

Jaguar Health, Inc.
Form 10-Q
May 15, 2018
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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, 2018

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 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.)

201 Mission Street, Suite 2375

San Francisco, California 94105

(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, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a

Smaller reporting company
Emerging growth company

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smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 May 15, 2018, there were 171,350,166 shares of common stock, par value \$0.0001 per share, outstanding, of which 131,048,929 are voting shares and 40,301,237 are non-voting shares. The company also had 5,524,926 shares of convertible preferred stock outstanding.

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

	March 31, 2018 (Unaudited)	December 31, 2017 (1)
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,808,324	\$ 520,698
Restricted cash		239,169
Accounts receivable	362,809	467,658
Other receivable	2,414	1,380
Inventory	2,328,520	2,072,817
Prepaid expenses and other current assets	365,335	497,373
Total current assets	10,867,402	3,799,095
Land, property and equipment, net	1,213,564	1,222,068
Goodwill	5,210,821	5,210,821
Intangible assets, net	32,975,555	33,397,222
Total assets	\$ 50,267,342	\$ 43,629,206
Liabilities, Convertible Preferred Stock and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 3,162,179	\$ 7,354,932
Deferred collaboration revenue		177,389
Deferred rent	3,240	4,584
Accrued expenses	1,664,234	2,199,549
Warrant liability	192,960	103,860
Derivative liability	15,000	11,000
Conversion option liability		111,841
Convertible notes payable	690,683	2,672,215
Notes payable	3,656,099	1,141,153
Current portion of long-term debt		1,609,244
Total current liabilities	9,384,395	15,385,767
Convertible long-term debt, net of discount	10,875,300	10,982,437
Total liabilities	\$ 20,259,695	\$ 26,368,204
Commitments and Contingencies (See Note 7)		
Series A convertible preferred stock: \$0.0001 par value, 10,000,000 shares authorized at March 31, 2018 and December 31, 2017; 5,524,926 and 0 shares issued and outstanding at March 31, 2018 and December 31, 2017; (liquidation preference of \$9,199,002 at March 31, 2018)	\$ 9,000,002	\$

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Stockholders Equity:

Common stock: \$0.0001 par value, 500,000,000 shares and 250,000,000 authorized at March 31, 2018 and December 31, 2017, respectively; 125,698,191 and 62,707,480 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively.	12,570	6,271
Common stock - non-voting: \$0.0001 par value, 50,000,000 shares authorized at March 31, 2018 and December 31, 2017; 42,617,893 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively.	4,262	4,262
Additional paid-in capital	89,092,172	79,655,191
Accumulated deficit	(68,101,359)	(62,404,722)
Total stockholders equity	21,007,645	17,261,002
Total liabilities, convertible preferred stock and stockholders equity	\$ 50,267,342	\$ 43,629,206

(1) The condensed balance sheet at December 31, 2017 is derived from the audited financial statements at that date included in the Company's Form 10-K filed with the Securities and Exchange Commission on April 9, 2018.

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

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	Three Months Ended	
	March 31, 2018	March 31, 2017
Product revenue	\$ 626,967	\$ 74,544
Collaboration revenue	177,389	747,866
Total revenue	804,356	822,410
Operating Expenses		
Cost of product revenue	464,161	16,145
Research and development expense	757,866	1,255,452
Sales and marketing expense	1,712,190	122,912
General and administrative expense	2,998,400	3,303,503
Total operating expenses	5,932,617	4,698,012
Loss from operations	(5,128,261)	(3,875,602)
Interest expense		