CHAMPIONS ONCOLOGY, INC.
Form S-1
April 26, 2016

As filed with the Securities and Exchange Commission on April 26, 2016

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CHAMPIONS ONCOLOGY, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	2836	52-1401755
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

One University Plaza, Suite 307
Hackensack, New Jersey 07601
(201) 808-8400

(Address, including zip code, and telephone number,
including area code, of Registrant s principal executive offices)

Joel Ackerman
Chief Executive Officer
One University Plaza, Suite 307
Hackensack, New Jersey 07601
(201) 808-8400

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

Copies to:

Benjamin S. Reichel, Esq.
Ellenoff Grossman & Schole LLP
1345 Avenue of the Americas
New York, New York 10105
(212) 370-1300

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date hereof.

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 earliest 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 earliest 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. (Check one):

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[1]	Amount of Registration Fee
Common stock, $0.001 par value per share[2][3]	$ 5,750,000	$ 579.03
Total	**$ 5,750,000**	**$ 579.03**

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(o) of the Securities Act of 1933, as amended (the Securities Act).

(2) Includes additional shares of common stock which may be issued upon exercise of a 45-day option granted to the underwriter to cover over-allotments, if any.

(3) Pursuant to Rule 416 under the Securities Act, the securities being registered hereunder include such indeterminate number of additional shares of common stock as may be issued after the date hereof as a result of stock splits, stock dividends or similar transactions.

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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The information in this 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 prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

April 26, 2016

PRELIMINARY PROSPECTUS

Champions Oncology, Inc.

shares of Common Stock

We are offering shares of our common stock in a firm commitment underwritten offering. The public offering price is $ per share.

Our common stock is currently traded on the Nasdaq Capital Market under the symbol CSBR. On April 22, 2016, the last reported sales price for our common stock was $4.05 per share.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. SEE RISK FACTORS BEGINNING ON PAGE 4 FOR CERTAIN RISK FACTORS THAT YOU SHOULD CONSIDER BEFORE INVESTING IN OUR SECURITIES.

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

(1) We have agreed to reimburse the underwriters for certain expenses. See Underwriting on page 46 of this prospectus for a description of the compensation payable to the underwriters.

We have granted the underwriter a 45-day option to purchase up to an additional shares of common stock at the public offering price, less underwriting discounts and commissions, to cover over-allotments, if any. The underwriter expects to deliver our securities, against payment, on or about , 2016.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Managing Underwriter

The date of this prospectus is , 2016

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You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with any information or to make any representations about us, the securities being offered pursuant to this prospectus or any other matter discussed in this prospectus, other than the information and representations contained in this prospectus. If any other information or representation is given or made, such information or representation may not be relied upon as having been authorized by us.

The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Neither the delivery of this prospectus nor any distribution of securities in accordance with this prospectus shall, under any circumstances, imply that there has been no change in our affairs since the date of this prospectus. This prospectus will be updated and made available for delivery to the extent required by the federal securities laws.

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PROSPECTUS SUMMARY

This summary highlights certain information appearing elsewhere in this prospectus. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors and the financial statements. References in this prospectus to we, us, our and Company refer to Champions Oncology, Inc. and its subsidiaries. You should read this prospectus together with additional information described below under the heading Where You Can Find More Information.

The share and per share information in this prospectus gives effect to a 1-for-12 reverse stock split of our outstanding shares of common stock that became effective on August 12, 2015.

Overview of Our Business

We are engaged in the development and sale of advanced technology solutions and products to personalize the development and use of oncology drugs. Utilizing the our TumorGraft Technology Platform, we provide select services to pharmaceutical and biotechnology companies seeking personalized approaches to drug development. By performing studies to predict the efficacy of oncology drugs, our Platform facilitates drug discovery with lower costs and increased speed of drug development as well as increased adoption of existing drugs.

Our Platform provides a novel approach to simulating the results of human clinical trials used in developing oncology drugs. Clinical trials in oncology have high failure rates and result in the expenditure of significant research and development dollars on drug candidates that never get approved for sale. Simulating trials before executing them provides benefits to both pharmaceutical companies and patients. Pharmaceutical companies can lower the risk of spending resources on drugs that do not show significant anti-cancer activities and increase the chance that the clinical development path they pursue will be focused on an appropriate patient population and a successful combination with other drugs.

We plan to continue our efforts to expand our TumorGraft Technology Platform in order to expand our TOS program. Our POS program will not be the focus of our growth moving forward.

