending that could, individually or in the aggregate, have a material adverse effect on our Company.

Where You Can Find More Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge as soon as possible after we electronically file them with, or furnish them to, the SEC. You can access our filings with the SEC by visiting our website. The information on our website is not, and shall not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any other filings we make with the SEC. Additionally, the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended by our predecessor registrant Registrar and Transfer Company are available at www.sec.gov. Investors and others should note that we announce material financial information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. You can also read and copy any document that we file, including this Quarterly Report on Form 10-Q, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Call the SEC at 1-800-SEC-0330 for information on the operation of the Public Reference Room. In addition, the SEC maintains an Internet site at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. You can electronically access our SEC filings there.

Item 1A. ***Risk Factors***

We wish to caution you that there are risks and uncertainties that could affect our business. A description of the risk factors associated with our business that you should consider when evaluating our business is included under "Risk Factors" contained in Item 1A. of our Annual Report on Form 10-K for the year ended March 31, 2014. In addition to those factors and to other information in this Form 10-Q, the following updates to the risk factors should be considered carefully when evaluating the Company or our business.

We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. The risks described below are those which we believe are the material risks we face. Any of the risk factors described below or additional risks and uncertainties not presently known to us, or that we currently deem immaterial, could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Business

Our future growth is dependent on the successful development and introduction of new products and enhancements. There can be no assurance that we will be successful in developing and marketing, on a timely basis, new products or product enhancements, or that our new products will adequately address the changing needs of the health care marketplace.

A significant portion of our operating expense is relatively fixed and planned expenditures are based in part on expectations regarding future revenues. As a result, we are generally unable to mitigate the negative impact on margins in the short term. Accordingly, unexpected revenue shortfalls may significantly decrease our operating results from quarter to quarter. As a result, in future quarters our operating results could fall below the expectations of securities analysts or investors, in which event our stock price would likely decrease.

We have a history of losses, expect to incur substantial further losses and may not achieve or maintain profitability in the future, which in turn could further materially decrease the price of our common stock.

We had net losses of $3,388, $3,314 and $3,928, for the nine months ended December 31, 2014 and the fiscal years ended March 31, 2014 and 2013, respectively. We used cash flows from operations of $2,590, $2,593 and $3,838 in these respective periods. As of December 31, 2014, we had cash and cash equivalents of $193. We expect to continue to sustain losses for the foreseeable future, which may decrease the price of our common stock. We are currently reliant on borrowings under the Loan and Security Agreement with Medytox Solutions to fund our operations.

We may not complete our proposed transaction with Medytox Solutions.

On December 6, 2014, we entered into a non-binding letter of intent with Medytox Solutions, Inc. for a potential business combination between the companies. The business combination is subject to, among other things, due diligence, the execution of a definitive agreement, necessary board of director and stockholder approvals and other customary conditions. Our negotiations with Medytox Solutions are at an early stage, and we do not know whether we will enter into a definitive agreement and, if such definitive agreement is entered into, whether the contemplated business combination will be consummated.

If we complete our proposed transaction with Medytox Solutions, your ownership will be significantly diluted and the senior management of Medytox Solutions will control the combined company.

The last reported sale price of our common stock on The NASDAQ Capital Market on February 11, 2015 was $2.01 per share, implying a market capitalization for our company of approximately $4.9 million based on 2,929,954 shares of our common stock outstanding as of September 30, 2014. The last reported sale price of Medytox Solutions' common stock on the Over-the-Counter Bulletin Board on February 5, 2015 was $5.00 per share, implying a market capitalization for Medytox Solutions of approximately $145 million based on 29,039,836 shares of Medytox Solutions common stock outstanding as of November 17, 2014.As a result of the significant difference in the relative market capitalizations of our company and Medytox Solutions, we expect that your ownership in the combined company will be significantly diluted. Medytox Solutions is a closely-held corporation, and we expect that members of Medytox Solutions' senior management will control the combined company in the event that the proposed transaction is treated. In addition, members of Medytox Solutions' senior management hold preferred stock with rights, preferences and privileges that will rank senior to the common stock of the combined company.

We may incur indebtedness under our Loan and Security Agreement with Medytox Solutions. In the event of a default under the Loan and Security Agreement, we may issue shares of common stock to Medytox Solutions, which will dilute your ownership.

Pursuant to the Letter of Intent, Medytox Solutions agreed to advance certain funding to our company in contemplation of the business combination. On January 16, 2015, we entered into a Loan and Security Agreement with MedytoxSolutions, pursuant to which it is contemplated that Medytox Solutions will loan up to $2,396 to our company. We intend to use the proceeds from the Loan and Security Agreement for working capital and general corporate purposes. Amounts borrowed by our company under the Loan and Security Agreement will accrue simple interest at the rate of fifteen percent (15.0%) per annum. As of February 10, 2015, we had borrowed $551 under the Loan and Security Agreement. The making of additional advances to our company under the Loan and Security Agreement is completely discretionary on the part of MedytoxSolutions. All amounts borrowed under the Loan and Security Agreement mature on December 31, 2015.

Upon the occurrence of an event of default under the Loan and Security Agreement, all or a portion of the then outstanding principal and accrued interest under the Loan and Security Agreement is convertible, in the discretion of MedytoxSolutions, into shares of our common stock at a conversion price equal to the lower of (i) $0.85 or (ii) the average of the bid and ask prices of ourcommon stock on the trading day immediately prior to the date of conversion; provided, however, that the maximum number of shares issuable to Medytox Solutions is 14.9% of the number of shares of common stock then outstanding. The issuance of common stock to Medytox Solutionswould have a dilutive effect on your ownership interest in our company.

