Akebia Therapeutics, Inc.
Form 424B5
April 14, 2015
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As Filed Pursuant to Rule 424(b)(5)

Registration No. 333-203206

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not offers to sell securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated April 14, 2015

Preliminary Prospectus Supplement

(To Prospectus dated April 14, 2015)

$60,000,000

Akebia Therapeutics, Inc.

Common Stock

Akebia Therapeutics, Inc. is offering $60,000,000 of shares of its common stock in this offering.

Our common stock is listed on The NASDAQ Global Market under the trading symbol AKBA. On April 13, 2015 the last sale price of the shares as reported on The NASDAQ Global Market was $10.30 per share.

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 supplement and future filings.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-4 of this prospectus supplement, as well as the accompanying prospectus and the documents we have filed with the Securities and Exchange Commission that are incorporated by reference herein for more information, before you make any investment in our common stock.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Chairman of our Board of Directors has indicated an intent to purchase approximately $4 million in shares of our common stock in this offering at the public offering price as described under Underwriting beginning on page S-14 of this prospectus supplement. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to this stockholder, and this stockholder could determine to purchase more, less or no shares in this offering.

	Per share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

The underwriters may also purchase up to an additional $9,000,000 of shares of common stock from us on the same terms and conditions as set forth above to cover overallotments, if any, within 30 days from the date of this prospectus supplement. If the underwriters exercise the option in full, the total underwriting discounts and commissions will be $, and the total proceeds, before expenses, to us will be $.

The underwriters are offering the common stock set forth under Underwriting. Delivery of the shares will be made on our about

, 2015.

Joint Book-Running Managers

UBS Investment Bank **Morgan Stanley**

Lead Manager

JMP Securities

Co-Managers

Needham & Company **Brean Capital**

, 2015

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Prospectus Supplement

Prospectus

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Presentation of Information

These offering materials consist of two documents: (1) this prospectus supplement, which describes the terms of the common stock that we are currently offering, and (2) the accompanying prospectus, which provides general information about us. The information in this prospectus supplement supersedes any inconsistent information included or incorporated by reference in the accompanying prospectus.

Neither we nor the underwriters have authorized anyone to provide you with any additional information or any information that is different from that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus provided in connection with this offering. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the underwriters are making any offer to sell these securities in any jurisdiction where the offer or sale is not permitted. This prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents incorporated by reference are accurate only as of their respective dates, regardless of the time of delivery of this prospectus supplement, the accompanying prospectus or any free writing prospectus. Our business, operating results, financial condition and prospects may have changed since those dates.

It is important for you to read and consider all the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus provided in connection with this offering before making your investment decision.

This prospectus supplement, the accompanying prospectus, the documents incorporated by reference and any free writing prospectus provided in connection with this offering contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which represent our expectations or beliefs concerning future events. See Cautionary Note Regarding Forward-Looking Statements in the accompanying prospectus.

Unless stated otherwise or the context otherwise requires, we use the terms Akebia, Akebia Therapeutics, we, us, company and our in this prospectus supplement to refer to Akebia Therapeutics, Inc. and its subsidiaries. When we refer to you or yours we mean the investors and potential investors in the common stock offered hereby.

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Incorporation of Certain Information by Reference

We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents listed below and any future filings we make with the Securities and Exchange Commission, or the SEC, under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (in each case, other than those documents or the portions of those documents not deemed to be filed) until we have sold all of the securities to which this prospectus supplement relates. Any statement in a document incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Any statement in a document incorporated by reference in this prospectus supplement and the accompanying prospectus will be deemed to be modified or superseded to the extent a statement contained in this prospectus supplement, the accompanying prospectus or any subsequently filed document that is incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes such statement.

We incorporate by reference in this prospectus supplement and the accompanying prospectus only the documents set forth below that have been previously filed with the SEC:

- our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on March 4, 2015; and

- Description of Capital Stock, which is contained in the Registration Statement on Form 8-A, as filed with the SEC on March 12, 2014 and including any amendments or reports filed for the purpose of updating such description.