TumorGraft Technology Platform

Our clinical trial simulation platform consists of processes, physical tumors, and information that we use to personalize the development and use of oncology drugs. Our process technology, which we call TumorGrafting is also known as Patient Derived Xenografts and involves the:

implantation of human tumor fragments in immune-deficient mice;
expansion of the original human tumor into a larger colony of mice through the passage of the tumor to a limited number of generations of mice;
treatment of the implanted mice with oncology drugs;
measurement of tumor growth inhibition in treated mice relative to a control group of mice to determine the response of the tumor to the drug; and
permanent cryo-preservation of fragments of tumor tissue for future use in additional clinical trial simulations.

TumorBank

Each tumor from individual patients that we have preserved for future implantation in mice, along with the patient data and molecular information associated with these tumors, are referred to as TumorGrafts or Patient Derived XenoGrafts of PDX Models . The collection of TumorGrafts that we have built is referred to as our TumorBank. We implant tumors in mice to provide pharmaceutical and biotechnology companies the opportunity to test oncology compounds on multiple tumors to test efficacy and simulate the results of human clinical trials.

Increasing breadth and depth of the TumorBank is an important strategic effort of the company. We invest significant research and development resources to increase the number of PDX Models in our TumorBank and add different sub-types of cancer that we have not historically addressed. In addition, we are also developing an extensive database of information about the tumors in our tumor bank. We expect that this

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database will include certain information about the patient (e.g. age, gender), the response of the tumors to different oncology drugs or drug combinations, mutational status of key oncogenes, and other genetic and epigenetic data about each tumor. We expect that such data could be valuable to companies seeking to develop new cancer drugs.

Based on our extensive knowledge of the industry, we believe that we are a leading provider of Patient Derived XenoGrafts and a pioneer in the use of PDX models for use with patients and clinical trial simulations. Our research and development efforts and customer sponsored platform development has contributed to the acceptance of the accuracy of PDX models as a valuable tool in the development and use of oncology drugs.

Our Growth and Expansion Strategy

Our strategy is to continue to use TumorGrafts as a platform technology to drive multiple synergistic revenue streams.

Our current strategy for growth has three components:

Growing our TumorBank: We grow our TumorBank in two ways. First, we increase the number of TumorGrafts in the bank for our existing tumor types to ensure customers are finding the specific models they need for their studies. Second, we add new tumor types to the bank to enable studies in tumor types that we have not historically been able to run for our pharmaceutical and biotech customers.

Adding new PDX technologies: The fields of oncology research and drug development are evolving. To keep up with new approaches, we add new technologies to our PDX platform. We are currently investing in developing ImmunoGrafts, a new PDX model that is developed in a mouse with a humanized immune system. These models are built to specifically serve the needs of pharmaceutical and biotech companies developing immune oncology drugs. This is a relatively new area of oncology research that has shown significant promise and is attracting a significant amount of research and development interest.

Increasing the scale of studies: We have facilitated studies for approximately 100 pharmaceutical and biotech companies. We believe there is significant opportunity to grow our revenue by increasing the size of the studies these customers run. To accomplish this, we are developing new study designs that offer solutions to compounds that are in phase I and phase II clinical trials. We believe that the increased budgets of these drugs, as compared to drugs in the pre-clinical stage, will enable us to sell larger studies.

Competition

Our TumorGraft Technology Platform is proprietary and requires significant know-how to both initiate and operate, but is not patented. It is, therefore, possible for competitors to develop other implantation procedures or to discover the same procedures utilized by the Company that could compete with the Company in its market. Competition in our industry is intense and based significantly on scientific, technological, and market forces, which include the effectiveness of the technology and products and the ability to commercialize technological developments. The Company faces significant competition from other healthcare companies in the United States and abroad. The majority of these competitors are, and will be, substantially larger than the Company, and have substantially greater resources and operating histories. There can be no assurance that developments by other companies will not render our products or technologies obsolete or non-competitive or that we will be able to keep pace with the technological or product developments of our competitors. These companies, as well as academic institutions, governmental agencies, and private research organizations also compete with us in recruiting and retaining highly qualified scientific, technical and professional personnel and consultants.

Corporate Information

Our corporate headquarters are located at One University Plaza, Suite 307, Hackensack, NJ 07601. Our telephone number is (201) 808-8400. Our Internet website is *http://www.championsoncology.com*. Information on our website is not incorporated into or a part of this prospectus.

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The Offering

Securities Offered	shares of our common stock
Offering Price	The purchase price is $ per share.
Common Stock Outstanding Before the Offering	8,710,029 shares[1]
Common Stock Outstanding After the Offering	shares[1][2]

Underwriter s Over-Allotment Option

We will grant the underwriter an option, exercisable within 45 days after the closing of this offering, to acquire up to an additional 15% of the total number of shares of common stock pursuant to this offering, solely for the purpose of covering over-allotments, if any.

