Quotient Ltd
Form 424B5
April 04, 2017
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Registration No. 333-206026

The information contained in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to the securities has been declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 4, 2017

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated August 17, 2015)

Shares

Ordinary shares

We are offering ordinary shares of no par value per share. Our ordinary shares are listed on The NASDAQ Global Market under the symbol QTNT. The last reported sale price of our ordinary shares on April 3, 2017 was $6.89 per share.

We are an emerging growth company under the federal securities laws and are subject to reduced public company reporting requirements.

Investing in our ordinary shares involves a high degree of risk. You should carefully review the risks and uncertainties described under the heading Risk Factors beginning on page S-11 of this prospectus supplement and under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of 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.

	PER SHARE	TOTAL
Public offering price	$	$
Underwriting discounts and commissions [1]		
Proceeds, before expenses, to us		

[1] See Underwriting for additional information regarding the compensation payable to the underwriters.

Delivery of the ordinary shares is expected to be made on or about , 2017. We have granted the underwriters an option for a period of 30 days to purchase up to an additional ordinary shares from us. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $, and the total proceeds to us, before expenses, will be $.

Sole Book-Running Manager

Jefferies

Lead Manager

BTIG

Prospectus Supplement dated , 2017.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is part of a registration statement that was filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process and consists of two parts. The first part is the prospectus supplement, including the documents incorporated by reference herein, which describes the specific terms of this offering. The second part, the accompanying prospectus, including the documents incorporated by reference therein, provides more general information. In general, when we refer only to the prospectus, we are referring to both parts of this document combined. Before you invest, you should carefully read this prospectus supplement, the accompanying prospectus, all information incorporated by reference herein and therein, as well as the additional information described under the heading Where You Can Find More Information. These documents contain information you should carefully consider when deciding whether to invest in our ordinary shares.

This prospectus supplement may add, update or change information contained in the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement and the accompanying prospectus, you should rely on information contained in this prospectus supplement, provided that if any statement in, or incorporated by reference into, one of these documents is inconsistent with a statement in another document having a later date, the statement in the document having the later date modifies or supersedes the earlier statement. Any statement so modified will be deemed to constitute a part of this prospectus only as so modified, and any statement so superseded will be deemed not to constitute a part of this prospectus.

We have not, and the underwriters have not, authorized anyone to provide you with information different than or inconsistent with the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectus that we have authorized for use in connection with this offering. Neither we, nor the underwriters have authorized anyone to provide you with any different information. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may provide to you. The information contained in this prospectus supplement, the accompanying prospectus, and in the documents incorporated by reference herein or therein is accurate only as of the date such information is presented. Our business, financial condition, results of operations and prospects may have changed since that date.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit either to the registration statement of which the accompanying prospectus is a part or any document incorporated by reference in this prospectus supplement or the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreement, and should not be deemed to be a representation, warranty or covenant made to you or for your benefit. Moreover, such representations, warranties or covenants were accurate only as of the date they were made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the ordinary shares to which this prospectus supplement relates, nor do this prospectus supplement and the accompanying prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Our trademark portfolio includes both United States and foreign trademark registrations and pending United States and foreign trademark applications. Other trademarks or trade names referred to in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus and the documents

incorporated by reference herein and therein are generally referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

Certain market and industry data and forecasts included in or incorporated by reference in this prospectus supplement and the accompanying prospectus were obtained from independent market research, industry publications and surveys, governmental agencies and publicly available information. We did not fund and are not otherwise affiliated with the third party sources that we cite. Industry surveys, publications and forecasts generally

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state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. While we are not aware of any misstatements regarding the market or industry data presented or incorporated by reference in this prospectus supplement and the accompanying prospectus, our estimates involve risks and uncertainties and are subject to change based on various factors, including those described under the heading Risk Factors in this prospectus supplement and under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which are incorporated by reference in this prospectus supplement. These and other important factors could result in our estimates and assumptions being materially different from future results. You should read the information contained in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus completely and with the understanding that future results may be materially different and worse from what we expect. See the information included under the heading Forward-Looking Statements.

Our fiscal year ends on March 31. Unless otherwise noted, any reference to a year preceded by the word fiscal refers to the twelve months ended March 31 of that year. For example, references to fiscal 2016 refer to the twelve months ended March 31, 2016. Any reference to a year not preceded by fiscal refers to a calendar year.