We may be required to pay a $1,000 termination fee to Medytox Solutions.

On January 16, 2015, we entered into an Agreement with Medytox Solutions, pursuant to which we agreed that in the event we enter into a merger or other sale transaction involving at least thirty-five percent (35.0%) of our shares or assets with a party other than Medytox Solutions, we will pay MedytoxSolutions a $1,000 fee. Notwithstanding the foregoing, no fee will be payable to Medytox Solutions in the event (i) Medytox Solutions has not provided funding to our company of at least $500 pursuant to the Loan and Security Agreement or (ii) Medytox Solutions has not funded an advance requested by us under the Loan and Security Agreement, subject to certain exceptions. The fee may discourage another company from pursuing a strategic transaction with our company.

There can be no assurances as to whether and when our proposed public offering may be completed.

On October 20, 2014, the Company filed a registration statement with the SEC on Form S-1 under the Securities Act in connection with its proposed public offering. We anticipate using the net proceeds from this proposed public offering for general corporate purposes, including development of its products and services, general and administrative expenses and working capital. Aegis Capital Corporation is acting as the sole book-running manager for the offering. We anticipate filing a final prospectus supplement and accompanying prospectus describing the terms of the offering will be filed with the SEC and will be available on the SEC's website located at http://www.sec.gov. There can be no assurances as to whether and when our proposed public offering may be completed.

Without additional capital from the proposed public offering, our recurring losses from operations raise substantial doubt about our ability to continue as a going concern. Until the Company can generate sufficient levels of cash from its operations, we may need to sell equity or debt securities to raise additional funds to continue to operate as a going concern beyond the third quarter of our fiscal year 2015. In addition, the perception that we may not be able to continue as a going concern may cause others to choose not to pursue a business relationship with us due to concerns about our ability to meet our contractual obligations and may adversely affect our ability to raise additional capital.

Any failure to complete the proposed public offering may have negative consequences that may materially and adversely affect our financial performance and operating results and the price per share for our common stock. Furthermore, we are required to pay certain costs relating to the proposed public offering, whether or not it is completed, such as significant fees and expenses relating to legal, accounting and printer services. If it is not completed, these risks may materially and adversely affect our stock price, operating results and ongoing business.

We expect to continue to finance future cash needs primarily through proceeds from equity financings, including the proposed public offering, and collaborative agreements with strategic partners or through a business combination with a company that has such financing in order to be able to sustain its operations until we can achieve profitability and positive cash flows.

There can be no assurance that we will be able to obtain the funds required for our continued operations. There can be no assurance that additional financing will be available to us or, if available, that it can be obtained on commercially reasonable terms. If we are not able to complete the proposed public offering or to obtain other financing on a timely basis, we will not be able to meet our obligations as they become due and we will be forced to scale down or perhaps even cease the operation of our business.

Our quarterly operating results may continue to fluctuate.

Our revenue and operating results have fluctuated and are likely to continue to fluctuate significantly from quarter to quarter, and we cannot assure you that we will achieve profitability in the future.

Factors that could affect our quarterly operating results include:

- operating results of CollabRx;
- operating results of any companies that we may acquire in the future;
- fluctuations in demand for our products, and the timing of agreements with strategic partners in the health care marketplace;
- the timing of new products and product enhancements;
- changes in the growth rate of the health care marketplace;
- our ability to control costs, including operations expenses;
- our ability to develop, induce and gain market acceptance for new products and product enhancements;
- changes in the competitive environment, including the entry of new competitors and related discounting of products;
- adverse changes in the level of economic activity in the United States or other major economies in which we do business;
- renewal rates and our ability to up-sell additional products;
- the timing of customer acquisitions;
- the timing of revenue recognition for our sales; and
- future accounting pronouncements or changes in our accounting policies.

Our future success depends on our ability to retain our key personnel.

We are dependent on the services of our executive officers, our technical experts and other members of our senior management team, particularly Thomas Mika, our President and Chief Executive Officer. The loss of one or more of these key officers or any other member of our senior management team could have a material adverse effect on us. We may not be able to retain or replace these key personnel, and we may not have adequate succession plans in place. Mr. Mika is subject to employment conditions or arrangements that contain post-employment non-competition provisions. However, these arrangements permit Mr. Mika to terminate his employment with us upon little or no notice and the enforceability of the non-competition provisions is uncertain.

If we are unable to hire, retain and motivate qualified personnel, our business would suffer.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel or delays in hiring required personnel, particularly in software and biotechnology, may seriously harm our business, financial condition and operating results. Our ability to continue to attract and retain highly skilled personnel will be critical to our future success. Competition for highly skilled personnel is frequently intense, especially in the San Francisco Bay Area. We intend to issue stock options as a key component of our overall compensation and employee attraction and retention efforts. In addition, we are required under U.S. generally accepted accounting principles, or GAAP, to recognize compensation expense in our operating results for employee stock-based compensation under our equity grant programs, which may negatively impact our operating results and may increase the pressure to limit share-based compensation. We may not be successful in attracting, assimilating or retaining qualified personnel to fulfill our current or future needs. Also, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or divulged proprietary or other confidential information.

The personalized healthcare market is rapidly evolving and difficult to predict. If the personalized healthcare market does not evolve as we anticipate or if healthcare market participants do not perceive value in our products, our sales will not grow as quickly as anticipated and our stock price could decline.