We will provide without charge to each person to whom a copy of this prospectus supplement is delivered, upon the written or oral request of such person, a copy of any or all of the documents incorporated by reference (other than exhibits to those documents, unless the exhibits are specifically incorporated by reference into those documents). Requests should be directed to Investor Relations, Akebia Therapeutics, Inc., 245 First Street, Suite 1100, Cambridge, Massachusetts 02142 or may be made by phone by calling (617) 871-2098.

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Where You Can Find More Information

We are subject to the information and reporting requirements of the Exchange Act, under which we file periodic reports, proxy and information statements and other information with the SEC. Copies of the reports, proxy statements and other information may be examined without charge at the Public Reference Room of the SEC, 100 F Street, N.E., Washington, D.C. 20549, or on the Internet at http://www.sec.gov. Copies of all or a portion of such materials can be obtained from the Public Reference Room of the SEC upon payment of prescribed fees. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room.

We have filed a Registration Statement on Form S-3 with the SEC under the Securities Act with respect to the securities being offered pursuant to this prospectus supplement. This prospectus supplement and the accompanying prospectus omit certain information contained in the Registration Statement on Form S-3, as permitted by the SEC. Refer to the Registration Statement on Form S-3, including the exhibits, for further information about us and the securities being offered pursuant to this prospectus supplement. Statements in this prospectus supplement and the accompanying prospectus regarding the provisions of documents filed with, or incorporated by reference in, the Registration Statement are not necessarily complete and each statement is qualified in all respects by that reference. Copies of all or any part of the Registration Statement, including the documents incorporated by reference or the exhibits, may be obtained upon payment of the prescribed rates at the offices of the SEC listed above and through the SEC s website.

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Summary

This summary highlights selected information included or incorporated by reference in this prospectus supplement and the accompanying prospectus and does not contain all of the information that may be important to you. You should carefully review this entire prospectus supplement and the accompanying prospectus, including the risk factors and financial statements included and incorporated by reference in this prospectus supplement and the accompanying prospectus before making your investment decision.

Our Business

We are a biopharmaceutical company focused on the development of novel proprietary therapeutics based on hypoxia inducible factor, or HIF, biology and the commercialization of these products for patients with kidney disease. HIF is the primary regulator of the production of red blood cells, or RBCs, in the body and a potentially novel mechanism of treating anemia.

Our Product Candidates

AKB-6548

Our lead product candidate, AKB-6548, is being developed as a once-daily, oral therapy. AKB-6548 works by a differentiated mechanism of action that we believe has the potential to be safer than that of injectable recombinant protein erythropoiesis stimulating agents, or rESAs. This novel mechanism of action is referred to as HIF prolyl-hydroxylase, or HIF-PH, inhibition. Instead of binding directly to the erythropoietin, or EPO, receptors on cells in the bone marrow, AKB-6548 leads to activation of critical pathways for hemoglobin and RBC production. This approach mimics the physiological adjustment made by the body when exposed to reduced oxygen levels at higher altitudes.

Anemia is a serious medical condition in which blood is deficient in RBCs and hemoglobin, both of which are critical in delivering oxygen to tissue. Anemia generally exists when hemoglobin, a protein in RBCs that carries oxygen, is less than 13 g/dL in men or 12 g/dL in women. Untreated anemia is associated with chronic fatigue, increased risk of progression of multiple diseases and death. Anemia is common in patients with chronic kidney disease, or CKD, cancer, heart failure, inflammatory diseases and other critical illnesses, as well as in the elderly.

We have successfully completed a Phase 2b study of AKB-6548 in non-dialysis patients with anemia related to CKD. In March 2015, we presented positive results from this Phase 2b study of AKB-6548 at the World Congress of Nephrology. The study demonstrated that AKB-6548 raised hemoglobin levels with no safety signal observed. We expect to initiate Phase 3 studies of AKB-6548 for anemia secondary to CKD in the non-dialysis population in 2015. If the results from these Phase 3 studies support the results we have previously demonstrated across ten clinical studies with a total of 20,000 days of patient exposure, we anticipate submitting a New Drug Application, or NDA, for AKB-6548 in the United States by 2019.

We have also initiated Phase 2 clinical development of AKB-6548 for the treatment of anemia in patients undergoing dialysis, the second indication we plan to pursue. The results from that study are expected in the third quarter of 2015. Assuming these results are positive, we expect to initiate our Phase 3 program of AKB-6548 in dialysis-dependent patients in 2016.

