

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **October 1, 2019**

JAGUAR HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-36714

(Commission File Number)

46-2956775

(IRS Employer Identification No.)

201 Mission Street, Suite 2375

San Francisco, California

(Address of principal executive offices)

94105

(Zip Code)

Registrant's telephone number, including area code: **(415) 371-8300**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company x

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. x

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Common Stock, Par Value \$0.0001 Per Share

JAGX

The NASDAQ Capital Market

Item 1.01 Entry into a Material Definitive Agreement.

On October 1, 2019, Jaguar Health, Inc. (the “Company”) and Napo Pharmaceuticals, Inc. (“Napo”), a wholly-owned subsidiary of the Company, entered into a License Termination and Settlement Agreement (the “Agreement”) with Dr. Michael Tempesta (“Tempesta”), pursuant to which certain disputes between Napo and Tempesta were settled. The disputes relate to royalty payments owed by Napo to Tempesta under a license agreement, dated February 8, 1990, between Tempesta and Shaman Pharmaceuticals, a predecessor-in-interest to Napo (the “1990 License”), and a modified license agreement, dated October 16, 2002, between Tempesta and Napo (the “2002 License” and together with the 1990 License, the “License Agreements”) with respect to SP-303, a component of Mytesi, the Company’s FDA-approved drug for the symptomatic relief of noninfectious diarrhea in adult patients with HIV/AIDS on antiretroviral therapy.

Pursuant to the terms of the Agreement, Tempesta received \$50,000 in cash, an unsecured promissory note issued by the Company in the aggregate principal amount of \$550,000 (the “Note”) and 40,000 shares of the Company’s common stock (the “Shares”) in exchange for the cessation of all royalty payments by Napo to Dr. Tempesta under the License Agreements. The Note bears interest at the rate of 2.5% per annum and matures on March 1, 2025. In addition, the Note provides for the Company to make semi-annual payments equal to \$50,000 plus accrued interest beginning on March 1, 2020 until the Note is paid in full. The shares are subject to lock-up restrictions and are not tradeable by Tempesta until October 1, 2020.

The Note and the Shares were offered and sold pursuant to an exemption from the registration requirements of the Securities Act pursuant to Section 4(a) (2) of the Securities Act and/or Regulation D promulgated thereunder.

The foregoing descriptions of the Note and the Agreement do not purport to be complete, and are qualified in their entirety by reference to the Note and the Agreement, copies of which are filed herewith as Exhibit 4.1 and Exhibit 10.1, respectively.

On October 4, 2019, the Company issued a press release announcing the Company’s entry into the Agreement, a copy of which is attached hereto as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The information contained above in Item 1.01 is hereby incorporated by reference into this Item 1.02 in its entirety.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained above in Item 1.01 is hereby incorporated by reference into this Item 2.03 in its entirety.

Item 3.02 Unregistered Sales of Equity Securities.

The information required to be disclosed under this Item 3.02 is set forth in Item 1.01 above and is incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
4.1	<u>Promissory Note, dated October 1, 2019, between Napo Pharmaceuticals, Inc. and Michael Tempesta.</u>
10.1	<u>License Termination and Settlement Agreement, dated October 1, 2019, by and among Jaguar Health, Inc., Napo Pharmaceuticals, Inc. and Michael Tempesta.</u>
99.1	<u>Press Release, dated October 4, 2019</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JAGUAR HEALTH, INC.

By: /s/ Lisa A. Conte

Name: Lisa A. Conte

Title: Chief Executive Officer & President

Date: October 7, 2019

Principal Amount: \$550,000.00

Issue Date: October 1, 2019

UNSECURED PROMISSORY NOTE

ON THIS 1ST DAY OF OCTOBER, 2019, Jaguar Health, Inc., a Delaware corporation, and its wholly owned subsidiary Napo Pharmaceuticals, Inc., a Delaware corporation, whose principal office is located at 201 Mission Street, Suite 2375, San Francisco, CA 94105 (collectively, "Jaguar") promises to pay to Michael Tempesta, a California resident ("Holder"), the principal sum of **FIVE HUNDRED AND FIFTY THOUSAND DOLLARS AND NO CENTS (\$550,000.00)**, with simple interest accruing on the unpaid balance at a rate of two and one-half percent (2½%) per annum. This Unsecured Promissory Note is being issued by Jaguar to Holder pursuant to that certain License Termination and Settlement Agreement (the "LTSA") entered into on or around October 1, 2019