For investors outside of the United States: We have not done anything that would permit possession or distribution of this prospectus supplement and the accompanying prospectus in any jurisdiction where action for that purpose is required, other than the United States. Persons outside of the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities and the distribution of this prospectus supplement and the accompanying prospectus outside of the United States.

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PROSPECTUS SUPPLEMENT SUMMARY

This prospectus supplement summary highlights certain information appearing elsewhere in this prospectus supplement, in the accompanying prospectus and in the documents we incorporate by reference herein and therein. However, as this is a summary, it does not contain all of the information that you should consider before deciding to invest in our ordinary shares. You are encouraged to carefully read this entire prospectus supplement and the accompanying prospectus, together with all documents incorporated by reference herein and therein, and any related free writing prospectus, including the information provided under the heading Risk Factors in this prospectus supplement and under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which are incorporated by reference into this prospectus supplement, and under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and the related notes in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and in our Quarterly Report on Form 10-Q for the quarter ended December 31, 2016.

Unless the context requires otherwise, references in this prospectus supplement to Quotient, the Company, we, us and our refer to Quotient Limited and its consolidated subsidiaries.

Overview

We are a commercial-stage diagnostics company committed to reducing healthcare costs and improving patient care through the provision of innovative tests within established markets. Our initial focus is on blood grouping and donor disease screening, which is commonly referred to as transfusion diagnostics. Blood grouping involves specific procedures performed at donor or patient testing laboratories to characterize blood, which includes antigen typing and antibody detection. Disease screening involves the screening of donor blood for unwanted pathogens using two different methods, a serological approach (testing for specific antigens or antibodies) and a molecular approach (testing for DNA or RNA).

We have over 30 years of experience developing, manufacturing and commercializing conventional reagent products used for blood grouping within the global transfusion diagnostics market. We are developing MosaiQ , our proprietary technology platform, to better address the comprehensive needs of this large and established market. MosaiQ will initially comprise two separate microarrays, one for immunohematology (blood grouping), or IH, and one for serological disease screening, or SDS, and a high-throughput instrument. We are also developing a third microarray for molecular disease screening. We believe MosaiQ has the potential to transform transfusion diagnostics, significantly reducing the cost of blood grouping in the donor and patient testing environments, while improving patient outcomes.

We have designed MosaiQ to offer a breadth of diagnostic tests that is unmatched by existing commercially available transfusion diagnostic instrument platforms. Time to result for MosaiQ is expected to be significantly quicker than existing methods for extended antigen typing and antibody detection and is expected to be equivalent to the time to result for current instrument platforms performing basic antigen typing. We believe that customer adoption of MosaiQ should lead to improved patient outcomes through better and easier matching of donor and patient blood, given cost-effective extended antigen typing offered by MosaiQ . Improved patient outcomes using MosaiQ include the potential for reduced incidence of alloimmunization, where the patient develops antibodies to foreign antigens introduced to the body through transfused blood. Cost savings and efficiencies should also be available to customers that adopt MosaiQ , as a result of:

comprehensive characterization of donor or patient blood, eliminating the need for routine manual testing typically undertaken by skilled technicians;

simplification of required consumables and testing processes;

consolidation of multiple instrument platforms in donor testing laboratories;

significant reduction of sample volume requirements;

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reduction of consumable and reagent waste; and

more streamlined processes for matching donor units to patients.

We have designed MosaiQ to match the existing performance of automated platforms used by donor testing laboratories for serological disease screening. We also believe the incorporation of molecular disease screening on MosaiQ will offer considerable advantages over existing approaches in use by donor testing laboratories, delivering operational cost savings and a reduced time to result, while also eliminating the need to pool samples.

Our aim is to provide donor testing laboratories with a single instrument platform to be utilized for blood grouping, if applicable, and both serological and molecular disease screening for donated red blood cells and plasma.

Based on historical annual blood donations collected by our key target donor testing customers, we estimate that the potential market for MosaiQ microarrays (for blood grouping, serological disease screening and molecular disease screening) should exceed 100 million microarrays per annum following receipt of applicable regulatory clearances and approvals for MosaiQ .