We have commenced discussions with United States and European regulatory authorities regarding the design of our Phase 3 program. These discussions are ongoing, and will not be finalized until after our end of Phase 2 meeting with

the U.S. Food and Drug Administration, or FDA, in the second quarter of 2015, as well as our formal scientific advice meeting with the European Medicines Agency, which we expect to occur in the third quarter of 2015. The elements of our global Phase 3 program will be determined over the course of these

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discussions, with the goal of harmonizing a single, global Phase 3 program. We expect the program to include a cardiovascular outcomes study and, based on guidance from FDA, we may use an active or placebo control depending on the outcome of additional discussions with global regulatory authorities.

AKB-6899

Our preclinical candidate, AKB-6899, is a small molecule HIF-PH inhibitor with potential therapeutic benefit in oncology and ophthalmology. AKB-6899 has demonstrated the ability in vitro to reduce VEGF levels in the presence of hypoxia. In several preclinical mouse models, AKB-6899 has been active in reducing tumor growth and development of metastases. Therefore, Investigational New Drug, or IND enabling studies are being performed with the goal of opening an IND with FDA in 2015. We expect to complete preclinical proof-of-concept studies of AKB-6899 in ophthalmology in early 2016.

We own worldwide rights to our product candidates. If approved by regulatory authorities, we plan to commercialize AKB-6548 in the United States ourselves and intend to seek one or more collaborators to commercialize the product candidate in additional markets.

Our Addressable Market

More than 30 million people in the United States have CKD, with estimates that over 1.8 million of these patients suffer from anemia. Anemia from these indications is currently treated by injectable rESAs including Epogen®, Aranesp® and Procrit® with iron supplementation or RBC transfusion. Based on the reported revenues of companies that market and sell rESAs, we estimate that global sales of injectable rESAs were approximately $7 billion in 2013, the vast majority of which were for renal indications.

rESAs are designed to stimulate production of RBCs by binding directly to and saturating EPO receptors. While injectable rESAs and transfusions may be effective in raising hemoglobin levels, they carry significant potential side effects and also need to be delivered subcutaneously or intravenously. In particular, injectable rESAs may lead to thrombosis, stroke, myocardial infarction and death, and these risks are described in black box warnings on the prescribing information of all products marketed in this class. These safety concerns have led to a significant reduction in the use of injectable rESAs since they began to become evident in 2006. Today, anemia is either not treated or inadequately treated in the majority of CKD patients. As a result, we believe that a safe, effective, oral therapeutic option will take significant market share and meaningfully grow the market in patients not requiring dialysis.

Our Principal Executive Offices

Our principal executive offices are located at 245 First Street, Suite 1100, Cambridge, Massachusetts 02142. Our telephone number is (617) 871-2098. Our website address is www.akebia.com. The information found on our website, or that may be accessed by links on our website, is not part of this prospectus supplement or the accompanying prospectus.

Emerging Growth Company

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012. We will remain an emerging growth company until the earlier of (1) December 31, 2019 (the last day of the fiscal year following the fifth anniversary of our initial public offering), (2) the last day of the fiscal year in which we have total annual gross revenue of at least $1.0 billion, (3) the last day of the fiscal year in which we are deemed to be a large accelerated

filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, and (4) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. We refer to the Jumpstart Our Business Startup Act of 2012 herein as the JOBS Act, and references herein to emerging growth company shall have the meaning associated with it in the JOBS Act.

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The Offering

The summary below describes the offering of our common stock. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Common Stock section of the accompanying prospectus contains a more detailed description of the terms and conditions of the common stock. As used in this section, we, our, and us refer to Akebia Therapeutics, Inc.

Common stock offered by Akebia	shares of common stock (or shares if the underwriters exercise their option to purchase additional shares).
Common stock to be outstanding after this offering	shares immediately after this offering (or shares if the underwriters exercise their option to purchase additional shares).
NASDAQ Global Market symbol	AKBA
Public offering price per share	$.
Use of proceeds	We intend to use the net proceeds from this offering to continue clinical development of AKB-6548 in patients with anemia secondary to CKD, including the preparation for and initiation of Phase 3 trials; to advance our preclinical candidate, AKB-6899, through Phase 1 development in oncology; and for working capital and other general corporate purposes. See Use of Proceeds.
Risk factors	See Risk Factors beginning on page S-3 of this prospectus supplement, as well as the accompanying prospectus and the documents we have filed with the SEC that are incorporated by reference herein.

