

# Ambient Corporation has filed for bankruptcy protection...

## Let's see what the reporting history shows!

### Ambient Corporation

7 Wells Avenue

Suite 11

Phone: (617) 332-0004

Newton, MA 02459 United States

Ticker: AMBT

Filed for Bankruptcy on 7/28/2014

Case #14-11791, filed in the U.S. Bankruptcy Court for the District of Delaware

This company is no longer actively traded on any major stock exchange.

#### Latest Financial Statements as of 3/31/2014

#### Business Summary

Ambient Corporation is a provider of a communications and application platform that incorporates various communication technologies and enables utilities and other grid managers to implement a grid modernization program, deploying different applications, whether Ambient or third-party developed. The Ambient Smart Grid communications and applications platform, which includes hardware, software and firmware, enables grid managers to effectively manage smart grid applications. The Company's communications platform provides utilities with a secure, two-way, flexible and open Internet protocol, (IP), architecture that efficiently networks smart grid applications and different technologies within each application and supports multiple communications technologies used by utilities, such as Wireless Fidelity (Wi-Fi), radio frequency (RF), cellular technologies, power line communications (PLC), serial and Ethernet.

(Source: 10-K)

Federal Tax Id: 980166007

#### Credit Scores

**FRISK® Score** 2 7/19/2014  
**Probability of bankruptcy range:** 4.00% - 9.99%  
**Z" Score** -381.03 (Fiscal danger) 3/31/2014

#### Auditor Information

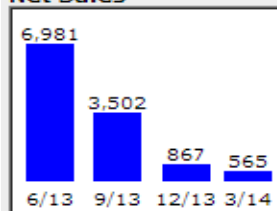
Last Audit: 12/31/2013  
 Auditors: PricewaterhouseCoopers LLP  
 Opinion: **Unqualified with Explanation**

#### DBT Index

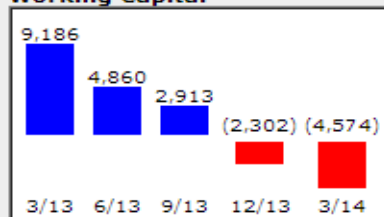
4/2014	5/2014	6/2014
8	-	-

(Includes DBT Indexes from Subsidiaries)

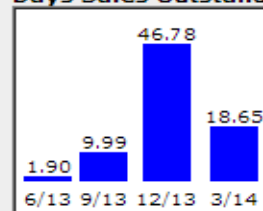
#### Net Sales



#### Working Capital



#### Days Sales Outstanding



#### First Quarter Results

Working capital at 3/31/2014 of (\$4.57) million decreased 98.70% from the prior year end's balance of (\$2.30) million, and decreased 149.79% from \$9.19 million at the end of last year's same period.

Inventories decreased by \$20.00 thousand for the year-to-date period, compared to a \$427.00 thousand decrease in the prior year's comparable period.

Accounts payable decreased by \$243.00 thousand for the year-to-date period, compared to a \$1.98 million decrease in the prior year's comparable period.

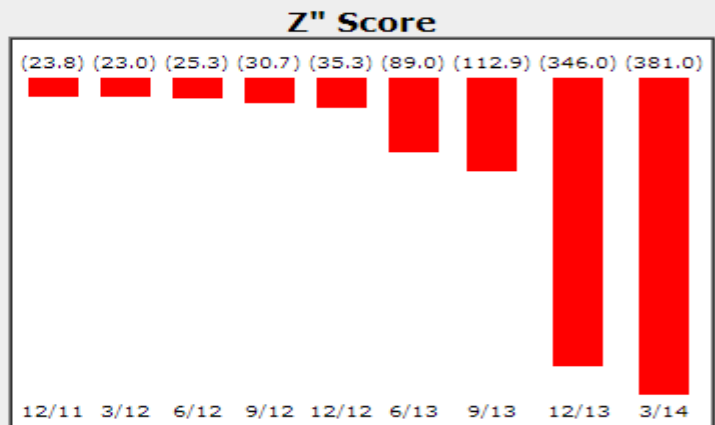
The Altman Z" is deep in the red, and has been signaling trouble since late 2011...  
...too early