This shall begin as of the date above in the manner that follows:

1. **PAYMENTS:** Jaguar shall pay installments of principal in the amount of FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00) plus accrued simple interest on the first day of March and the first day of September of each year that this Unsecured Promissory Note is Outstanding. The first payment due hereunder will be payable on March 1, 2020.

Interest shall commence accruing on the date that this Unsecured Promissory Note is issued and shall be computed on the basis of a 365-day year and the actual number of days elapsed. All payments due hereunder shall be made in lawful money of the United States of America. Whenever any amount expressed to be due by the terms of this Unsecured Promissory Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day. As used in this Unsecured Promissory Note, the term "business day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed.

All payments shall be made to Holder at the address set forth above, unless Jaguar is provided with written notice of an alternative address or wire transfer instructions.

2. **DUE DATE:** The full balance on this Note, including any accrued interest and late fees, is due and payable on the 1st day of March 2025.
3. **INTEREST DUE IN THE EVENT OF DEFAULT:** In the event that Jaguar fails to pay the note, in full, on the due date or has failed to make an installment payment due within 10 days of the due date, unpaid principal shall accrue interest at the rate of twelve percent (12%) per annum starting on the due date OR the maximum rate allowed by law, whichever is less, until Jaguar is no longer in default.
4. **ALLOCATION OF PAYMENTS:** Payments shall be first credited to any late fees due, then to interest due and any remainder will be credited to principal.
5. **LATE FEES:** If Holder receives any installment payment more than ten (10) days after the date that it is due, then a late payment fee of \$500.00 shall be payable with the scheduled installment payment along with any default interest due.

6. **ACCELERATION:** If Jaguar is in default under this Note by failing to make any payment owed and such default is not cured within thirty(30) days after written notice of such default, then Holder may, at its option and subject to the terms of the LTSA, declare all outstanding sums owed on this Unsecured Promissory Note to be immediately due and payable, in addition to any other rights or remedies that Holder may have under state and federal law.
7. **PREPAYMENT:** Jaguar may pre-pay this Unsecured Promissory Note without penalty.
8. **ATTORNEYS' FEES AND COSTS:** If Holder or Jaguar sues to enforce this Unsecured Promissory Note or obtain a declaration of its rights hereunder, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.
9. **WAIVER OF PRESENTMENTS:** Jaguar waives presentment for payment, notice of dishonor, protest and notice of protest.
10. **NON-WAIVER:** No failure or delay by Holder in exercising Holder's rights under this Unsecured Promissory Note shall be considered a waiver of such rights.
11. **SEVERABILITY:** In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.
12. **INTEGRATION AND MODIFICATION:** There are no verbal or other agreements which modify or affect the terms of this Unsecured Promissory Note. This Unsecured Promissory Note may not be modified or amended except by written agreement signed by Jaguar and Holder and consented to in advance by Chicago Venture Partners, L.P.
13. **NOTICE:** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be made to the parties at the addresses listed below.
14. **ASSIGNABILITY:** This Unsecured Promissory Note shall be binding upon Jaguar and its successors and assigns and shall inure to be the benefit of Holder and his successors and assigns. Notwithstanding anything to the contrary herein, the rights, interests or obligations of Jaguar hereunder may not be assigned, by operation of law or otherwise, in whole or in part, by Jaguar without the prior signed written consent of Holder, which consent may not be unreasonably withheld. This Unsecured Promissory Note or any of the severable rights and obligations inuring to the benefit of or to be performed by Holder hereunder may be assigned by Holder to a third party, in whole or in part, without the need to obtain Jaguar's consent thereto. Notwithstanding anything in this Unsecured Promissory Note to the contrary, this Note may not be pledged as collateral in connection with a lending arrangement.