Use of Proceeds

We expect to receive net proceeds from this offering of approximately $ after deducting the underwriting discount and our estimated offering expenses.

We intend to use the net proceeds of this offering for research and development to grow our TumorGraft platform and the balance of the net proceeds of this offering for working capital and general corporate purposes.

Risk Factors

Investing in our securities involves substantial risks. You should carefully review and consider the Risk Factors section of this prospectus beginning on page 4 and the other information in this prospectus for a discussion of the factors you should consider before you decide to invest in this offering.

Nasdaq Marketplace Symbol

Our common stock currently trades on the Nasdaq Capital Market under the symbol CSBR.

(1) Does not include (i) outstanding stock options to purchase an aggregate of 2,215,257 shares of common stock pursuant to our 2008 and 2010 stock option plans or (ii) outstanding warrants to purchase an aggregate of 2,109,840 shares of common stock.

(2) Assumes the sale of all shares of common stock covered hereby, excluding shares issuable upon the exercise of the underwriter s over-allotment option.

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RISK FACTORS

Any investment in our common stock involves a high degree of risk. Investors should carefully consider the risks described below and all of the information contained in this prospectus before deciding whether to purchase our common stock. Our business, financial condition or results of operations could be materially adversely affected by these risks if any of them actually occur. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks we face as described below and elsewhere in this prospectus.

Risks Related to Our Business

We have historically incurred losses from operating activities and we may not be able to meet our cash requirements without reducing the scope of our activities or obtaining additional capital from external sources. If we are unable to do so, we may not be able to continue as a going concern.

For the years ended April 30, 2015 and 2014, the Company had a net loss of approximately $13.1 million and $7.4 million, respectively. For the nine months ended January 31, 2016 and 2015, the Company had a net loss of approximately $7.9 million and $9.4 million, respectively. As of January 31, 2016, the Company has an accumulated deficit of approximately $60 million. As of January 31, 2016, we had working capital of $1.2 million and cash and cash equivalents of $3.3 million. We believe that our cash and cash equivalents on hand at January 31, 2016 are adequate to fund our operations through at least April 2017, provided that we reduce certain expenses that are not critical to the operation of our business. However, in order for us to continue as a going concern beyond this point, we may need to reduce the scope of our activities or obtain capital from external sources.

The amount of our losses may vary significantly from year-to-year and quarter-to-quarter and will depend on, among other factors:

the cost of continuing to build out our TumorGraft Technology Platform;
the cost and rate of progress toward growing our TOS business;
the cost and rate of progress toward building our sales forces;
the cost of increasing our research and development;
the cost of renting our laboratory and animal testing facilities and payment for associated services;
the timing and cost of obtaining and maintaining any necessary regulatory approvals;
the cost of expanding and building out our infrastructure; and
the cost incurred in hiring and maintaining qualified personnel.

Currently, the Company derives revenue from POS products and TOS products, while pursuing efforts to further develop bioinformatics from its TumorBank and its TumorGraft Technology Platform. In addition, we are building our sales and marketing operations to grow the sales of our TOS products. Our POS products will not be the focus of our growth moving forward. Accordingly, we expect to generate operating losses in the future until such time as we are able to generate significantly more revenue.

To become profitable, we will need to generate revenues to offset our operating costs, including our research and development and general and administrative expenses. We may not achieve or, if achieved, sustain our revenue or profit objectives. Our losses may increase in the future, and, ultimately, we may have to cease operations.

In order to grow revenues, we must invest capital to implement our sales and marketing efforts and to successfully develop our bioinformatics from our TumorBank and our TumorGraft Technology Platform. Because we do not have sufficient history of commercial efforts, our sales and marketing efforts may never generate significant increases in revenues or achieve profitability and it is likely that we will be required to raise additional capital to continue our operations as currently contemplated. If we must devote a substantial amount of time to raising capital, it will delay our ability to achieve our business goals within the time frames

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that we now expect, which could increase the amount of capital we need. In addition, the amount of time expended by our management on fundraising distracts them from concentrating on our business affairs. If we require additional capital and are not successful in raising the needed capital, we may have to cease operations.

We may incur greater costs than anticipated, which could result in sustained losses.

We use reasonable efforts to assess and predict the expenses necessary to pursue our business strategies. However, implementing our business strategies may require more employees, capital equipment, supplies or other expenditure items than management has predicted. Similarly, the cost of compensating additional management, employees and consultants or other operating costs may be more than we estimate, which could result in ongoing and sustained losses.

We may not be able to implement our business strategies which could impair our ability to continue operations.

