



Jaguar Health Enters Non-Binding Agreement of Terms to Issue a Secured Convertible Note to Iliad Research and Trading, L.P. (an Affiliate of Chicago Venture Partners, L.P.), as Jaguar Expands Commercial Efforts for Mytesi

November 8, 2017

SAN FRANCISCO--(BUSINESS WIRE)--Nov. 8, 2017-- Jaguar Health, Inc. (NASDAQ: JAGX) ("Jaguar"), a natural-products pharmaceuticals company focused on developing and commercializing novel, sustainably derived gastrointestinal products for both human prescription use and animals on a global basis, announced today that it has signed a non-binding term sheet to issue to Iliad Research and Trading, L.P. (the "Investor") a secured convertible promissory note (the "Note") in the aggregate principal amount of \$1,375,000 for an aggregate purchase price of \$1,100,000. The Note will bear interest at the rate of 8.0% per annum, with a fixed conversion price of \$0.52/share, and will be due nine months after its issue date.

Funding of the Note is subject to, among other things, the approval by Jaguar shareholders of the aggregate number of shares issuable upon conversion of the Note and a secured convertible promissory note (the "Existing Note") issued by Jaguar to Chicago Venture Partners, L.P. ("CVP"), an affiliate of the Investor, in June 2017.

Jaguar plans to use the proceeds from the transaction primarily for inventory build-up of Mytesi[®], an FDA-approved, first-in-class anti-secretory human prescription drug product of Jaguar's wholly-owned subsidiary, Napo Pharmaceuticals, Inc. (Napo), and for general corporate purposes.

"Jaguar's relationship with CVP dates back to June of this year, when, prior to the merger of Jaguar Animal Health and Napo, Jaguar entered into a separate securities purchase agreement with CVP," Lisa Conte, Jaguar's president and CEO, stated. "We are pleased to continue working with CVP as we have now entered and are expanding commercial efforts for Mytesi[®]. Build-up of Mytesi[®] inventory will help maximize support for 'all four legs of the stool'—our growing direct salesforce, the multiple initiatives we have underway nationally to expand awareness about Mytesi[®] among consumers, our medical education initiatives, and the expansion of our clinician-focused marketing and promotional activities beyond HIV physicians to the large number of gastroenterologists who see significant numbers of HIV patients—and all of these efforts are further supported by the broad reimbursement coverage available for Mytesi[®]."

Launched by Napo in October 2016, Mytesi[®] is the only antidiarrheal studied in and U.S. FDA-approved for the symptomatic relief of noninfectious diarrhea in adults living with HIV/AIDS on antiretroviral therapy (ART). Mytesi[®] is a prescription treatment for diarrhea that works differently, by acting locally in the GI tract to normalize the flow of water. Mytesi[®] does not have drug-drug interactions with ART, does not affect GI motility, and has side effects that are similar to placebo.

Jaguar estimates the potential U.S. market for Mytesi[®] to be approximately \$100 million in gross annual sales, and anticipates that Mytesi[®] will generate approximately \$7.0 million in revenue by April 2018 for its current, FDA-approved specialty indication.

Under the terms of the term sheet, the Note, similar to the Existing Note, will be secured by substantially all the veterinary assets of Jaguar upon the earlier to occur of (i) the repayment in full of Jaguar's existing indebtedness to Hercules Capital, Inc. ("Hercules"), related to the loan and security agreement, dated August 18, 2015, between Jaguar and Hercules, or (ii) the purchase by the Investor of Jaguar's existing indebtedness to Hercules, in either case, upon the same terms set forth in the security agreement dated as of June 29, 2017 between Jaguar and CVP.

About Mytesi[®]

Mytesi[®] (crofelemer) is an antidiarrheal indicated for the symptomatic relief of noninfectious diarrhea in adult patients with HIV/AIDS on antiretroviral therapy (ART). Mytesi[®] is not indicated for the treatment of infectious diarrhea. Rule out infectious etiologies of diarrhea before starting Mytesi[®]. If infectious etiologies are not considered, there is a risk that patients with infectious etiologies will not receive the appropriate therapy and their disease may worsen. In clinical studies, the most common adverse reactions occurring at a rate greater than placebo were upper respiratory tract infection (5.7%), bronchitis (3.9%), cough (3.5%), flatulence (3.1%), and increased bilirubin (3.1%).

More information and complete Prescribing Information are available at Mytesi.com. Crofelemer, the active ingredient in Mytesi[®], is a botanical (plant-based) drug extracted and purified from the red bark sap of the medicinal *Croton lechleri* tree in the Amazon rainforest. Napo has established a sustainable harvesting program for crofelemer to ensure a high degree of quality and ecological integrity.

About Jaguar Health, Inc.

Jaguar Health, Inc. is a natural-products pharmaceuticals company focused on developing and commercializing novel, sustainably derived

gastrointestinal products for both human prescription use and animals on a global basis. Our wholly-owned subsidiary, Napo Pharmaceuticals, Inc., focuses on developing and commercializing proprietary human gastrointestinal pharmaceuticals for the global marketplace from plants used traditionally in rainforest areas. Our Mytesi[®] (crofelemer) product is approved by the U.S. FDA for the symptomatic relief of noninfectious diarrhea in adults with HIV/AIDS on antiretroviral therapy. Mytesi[®] is in development for multiple possible follow-on indications, including cancer therapy-related diarrhea; orphan-drug indications for infants and children with congenital diarrheal disorders and short bowel syndrome; supportive care for inflammatory bowel disease (IBD); irritable bowel syndrome (IBS); and as a second-generation anti-secretory agent for use in cholera patients. Canalevia[™] is our lead animal prescription drug candidate, intended for treatment of various forms of diarrhea in dogs. Equilevia[™] is Jaguar's non-prescription product for total gut health in equine athletes. Canalevia[™] and Equilevia[™] contain ingredients isolated and purified from the *Croton lechleri* tree, which is sustainably harvested. Neonorm[™] Calf and Neonorm[™] Foal are Jaguar's lead non-prescription animal products. Mytesi[®], Canalevia[™], Equilevia[™] and Neonorm[™] are distinct products that act at the same last step in a physiological pathway generally present in mammals.

For more information about Jaguar, please visit jaguar.health. For more information about Napo, visit napopharma.com.

Forward-Looking Statements

Certain statements in this press release constitute "forward-looking statements." These include statements regarding Jaguar's intention to issue a secured convertible promissory note to the Investor, Jaguar's anticipated use of proceeds from the proposed note issuance, the anticipated terms of the convertible promissory note, the expectation that build-up of Mytesi[®] inventory will help maximize support for Jaguar's growing direct salesforce, the multiple initiatives the Company has underway nationally to expand awareness about Mytesi[®] among consumers, Jaguar's medical education initiatives, and the expansion of Jaguar's clinician-focused marketing and promotional activities beyond HIV physicians to the large number of gastroenterologists who see significant quantities of HIV patients, Jaguar's estimate that the potential U.S. market for Mytesi[®] is approximately \$100 million in gross annual sales, the expectation that Mytesi[®] will generate approximately \$7.0 million in revenue by April 2018 for its current, FDA-approved specialty indication, and planned, potential follow-on indications for Mytesi[®]. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "aim," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this release are only predictions. Jaguar has based these forward-looking statements largely on its current expectations and projections about future events. These forward-looking statements speak only as of the date of this release and are subject to a number of risks, uncertainties and assumptions, some of which cannot be predicted or quantified and some of which are beyond Jaguar's control. Except as required by applicable law, Jaguar does not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

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KCSA Strategic Communications
Garth Russell, 212-896-1250
grussell@kcsa.com