**LEGEND:**

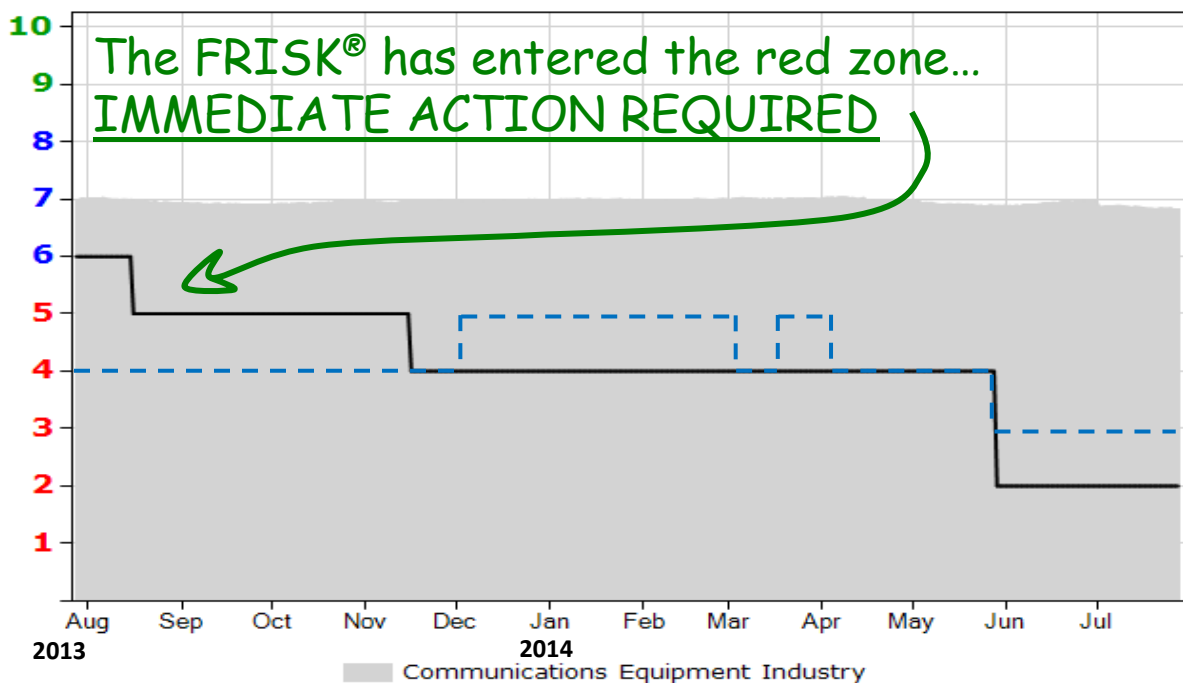
Financially sound: 2.60 or higher

Neutral: 1.10 to 2.60

Fiscal danger: less than 1.10



The current FRISK® score is 2 (probability of bankruptcy\* 4.00% - 9.99%), below its 13-month average and below its industry average.



The **FRISK® Score** is reported on a 1 to 10 scale:

*Note: at the end of July 2014, CreditRiskMonitor implemented a new and improved version of the FRISK® score. The new score is shown above in the solid black line. The dotted blue line was the previous version of the score.*

	FRISK®	Probability of bankruptcy within 12 months	
		From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

...plus looking at our News Alerts you would have seen...