We are in a new, rapidly evolving category within the healthcare industry that focuses on using information technology to inform personalized cancer treatment planning. As such, it is difficult to predict important market trends, including how large the personalized healthcare market will be or when and what products customers will adopt. If the market does not evolve in the way we anticipate, if organizations do not recognize the benefit that our products offer, or if we are unable to sell our products to customers, then our revenue may not grow as expected or may decline, and our stock price could decline.

New or existing technologies that are perceived to address personalized cancer treatment planning in different ways could gain wide adoption and supplant our products, thereby weakening our sales and our financial results.

The introduction of products and services embodying new technologies could render our existing products obsolete or less attractive to customers. Other technologies exist or could be developed in the future, and our business could be materially negatively affected if such technologies are widely adopted. We may not be able to successfully anticipate or adapt to changing technology or customer requirements on a timely basis, or at all. If we fail to keep up with technological changes or to convince our customers and potential customers of the value of our products even in light of new technologies, our business, operating results and financial condition could be materially and adversely affected.

We are dependent on a family of products that informs genomic-based medicine.

Our current product offering is limited to a family of products that informs genomic-based medicine using a unique approach of experts and expert systems. We expect to derive a substantial portion of our revenue from this approach and the family of products based on this approach for the foreseeable future. A decline in the price of these products, whether due to competition or otherwise, or our inability to increase sales of these products, would harm our business and operating results. We expect that this concentration of revenue from a single product family comprised of a limited number of products will continue for the foreseeable future. As a result, our future growth and financial performance will depend heavily on our ability to develop and sell enhanced versions of our products. If we fail to deliver product enhancements, new releases or new products that customers want, it will be more difficult for us to succeed.

If we are unable to introduce new products successfully and to make enhancements to existing products, our growth rates would likely decline and our business, operating results and competitive position could suffer.

Our continued success depends on our ability to identify and develop new products and to enhance and improve our existing products, and the acceptance of those products by our existing and target customers. Our growth would likely be adversely affected if:

- we fail to introduce these new products or enhancements;
- we fail to successfully manage the transition to new products from the products they are replacing;
- we do not invest our development efforts in appropriate products or enhancements for markets in which we now compete and expect to compete;
- we fail to predict the demand for new products following their introduction to market; or
- these new products or enhancements do not attain market acceptance.

Any or all of the above problems could materially harm our business and operating results.

Our cash flow is highly variable and may not be sufficient to meet all of our objectives and there is uncertainty about our ability to continue as a going concern.

Our cash and cash equivalents were $1.1 million at September 30, 2014, compared to $2.8 million at September 30, 2013. We have used cash from operations of $2.6 million and $3.8 million for the years ended March 31, 2014 and 2013, respectively. Our existing cash and cash equivalents and expected cash flow from operations will not provide sufficient liquidity to fund our operations and capital expenditures beyond December 31, 2014. Our independent registered public accounting firm concluded that there was substantial doubt about our ability to continue as a going concern as of March 31, 2014. Accordingly, it included an explanatory paragraph to that effect in its report on our March 31, 2014 financial statements.

Until the Company can generate sufficient levels of cash from its operations, we will need to sell equity or debt securities to raise additional funds to continue to operate as a going concern. On January 16, 2015, we entered into a Loan and Security Agreement with MedytoxSolutions, pursuant to which it is contemplated that MedytoxSolutions will loan up to $2,395,644 to our company. As of February 10, 2015, we had borrowed $551 under the Loan and Security Agreement. The making of additional advances to our company under the Loan and Security Agreement is completely discretionary on the part of MedytoxSolutions. The perception that we may not be able to continue as a going concern may cause others to choose not to deal with us due to concerns about our ability to meet our contractual obligations and may adversely affect our ability to raise additional capital.

The Company expects to continue to finance future cash needs primarily through proceeds from equity financings and collaborative agreements with strategic partners or through a business combination with a company that has such financing in order to be able to sustain its operations until the Company can achieve profitability and positive cash flows.

Our ability to meet our liquidity needs depends on our ability to achieve revenue targets of between $4 and $5 million annually as well as to reduce expenses. We may have insufficient cash to satisfy our liquidity needs, which could force us to obtain additional debt or equity financing from other sources, to further reduce expenses, or to sell assets. Reducing our expenses could adversely affect our operations. We cannot assure you that we will be able to secure additional debt or equity financing or sell assets on acceptable terms, if at all, and failure to do so could cause us to cease operations. In addition, raising additional equity financing could result in substantial dilution of our equity holders and in the net tangible book value per share of such holdings.

If we are unable to increase market awareness of our company and our products, our revenue may not continue to grow, or may decline.

The personalized healthcare market is nascent, and we have not yet established broad market awareness of our products and services. Market awareness of our value proposition and products will be essential to our continued growth and our success, particularly for the advanced stage treatment segment of the personalized cancer treatment market. If our marketing efforts are unsuccessful in creating market awareness of our company and our products, then our business, financial condition and operating results will be adversely affected, and we will not be able to achieve sustained growth.

We compete in highly competitive markets, and competitive pressures from existing and new companies may adversely impact our business and operating results.

The markets in which we compete are highly competitive. We expect competition to intensify in the future as existing competitors bundle new and more competitive offerings with their existing products and services, and as new market entrants introduce new products into our markets. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses and our failure to increase, or the loss of, market share, any of which would likely seriously harm our business, operating results and financial condition. If we do not keep pace with product and technology advances and otherwise keep our product offerings competitive, there could be a material and adverse effect on our competitive position, revenue and prospects for growth.