The number of shares of common stock to be outstanding after this offering is based on 20,473,624 shares outstanding as of March 31, 2015 and excludes:

- 1,962,971 shares of common stock issuable upon exercise of stock options outstanding as of March 31, 2015 at a weighted-average exercise price of $8.78 per share; and
- 1,009,529 shares of common stock reserved for future issuance under our 2014 Incentive Plan.

The Chairman of our Board of Directors has indicated an intent to purchase approximately $4 million in shares of our common stock in this offering at the public offering price as described under Underwriting beginning on page S-17 of this prospectus supplement. However, because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, less or no shares to this stockholder, and this stockholder could determine to purchase more, less or no shares in this offering.

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Risk Factors

An investment in our common stock involves risks. You should carefully consider the risks described below, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including Part I, Item IA Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on March 4, 2015, before making an investment decision. In addition, please read Presentation of Information in this prospectus supplement and Cautionary Note Regarding Forward-Looking Statements in the accompanying prospectus, where we describe additional uncertainties associated with our business and the forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Please note that additional risks not currently known to us or that we currently deem immaterial may also impair our business and operations.

Risks Related to this Offering

The market price of our common stock may be highly volatile, and you may not be able to resell your shares at or above the public offering price.

The public offering price for our shares will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The market price of shares of our common stock could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- results of clinical trials of our product candidates;
- the timing of the release of results of our clinical trials;
- results of clinical trials of our competitors products;
- safety issues with respect to our products or our competitors products;
- regulatory actions with respect to our products or our competitors products;
- actual or anticipated fluctuations in our financial condition and operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- our failure or the failure of our competitors to meet analysts projections or guidance that we or our competitors may give to the market;

additions and departures of key personnel;

strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;

the passage of legislation or other regulatory developments affecting us or our industry;

fluctuations in the valuation of companies perceived by investors to be comparable to us;

sales of our common stock by us, our insiders or our other stockholders;

speculation in the press or investment community;

announcement or expectation of additional financing efforts;

changes in accounting principles;

terrorist acts, acts of war or periods of widespread civil unrest;

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natural disasters and other calamities;

changes in market conditions for biopharmaceutical stocks; and

changes in general market and economic conditions.

In addition, the stock market has recently experienced significant volatility, particularly with respect to pharmaceutical, biotechnology and other life sciences company stocks. The volatility of pharmaceutical, biotechnology and other life sciences company stocks often does not relate to the operating performance of the companies represented by the stock. As we operate in a single industry, we are especially vulnerable to these factors to the extent that they affect our industry or our products, or to a lesser extent our markets. In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management s attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation.

You will incur immediate and substantial dilution as a result of this offering.

The public offering price of our common stock will be substantially higher than the net tangible book value per share of our common stock. Therefore, if you purchase common stock in this offering, you will pay a price per share that substantially exceeds our as adjusted net tangible book value per share after this offering. To the extent shares subsequently are issued under options, you will incur further dilution. Based on an assumed public offering price of $10.30, the last reported sale price of our common stock on The NASDAQ Global Market on April 13, 2015, you will incur immediate and substantial dilution of $4.18 per share, representing the difference between our as adjusted net tangible book value per share, after giving effect to this offering, and the public offering price. See the section of this prospectus supplement entitled Dilution for a more detailed discussion of the dilution you will incur if you purchase common stock in this offering.

We have broad discretion in the use of net proceeds from this offering and may not use them effectively.

We currently intend to use the net proceeds from this offering for continuing clinical development of AKB-6548 in patients with anemia secondary to CKD, including the preparation for and initiation of Phase 3 trials, for advancing our preclinical product candidate, AKB-6899, through Phase 1 development in oncology and for working capital and other general corporate purposes. See the section of this prospectus supplement entitled Use of Proceeds for further detail. Although we currently intend to use the net proceeds from this offering in such a manner, we will have broad discretion in the application of the net proceeds. Our failure to apply these funds effectively could affect our ability to continue to develop and commercialize our product candidates. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or loses value.