Implementation of our business strategies will depend in large part on our ability to (i) attract and maintain a significant number of customers; (ii) effectively provide acceptable services to our customers; (iii) develop and license new products and technologies; (iv) maintain appropriate internal procedures, policies, and systems; (v) hire, train, and retain skilled employees and management; (vi) continue to operate despite increasing competition in our industry; and (vii) establish, develop and maintain our name recognition. Our inability to obtain or maintain any or all these factors could impair our ability to implement our business strategies successfully, which could have material adverse effects on our results of operations and financial condition.

Our laboratories are subject to regulation and licensure requirements, and the healthcare industry is highly regulated; we may face substantial penalties, and our business activities may be impacted, if we fail to comply.

Our TumorGraft products are performed in laboratories that are subject to state regulation and licensure requirements. Such regulation and requirements are subject to change, and may result in additional costs or delays in providing our products to our customers. In addition, the healthcare industry in general is highly regulated in the United States at both the federal and state levels. We seek to conduct our business in compliance with all applicable laws, but many of the laws and regulations potentially applicable to us are vague or unclear. These laws and regulations may be interpreted or applied by an authority in a way that could require us to make changes in our business. We may not be able to obtain all regulatory approvals needed to operate our business or sell our products. If we fail to do so, we could be subject to civil and criminal penalties or fines or lose the authorizations necessary to operate our business, as well as incur additional liabilities from third parties. If any of these events happened, they could hurt our business and financial results.

If our laboratory facilities are damaged or destroyed, or we have a dispute with our landlord, our business would be negatively affected.

We currently utilize two laboratories in Baltimore, Maryland and New York, New York to perform the work of our tumor studies and develop and bank our TumorGraft Technology Platform models. The lab in Baltimore is where a majority of the work is performed. If this facility, or, to a lesser degree, any of our other facilities, were to be significantly damaged or destroyed, we could suffer a loss of our ongoing and future drug studies, as well as our TumorGraft bank. In addition, we lease the space for each of these laboratories from a third party. If we had a dispute with any of our landlords or otherwise could not utilize this space, it would take time to find and move to a new facility, which could negatively affect our results of operations.

Any health crisis impacting our colony of laboratory mice could have a negative impact on our business.

Our TumorGraft operations depend on having a colony of live mice available. If this population experienced a health crisis, such as a virus or other pathogen, such crisis would affect the success of our existing POS and TOS business and future business, as we would have to rebuild the population and repeat current TumorGrafts.

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We have limited experience marketing and selling our products and may need to rely on third parties to successfully market and sell our products and generate revenues.

Currently, we rely on the internet, word of mouth, and a small sales force to market our services. We have to compete with other pharmaceutical, biotechnology and life science technology and service companies to recruit, hire, train, and retain marketing and sales personnel. However, there can be no assurance that we will be able to develop in-house sales, and as a result, we may not be able to generate product revenue.

We will continue to be dependent upon key employees.

Our success, currently, is dependent upon the efforts of several full-time key employees, the loss of the services of one or more of which would have a material adverse effect on our business and financial condition. We intend to continue to develop our management team and attract and retain qualified personnel in all functional areas to expand and grow our business. This may be difficult in the healthcare industry where competition for skilled personnel is intense.

Because our industry is very competitive and many of our competitors have substantially greater capital resources and more experience in research and development, we may not succeed in selling or increasing sales of our products and technologies.

We are engaged in a rapidly changing and highly competitive field. Potential competitors in the United States and abroad are numerous and include providers of clinical research services, most of which have substantially greater capital resources and more experience in research and development capabilities. Furthermore, new companies will likely enter our market from the United States and abroad, as scientific developments surrounding other pre-clinical and clinical services grow in the multibillion dollar oncology marketplace. Our competitors may succeed in selling their products to our pharmaceutical and biotech customers more effectively than we sell our products. In addition, academic institutions, hospitals, governmental agencies, and other public and private research organizations also may conduct similar research, seek patent protection, and may develop and commercially introduce competing products or technologies on their own or through joint ventures. If one or more of our competitors succeeds in developing similar technologies and products that are more effective or successful than any of those that we currently sell or will develop, our results of operations will be significantly adversely affected.

If we are unable to protect our intellectual property, we may not be able to compete as effectively.

It is important in the healthcare industry to obtain patent and trade secret protection for new technologies, products, and processes. Our success will depend, in part, upon our ability to obtain, enjoy, and enforce protection for any products we have, develop or acquire under United States and foreign patent laws and other intellectual property laws, preserve the confidentiality of our trade secrets, and operate without infringing the proprietary rights of third parties. Where appropriate, we will seek patent protection for certain aspects of our technology. However, while our

TumorGraft Technology Platform is proprietary and requires significant know-how to both initiate and operate, it is not patented. It is, therefore, possible for competitors to develop other implantation pro