We compete either directly or indirectly with other medical database solution companies. Some companies that offer competitive products or services are also potential customers. We do not believe that any of our principal competitors can offer the same scalable interactive expert solutions as CollabRx. The principal competitive factors in our markets include, key strategic customer relationships, expert technical personnel, marketplace acceptance of our product, among others.

Many of our current and potential competitors are substantially larger and have greater financial, technical, research and development, sales and marketing, manufacturing, distribution and other resources and greater name recognition. We could also face competition from new market entrants, including our joint-development partners or other current technology partners. In addition, many of our existing and potential competitors enjoy substantial competitive advantages, such as:

- longer operating histories;
- the capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products;

- broader distribution and established relationships with partners;
- access to larger customer bases;
- greater customer support;
- greater resources to make acquisitions;
- larger intellectual property portfolios; and
- the ability to bundle competitive offerings with other products and services.

As a result, increased competition could result in loss of existing or new customers, price reductions, reduced operating margins and loss of market share. Our competitors also may be able to provide customers with capabilities or benefits different from or greater than those we can provide in areas such as technical qualifications or geographic presence, or to provide end-user customers a broader range of products, services and prices. In addition, some of our larger potential competitors have substantially broader product offerings and could leverage their relationships based on other products or incorporate functionality into existing products to gain business in a manner that discourages users from purchasing our products, including through selling at zero or negative margins, product bundling or closed technology platforms. These larger potential competitors may also have more extensive relationships within existing and potential customers that provide them with an advantage in competing for business with those customers. Our ability to compete will depend upon our ability to provide a better product than our competitors at a competitive price. We may be required to make substantial investments in research, development, marketing and sales in order to respond to competition, and there is no assurance that these investments will achieve any returns for us or that we will be able to compete successfully in the future.

Our limited operating history in the health care market makes it difficult for you to evaluate our current business and future prospects, and may increase the risk of your investment.

Our Company was formed in December 1989 to acquire the operations of the former Tegal Corporation, a division of Motorola, Inc. Until recently, our Company designed, manufactured, marketed and serviced specialized plasma etch systems used primarily in the production of micro-electrical mechanical systems devices, such as sensors, accelerometers and power devices. The Company's Deep Reactive Ion Etch systems were also employed in certain sophisticated manufacturing techniques, involving 3-D interconnect structures formed by intricate silicon etching. For most of the fiscal year ended March 31, 2011, we also sold systems for the etching and deposition of materials found in other devices, such as integrated circuits and optoelectronic devices found in products such as smart phones, networking gear, solid-state lighting, and digital imaging. We exited the semiconductor industry through a series of divestitures in 2010 to 2012. In July 2012, we acquired CollabRx and entered the personalized healthcare market. CollabRx was founded in 2008 to use information technology to inform personalized medicine. Our current management has only been working together with our employee base for a short period of time. This limited operating history in the healthcare market makes financial forecasting and evaluation of our business difficult. Furthermore, because we depend in part on the market's acceptance of our products, it is difficult to evaluate trends that may affect our business. We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries. If we do not address these risks successfully, our business and operating results would be adversely affected, and our stock will be adversely affected.

We do not sell our products directly to users and rely instead on contractual relationships with key market participants who derive a benefit from offering our products to their users. Our business development cycles can be long and unpredictable, and our business development efforts require considerable time and expense.

We do not sell our products directly to users. Instead, we form strategic relationships with existing market participants who derive a benefit from offering our products to their users. Our business development efforts involve educating our potential business partners about the use and benefits of our products. Such potential business partners are typically large, well-established companies with long evaluation cycles. We spend substantial time and resources on our business development efforts without any assurance that our efforts will produce any sales. In addition, partnerships are frequently subject to budget constraints, multiple approvals and unplanned administrative, processing and other delays. These factors, among others, could result in long and unpredictable sales cycles. The length of our products' business development cycles typically range from six to twelve months based on our limited experience, but may be longer as we expand our business development efforts to other segments of the healthcare market. As a result of these lengthy business development time-lines and the uncertain benefit that our partners may derive from offering our products, it is difficult for us to predict when our partners may purchase products from us and as a result, our operating results may vary significantly and may be adversely affected.

Our customers are concentrated and therefore the loss of a significant customer may harm our business.

We generate revenues from a small number of customers. The loss of any of these customers would significantly impact our operating results in future periods.

We are exposed to risks associated with contract termination or delay

The software products for which we receive revenue are distributed through third-parties under license or contract, with varying terms. Generally, our agreements with third-parties are subject to termination with notice and/or discretionary termination if certain revenue targets are not achieved. In addition, our agreements generally do not contain revenue or performance guarantees, so our achieved revenues may vary from targets because of changes in strategic direction of our customers, contract termination, or from delays in projected launch dates, over which we have no influence or control. The loss or delay of revenues associated with such contracts may harm our business and cause us to suffer further operating losses.

If our security is breached, our business could be disrupted, our operating results could be harmed, and customers could be deterred from using our products and services.