Our ability to use net operating losses to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an ownership change is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, to offset future taxable income. Our existing NOLs may be subject to substantial limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs could be further limited by Section 382 of the Code. In addition, future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Section 382 of the Code. Our NOLs may also be impaired under state law. Accordingly, we may not be able to utilize a material portion

of our NOLs. Furthermore, our ability to utilize our NOLs is conditioned upon our attaining profitability and generating U.S. federal taxable income. As described in Part I, Item IA Risk Factors Risks related to our financial position and need for additional capital in our Annual Report on Form 10-K for the year ended December 31, 2014, we have incurred significant net losses since our inception and anticipate that we will continue to incur significant losses for the foreseeable future; thus, we do not know whether or when we will generate the U.S. federal taxable income necessary to utilize our NOLs. A full valuation allowance has been provided for the entire amount of our NOLs.

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Use of Proceeds

We estimate that the net proceeds from this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional shares in full), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering as follows:

- to continue clinical development of AKB-6548 in patients with anemia secondary to CKD, including the preparation for and initiation of Phase 3 trials;
- to advance our preclinical candidate, AKB-6899, through Phase 1 development in oncology; and
- the remainder for working capital and other general corporate purposes.

Our expected use of net proceeds from this offering represents our intentions based upon our present plans and business conditions, which could change in the future as our plans and business conditions evolve. The amount and timing of our actual expenditures will depend upon numerous factors, including the results of our research and development efforts, the timing and success of preclinical studies, our ongoing clinical studies or clinical studies we may commence in the future, the timing of regulatory submissions and the feedback from regulatory authorities. As a result, our management will have broad discretion over the use of the net proceeds from this offering. We may temporarily invest the net proceeds in investment-grade, interest-bearing securities pending their use. We have not determined the amount of net proceeds to be used specifically for such purposes and, as a result, management will retain broad discretion over the allocation of net proceeds.

Dividend Policy

We have not paid cash dividends on our common stock during our two most recent fiscal years. We do not intend to pay any dividends on our common stock for the foreseeable future.

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Price Range of Our Common Stock

Our common stock has been publicly traded on The NASDAQ Global Market under the symbol AKBA since our initial public offering on March 19, 2014. The following table summarizes the high and low sale prices for our common stock for the fiscal periods indicated as reported on The NASDAQ Global Market.

	High	Low
2014		
First Quarter from and after March 20th	$ 28.50	$ 18.75
Second Quarter	$ 31.00	$ 16.41
Third Quarter	$ 28.33	$ 20.10
Fourth Quarter	$ 21.75	$ 8.60
2015		
First Quarter	$ 13.90	$ 8.47
Second Quarter (through April 13, 2015)	$ 11.12	$ 8.90

On April 13, 2015, the last reported sale price for our common stock on The NASDAQ Global Market was $10.30 per share. As of March 31, 2015 we had 42 stockholders of record.

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Capitalization

The following table sets forth our cash and cash equivalents, current portion of long-term debt and capitalization as of December 31, 2014:

- on an actual basis; and
- on an as adjusted basis to reflect the sale of shares of common stock in this offering and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read the following table along with our financial statements and the accompanying notes to those statements.

	As of December 31, 2014	
	Actual	**As Adjusted**
Cash and cash equivalents and available for sale securities	$108,918,147	$165,033,147
Stockholders equity (deficit):		
Preferred stock, $0.00001 par value; 25,000,000 shares authorized, none issued and outstanding		
Common stock, $0.00001 par value; 175,000,000 shares authorized, 20,370,624 shares issued and outstanding actual; and 26,195,867 shares issued and outstanding, as adjusted	203	261
Additional paid-in capital	204,968,916	261,083,858
Accumulated other comprehensive loss	(56,358)	(56,358)
Treasury stock	(161,525)	(161,525)
Accumulated deficit	(100,673,123)	(100,673,123)
Total stockholders equity	104,078,113	160,193,113
Total capitalization	$104,078,113	$160,193,113

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Dilution

If you invest in our common stock, your interest will be diluted to the extent of the difference between the price per share you pay in this offering and the net tangible book value per share of our common stock immediately after this offering. Our net tangible book value of our common stock as of December 31, 2014 was approximately $104.1 million, or approximately $5.11 per share of common stock based upon 20,370,624 shares outstanding. Net tangible book value per share is equal to our total tangible assets, less our total liabilities, divided by the total number of shares outstanding as of December 31, 2014.

