Jaguar Animal Health, Inc.
Form S-1/A
October 10, 2014

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**As filed with the Securities and Exchange Commission on October 10, 2014.**

**Registration No. 333-198383**

# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

## Amendment No. 2
## To
# FORM S-1

**REGISTRATION STATEMENT**
**UNDER**
**THE SECURITIES ACT OF 1933**

# JAGUAR ANIMAL HEALTH, INC.

(Exact name of registrant as specified in its charter)

| **Delaware** | **2834** | **46-2956775** |
|---|---|---|
| (State or other jurisdiction of incorporation or organization) | (Primary Standard Industrial Classification Code Number) | (I.R.S. Employer Identification Number) |

**185 Berry Street, Suite 1300**
**San Francisco, California 94107**
**(415) 371-8300**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

**Lisa A. Conte**
**Chief Executive Officer and President**
**Jaguar Animal Health, Inc.**
**185 Berry Street, Suite 1300**
**San Francisco, California 94107**
**(415) 371-8300**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

***Copies to:***

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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this registration statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

| Large accelerated filer o | Accelerated filer o | Non-accelerated filer ý (Do not check if a smaller reporting company) | Smaller reporting company o |
|---|---|---|---|

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**SUBJECT TO COMPLETION DATED OCTOBER 10, 2014**

**The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY PROSPECTUS**

# Shares

## Common Stock
## $ per share

This is the initial public offering of Jaguar Animal Health, Inc. We are offering shares of common stock. Prior to this offering, there has been no public market for our common stock. We estimate that the initial public offering price will be between $ and $ per share.

We have applied for listing of our common stock on The NASDAQ Capital Market under the symbol "JAGX."

We are an "emerging growth company" as defined by the Jumpstart Our Business Startups Act of 2012 and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

**Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 11.**

| | Per Share | Total |
|---|---|---|
| Initial public offering price | $ | $ |
| Underwriting discounts and commissions[(1)] | $ | $ |
| Proceeds, before expenses to us | $ | $ |

(1) We refer you to "Underwriting" for additional information regarding underwriter compensation.

We have granted the underwriters a 30-day option to purchase a total of up to additional shares of common stock.

The underwriters expect to deliver shares of common stock to purchasers on or about , 2014.

***Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.***

**BMO Capital Markets** **Guggenheim Securities**

**Roth Capital Partners**

**The date of this prospectus is , 2014.**

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**Until , 2014 (25 days after the commencement of this offering), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions**.

We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

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For investors outside the United States: we have not and the underwriters have not done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of securities and the distribution of this prospectus outside the United States.

Jaguar Animal Health, our logo, Canalevia and Neonorm are our trademarks that are used in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, trademarks and tradenames referred to in this prospectus appear without the © and symbols, but those references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights or that the applicable owner will not assert its rights, to these trademarks and tradenames.

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## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the section in this prospectus titled "Risk Factors" and our financial statements and related notes appearing elsewhere in this prospectus, before making an investment decision.*

*As used in this prospectus, references to "Jaguar," "we," "us" or "our" refer to Jaguar Animal Health, Inc.*

### Overview

**Our Company**

We are an animal health company focused on developing and commercializing first-in-class gastrointestinal products for companion and production animals. Canalevia is our lead prescription drug product candidate for the treatment of various forms of watery diarrhea in dogs. We expect to announce data from our proof-of-concept study of Canalevia for general acute watery diarrhea in dogs in the fourth quarter of 2014. We also expect to initiate filing of a rolling new animal drug application, or NADA, for Canalevia for chemotherapy-induced diarrhea, or CID, in dogs, by the end of 2014. Canalevia is a canine-specific formulation of crofelemer, an active pharmaceutical ingredient isolated and purified from the *Croton lechleri* tree. A human-specific formulation of crofelemer, Fulyzaq, was approved by the U.S. Food and Drug Administration, or FDA, in 2012 for the symptomatic relief of noninfectious diarrhea in adults with HIV/AIDS on antiretroviral therapy. Members of our management team developed crofelemer, including while at Napo Pharmaceuticals, Inc., or Napo. Neonorm is our lead non-prescription product to address the symptoms of watery diarrhea, or scours. We recently launched Neonorm in the United States, for preweaned dairy calves under the brand name Neonorm Calf and expect to launch additional formulations of Neonorm for other animal species beginning in 2015. Neonorm is a botanical extract also derived from the *Croton lechleri* tree. Canalevia and Neonorm are distinct products that are formulated to address specific species and market channels. We have filed eight investigational new animal drug applications, or INADs, with the FDA and intend to develop species-specific formulations of Neonorm in six additional target species.