Our business relies on the secure electronic transmission, storage and hosting of information, including published data and proprietary databases. We face the risk of a deliberate or unintentional incident involving unauthorized access to our computer systems that could result in misappropriation or loss of assets or information, data corruption, or other disruption of business operations. Although we have devoted significant resources to protecting and maintaining the confidentiality of our information, including implementing security and privacy programs and controls, training our workforce, and implementing new technology, we have no guarantee that these programs and controls will be adequate to prevent all possible security threats. We believe that any compromise of our electronic systems, including the unauthorized access, use, or disclosure of information or a significant disruption of our computing assets and networks, would adversely affect our reputation and our ability to fulfill contractual obligations, and would require us to devote significant financial and other resources to mitigate such problems, and could increase our future cyber security costs.

Defects or errors in our software could harm our reputation, result in significant cost to us and impair our ability to market our products.

The software applications underlying our hosted products and services are inherently complex and may contain defects or errors, some of which may be material. Errors may result from our own technology or from the interface of our software with legacy systems and data, which we did not develop. The risk of errors is particularly significant when a new product is first introduced or when new versions or enhancements of existing products are released. The likelihood of errors is increased as a result of our commitment to frequent release of new products and enhancements of existing products.

Material defects in our software could result in a reduction in sales and/or delay in market acceptance of our products. In addition, such defects may lead to the loss of existing customers, difficulty in attracting new customers, diversion of development resources or harm to our reputation. Correction of defects or errors could prove to be impossible or impractical. The costs incurred in correcting any defects or errors or in responding to resulting claims or liability may be substantial and could adversely affect our operating results.

If we experience any failure or interruption in the delivery of our services over the Internet, customer satisfaction and our reputation could be harmed and customer contracts may be terminated.

If we experience any failure or interruption in the delivery of our services over the Internet, customer satisfaction and our reputation could be harmed and lead to reduced revenues and increased expenses.

We may expand our business through new acquisitions in the future. Any such acquisitions could disrupt our business, harm our financial condition and dilute current stockholders' ownership interests in our company.

We may pursue potential acquisitions of, and investments in, businesses, technologies or products complementary to our business and periodically engage in discussions regarding such possible acquisitions. Acquisitions involve numerous risks, including some or all of the following:

- difficulties in identifying and acquiring complementary products, technologies or businesses;
- substantial cash expenditures;
- incurrence of debt and contingent liabilities, some of which we may not identify at the time of acquisition;
- difficulties in assimilating the operations and personnel of the acquired companies;

- diversion of management's attention away from other business concerns;
- risk associated with entering markets in which we have limited or no direct experience;
- potential loss of key employees, customers and strategic alliances from either our current business or the target company's business; and
- delays in customer purchases due to uncertainty and the inability to maintain relationships with customers of the acquired businesses.

If we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of such acquisitions, we may incur costs in excess of what we anticipate, and management resources and attention may be diverted from other necessary or valuable activities. An acquisition may not result in short-term or long-term benefits to us. The failure to evaluate and execute acquisitions or investments successfully or otherwise adequately address these risks could materially harm our business and financial results. We may incorrectly judge the value or worth of an acquired company or business. In addition, our future success will depend in part on our ability to manage the growth anticipated with these acquisitions.

Furthermore, the development or expansion of our business or any acquired business or companies may require a substantial capital investment by us. We may not have these necessary funds or they might not be available to us on acceptable terms or at all. We may also seek to raise funds for an acquisition by issuing equity securities or convertible debt, as a result of which our existing stockholders may be diluted or the market price of our stock may be adversely affected.

We may be subject to claims that we or our technologies infringe upon the intellectual property or other proprietary rights of a third party. Any such claims may require us to incur significant costs, to enter into royalty or licensing agreements or to develop or license substitute technology.

We cannot assure you that our software solutions and the technologies used in our product offerings do not infringe patents held by others or that they will not in the future. Any future claim of infringement could cause us to incur substantial costs defending against the claim, even if the claim is without merit, and could distract our management from our business. Moreover, any settlement or adverse judgment resulting from the claim could require us to pay substantial amounts or obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. Any required licenses may not be available to us on acceptable terms, if at all. If we do not obtain any required licenses, we could encounter delays in product introductions if we attempt to design around the technology at issue or attempt to find another provider of suitable alternative technology to permit us to continue offering the applicable software solution. In addition, we generally provide in our customer agreements that we will indemnify our customers against third-party infringement claims relating to our technology provided to the customer, which could obligate us to fund significant amounts. Infringement claims asserted against us or against our customers or other third parties that we are required or otherwise agree to indemnify may have a material adverse effect on our business, results of operations or financial condition.

We may be unable to adequately enforce or defend our ownership and use of our intellectual property and other proprietary rights.

Our success is heavily dependent upon our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright, patent and unfair competition laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our employees and consultants to enter into confidentiality, non-competition and assignment of inventions agreements. The steps we take to protect these rights may not be adequate to prevent misappropriation of our technology by third parties or may not be adequate under the laws of some foreign countries, which may not protect our intellectual property rights to the same extent as do the laws of the United States.

Our attempts to protect our intellectual property may be challenged by others or invalidated through administrative process or litigation, and agreement terms that address non-competition are difficult to enforce in many jurisdictions and may not be enforceable in any particular case. Moreover, the degree of future protection of our intellectual property and proprietary rights is uncertain for products that are currently in the early stages of development because we cannot predict which of these products will ultimately reach the commercial market or whether the commercial versions of these products will incorporate proprietary technologies. In addition, there remains the possibility that others will "reverse engineer" our products in order to determine their method of operation and introduce competing products or that others will develop competing technology independently.