Filing for Chapter 11 bankruptcy and entrance into asset purchase agreement with Ericsson Inc. whereby Ericsson agrees to purchase substantially all of the assets of the Company

Amendment to the Note Purchase Agreement between the Company and Vicis Capital Master Fund extending the termination date by which the Company may utilize its credit facility, as well as the due date of all amounts o/s, to September 30, 2014

Q1 10-Q filing - Net Loss of \$3.8MM

Notification of late filing of 10-K, due to changes in management resulting from the departure of the Company's Chief Financial Officer

Q2 10-Q filing - YTD Net Loss of \$8.4MM

Reduction in executive compensation in relation to certain cost savings measures effected by the Company, implemented in response to the macro-economic environment

Notice of delisting of Company's common stock from the Nasdaq Stock Market, due to noncompliance with the minimum stockholders' equity requirement

The Company's independent auditors issue a going concern opinion

Annual Net Loss of \$17.7MM

Q3 10-Q filing - YTD Net Loss of \$11.8MM and 68% decrease in sales from prior year's comparable period

Resignations of Chief Financial Officer, Chief Technology Officer and a Director

Q1 Net Loss of \$3.5MM

News Summary ( CRMZ selected Moody's Fitch All )				Next Page
#	Date	Source	Headline	
1	7/29/2014	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Bankruptcy or Receivership, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Ar</b>	i
2	7/28/2014	CRMZ News Service	<b>Ambient Files for Bankruptcy With Offer From Ericsson</b>	i
3	7/15/2014	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing</b>	i
4	6/30/2014	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant</b>	i
5	6/17/2014	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Submission of Matters to a Vote of Security Holders</b>	i
6	5/29/2014	CRMZ News Service	<b>Ambient Corp -- updated financials available</b>	i
7	5/15/2014	CRMZ News Service	<b>AMBIENT CORP / NY: a Form 10-Q has been Filed with the SEC</b>	i
8	4/24/2014	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing</b>	i
9	4/14/2014	CRMZ News Service	<b>Ambient Corp Receives Going Concern Opinion</b>	i
10	4/14/2014	CRMZ News Service	<b>AMBIENT CORP / NY: a Form 10-K has been Filed with the SEC</b>	i
11	3/31/2014	CRMZ News Service	<b>AMBIENT CORP / NY Files Notification of Late Filing for its Form 10-K with the Securities and Exchange Commission.</b>	i
12	12/13/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
13	11/16/2013	CRMZ News Service	<b>Ambient Corp -- updated financials available</b>	i
14	11/14/2013	CRMZ News Service	<b>AMBIENT CORP / NY: a Form 10-Q has been Filed with the SEC</b>	i
15	11/7/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
16	9/19/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
17	8/16/2013	CRMZ News Service	<b>Ambient Corp -- updated financials available</b>	i
18	8/14/2013	CRMZ News Service	<b>AMBIENT CORP / NY: a Form 10-Q has been Filed with the SEC</b>	i
19	7/3/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K/A) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
20	7/2/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
21	6/28/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
22	6/25/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</b>	i
23	6/19/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Change in Directors or Principal Officers, Financial Statements and Exhibits</b>	i
24	6/11/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Submission of Matters to a Vote of Security Holders</b>	i
25	6/6/2013	CRMZ News Service	<b>AMBIENT CORP / NY FILES (8-K) Disclosing Change in Directors or Principal Officers</b>	i
26	5/17/2013	CRMZ News Service	<b>Ambient Corp -- updated financials available</b>	i

...need more depth? Look at the Performance Ratios

Sharp dip in sales, leading to lack of profit from operations and a consistently negative bottom line ...

