

Jaguar Animal Health, Inc.
Form 10-Q
June 26, 2015
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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 March 31, 2015

OR

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

For the transition period from _____ to _____

Commission file number 001-36714

JAGUAR ANIMAL HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-2956775
(I.R.S. Employer
Identification No.)

185 Berry Street, Suite 1300
San Francisco, California 94107

(Address of principal executive offices, zip code)

(415) 371-8300

(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 such 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 (§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 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

Accelerated filer

Non-accelerated filer
(Do not check if a

Smaller reporting company

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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 June 26, 2015, there were 8,119,923 shares of common stock, par value \$0.0001 per share, outstanding.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Condensed Financial Statements****JAGUAR ANIMAL HEALTH, INC.****CONDENSED BALANCE SHEETS**

	March 31, 2015 (Unaudited)	December 31, 2014 (1)
Assets		
Current assets:		
Cash and cash equivalents	\$ 746,343	\$ 845,192
Accounts receivable	8,140	
Inventory	314,214	198,029
Deferred offering costs	2,738,427	2,480,049
Prepaid expenses	122,315	24,170
Other current assets	11,185	
Deferred finance charges	37,112	86,667
Total current assets	3,977,736	3,634,107
Property and equipment, net	866,236	872,523
Total assets	\$ 4,843,972	\$ 4,506,630
Liabilities, Convertible Preferred Stock and Stockholders Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 1,764,143	\$ 698,318
Loan advance	1,000,000	
License fee payable to parent	1,600,000	
Due to parent	21,244	16,581
Deferred revenue	388,940	23,802
Convertible notes payable	786,150	424,674
Notes payable	913,640	478,709
Warrant liability	977,884	601,889
Accrued expenses	1,754,550	1,317,991
Total current liabilities	9,206,551	3,561,964
License fee payable to parent		1,875,000
Total liabilities	\$ 9,206,551	\$ 5,436,964
Commitments and Contingencies (See note 7)		
Series A redeemable convertible preferred stock; \$0.0001 par value, 3,017,488 shares authorized at March 31, 2015 and December 31, 2014, respectively; 3,015,902 shares issued and outstanding at March 31, 2015 and December 31, 2014; (liquidation preference of \$6,777,338 at March 31, 2015 and December 31, 2014).	7,492,000	7,304,914

Stockholders Deficit:

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Common stock: \$0.0001 par value, 15,000,000 shares authorized at March 31, 2015 and December 31, 2014; 2,874,330 shares issued and outstanding at March 31, 2015 and December 31, 2014.

	288	288
Additional paid-in capital	1,493,294	1,175,242
Accumulated deficit	(13,348,161)	(9,410,778)
Total stockholders' (deficit)	(11,854,579)	(8,235,248)
Total liabilities, convertible preferred stock and stockholders' deficit	\$ 4,843,972	\$ 4,506,630

(1) The condensed balance sheet at December 31, 2014 is derived from the audited financial statements at that date included in the Company's prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) on May 14, 2015.

The accompanying notes are an integral part of these financial statements.

Table of Contents**JAGUAR ANIMAL HEALTH, INC.****CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS****(Unaudited)**

	Three Months Ended March 31,	
	2015	2014
Revenue	\$ 62,387	\$
Operating Expenses		
Cost of revenue	34,298	
Research and development expense	1,423,043	1,458,375
Sales and marketing expense	190,303	
General and administrative expense	1,093,687	494,955
Total operating expenses	2,741,331	1,953,330
Loss from operations	(2,678,944)	(1,953,330)
Interest expense, net	(933,032)	(13,150)
Other income	3,109	
Change in fair value of warrants	(328,516)	
Net loss and comprehensive loss	(3,937,383)	(1,966,480)
Accretion of redeemable convertible preferred stock	(187,086)	(79,846)
Net loss attributable to common stockholders	\$ (4,124,469)	\$ (2,046,326)
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.43)	\$ (0.73)
Weighted-average common shares outstanding, basis and diluted	2,874,330	2,793,573

The accompanying notes are an integral part of these financial state