15. GOVERNING LAW: This Unsecured Promissory Note shall be governed by and interpreted in accordance with the laws of the State of California without regard to the principles of conflicts of law (whether of the State of California or any other jurisdiction).

16. EXECUTION: Jaguar executes this Unsecured Promissory Note as a principal and not as a surety.

This agreement was signed the 1st day of October 2019 by the following:

JAGUAR:

JAGUAR HEALTH, INC.

/s/ Lisa A. Conte

Lisa Conte
President and CEO

NAPO PHARMACEUTICAL, INC.

/s/ Lisa A. Conte

Lisa Conte
President and CEO

HOLDER:

MICHAEL TEMPESTA

/s/ Michael Tempesta

LICENSE TERMINATION AND SETTLEMENT AGREEMENT

This License Termination and Settlement agreement (“LTSA”) is entered between Michael Tempesta (“Tempesta”), an individual, and Jaguar Health, Inc. and its affiliate Napo Pharmaceuticals, Inc., as well as their predecessors (collectively, “Jaguar”). Together Tempesta and Jaguar are referred to hereinafter as “the Parties.”

Whereas on February 8, 1990 Tempesta entered into a License Agreement (“1990 License”) with Shaman Pharmaceuticals (“Shaman”) related to a substance described therein as SP 303, and

Whereas Napo Pharmaceuticals (“Napo”) is a successor-in interest to Shaman, and

Whereas Napo and Tempesta entered into a modified license agreement on October 16, 2002, thereby terminating the 1990 License (“2002 License”), and

Whereas Napo is now wholly owned by Jaguar Health, Inc. and Jaguar has the relevant rights and responsibilities under the 1990 and 2002 License Agreements (“License Agreements”), and

Whereas Tempesta commenced an audit of royalty payments made to him during the period from 2015 through the third quarter of 2018 (“Audit”), an audit that is on-going, and

Whereas a dispute has arisen between Tempesta and Jaguar, and

Whereas Jaguar contends that the License Agreements are not enforceable and that all patent licenses and patents related to the License Agreements expired before 2019 (see *Brulette v Thys* and *Kimble v Marvel Entertainment*), and

Whereas Tempesta contends that the License Agreements are trade secret licenses since no patent or patent applications related to SP 303 were in existence at the time of the 1990 License Agreement and Shaman was not compelled by the agreement to seek any, and, therefore, it has not expired (see e.g. *Warner - Lambert v Reynolds*), and

Whereas Tempesta claims that *Brulette and Kimble* and related cases have no application to a license that was cancellable at the will of a licensee, and Jaguar disagrees, and

Whereas Tempesta claims that SP-303 related patents other than the ones that list him as an inventor are and have been in force at relevant times and are a basis for non-expiration and that he should have listed him as an inventor on those patents in addition to his listing on the 5211944 and 5494661 patents, and Jaguar disagrees, and

Whereas it is the position of each party that the claims of the other party have no merit, and

Whereas Jaguar represents that it does not possess or has been unable to locate certain back up documents requested by the auditor, and Whereas the Parties wish to settle the Audit, close out any and all claims regarding under or over payments of royalties for periods preceding January 1, 2019 and resolve all other disputes between them:

THEREFORE, For good and valuable consideration to each of them, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. LICENSE TERMINATION

The 2002 License, subject to the provisions below regarding an Event of Default, shall be deemed terminated as of September 30, 2018.

2. AUDIT RIGHTS TERMINATED; PAST ROYALTY ISSUES CLOSED

The Audit shall be deemed completed with no further royalties due from Jaguar to Tempesta. Tempesta will pay the cost of the Audit. No further audits may be conducted. Tempesta may not claim that royalties were underpaid and Jaguar may not claim they were overpaid. Jaguar's books and records are hereby closed for purposes of any royalty payment to Tempesta.