Period Ended	3 mos 3/31/2014	3 mos 12/31/2013	3 mos 9/30/2013	6 mos 6/30/2013	3 mos 3/31/2013
<b>Net Sales \$</b>	<b>\$565</b>	<b>\$867</b>	<b>\$3,502</b>	<b>\$6,981</b>	<b>n/a</b>
% change	-34.83%	-75.24%	n/a	n/a	n/a
<b>Gross Margin \$</b>	<b>(\$17)</b>	<b>(\$1,442)</b>	<b>\$1,725</b>	<b>\$2,862</b>	<b>n/a</b>
% change	98.82%	-183.59%	n/a	n/a	n/a
% of sales	-3.01%	-166.32%	49.26%	41.00%	n/a
change as % of incremental sales	n/m	n/m	n/a	n/a	n/a
<b>SG&amp;A \$</b>	<b>\$1,745</b>	<b>\$2,406</b>	<b>\$2,151</b>	<b>\$4,560</b>	<b>n/a</b>
% change	-27.47%	11.86%	n/a	n/a	n/a
% of sales	308.85%	277.51%	61.42%	65.32%	n/a
change as % of incremental sales	n/m	n/m	n/a	n/a	n/a
<b>Operating margin \$</b>	<b>(\$3,775)</b>	<b>(\$5,876)</b>	<b>(\$3,295)</b>	<b>(\$8,462)</b>	<b>n/a</b>
% change	35.76%	-78.33%	n/a	n/a	n/a
% of sales	-668.14%	-677.74%	-94.09%	-121.21%	n/a
change as % of incremental sales	n/m	n/m	n/a	n/a	n/a
<b>EBITDA \$</b>	<b>(\$3,655)</b>	<b>(\$5,767)</b>	<b>(\$3,223)</b>	<b>(\$8,095)</b>	<b>n/a</b>
% change	36.62%	-78.93%	n/a	n/a	n/a
% of sales	-646.90%	-665.17%	-92.03%	-116.11%	n/a
change as % of incremental sales	n/m	n/m	n/a	n/a	n/a
<b>Pre-tax income \$</b>	<b>(\$3,801)</b>	<b>(\$5,977)</b>	<b>(\$3,359)</b>	<b>(\$8,401)</b>	<b>n/a</b>
% change	36.41%	-77.94%	n/a	n/a	n/a
% of sales	-672.74%	-689.39%	-95.92%	-120.34%	n/a
change as % of incremental sales	n/m	n/m	n/a	n/a	n/a
<b>Net income (loss) \$</b>	<b>(\$3,801)</b>	<b>(\$5,977)</b>	<b>(\$3,359)</b>	<b>(\$8,401)</b>	<b>n/a</b>
% change	36.41%	-77.94%	n/a	n/a	n/a
% of sales	-672.74%	-689.39%	-95.92%	-120.34%	n/a
change as % of incremental sales	n/m	n/m	n/a	n/a	n/a
<b>Depreciation expense \$</b>	<b>\$120</b>	<b>\$102</b>	<b>\$136</b>	<b>\$306</b>	<b>n/a</b>
% of sales	21.24%	11.76%	3.88%	4.38%	n/a
% of capital expenses	n/a	152.24%	-468.97%	312.24%	n/a
% of PP&E, net (annualized)	58.61%	41.70%	46.38%	47.08%	n/a
<b>Capital expenditures \$</b>	<b>\$0</b>	<b>\$67</b>	<b>(\$29)</b>	<b>\$98</b>	<b>\$27</b>
% change	-100.00%	331.03%	n/a	n/a	-85.00%
% of PP&E, net (annualized)	0.00%	27.39%	-9.89%	15.08%	7.78%
% of working capital (annualized)	0.00%	87.73%	-2.98%	2.79%	1.02%
<b>Interest coverage ratio</b>	<b>(140.58)</b>	<b>(52.91)</b>	<b>(3,223.00)</b>	<b>(1,619.80)</b>	<b>n/a</b>
% change	-165.70%	98.36%	n/a	n/a	n/a
<b>Free cash flow \$</b>	<b>(\$1,870)</b>	<b>(\$3,654)</b>	<b>(\$1,978)</b>	<b>(\$6,775)</b>	<b>(\$2,286)</b>
% change	48.82%	-84.73%	n/a	n/a	-15.40%
Source:	10-Q 5/15/2014	10-K 4/14/2014	10-Q 11/14/2013	10-Q 11/14/2013	10-Q 11/14/2013

Repetitive negative free cash flow (Only \$1MM in cash remaining)...



...need more depth? Look at the Leverage Ratios

Steady decline in stockholders' equity, with the value ultimately falling negative...