If we resort to legal proceedings to enforce our intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could be burdensome and expensive, even if we were to prevail. The failure to adequately protect our intellectual property and other proprietary rights may have a material adverse effect on our business, results of operations or financial condition.

If we cease to be a "smaller reporting company" in the future, we will be required to obtain an auditor's attestation on the effectiveness of our internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act of 2002. Complying with this requirement will increase our accounting costs, and any delay or difficulty in satisfying this requirement could adversely affect our future results of operations and our stock price.

As a smaller reporting company, we are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002, which requires an independent registered public accounting firm to test the internal control over financial reporting of public companies, and to report on the effectiveness of such controls. If our status as a smaller reporting company changes, we may be required to comply with this auditor attestation requirement. We expect that compliance with this requirement would increase our financial compliance costs and make our audit process more time consuming and costly. In addition, we may in the future discover areas of our internal controls that need improvement, particularly with respect to businesses that we may acquire. If so, we cannot be certain that any remedial measures we take will ensure that we have adequate internal controls over our financial processes and reporting in the future. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could harm our operating results or cause us to fail to meet our reporting obligations. If we are unable to conclude that we have effective internal control over financial reporting, or if it becomes necessary for our independent registered public accounting firm to provide us with an unqualified report regarding the effectiveness of our internal control over financial reporting and it is unable to do so, investors could lose confidence in the reliability of our financial statements. Any failure to implement required new or improved controls, or difficulties or significant costs encountered in the implementation or operation of these controls, could harm our operating results and cause us to fail to meet our financial reporting obligations, which could adversely affect our business and reduce our stock price.

The market for cloud-based and cloud-focused solutions is at a relatively early stage of development, and if it does not develop or develops more slowly than we expect, our business could be harmed.

The market for cloud-based solutions is at an early stage relative to physical appliances and on-premise solutions, and these types of deployments may not achieve or sustain high levels of demand and market acceptance. Many factors may affect the market acceptance of cloud-based and cloud-focused solutions, including:

- perceived security capabilities and reliability;
- perceived concerns about the ability to scale operations for large enterprise customers;
- concerns with entrusting a third party to store and manage critical data; and
- the level of configurability or customizability of the solutions.

If organizations do not establish a presence in the cloud or do not perceive the benefits of our cloud-focused solutions, or if our competitors or new market entrants are able to develop cloud-focused solutions that are or are perceived to be more effective than ours, this portion of our business may not grow further or may develop more slowly than we expect, either of which would adversely affect our business and operating results.

Risks Related to Our Industry

Extensive governmental regulation could require significant compliance costs and have a material adverse effect on the demand for our products.

We do not believe that any of our current or planned products are subject to regulation by the United States Food and Drug Administration (the "FDA") and other regulatory authorities worldwide. However, our business could be adversely affected by any increased regulation of our customers. Changes in the level of regulation, including an increase in regulatory requirements, could subject us to regulatory approvals and delays in launching our products or result in a decrease in demand for our products. Modifying our products to comply with changes in regulations or regulatory guidance could require us to incur substantial costs. Further, changing regulatory requirements may render our products obsolete or make new products or product enhancements more costly or time consuming than we currently anticipate. Failure by us or our customers to comply with applicable regulations could result in increased regulatory scrutiny and enforcement. If our products fail to comply with government regulations or guidelines, we could incur significant liability or be forced to cease offering our applicable products or services.

If any of our products are deemed to be Medical Devices, then complying with medical device regulations on a global scale will be time consuming and expensive, and could subject us to unanticipated and significant delays.

Although the FDA has not determined that any of our products are medical devices that are actively regulated under the Federal Food, Drug and Cosmetic Act and amendments thereto (collectively, the "Act"), the FDA may do so in the future. Other countries have regulations in place related to medical devices that may in the future apply to certain of our products. If any of our products are deemed to be actively regulated medical devices by the FDA or similar regulatory agencies in countries where we do business, we could be subject to extensive requirements governing pre- and post-marketing activities, including pre-market notification clearance. Complying with medical device regulations would be time consuming and expensive, and could result in unanticipated and significant delays in the release of new products or product enhancements. Further, it is possible that these regulatory agencies may become more active in regulating software and medical devices that are used in healthcare. If we are unable to obtain the required regulatory approvals for any such products, our business plans for these products could be delayed or canceled.

The laws governing electronic health data transmissions continue to evolve and are often unclear and difficult to apply. If we or our customers do not maintain the security and privacy of patient records, we may become subject to sanctions by various government entities.

Federal, state, local and foreign laws regulate the confidentiality of patient records and the circumstances under which those records may be released. These regulations govern both the disclosure and use of confidential patient medical record information and require the users of such information to implement specified security and privacy measures. United States regulations currently in place governing electronic health data transmissions continue to evolve and are often unclear and difficult to apply. Laws in non-U.S. jurisdictions may have similar or even stricter requirements related to the treatment of patient information.

In the United States, the Health Insurance Portability and Accountability Act ("HIPAA") regulations require national standards for some types of electronic health information transactions and the data elements used in those transactions, security standards to ensure the integrity and confidentiality of health information and standards to protect the privacy of individually identifiable health information. Covered entities under HIPAA, which include health care organizations such as our customers, are required to comply with the privacy standards, the transaction regulations and the security regulations. Moreover, the recently enacted Health Information Technology for Economic and Clinical Health ("HITECH") provisions of the American Recovery and Reinvestment Act of 2009, and associated regulatory requirements, extend many of the HIPAA obligations, formerly imposed only upon covered entities, to business associates as well, which has created additional liability risks related to the privacy and security of individually identifiable health information.