3. CASH CONSIDERATION

Upon execution (which shall be the "Effective Date") of this LTSA, and in consideration for the Audit termination, 2002 License termination, and the releases below, Jaguar will pay \$50,000.00 (the "Initial Payment") to Tempesta and deliver to him an executed copy of an unsecured promissory note for the amount of \$550,000.00 ("Note"). The Note shall bear simple interest at 2 1/2 % per year. Aggregate payments of \$100,000.00 per year plus interest will be paid by Jaguar to Tempesta in two \$50,000.00 payments plus accrued interest each year, beginning on March 1, 2020 and then on September 1, 2020 and on March 1 and September 1 each year thereafter until the Note is paid in full. A copy of the Note to be executed is attached as Exhibit A.

4. STOCK CONSIDERATION

Upon execution of this agreement and as further consideration for the Audit termination, 2002 License termination and the release below, Jaguar will deliver to Tempesta 40,000 shares of JAGX common stock (the "Shares") with a market value of \$48,000. The Shares have been priced using the closing price as of the Closing Date (as defined in Section 9). The Shares shall be "locked-up" and not tradeable by Tempesta prior to October 1, 2020. On or before October 1, 2020, if necessary, Jaguar will provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute and applicable state securities laws with regard to the Shares.

5. MUTUAL AND UNCONDITIONAL RELEASES

Tempesta, for himself and his heirs, hereby releases and forever discharges Jaguar and its subsidiaries, predecessors, affiliates, officers, directors and attorneys from any and all claims, causes of action, and fees and costs of any nature whatsoever, known or unknown related to the Audit and past paid royalty calculations and payments. Jaguar, for itself and its subsidiaries, predecessors, affiliates, officers, directors, and attorneys hereby release and forever discharge Tempesta from any and all claims, causes of action and fees and costs of any nature whatsoever, known or unknown, including without limit any claims for past License Agreements royalty miscalculations or overpayments.

6. TEMPESTA CONDITIONAL RELEASE

Tempesta, for himself and his heirs, hereby releases and forever discharges Jaguar and its subsidiaries or any other predecessors or affiliates, and their respective officers, directors, and attorneys, from any and all claims, causes of action, and fees and costs of any nature whatsoever, known and unknown, except that, if Jaguar fails to make timely payments of principal and/or interest on the Note and fails to cure any default, as defined below (“An Event of Default”), the Tempesta post-January 1, 2019 claims related to the 2002 License agreement, are not released and Tempesta may proceed with a claim for royalty payments under the 2002 License for periods after January 1, 2019. For clarity, in An Event of Default, Jaguar will be free to contest Tempesta’s claims regarding the 2002 License and assert any claim that the license(s) were unenforceable or void as a matter of law, including, without limitation that the 2002 License is void under *Brulette and Kimble*. Further, if there is an Event of Default and a claim is successfully asserted by Tempesta under the 2002 Royalty Agreement, any monies paid to Tempesta pursuant to the Note plus the Initial Payment and the value of the shares as of the Effective Date of this agreement as recited in this agreement shall be an offset to any final damages awarded in favor of Tempesta.

7. DEFAULT AND THE RIGHT TO CURE

If any payment on the Note has not been paid within 15 calendar days of its due date, including interest payments, Tempesta shall provide by letter and email to Jaguar a notice of the delinquency. Jaguar shall have 30 calendar days from receipt of the email to cure the deficiency by making the requested payment. If Jaguar fails to cure such default, Tempesta may declare that an Event of Default will have occurred pursuant to this LSTA and either a) seek damages pursuant to Section 6 hereof or b) elect to accelerate the Note pursuant to Section 6 thereof.