We have a proven track record and significant expertise in product development, manufacturing and quality assurance, tailored to the highly regulated transfusion diagnostics market. We currently derive revenue from a portfolio of products used for blood grouping, as well as whole blood controls used daily for quality assurance testing of third-party blood grouping instruments. We have introduced a range of FDA-licensed products in the United States under the Quotient brand, which we sell directly to donor testing laboratories, hospitals and independent patient testing laboratories. We also develop, manufacture and sell conventional reagent products to original equipment manufacturers, or OEMs, such as Ortho-Clinical Diagnostics, Inc., or Ortho, Bio-Rad Laboratories, Inc. and Grifols S.A.

Recent Developments

MosaiQ

Development of MosaiQ for blood grouping and the initial serological disease screening (for Cytomegalovirus, or CMV, and Syphilis) applications is nearing completion. We are now focused on final assay optimization and integration for the extended serological disease screening application and assay development and integration for the molecular disease screening application.

Final preparations are currently underway to perform the required internal performance evaluation studies for field trials for the MosaiQ IH Microarray (for blood grouping, incorporating the initial extended antigen typing panel and the antibody detection panel), the MosaiQ SDS Microarray (incorporating serological disease screening assays for CMV and Syphilis) and the MosaiQ Instrument. We expect to complete European field trials in mid-2017. We continue to prepare for field trials in the United States and expect to commence these trials in the second half of 2017 for the initial two applications.

Pending regulatory approval, we intend to initially launch the MosaiQ IH Microarray and the MosaiQ SDS Microarray into the European donor testing market and, with our commercial partner, Ortho, launch the MosaiQ IH Microarray into the European patient testing market (in each case, with the MosaiQ Instrument). We plan to follow this initial launch with: (i) a second MosaiQ IH Microarray comprising an expanded antigen typing panel; and (ii) the MosaiQ SDS II Microarray incorporating assays for the detection of CMV; Syphilis; Hepatitis B, or HBV, comprising HBV Surface Antigen and HBV Core Antibody; Hepatitis C, or HCV; human immunodeficiency virus, or HIV,

comprising HIV Type 1 and HIV Type 2; Human T-Lymphotropic Antibodies, or HTLV; and Chagas disease.

MosaiQ Manufacturing System

Final product qualification procedures for the MosaiQ microarray manufacturing system (comprising three key elements: (i) the print system; (ii) the wet process; and (iii) the final assembly system) are nearing completion. Following completion of these procedures, we plan to manufacture MosaiQ IH Microarrays and MosaiQ SDS Microarrays for field trials.

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MosaiQ Instrument

Development of the MosaiQ Instrument has now been completed and formal validation has commenced. We expect to take delivery of the first commercially ready MosaiQ Instruments in April 2017.

Assay Development and Internal Performance Evaluation Studies

We plan to conduct European field trials with MosaiQ IH Microarrays incorporating the following blood grouping assays:

ANTIGEN TYPING	
GROUP	**SPECIFICITY**
ABO	A_1, A_2, B, O
D	D, Weak D, DVI
Rh	C, c, E, e, C^w
Kell	K, k

ANTIBODY DETECTION/REVERSE GROUPING	
GROUP	**SPECIFICITY**
ABO	A, B, A1
Rh	D, C, c, E, e, C^w
Kell	K, k, Kp^a
Duffy	Fy^a, Fy^b
Kidd	Jk^a, Jk^b
Lewis	Le^a, Le^b
MNS	M, N, S, s
P	P1
Other	Lu^a

Following completion of these European field trials, we plan to conduct field trials in the United States with an expanded antigen-typing panel incorporating the following additional assays:

ANTIGEN TYPING (EXTENDED PANEL)	
GROUP	**SPECIFICITY**
ABO	A^x
Kell	Kp^a, Js^b
Duffy	Fy^a, Fy^b
Kidd	Jk^a, Jk^b
Lewis	Le^a, Le^b
MNS	M, N, S, s
P	P1

Other	Lu[b]

We expect data from the field trials in the United States to support a further submission in Europe for the expanded antigen-typing panel to be incorporated on the MosaiQ IH Microarray. This strategy is designed to support the accelerated commercial launch of MosaiQ in Europe.