Leverage Ratios - Sequential Quarters (Thousands of U.S. Dollars)					
Period Ended	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
Total debt \$	\$2,612	\$1,212	n/a	n/a	n/a
% change	115.51%	n/a	n/a	n/a	n/a
Stockholders' equity \$	(\$4,217)	(\$1,519)	\$3,991	\$6,128	\$10,518
% change	-177.62%	-138.06%	-34.87%	-41.74%	-22.30%
Tangible net worth \$	(\$4,217)	(\$1,519)	\$3,991	\$6,128	\$10,518
% change	-177.62%	-138.06%	-34.87%	-41.74%	-22.30%
Total assets \$	\$2,510	\$2,693	\$7,472	\$9,030	\$13,114
% change	-6.80%	-63.96%	-17.25%	-31.14%	-28.45%
Total debt to assets ratio	1.04	0.45	n/a	n/a	n/a
% change	131.19%	n/a	n/a	n/a	n/a
Net tangible assets \$	\$2,510	\$2,693	\$7,472	\$9,030	\$13,114
% change	-6.80%	-63.96%	-17.25%	-31.14%	-28.45%
Short-term debt \$	\$2,612	\$1,212	n/a	n/a	n/a
% change	115.51%	n/a	n/a	n/a	n/a
Short-term debt % of total debt	100.00%	100.00%	n/a	n/a	n/a
Short-term debt % of working capital	-57.11%	-52.65%	n/a	n/a	n/a
% change	-8.46%	n/a	n/a	n/a	n/a
Total liabilities \$	\$6,727	\$4,212	\$3,481	\$2,902	\$2,596
% change	59.71%	21.00%	19.95%	11.79%	-45.84%
Total liabilities to equity ratio	n/a	n/a	0.87	0.47	0.25
% change	n/a	n/a	84.16%	91.90%	-30.30%
Total liabilities to tangible net worth ratio	n/a	n/a	0.87	0.47	0.25
% change	n/a	n/a	84.16%	91.90%	-30.30%
Source:	10-Q 5/15/2014	10-K 4/14/2014	10-Q 11/14/2013	10-Q 8/14/2013	10-Q 5/13/2013

Due to adverse purchase commitments in relation to the cancelation of purchase orders, the Company entered into a short-term financing arrangement with its majority shareholder, Vicis Capital Master Fund, for a \$5MM credit line which it has drawn upon...

...need more depth? Look at the Liquidity Ratios and Rates of Return

Decrease in working capital due to adverse purchase commitments and issuance of promissory notes ...

### Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
<b>Current assets \$</b>	<b>\$1,751</b>	<b>\$1,814</b>	<b>\$6,394</b>	<b>\$7,762</b>	<b>\$11,782</b>
% change	-3.47%	-71.63%	-17.62%	-34.12%	-30.22%
% of short-term debt	67.04%	149.67%	n/a	n/a	n/a
<b>Current liabilities \$</b>	<b>\$6,325</b>	<b>\$4,116</b>	<b>\$3,481</b>	<b>\$2,902</b>	<b>\$2,596</b>
% change	53.67%	18.24%	19.95%	11.79%	-45.84%
<b>Working capital \$</b>	<b>(\$4,574)</b>	<b>(\$2,302)</b>	<b>\$2,913</b>	<b>\$4,860</b>	<b>\$9,186</b>
% change	-98.70%	-179.03%	-40.06%	-47.09%	-24.03%
% of sales (annualized)	-202.39%	-66.38%	20.80%	34.81%	n/a
<b>Cash \$</b>	<b>\$1,037</b>	<b>\$907</b>	<b>\$4,561</b>	<b>\$6,539</b>	<b>\$11,028</b>
% change	14.33%	-80.11%	-30.25%	-40.71%	-17.17%
% of short-term debt	39.70%	74.84%	n/a	n/a	n/a
<b>Cash ratio</b>	<b>0.16</b>	<b>0.22</b>	<b>1.31</b>	<b>2.25</b>	<b>4.25</b>
% change	-25.59%	-83.18%	-41.85%	-46.96%	52.93%
<b>Quick assets \$</b>	<b>\$1,100</b>	<b>\$1,075</b>	<b>\$5,282</b>	<b>\$6,585</b>	<b>\$11,127</b>
% change	2.33%	-79.65%	-19.79%	-40.82%	-28.68%
% of short-term debt	42.11%	88.70%	n/a	n/a	n/a
<b>Quick ratio</b>	<b>0.17</b>	<b>0.26</b>	<b>1.52</b>	<b>2.27</b>	<b>4.29</b>
% change	-33.42%	-82.79%	-33.13%	-47.06%	31.68%
<b>Current ratio</b>	<b>0.28</b>	<b>0.44</b>	<b>1.84</b>	<b>2.67</b>	<b>4.54</b>
% change	-37.19%	-76.01%	-31.33%	-41.07%	28.83%
Source:	10-Q 5/15/2014	10-K 4/14/2014	10-Q 11/14/2013	10-Q 8/14/2013	10-Q 5/13/2013