Diarrhea is one of the most common reasons for veterinary office visits for dogs and is the second most common reason for visits to the veterinary emergency room, yet there are no FDA-approved anti-secretory products for the treatment of diarrhea. We estimate that in the United States, veterinarians see approximately six million annual cases of acute and chronic watery diarrhea in dogs, approximately two-thirds of which are acute watery diarrhea. We believe Canalevia will be effective in treating watery diarrhea because it acts at the last physiological step, conserved across mammalian species, in the manifestation of watery diarrhea, regardless of cause, by normalizing ion and water flow in the intestinal lumen. We are first seeking a minor use, minor species, or MUMS, designation for Canalevia for CID in dogs to shorten the timeframe to commercialization. If we receive conditional approval pursuant to MUMS designation, we expect to commercialize Canalevia for CID in dogs in early 2016. We are also enrolling a placebo-controlled proof-of-concept study of approximately 240 dogs with multiple preselected and distinct types of watery diarrhea. We are conducting this study to support full approval of Canalevia for CID, as well as protocol concurrence discussions with the FDA regarding expansion of labeled indications of watery diarrhea beyond CID to include general acute watery diarrhea. We plan to market Canalevia, if approved, through a focused direct sales force and to complement our internal efforts with distribution partners.

According to the Dairy 2007 study conducted by the United States Department of Agriculture, or USDA, almost one in four preweaned dairy heifer, or female, calves suffers from diarrhea or other digestive problems. The preweaning period is generally the first 60 days after birth. Scours, diarrhea or other digestive problems are responsible for more than half of all preweaned heifer calf deaths, and

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result in supportive care and treatment costs, impaired weight gain and long-term reduction in milk production. We believe the incidence rate of scours and its corresponding financial impact represent a large opportunity and that Neonorm has the potential to effectively meet this need. In our clinical study completed in May 2014, Neonorm demonstrated a statistically significant reduction in the severity of watery diarrhea, reduced morbidity and mortality, and improved weight gain as compared to placebo in newborn dairy calves with scours.

We recently launched Neonorm for preweaned dairy calves under the brand name Neonorm Calf. Our commercialization activities are initially focusing on large commercial dairy operations and will include active ongoing education and outreach to dairy industry key opinion leaders, such as academics involved in dairy cattle research or who advise the dairy cattle industry, as well as veterinarians. We intend to augment these commercialization efforts by working with regional distributors to leverage the geographic concentration of the dairy market in the United States as well as national distributors to provide wider geographic access to our products. In August 2014, we entered into our first regional distribution agreement for the Upper Midwest region, and in September 2014, entered into an agreement with a national master distributor, who also distributes prescription products for the companion animal market. We estimate that the commercial launch will cost approximately $1.0 million. We expect the ongoing launch of Neonorm to drive awareness among veterinarians regarding the utility of our first-in-class anti-secretory *Croton lechleri*-derived products, including Canalevia.

We have an exclusive worldwide license to Napo's intellectual property rights and technology related to our products and product candidates, including rights to its library of over 2,300 medicinal plants, for all veterinary treatment uses and indications for all species of animals. This license includes rights to Canalevia, Neonorm and other distinct prescription drug product candidates and non-prescription products in our pipeline along with the corresponding existing pre-clinical and clinical data packages.

Our management team has significant experience in gastrointestinal and animal health product development. This experience includes the development of crofelemer for human use, from discovery and preclinical and clinical toxicity studies, including the existing animal studies to be used for Canalevia regulatory approvals, through human clinical development. Our team also includes individuals who have prior animal health experience at major pharmaceutical companies, including Ciba-Geigy Corp., now Novartis International AG, SmithKline Beecham Corporation, now GlaxoSmithKline LLC, the animal health group of Pfizer Inc., now Zoetis Inc., and Vétoquinol S.A.

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**Product Pipeline**

We are developing a pipeline of prescription drug product candidates and non-prescription products to address unmet needs in animal health. Our pipeline currently includes prescription drug product candidates for eight indications across multiple species, and non-prescription products targeting seven species.