After giving effect to the sale by us of $60,000,000 of common stock at the price of $10.30 per share, the last reported sale price of our common stock on The NASDAQ Global Market on April 13, 2015, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of December 31, 2014 would have been approximately $160.2 million, or $6.12 per share. This would represent an immediate increase in net tangible book value of $1.01 per share to our existing stockholders and an immediate dilution in net tangible book value of $4.18 per share to new investors purchasing our common stock in this offering at the assumed public offering price. The following table illustrates this calculation on a per share basis:

Assumed offering price per share		$ 10.30
Net tangible book value per share as of December 31, 2014	$ 5.11	
Increase in net tangible book value per share attributable to the offering	1.01	
As adjusted net tangible book value per share after giving effect to the offering		$ 6.12
Dilution in net tangible book value per share to new investors in the offering		$ 4.18

The information discussed above is illustrative only and will adjust based on the actual public offering price and other terms of this offering determined at pricing.

The foregoing table excludes the following, each as of December 31, 2014:

- 1,526,349 shares of our common stock reserved for issuance upon the exercise of outstanding stock options at a weighted average exercise price of $7.57 per share; and

- 1,549,154 shares of our common stock reserved for future awards under our 2014 Incentive Plan.

This discussion of dilution, and the table quantifying it, assumes no exercise of any outstanding options to purchase shares of our common stock as of April 13, 2015 and no issuance of up to shares of common stock that we may sell to the underwriters upon exercise of their option to purchase additional shares. The exercise of

outstanding options to purchase shares of our common stock having an exercise price less than the public offering price would increase the dilutive effect to new investors.

If the underwriters exercise in full their option to purchase additional shares at the assumed public offering price of $10.30 per share, the last reported sale price of our common stock on The NASDAQ Global Market on April 13, 2015, the pro forma as adjusted net tangible book value after this offering would be approximately $6.23 per share, representing an increase in net tangible book value of approximately $1.12 per share to existing stockholders and immediate dilution in net tangible book value of approximately $4.07 per share to investors purchasing our common stock in this offering at the public offering price.

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Material United States Federal Income Tax Considerations for Non-U.S. Holders

The following is a summary of the material U.S. federal income and estate tax considerations relating to the purchase, ownership and disposition of our common stock by Non-U.S. Holders (defined below). This summary does not purport to be a complete analysis of all the potential tax considerations relevant to Non-U.S. Holders of our common stock. This summary is based upon the Code, the Treasury regulations promulgated or proposed thereunder and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to differing interpretations and to change at any time, possibly on a retroactive basis.

This summary assumes that shares of our common stock are held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not purport to deal with all aspects of U.S. federal income and estate taxation that might be relevant to particular Non-U.S. Holders in light of their particular investment circumstances or status, nor does it address specific tax considerations that may be relevant to particular persons (including, for example, financial institutions, broker-dealers, insurance companies, partnerships or other pass-through entities, certain U.S. expatriates, tax-exempt organizations, pension plans, controlled foreign corporations , passive foreign investment companies , corporations that accumulate earnings to avoid U.S. federal income tax, persons in special situations, such as those who have elected to mark securities to market or those who hold common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment, or holders subject to the alternative minimum tax or the 3.8% Medicare tax on net investment income). In addition, except as explicitly addressed herein with respect to estate tax, this summary does not address estate and gift tax considerations or considerations under the tax laws of any state, local or non-U.S. jurisdiction.

For purposes of this summary, a Non-U.S. Holder means a beneficial owner of common stock that for U.S. federal income tax purposes is not an entity treated as a partnership and is not:

- an individual who is a citizen or resident of the United States;
- a corporation or any other organization taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is included in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the trust s administration and one or more U.S. persons have the authority to control all of the trust s substantial decisions or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If an entity that is treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of persons treated as its partners for U.S. federal income tax purposes will generally depend upon the status of the partner and the activities of the partnership. Entities that are treated as partnerships for U.S. federal income tax purposes and persons holding our common stock through an entity treated as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

There can be no assurance that the Internal Revenue Service (IRS) will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income or estate tax consequences to a Non-U.S. Holder of the purchase, ownership or disposition of our common stock.