Very poor cash and quick ratios...

### Rates of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2014	3 mos 12/31/2013	3 mos 9/30/2013	6 mos 6/30/2013	3 mos 3/31/2013
<b>Return on equity</b>	<b>n/a</b>	<b>-149.76%</b>	<b>-54.81%</b>	<b>-79.87%</b>	<b>n/a</b>
% change	n/a	-173.22%	n/a	n/a	n/a
<b>Return on net tangible equity</b>	<b>n/a</b>	<b>-149.76%</b>	<b>-54.81%</b>	<b>-79.87%</b>	<b>0.00%</b>
% change	n/a	-173.22%	n/a	n/a	100.00%
<b>Return on total assets</b>	<b>-146.11%</b>	<b>-117.60%</b>	<b>-40.71%</b>	<b>-75.88%</b>	<b>0.00%</b>
% change	-24.24%	-188.87%	n/a	n/a	100.00%
<b>Return on net tangible assets</b>	<b>-146.11%</b>	<b>-117.60%</b>	<b>-40.71%</b>	<b>-75.88%</b>	<b>0.00%</b>
% change	-24.24%	-188.87%	n/a	n/a	100.00%
Source:	10-Q 5/15/2014	10-K 4/14/2014	10-Q 11/14/2013	10-Q 11/14/2013	10-Q 11/14/2013

Negative rates of return...

...need more depth? Look at the Annual Statement of Cash Flows

Inability to generate cash from operations...

Statement of Cash Flows - Annual - Standardized					
(Thousands of U.S. Dollars)					
Period Ended	12 mos 12/31/2013	12 mos 12/31/2012	12 mos 12/31/2011	12 mos 12/31/2010	12 mos 12/31/2009
				Reclassified 12/31/2011	Reclassified 12/31/2011
<b>Cash Flows from Operating Activities:</b>					
Net income	(\$17,737)	(\$5,444)	\$10,050	\$4,704	(\$116,560)
Depreciation/depletion	544	574	458	380	302
Non-cash Items	4,048	2,464	216	(7,359)	107,681
Changes in working capital	874	(1,962)	1,345	683	857
<b>Total cash from operating activities</b>	<b>(12,271)</b>	<b>(4,368)</b>	<b>12,069</b>	<b>(1,592)</b>	<b>(7,720)</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(136)	(659)	(962)	(527)	(394)
Other investing cash flow items, total	n/a	n/a	0	0	125
<b>Total cash from investing activities</b>	<b>(136)</b>	<b>(659)</b>	<b>(962)</b>	<b>(527)</b>	<b>(269)</b>
<b>Cash Flows from Financing Activities:</b>					
Financing cash flow items	n/a	0	(389)	0	0
Issuance/retirement of stock, net	0	376	270	8,132	976
Issuance/retirement of debt, net	n/a	0	(10)	(13)	(12)
<b>Total cash from financing activities</b>	<b>0</b>	<b>376</b>	<b>(129)</b>	<b>8,119</b>	<b>964</b>
<b>Net change in cash</b>	<b>(12,407)</b>	<b>(4,651)</b>	<b>10,978</b>	<b>6,000</b>	<b>(7,025)</b>
<b>Net cash-beginning balance</b>	<b>13,314</b>	<b>17,965</b>	<b>6,987</b>	<b>987</b>	<b>8,012</b>
<b>Net cash-ending balance</b>	<b>\$907</b>	<b>\$13,314</b>	<b>\$17,965</b>	<b>\$6,987</b>	<b>\$987</b>
<b>Supplemental Disclosures:</b>					
Cash interest paid	\$6	\$1	\$246	\$226	\$675
Cash taxes paid, supplemental	\$0	\$41	\$163	\$0	\$0
Auditor/Opinion:	Pricewaterhouse Coopers LLP <b>Unqualified with Explanation</b>	Rotenberg Meril Solomon Bertiger & Guttilla, P.C. <b>Unqualified</b>	Rotenberg Meril Solomon Bertiger & Guttilla, P.C. <b>Unqualified with Explanation</b>	Rotenberg Meril Solomon Bertiger & Guttilla, P.C. <b>Unqualified with Explanation</b>	Rotenberg Meril Solomon Bertiger & Guttilla, P.C. <b>Unqualified with Explanation</b>
Source:	10-K 4/14/2014	10-K 3/11/2013	10-K/A 9/24/2012	10-K/A 9/24/2012	10-K/A 9/24/2012