Evolving HIPAA and HITECH-related laws or regulations in the U.S. and data privacy and security laws or regulations in non-U.S. jurisdictions could restrict the ability of our clients to obtain, use or disseminate patient information. This could adversely affect demand for our products if they are not re-designed in a timely manner in order to meet the requirements of any new interpretations or regulations that seek to protect the privacy and security of patient data or enable our clients to execute new or modified health care transactions. We may need to expend additional capital, software development and other resources to modify our products to address these evolving data security and privacy issues.

If commercial third-party payers or government payers fail to provide coverage or adequate reimbursement for certain genomic tests offered by our customers, or if there is a decrease in the amount of reimbursement for our customers' products or future products they develop, our revenue and prospects for profitability may be harmed.

In both domestic and foreign markets, sales by our customers may depend, in large part, upon the availability of reimbursement from third-party payers. These third-party payers include government healthcare programs such as Medicare, managed care providers, private health insurers, and other organizations. Physicians and patients may not order genomic test services or products from our customers unless commercial third-party payers and government payers pay for all, or a substantial portion, of the list price, and certain commercial third-party payers may not agree to reimburse our customers if Centers for Medicaid and Medicare Services ("CMS") does not issue a positive coverage decision. There is currently no national coverage decision that determines whether and how certain genomic tests are covered by Medicare. In the absence of a national coverage decision, local Medicare contractors that administer the Medicare program in various regions have some discretion in determining coverage and therefore payment for such tests. Accordingly, if our customers do not receive full or partial reimbursement for their tests, our revenue and results of operations could be adversely affected.

In addition, there is significant uncertainty surrounding whether the use of products that incorporate new technology, such as Next Generation Sequencing ("NGS")-based tests, for which we provide interpretative analysis, will be eligible for coverage by commercial third-party payers and government payers or, if eligible for coverage, what the reimbursement rates will be for those products. The fact that a diagnostic product has been approved for reimbursement in the past, for any particular indication or in any particular jurisdiction, does not guarantee that such a diagnostic product will remain approved for reimbursement or that similar or additional diagnostic products will be approved in the future. Reimbursement of NGS-based cancer products by commercial third party payers and government payers may depend on a number of factors, including a payor's determination that products enabled by our molecular information platform are:

- not experimental or investigational;
- medically necessary;
- appropriate for the specific patient;
- cost-effective;
- supported by peer-reviewed publications;
- included in clinical practice guidelines; and
- supported by clinical utility studies.

The United States and foreign governments continue to propose and pass legislation designed to reduce the cost of healthcare. For example, in some foreign markets, the government controls the pricing of many healthcare products. We expect that there will continue to be federal and state proposals to implement governmental controls or impose healthcare requirements. In addition, the Medicare program and increasing emphasis on managed care in the United States will continue to put pressure on product pricing. Cost control initiatives could decrease the price that our customers would receive for any products in the future, which may limit our revenue and profitability.

Risks Related to Our Common Stock

Our common stock could be delisted from NASDAQ.

On November 18, 2014, we were notified by the Nasdaq that the bid price of the our common stock closed below the minimum $1.00 per share requirement for continued inclusion under Marketplace Rule 4310(c)(4). In accordance with Marketplace Rule 4310(c)(8)(D), we have180 calendar days, or until May 18, 2015, to regain compliance. If at any time before May 18, 2015, the bid price of our common stock closes at $1.00 per share or more for a minimum of 10 consecutive business days, we will regain compliance with the Rule. If we do not regain compliance by May 18, 2015, an additional 180 days will be granted to regain compliance, so long as we meet The Nasdaq Capital Market initial listing criteria (except for the bid price requirement).

On November 20, 2014, we were notified by the Nasdaq that the shareholders' equity balance reported on our last Quarterly Report filed with the Securities and Exchange Commission on November 14, 2014 fell below the $2,500,000 minimum requirement for continued listing under the Nasdaq Capital Market's Listing Rule 5550(b)(1). On January 20, 2015, we announced that we received a letter from the NASDAQ Listing Qualifications Staff indicating that, unless we timely request a hearing before the NASDAQ Listing Qualifications Panel, our securities would be delisted from The NASDAQ Capital Market due to our non-compliance with NASDAQ Listing Rule 5550(b)(1). We have requested a hearing before the Panel, at which hearing we will present our plan to evidence compliance with Rule 5550(b)(1), which requires us to maintain a minimum of $2.5 million in stockholders' equity. Our common stock will continue to trade on The NASDAQ Capital Market under the symbol "CLRX" pending completion of the hearing process and the expiration of any extension period granted by the Panel.

In the future, our common stock price or our tangible net worth may fall below the NASDAQ listing requirements, or we may not comply with other listing requirements, with the result being that our common stock might be delisted. If our common stock is delisted, we may list our common stock for trading over-the-counter. Delisting from the NASDAQ could adversely affect the liquidity and price of our common stock and it could have a long-term impact on our ability to raise future capital through the sale of our common stock.

The price of our common stock may fluctuate significantly, and you could lose all or part of your investment.