THIS SUMMARY IS NOT INTENDED TO BE TAX ADVICE. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME AND ESTATE TAXATION, STATE, LOCAL AND NON-U.S. TAXATION AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK.

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Distributions on Our Common Stock

As discussed under Dividend Policy above, we have not paid cash dividends on our common stock during our two most recent fiscal years and we do not anticipate paying any cash dividends in the foreseeable future. In the event that we do make a distribution of cash or property (other than certain stock distributions) with respect to our common stock (or in the case of certain redemptions that are treated as distributions with respect to our common stock), any such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits, if any, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will constitute a return of capital and will first reduce the holder s adjusted tax basis in our common stock, but not below zero. Any remaining excess will be treated as capital gain, subject to the tax treatment described below in Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock . Any such distribution would also be subject to the discussion below under the sections titled Additional Withholding and Reporting Requirements and Backup Withholding and Information Reporting.

Dividends paid to a Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides us or another applicable withholding agent, as the case may be, with the appropriate IRS Form W-8, such as:

- IRS Form W-8BEN or W-8BEN-E (or successor form) certifying, under penalties of perjury, that such holder is not a United States person (as defined under the Code) and is eligible for a reduction in the rate of, or exemption from, withholding under an applicable income tax treaty, or

- IRS Form W-8ECI (or successor form) certifying that a dividend paid on common stock is not subject to withholding tax because it is effectively connected with a trade or business in the United States of the Non-U.S. Holder (in which case such dividend generally will be subject to regular graduated U.S. tax rates as described below).

The certification requirement described above must be provided to us or another applicable withholding agent prior to the payment of dividends and must be updated periodically. The certification also may require a Non-U.S. Holder that claims treaty benefits of a reduction in the rate of, or exemption from, withholding on dividends to provide its U.S. taxpayer identification number. Special certification and other requirements apply in the case of certain Non-U.S. Holders that hold shares of our common stock through intermediaries or are pass-through entities for U.S. federal income tax purposes.

Each Non-U.S. Holder is urged to consult its own tax advisor about the specific methods for satisfying these requirements. A claim for exemption will not be valid if the person receiving the applicable form has actual knowledge or reason to know that the statements on the form are false.

If dividends are effectively connected with a trade or business in the United States of a Non-U.S. Holder (and, if required by an applicable income tax treaty, attributable to a U.S. permanent establishment or fixed base), the Non-U.S. Holder, although exempt from the withholding tax described above (provided that the certifications described above are satisfied), generally will be subject to U.S. federal income tax on such dividends on a net income basis in the same manner as if it were a U.S. person. In addition, if a Non-U.S. Holder is treated as a corporation for U.S. federal income tax purposes, the Non-U.S. Holder may be subject to an additional branch profits tax equal to 30% (unless reduced by an applicable income tax treaty) of such effectively connected dividend, as adjusted for certain items.

Non-U.S. Holders that do not timely provide us or another applicable withholding agent with the required certification, but which are eligible for a reduced rate of, or an exemption from, U.S. federal withholding tax, may obtain a refund or credit of any excess amount withheld by timely filing an appropriate claim for refund with the IRS.

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Gain on Sale, Exchange or Other Taxable Disposition of Our Common Stock

Subject to the discussion below under the sections titled Additional Withholding and Reporting Requirements and Backup Withholding and Information Reporting , in general, a Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on gain realized upon such holder s sale, exchange or other taxable disposition of shares of our common stock unless (i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met; (ii) we are or have been a United States real property holding corporation , as defined in the Code (a USRPHC), at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder s holding period in the shares of our common stock, and certain other requirements are met; or (iii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by such Non-U.S. Holder in the United States).

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder s capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the disposition. If the third exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain on a net income basis in the same manner as if it were a U.S. person, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such effectively connected gain, as adjusted for certain items, at a rate of 30% (or at a reduced rate under an applicable income tax treaty).