**Prescription Drug Product Candidates**

| Product Candidates | Species | Indication | Recent Developments[1] | Anticipated Near-Term Milestones |
|---|---|---|---|---|
| Canalevia | Dogs | CID | INAD filed in November 2013[2]<br>Scheduled MUMS designation / pre-NADA meeting | Initiate rolling NADA filing with the FDA in fourth quarter of 2014 |
| | Dogs | General acute watery diarrhea | INAD filed in February 2014<br>Initiated proof-of-concept study in June 2014 | Proof-of-concept data in fourth quarter of 2014<br>Top line pivotal efficacy data in 2015 |
| | Horses | Acute colitis | INAD filed in February 2014<br>Initiated hamster *C. difficile* study in April 2014 | Safety data in fourth quarter of 2014<br>Proof-of-concept data in second half of 2015<br>Apply for MUMS designation in second half of 2015 |
| Species-specific formulations of crofelemer | Horses | Colonic and gastric ulcers[3] | | Proof-of-concept data in second half of 2015 |
| | Cats | General acute watery diarrhea | INAD filed in February 2014 | Safety data in first half of 2015<br>Top line pivotal efficacy data in 2015 |
| Virend (topical) | Cats | Herpes virus | INAD filed in July 2014 | Proof-of-concept data in first half of 2015<br>Top line pivotal efficacy data in 2015 |
| | Dogs | Obesity-related metabolic dysfunction | INAD filed September 2014 | |
| Species-specific formulations of NP-500 | Horses | Metabolic syndrome | INAD filed in March 2014 | |
| | Cats | Type II diabetes | INAD filed in March 2014 | |

(1) Each INAD was filed by us unless otherwise noted.

(2) Initially filed by Napo; transferred to us in March 2014

(3) In combination with omeprazole.

**Non-Prescription Products**

| Products | Species | Use | Recent Developments | Anticipated Near-Term Milestones |
|---|---|---|---|---|
| Neonorm Calf | Dairy calves | For scours in preweaned dairy calves | Commercial launch in September 2014 | Field study data by end of 2014 |
| | Horse foals | Normalize stool formation | Completed pilot formulation in April 2014 | Safety and palatability data in 2014<br>Efficacy data in first half of 2015<br>Commercial launch in 2015 |
| Species-specific formulations of Neonorm | Adult horses | Normalize stool formation | Completed pilot formulation in April 2014 | Safety and efficacy data in first half of 2015<br>Commercial launch in 2015 |
| | Sheep and other farm animals | Normalize stool formation | Initiated international market research in New Zealand in May 2014 | Initiate proof-of-concept studies in various species based on market research |

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***Novel Mechanism of Action***

Our gastrointestinal products and product candidates act by normalizing the flow of ions and water in the intestinal lumen, the dysregulation of which is the last step common to the manifestation of watery diarrhea. As a result, we believe that our products and product candidates may be effective in addressing watery diarrhea, regardless of cause. In addition, the channels that regulate this ion and water flow, including channels known as CFTR and CaCC (the sites of action of our gastrointestinal products), are generally present in mammals. We therefore expect that the clinical benefit shown in humans and preweaned dairy calves will be confirmed in multiple other species, including dogs. Accordingly, we believe we can bring to market multiple products for a range of species that are first-in-class and effective in preventing the debilitating and devastating ramifications of watery diarrhea in companion and production animals. The following diagram illustrates the mechanism of action of our gastrointestinal products and product candidates, which normalize chloride and water flow and transit time of fluids within the intestinal lumen.

**Business Strategy**

Our goal is to become a leading animal health company with first-in-class products that address unmet medical needs in both the companion and production animal markets. To accomplish this goal, we plan to:

***Leverage our significant gastrointestinal knowledge, experience and intellectual property portfolio to develop a line of products addressing watery diarrhea for both companion and production animals.*** In addition to Canalevia for dogs and Neonorm for preweaned dairy calves, we are developing formulations of these products across multiple animal species and market channels.

***Establish commercial capabilities, including third-party sales and distribution networks and our own targeted commercial efforts, through the launch of Neonorm.*** We recently launched Neonorm in the United States under the brand name Neonorm Calf. We intend to establish a focused direct sales force for both the companion and production animal markets, as well as partner with leading distributors to commercialize our products.

***Launch Canalevia and our other product candidates for companion animals, if approved, leveraging the commercial capabilities and brand awareness we are currently building.*** We believe the ongoing Neonorm launch will allow us to establish sales and marketing capabilities in advance of the planned launch of Canalevia in 2016 for both CID (early 2016) and general acute watery diarrhea (2016) in dogs, to build corporate brand identity awareness, and to establish distributor relationships relevant to both our non-prescription and prescription drug product lines.

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***Identify market needs that can be readily accessed and develop species-specific products by leveraging our broad intellectual property portfolio, deep pipeline and extensive botanical library.*** In addition to our gastrointestinal product pipeline, we are also developing products such as Virend for feline herpes and NP-500 for Type II diabetes and metabolic syndrome, both of which have been through Phase 2 human clinical testing. We have exclusive worldwide rights to a library of over 2,300 medicinal plants for all veterinary treatment uses and indications for all species of animals.