The closing price of our common stock on The NASDAQ Capital Market has ranged from a high as $5.23 to a low of $0.55 from July 12, 2012, the closing date of our acquisition of CollabRx, through December 31, 2014. The trading price of our common stock may be subject to wide fluctuations in response to various factors, some of which are beyond our control, including:

- our quarterly or annual earnings or those of other companies in our industry;
- announcements by us or our competitors of significant contracts or acquisitions;

- changes in accounting standards, policies, guidance, interpretations or principles;
- general economic and stock market conditions, including disruptions in the world credit and equity markets;
- the failure of securities analysts to cover our common stock;
- future sales of our common stock; and
- the other factors described in these "Risk Factors."

In recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The price of our common stock could fluctuate based upon factors that have little to do with our performance, and these fluctuations could materially reduce our stock price.

In the past, some companies, including companies in our industry, have had volatile market prices for their securities and have had securities class action suits filed against them. The filing of a lawsuit against us, regardless of the outcome, could have a material adverse effect on our business, financial condition and results of operations, as it could result in substantial legal costs and a diversion of our management's attention and resources.

Our actual operating results may differ significantly from guidance provided by our management.

Although it has not been our practice in the recent past to do so, we may from time to time release guidance in our quarterly earnings releases, quarterly earnings conference call, or otherwise, regarding our future performance that represent our management's estimates as of the date of release. This guidance, which includes forward-looking statements, is based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our registered public accountants nor any other independent expert or outside party compiles or examines the projections and, accordingly, no such person expresses any opinion or any other form of assurance with respect thereto.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to represent that actual results could not fall outside of the suggested ranges. The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports that may be published by analysts.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions of the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from our guidance and the variations may be material. In light of the foregoing, investors are urged not to rely upon, or otherwise consider, our guidance in making an investment decision in respect of our common stock. Any failure to successfully implement our operating strategy could result in the actual operating results being different from our guidance, and such differences may be adverse and material.

Provisions of Delaware law and our organizational documents may discourage takeovers and business combinations that our stockholders may consider in their best interests, which could negatively affect our stock price.

Provisions of Delaware law and our certificate of incorporation and bylaws may have the effect of delaying or preventing a change in control of our company or deterring tender offers for our common stock that other stockholders may consider in their best interests. In addition, our board of directors has adopted a shareholder rights plan, or "poison pill," which has the effect of making it more difficult for a person to acquire control of our company in a transaction not approved by our board of directors.

Our certificate of incorporation authorizes us to issue up to 5,000,000 shares of preferred stock in one or more different series with terms to be fixed by our board of directors. Stockholder approval is not necessary to issue preferred stock in this manner. Issuance of these shares of preferred stock could have the effect of making it more difficult and more expensive for a person or group to acquire control of us, and could effectively be used as an anti-takeover device. Currently there are no shares of our preferred stock issued or outstanding.

Our bylaws provide for an advance notice procedure for stockholders to nominate director candidates for election or to bring business before an annual meeting of stockholders, including proposed nominations of persons for election to our board of directors, and require that special meetings of stockholders be called only by our chairman of the board, chief executive officer, president or the board pursuant to a resolution adopted by a majority of the board.

The anti-takeover provisions of Delaware law and provisions in our organizational documents may prevent our stockholders from receiving the benefit from any premium to the market price of our common stock offered by a bidder in a takeover context. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed as discouraging takeover attempts in the future.

As a public company, we incur significant administrative workload and expenses.

As a public company with common stock listed on The NASDAQ Capital Market, we must comply with various laws, regulations and requirements, including certain provisions of the Sarbanes-Oxley Act of 2002, as well as rules implemented by the SEC and The NASDAQ Stock Market. Complying with these statutes, regulations and requirements, including our public company reporting requirements, continues to occupy a significant amount of the time of our board of directors and management and involves significant accounting, legal and other expenses. We have hired, and anticipate that we will continue to hire, additional accounting personnel to handle these responsibilities, which will increase our operating costs. Furthermore, these laws, regulations and requirements could make it more difficult or more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

New laws and regulations as well as changes to existing laws and regulations affecting public companies, including the provisions of the Sarbanes-Oxley Act of 2002 and rules adopted by the SEC and by The NASDAQ Stock Market, would likely result in increased costs to us as we respond to their requirements. We are investing resources to comply with evolving laws and regulations, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities.

We do not currently intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your investment in our common stock for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in its value. Shares of our common stock may depreciate in value or may not appreciate in value.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

None.

Item 3. ***Defaults Upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

None

Item 5. ***Other Information***

None.

Item 6. ***Exhibits***

Exhibit Number	Description
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Acting Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer and Acting Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLLABRX, INC.
(Registrant)

/s/ THOMAS R. MIKA
Thomas R. Mika
Acting Chief Financial Officer

Date: February 13, 2015

EXHIBIT 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas R. Mika, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CollabRx, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s), if any, and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s), if any, and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 13, 2015

/s/Thomas R. Mika
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF THE ACTING CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas R. Mika, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CollabRx, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s), if any, and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s), if any, and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 13, 2015

/s/Thomas R. Mika
Acting Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of CollabRx, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended December 31, 2014 as filed with the Securities and Exchange Commission (the "Report"), I, Thomas R. Mika, President and Chief Executive Officer of the Company, certify, pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Sec. 1350), that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Thomas R. Mika
President and Chief Executive Officer
February 13, 2015

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of CollabRx, Inc., a Delaware corporation (the "Company"), on Form 10-Q for the quarter ended December 31, 2014 as filed with the Securities and Exchange Commission (the "Report"), I, Thomas R. Mika, Acting Chief Financial Officer of the Company, certify, pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Sec. 1350), that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Thomas R. Mika
Acting Chief Financial Officer
February 13, 2015