Regarding the second exception, generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests (as defined in the Code) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance in this regard, we believe that we are not, and do not anticipate becoming, a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other business assets, there can be no assurance that we have not been a USRPHC in the past and will not become a USRPHC in the future. Even if we became a USRPHC, a Non-U.S. Holder would not be subject to U.S. federal income tax on a sale, exchange or other taxable disposition of our common stock by reason of our status as USRPHC so long as our common stock is regularly traded on an established securities market (within the meaning of the applicable regulations) and such Non-U.S. Holder does not own and is not deemed to own (directly, indirectly or constructively) more than 5% of our outstanding common stock at any time during the shorter of the five year period ending on the date of disposition and such holder s holding period. However, no assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rules described above. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

With respect to the third exception, if a Non-U.S. Holder is engaged in a trade or business in the U.S. and gain recognized by the Non-U.S. Holder on a sale or other disposition of our common stock is effectively connected with the conduct of such trade or business, the Non-U.S. Holder will generally be subject to regular U.S. income tax as if the Non-U.S. Holder were a U.S. person, subject to an applicable income tax treaty providing otherwise. Additionally, a non-U.S. corporation may also, under certain circumstances, be subject to an additional branch profits tax imposed at a rate of 30% (or, if applicable, a lower income tax treaty rate). Non-U.S. Holders whose gain from dispositions of our common stock may be effectively connected with the conduct of a trade or business in the United States are urged to consult their tax advisors with respect to the U.S. tax consequences of the purchase, ownership and disposition of our common stock.

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Additional Withholding and Reporting Requirements

Sections 1471 through 1474 of the Code and related Treasury Regulations (commonly referred to as FATCA) generally will impose a U.S. federal withholding tax of 30% on payments to certain non-U.S. entities (including certain intermediaries), including dividends on and the gross proceeds from a sale or other disposition of shares of our common stock, unless such persons comply with a complicated U.S. information reporting, disclosure and certification regime. This new regime requires, among other things, a broad class of persons to enter into agreements with the IRS to obtain, disclose and report information about their investors and account holders. An intergovernmental agreement between the United States and an applicable foreign country may, however, modify these requirements. The FATCA withholding rules currently apply to dividend payments on our common stock and will apply to payments of gross proceeds from the sale or other disposition of shares of our common stock occurring after December 31, 2016. Prospective investors should consult their own tax advisors regarding the possible impact of these rules on their investment in our common stock, and the possible impact of these rules on the entities through which they hold our common stock, including, without limitation, the process and deadlines for meeting the applicable requirements to prevent the imposition of this 30% withholding tax under FATCA.

Backup Withholding and Information Reporting

We must report annually to the IRS and to each Non-U.S. Holder the gross amount of the distributions on our common stock paid to the holder and the tax withheld, if any, with respect to the distributions. Non-U.S. Holders may have to comply with specific certification procedures to establish that the holder is not a United States person (as defined in the Code) in order to avoid backup withholding at the applicable rate, currently 28%, with respect to dividends on our common stock. Dividends paid to Non-U.S. Holders subject to U.S. withholding, as described above under the section titled Distributions on Our Common Stock , generally will be exempt from U.S. backup withholding.

Information reporting and backup withholding will generally apply to the proceeds of a disposition of our common stock by a Non-U.S. Holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies, under penalties of perjury, that it is not a United States person (as defined under the Code) and satisfies certain other requirements (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person), or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Prospective investors should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides or in which the Non-U.S. Holder is incorporated, under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder can be refunded or credited against the Non-U.S. Holder s U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Federal Estate Tax

Common stock owned (or treated as owned) by an individual who is not a citizen or a resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will be included in the individual s gross estate for

U.S. federal estate tax purposes unless an applicable estate or other tax treaty provides otherwise, and therefore, may be subject to U.S. federal estate tax.

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Underwriting

We are offering the shares of our common stock described in this prospectus supplement and the accompanying prospectus through the underwriters named below. UBS Securities LLC and Morgan Stanley & Co. LLC are acting as joint book-running managers of this offering and as the representatives of the underwriters. We have entered into an underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, each of the underwriters has severally agreed to purchase the number of shares of common stock listed next to its name in the following table.

Underwriters	Number of Shares
UBS Securities LLC	
Morgan Stanley & Co. LLC	
JMP Securities LLC	
Needham & Company, LLC	
Brean Capital, LLC	
Total	