**Risks Related to Our Business**

Our business, and our ability to execute our business strategy, is subject to a number of risks as more fully described in the section titled "Risk Factors." These risks include, among others, the following:

We have a limited operating history, have not yet generated any material revenues, expect to continue to incur significant research and development and other expenses, and may never become profitable. Our independent registered public accounting firm has expressed substantial doubt about our ability to continue as a going concern.

We have never generated any material revenue from operations and may need to raise additional capital to achieve our goals.

We are substantially dependent on the success of our current lead prescription drug product candidate, Canalevia, and non-prescription product, Neonorm, and cannot be certain that necessary approvals will be received or that these products will be successfully commercialized.

We are dependent upon our license agreement with Napo, and if this agreement is terminated, we will be unable to commercialize our products and our business will be harmed.

The results of earlier studies may not be predictive of the results of our pivotal trials or other future studies, and we may be unable to obtain any necessary regulatory approvals for our existing or future prescription drug product candidates under applicable regulatory requirements.

Development of prescription drug products, and to a lesser extent, non-prescription products, for the animal health market is inherently expensive, time-consuming and uncertain, and any delay or discontinuance of our current or future pivotal trials, or dosage or formulation studies, would harm our business and prospects.

Even if we obtain any required regulatory approvals for our current or future prescription drug product candidates, they may never achieve market acceptance or commercial success.

We are dependent upon contract manufacturers for supplies of our current prescription drug product candidates and non-prescription products and, in the short term, intend to rely on contract manufacturers for commercial quantities of any of our commercialized products.

If we are not successful in identifying, developing and commercializing additional prescription drug product candidates and non-prescription products, our ability to expand our business and achieve our strategic objectives would be impaired.

**Corporate Information**

We were founded in San Francisco, California as a Delaware corporation on June 6, 2013. Napo formed our company to develop and commercialize animal health products. As of December 31, 2013, we were a wholly-owned subsidiary of Napo, and as of September 30, 2014, we are a majority-owned subsidiary of Napo. Upon the closing of this offering, we will no longer be majority-owned by Napo. See "Certain Relationships and Related Person Transactions  Transactions with Napo" and "  Napo Arrangements" for information regarding our transactions with Napo.

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Our executive offices are located at 185 Berry Street, Suite 1300, San Francisco, California 94107, and our telephone number is (415) 371-8300. Our website address is www.jaguaranimalhealth.com. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated by reference into this prospectus and should not be considered to be part of this prospectus.

**Implications of Being an Emerging Growth Company**

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from specified disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We can take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we were to generate more than $1.0 billion in annual revenues, have more than $700.0 million in market value of our capital stock held by non-affiliates or issue more than $1.0 billion of non-convertible debt over a three-year period. As an emerging growth company, we may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of some reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

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**The Offering**

| | |
|---|---|
| Common stock offered by us | shares (or shares if the underwriters exercise their option to purchase additional shares in full) |
| Common stock to be outstanding after this offering | shares (or shares if the underwriters exercise their option to purchase additional shares in full) |
| Option to purchase additional shares | We have granted the underwriters a 30-day option to purchase up to additional shares of our common stock to cover over-allotments, if any. |
| Use of proceeds | We intend to use the net proceeds from this offering for further development work for Canalevia and our other prescription drug products, for studies and commercial activities related to Neonorm, for formulation costs and establishing manufacturing capabilities, and for other research and product development activities, working capital and general corporate purposes. See "Use of Proceeds" for a more detailed description of the intended use of proceeds from this offering. |
| Risk factors | See "Risk Factors" and other information included in this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our common stock. |
| Proposed NASDAQ Capital Market symbol | "JAGX" |

The number of shares of common stock to be outstanding after this offering is based on shares of common stock outstanding as of June 30, 2014, and excludes:

311,498 shares of common stock issuable upon exercise of outstanding warrants as of June 30, 2014 with an exercise price of $1.6854 per share;

25,000 shares of common stock issuable upon exercise of an outstanding warrant as of June 30, 2014 with an exercise price equal to 90% of the initial public offering price;

50,000 shares of our common stock issuable upon exercise of outstanding warrants issued after June 30, 2014 with an exercise price equal to 80% of the initial public offering price;

1,129,673 shares issuable upon exercise of outstanding options as of June 30, 2014 with a weighted-average exercise price of $1.77 per share;

118,953 shares issuable upon vesting of outstanding restricted stock unit awards as of June 30, 2014;

22,674 shares of common stock reserved for future issuance under our 2013 Equity Incentive Plan as of June 30, 2014; and

500,000 shares of common stock reserved for future issuance under our 2014 Stock Incentive Plan, which will become effective in connection with this offering, as well as any automatic increases in the shares of common stock reserved for future issuance under the 2014 Stock Incentive Plan.