8. STATUTE OF LIMITATIONS; LACHES AND ESTOPPEL; STATEMENT OF GROSS INCOME

Jaguar agrees that, in an Event of Default, it may not assert as a response to a claim for royalty payments post January 1, 2019 a defense of either the statute of limitations, laches or estoppel based on delay. Applicable statute of limitations are tolled during the period from the date of this agreement to the date the Note is fully paid or an Event of Default occurs. Beginning with the calendar year 2019, Jaguar will calculate the annual amount of Gross Income, as defined in the 2002 License, and within 15 days of Jaguar filing its 10-K with the SEC for each such year, Jaguar will send a statement of those earnings to Arnold & Porter in a sealed envelope to be deposited unopened in that law firm’s safe. If, and only if, there is an Event of Default, the envelopes may be opened and inspected by Tempesta and used in any proceeding, if and as relevant. Once the Note is paid off, the reports will be destroyed or be returned to Jaguar at Jaguar’s election. Notwithstanding the foregoing, if Tempesta elects to accelerate the Note pursuant to Section 6 thereof, this Section 8 shall become null and void.

9. CLOSING DATE AND TIME

The date and time of the execution and closing for this Agreement (the “Closing Date”) shall be October 1, 2019, after 5:00 pm Eastern Standard Time. The closing of the transactions contemplated by this Agreement shall occur at such location as may be agreed to by the parties.

10. TAXES AND ATTORNEY FEES

Each of the Parties will be responsible for its own taxes and each will bear its own attorney fees.

11. WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542

The Parties acknowledge that each understands the provisions of CCP 1542 which provides:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect in his or her favor at the time of executing the release, and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Except in the case of an Event of Default, the Parties waive and relinquish every right or benefit each may have under CCP 1542 with respect to the released matters to the full extent each may do so. The Parties acknowledge that each may discover facts in addition to or different from those each may now know or believe with respect to released matters, but it is nevertheless the intent of each to fully and finally settle and release all claims, notwithstanding discovery of new or additional facts.

12. NO ADMISSIONS

Except as expressly set forth herein, the Parties agree and acknowledge that nothing in this LTSA shall be construed as admissions by either party with respect to the merits of the underlying dispute.

13. MUTUAL DRAFTING; RELIANCE ON OWN COUNSEL

The Parties acknowledge that each and their counsel have been fully Involved in the drafting and negotiations of this LTSA. The Parties acknowledge that they have carefully and fully reviewed and read this LTSA and that they are relying on the advice of their own counsel and have freely and voluntarily executed the LTSA. Each acknowledges that, except as set forth herein, it is not relying on any representations made by the other and that none have been made.

14. ENTIRE AGREEMENT AUTHORITY

This LTSA is the entire agreement between the Parties and it supersedes, except in an Event of Default, all prior agreements, oral or written. Each person signing this agreement represents and warrants that he or she has the authority to do so and that neither of the Parties has assigned its rights to a third party.

15. AMENDMENTS

This LTSA may be amended only by a writing signed by both Parties. An email exchange shall not be considered an amendment in writing.

16. CHOICE OF LAW

This LTSA is entered into in California and shall in all respects be governed and enforced by California law, without regard to its conflict of laws provisions.

17. DISPUTE ATTORNEY FEES

Should any action be necessary to enforce the provisions of this LTSA or the Note, the prevailing party will be entitled to reasonable attorney fees and costs, including the costs and fees of an arbitrator and an arbitration.

18. BINDING ARBITRATION

The Parties agree that any disputes arising out of this LTSA and, including without limit proceedings in an Event of Default, shall be submitted to final and binding JAMS arbitration conducted in San Francisco, California. Proceedings, in an Event of Default, to reinstate the License Agreements shall be conducted under JAMS Comprehensive Rules. The arbitration, if instead, is to enforce the obligations in this Agreement, including without limitation, payment of the Note, it will be according to the JAMS Streamlined Rules. Any arbitration shall be before a single neutral arbitrator chose by the parties, or, if they are unable to choose one, before a single arbitrator chosen under JAMS rules. Either party may enforce a final arbitration award in any court of competent jurisdiction.

12. SUCCESSORS AND ASSIGNS

The LTSA shall bind and inure to the benefit of the Parties hereto and their successive assigns, heirs, administrators, executors and conservators.