...need more depth? Look at the Peer Analysis

Peer Analysis

Calendar Year/Quarter: 2014.1 ▾

Peer Group: Sector: Technology, Industry: Communications Equipment ▾

Refresh

[Sector: Technology] [Industry: Communications Equipment] [Calendar Year/Quarter: 2014.1]

Businesses in Peer Group: 1,324	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings:						
ZScore -- Current Quarter	389	395	(381.03)	(1,734.36)	3.77	332.20
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	90	109	565.00	0.00	23,656.00	11,545,000.00
Gross Margin % of Sales -- Current Quarter	390	393	(3.01)	(301.73)	26.27	97.06
Gross margin % of Sales -- TTM	190	400	26.25	(489.75)	24.76	100.00
SG&A % of Sales -- Current Quarter	386	394	308.85	0.17	19.20	16,480.41
SG&A % of Sales -- TTM	381	400	91.16	0.25	18.56	5,642.39
Operating Margin % of Sales -- Current Quarter	394	402	(668.14)	(31,255.67)	0.64	67.32
Operating Margin % of Sales -- TTM	397	408	(179.67)	(6,146.74)	2.02	2,749.78
EBITDA Margin % of Sales -- Current Quarter	370	375	(646.90)	(30,891.75)	3.41	2,555.98
EBITDA Margin % of Sales -- TTM	398	408	(174.10)	(5,908.70)	4.83	135.29
Net Profit Margin % of Sales -- Current Quarter	397	402	(672.74)	(30,705.15)	1.15	4,804.05
Net Profit Margin % of Sales -- TTM	397	408	(180.76)	(9,423.91)	1.80	2,761.23
Pre-tax Income % of Sales -- Current Quarter	396	402	(672.74)	(30,705.15)	1.24	4,804.05
Effective Tax Rate	116	411	0.00	(583.92)	7.87	1,475.96
Depreciation % Of Prop/Plant/Equipment	272	313	58.61	0.00	18.63	13,244.44
CapitalExpense % Of Prop/Plant/Equipment	N/A	322	N/A	0.13	21.25	2,029.91
Interest Coverage -- Current Quarter	294	301	(140.58)	(755.00)	2.23	13,527.00
Interest Coverage -- TTM	363	368	(147.12)	(7,037.08)	3.39	12,278.88
Liquidity ratios:						
Cash Ratio	318	411	0.16	(2.83)	0.49	39.81
Quick Ratio	387	397	0.17	0.00	1.26	43.61
Current Ratio	396	411	0.28	(4.40)	2.06	57.80
Efficiency ratios:						
Accounts Receivable Turnover	0	401	16.57	0.00	1.86	388.00
Days Sales Outstanding	14	402	18.65	0.00	74.29	24,452.08
% Inventory Financed by Vendors -- Current Quarter	30	370	359.85	1.33	79.31	34,900.00
% Inventory Financed by Vendors -- TTM	29	380	391.64	0.00	82.58	21,229.23
Inventory Turnover (annualized) -- Current Quarter	83	398	8.65	0.00	4.15	1,109.00
Inventory Turnover -- TTM	30	401	17.39	0.00	4.57	1,059.96
Days Sales in Inventory	83	387	42.18	0.33	84.78	42,380.32
Inventory to Working Capital	389	394	(0.06)	(22.05)	0.40	92.42
Accounts Payable Turnover (annualized) -- Current Quarter	326	387	2.21	0.00	5.44	99.74
Accounts Payable Turnover -- TTM	185	390	5.87	0.00	5.64	121.87
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	326	N/A	0.00	0.34	226.49
Debt to Tangible Equity Ratio	N/A	311	N/A	0.00	0.38	357.50
Total Debt to Assets Ratio	339	347	1.04	0.00	0.18	24.98
Short-Term Debt % of Total Debt	283	328	100.00	0.00	79.83	100.00
Short-Term Debt % of Working Capital	321	333	(57.11)	(3,305.25)	15.40	15,423.80
Liabilities to Net Worth Ratio	N/A	373	N/A	(0.19)	0.87	383.65
Total Liabilities to Equity Ratio	N/A	389	N/A	(0.19)	0.78	243.06
TTM = trailing 12 months N/A = Not Available						
Green - Ranked in Upper Quartile of Peer Group White - Ranked in the Middle Two Quartiles of Peer Group Red - Ranked in Lower Quartile of Peer Group Grey - Data is Not Available						