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Unless otherwise indicated, the information in this prospectus assumes the following:

- the filing of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, which will be in effect as of the closing of this offering;
- the conversion of all outstanding shares of Series A preferred stock into 3,015,902 shares of common stock on a one-for-one basis upon the closing of this offering;
- the issuance of shares of common stock upon the conversion of convertible promissory notes in the aggregate principal amount of $450,000 (which includes $150,000 aggregate principal amount of notes issued in July 2014) upon the closing of this offering at a conversion price equal to 80% of the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and which shares will be unregistered;
- no conversion into shares of common stock of up to $1,000,000 aggregate principal amount of borrowings under our standby letter of credit entered into in August 2014;
- no exercise of outstanding options or warrants, or issuance of shares upon the vesting of restricted stock units; and
- no exercise by the underwriters of their option to purchase additional shares of common stock.

**Recent Developments**

Subsequent to June 30, 2014, we completed the following transactions and issuances of securities.

***Convertible Promissory Notes***

In July 2014, we issued convertible promissory notes in the aggregate principal amount of $150,000. Upon the closing of this offering, these notes will convert into shares of common stock at a conversion rate equal to 80% of the initial public offering price per share, and which shares will be unregistered.

***Standby Line of Credit and Warrant Issuance***

In August 2014, we entered into a standby line of credit with an individual, who is an accredited investor, for up to $1.0 million pursuant to a Line of Credit Loan Agreement dated August 26, 2014. The minimum amount of any drawdown is $250,000, the lender has no obligation to fund more than once every 10 calendar days, we must provide 15 business days prior notice for any drawdown and may not drawdown funds after March 31, 2015. Outstanding borrowings bear interest at a rate of 3.0% per annum, and all borrowings are due in full on the one-year anniversary of our first drawdown. Following closing of this offering, outstanding principal amounts borrowed under the standby line of credit may be converted, at the option of the lender, into shares of our common stock at a conversion price equal to 80% of the initial public offering price per share. In connection with the entry into the standby line of credit, we issued the lender a warrant to purchase 50,000 shares of our common stock at an exercise price equal to 80% of the initial public offering price per share, which expires in August 2016.

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**Summary Selected Financial Data**

The following tables set forth a summary of our selected historical financial data as of and for the periods ended on the dates indicated. We have derived the statements of comprehensive loss data for the period from June 6, 2013 (inception) through December 31, 2013 from our audited financial statements included elsewhere in this prospectus. We have derived the statements of comprehensive loss data for the period from June 6, 2013 (inception) through June 30, 2014 and for the six months ended June 30, 2014, and the balance sheet data as of June 30, 2014 from our unaudited interim financial statements appearing elsewhere in this prospectus. The unaudited interim financial statements have been prepared on the same basis as our audited financial statements and, in our opinion, reflect all adjustments, consisting only of normal and recurring adjustments, which we consider necessary for a fair presentation of our financial position as of June 30, 2014. You should read this data together with our financial statements and related notes appearing elsewhere in this prospectus and the sections in this prospectus titled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The historical results are not necessarily indicative of the results to be expected for any future periods and the results for the six months ended June 30, 2014 should not be considered indicative of results expected for the full year 2014.

| | Period from June 6, 2013 (inception) through December 31, 2013 | Six Months Ended June 30, 2014 (unaudited) | Period from June 6, 2013 (inception) through June 30, 2014 (unaudited) |
|---|---|---|---|
| **Statements of Comprehensive Loss Data:** | | | |
| Operating expenses: | | | |
| General and administrative expense | $ 458,473 | $ 1,740,515 | $ 2,198,988 |
| Research and development expense | 324,479 | 2,149,555 | 2,474,034 |
| Total operating expenses | 782,952 | 3,890,070 | 4,673,022 |
| Loss from operations | (782,952) | (3,890,070) | (4,673,022) |
| Interest expense, net | (18,251) | (20,164) | (38,415) |
| Net loss and comprehensive loss | $ (801,203) | $ (3,910,234) | $ (4,711,437) |
| Accretion of redeemable convertible preferred stock | | (285,009) | (285,009) |
| Net loss attributable to common stockholders | $ (801,203) | $ (4,195,234) | $ (4,996,446) |