13. NOTICE AND PAYMENTS

Payments directed to Tempesta shall be made out to the Michael Tempesta Trust Fund and sent to:

Arnold & Porter
c/o Marty Glick
3 Embarcadero Center
10th floor
San Francisco, CA 94111

Notices to Tempesta shall be sent to both the above address and to

Michael Tempesta

Notices to Jaguar shall be sent to:

Jonathan Wolin
General Counsel
Jaguar Health, Inc.
201 Mission Street, Suite 2375
San Francisco, CA 94105

With a copy to:

Morgan Lewis
Attn: Benjamin Smith
One Market Street Tower
San Francisco, CA 94105

14. COUNTERPARTS

The LTSA may be signed in counterparts and when each party has signed and delivered (by fax, mail, email, pdf or otherwise) one such counterpart to the other, each counterpart shall be deemed an original, and all counterparts taken together will constitute one and the same agreement which will be binding and effective as to all Parties.

[SIGNATURES ON FOLLOWING PAGE]



Jaguar Health Eliminates Certain Royalty Obligations Reducing Future COGS for Mytesi and Crofelemer

San Francisco, CA (October 4, 2019): Jaguar Health, Inc. (NASDAQ: JAGX) (“Jaguar” or the “Company”), today announced that a License Termination and Settlement agreement (“LTSA”) related to SP-303, a component of Mytesi® (crofelemer), has been entered between Michael Tempesta, Ph.D. (“Tempesta”), Jaguar, and Jaguar’s wholly-owned subsidiary, Napo Pharmaceuticals, Inc. (“Napo”), as well as their predecessors (collectively, “Jaguar”), regarding the license agreement Napo and Tempesta entered in 2002 (the “2002 License”). SP-303 is extracted and purified from the bark latex of the medicinal *Croton lechleri* tree in the Amazon rainforest.

The termination was the result of Jaguar challenging the validity of the 2002 License, based on recent case law. Terminating the 2002 License caused royalty payments to Dr. Tempesta to cease as of September 30, 2018. Such royalty payments have been as high as 3% of net sales in the past and would have continued for as long as there were sales of Mytesi or crofelemer anywhere in the world. Cessation of the royalty payments reduces future cost of goods sold for Mytesi and crofelemer.

“We’re very pleased to have entered into the LTSA,” Lisa Conte, Jaguar’s president and CEO commented. “Jaguar entered into the LTSA with Dr. Tempesta to end the uncertainty as to the enforceability of the 2002 License and avoid potentially costly litigation. This reduction of COGS also enhances the value of our business development and potential licensing collaborations. As a result of the settlement, Dr. Tempesta will participate in future sales of Mytesi through the stock ownership that he received as a part of the consideration in the LTSA.”

Tempesta originally entered into a license agreement in 1990 (the “1990 License”) with Shaman Pharmaceuticals (“Shaman”) related to SP-303, and Napo is a successor-in-interest to Shaman. In 2002, Napo and Tempesta entered into a modified license agreement, the 2002 License, thereby terminating the 1990 License. Per the terms of the LTSA, the 2002 License, subject to specified provisions regarding an event of default, shall be deemed terminated as of September 30, 2018.

Per the terms of the LTSA, Jaguar paid \$50,000 to Tempesta and issued him an unsecured promissory note for the amount of \$550,000 (the “Note”). The Note bears simple interest at 2 1/2% per year and specifies semi-annual payments of \$50,000 plus accrued interest, beginning on March 1, 2020 and continuing until the Note is paid in full. Jaguar will also deliver to Tempesta 40,000 shares of Jaguar common stock (the “Shares”). The Shares shall be “locked-up” and not tradeable by Tempesta prior to October 1, 2020.

About Jaguar Health, Inc.

Jaguar Health, Inc. is a commercial stage pharmaceuticals company focused on developing novel, sustainably derived gastrointestinal products 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.

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

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%).

See full Prescribing Information 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.

Forward-Looking Statements

Certain statements in this press release constitute “forward-looking statements.” 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. Some of the factors that could affect our actual results are included in the periodic reports on Form 10-K and Form 10-Q that we file with the Securities and Exchange Commission. 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.

Source: Jaguar Health, Inc.

Contact:
Peter Hodge
Jaguar Health, Inc.
phodge@jaguar.health

Jaguar-JAGX