Bottom quartile in majority of Performance and all of Liquidity ratios vs. Communications Equipment Peers



In the MD&A issued in November 2013 the Company tells us, it has entered into an agreement with Vicis Capital Master Fund for a \$5MM credit line, which expires on June 30, 2014. The Company warns that all notes issued in connection with draw downs on the credit line will become due and payable by the termination date, and without additional financing, it will not have sufficient cash flow to repay the amounts due under this facility. These factors raise substantial doubt about the Company's ability to continue as a going concern...

...and in July, they file for bankruptcy...

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## Ambient Corporation

7 Wells Avenue  
Suite 11

Phone: (617) 332-0004

Newton, MA 02459 United States

Ticker: AMBT

**Filed for Bankruptcy on 7/28/2014**  
**Case #14-11791, filed in the U.S. Bankruptcy Court for the District of Delaware**  
**This company is no longer actively traded on any major stock exchange.**

### Management Discussion and Analysis

For the period ended 9/30/2013

On August 12, 2013, we and Vicis Capital Master Fund ("Vicis"), our majority stockholder, entered into an agreement pursuant to which Vicis furnished to us access to a \$5.0 million credit line. Pursuant to the arrangement, from time to time through June 30, 2014 as our cash resources fall below \$500,000, we are entitled to receive from Vicis \$500,000 in consideration for which we will issue to Vicis a promissory note in the principal amount of \$500,000. Ambient may draw down on the facility as needed until the entire \$5.0 million is exhausted. The arrangement terminates on June 30, 2014, unless the parties elect to extend it by mutual agreement. All notes issued will also be due and payable by June 30, 2014. As of the date of this filing of the quarterly report on Form 10-Q, we have not drawn any amounts under this credit line.

In addition, if we do not have available cash from revenues or additional financing by June 30, 2014, we will not have sufficient cash flow to meet our working capital needs and would be unable to repay amounts due under the Vicis credit facility, if any, when due, which would have a material adverse impact on our business and operations. While we will actively seek to identify sources of liquidity to repay the Vicis credit facility, there are no assurances that such additional sources of liquidity can be obtained on terms acceptable to us, or at all. These factors raise substantial doubt about the Company's ability to continue as a going concern. Such "going concern" qualification may make it more difficult for us to raise funds if and when needed.