In the lead up to conducting the final internal validation studies prior to European field trials, we have regularly been conducting internal performance evaluation studies to demonstrate the ongoing performance of MosaiQ for blood grouping (comprising both antigen typing and antibody detection) and the initial disease screening assays (for CMV and Syphilis). Microarrays used in these studies were manufactured at our Eysins, Switzerland facility, with microarrays from multiple production lots being used. Samples were acquired from donor collection agencies and processed using MosaiQ Instruments incorporating the final hardware and the latest version of instrument software. Results using MosaiQ were compared with results generated by the donor collection laboratories providing the samples or by us, using predicate technologies.

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Below is a summary of our latest performance evaluation data for antibody detection, antigen typing and the initial disease screening assays (for CMV and Syphilis):

Antibody Detection

We have completed two studies to evaluate the performance of MosaiQ for antibody detection. In both studies, we used microarrays that incorporated development material representative of MosaiQ IH Microarrays that we plan to use in field trials. Summary results for each of the studies are set out below:

24 known positive samples, containing one or more unexpected blood group antibodies, were procured from a donor collection agency. MosaiQ detected blood-group antibodies in all 24 samples; and

340 naïve samples were procured from a donor collection agency, all of which were determined to be negative for unexpected blood-group antibodies by the predicate technology. In this study, MosaiQ proved itself to be more sensitive than the predicate technology, detecting antibodies in 38 of the samples analyzed. While we intend to continue to optimize the MosaiQ detection and interpretation algorithm, due to the sensitivity of MosaiQ , we continue to expect that MosaiQ will detect more antibodies than the predicate technologies.

Antigen Typing

A summary of the performance evaluation data for antigen typing presented in early January 2017 is set out below:

BLOOD GROUP	SPECIFICITY	TOTAL SAMPLES	TRUE POSITIVE	FALSE POSITIVE	TRUE NEGATIVE	FALSE NEGATIVE	CONCORDANCE (%)	SENSITIVITY (%)	SPECIFICITY (%)
ABO	A	804	297	0	507	0	100.0%	100.0%	100.0%
	B	804	93	0	711	0	100.0%	100.0%	100.0%
Rhesus	D	804	631	0	169	4	99.5%	99.4%	100.0%
	C	804	502	0	302	0	100.0%	100.0%	100.0%
	c	804	657	0	143	4	99.5%	99.4%	100.0%
	E	804	264	0	540	0	100.0%	100.0%	100.0%
	e	804	781	0	22	1	99.9%	99.9%	100.0%
Kell	K	804	78	0	726	0	100.0%	100.0%	100.0%

Since this data was generated, we have undertaken multiple studies in connection with the ongoing validation of manufacturing processes and the MosaiQ Instrument, with the results generated confirming the above results.

Initial Disease Screening Assays

Results from the previously reported performance evaluation study for the initial MosaiQ disease screening panel are set out below:

TARGET	TOTAL SAMPLES	TRUE POSITIVE	FALSE POSITIVE	TRUE NEGATIVE	FALSE NEGATIVE	SENSITIVITY (%)	SPECIFICITY (%)
Syphilis	240	39	0	201	0	100.0%	100.0%
CMV	183	87	0	93	3	96.7%	100.0%

We subsequently retested samples relating to the false negatives reported for CMV in the above evaluation using a third tie breaker technology, which also found the samples to be negative for CMV, demonstrating 100% sensitivity for both CMV and Syphilis detection in the sample tested.

Field Trials

We expect to commence field trials for the initial MosaiQ IH Microarray and MosaiQ SDS Microarray in the second calendar quarter of 2017 in Europe and the third calendar quarter of 2017 in the United States. We expect to file necessary regulatory submissions in Europe during the second half of 2017 to obtain required marketing clearances for MosaiQ . Field trials for the second MosaiQ SDS II Microarray (comprising all

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mandated serological disease screening assays) are expected to commence six to nine months after completion of the initial field trials for blood grouping in Europe and the United States.

In Europe, we are already responding to invitations to tender by major government blood collection agencies. First commercial sales will not, however, commence in Europe until receipt of CE-Marking for the MosaiQ IH Microarray and the MosaiQ SDS Microarray, which we believe could happen before the end of 2017. If approved for sale, we anticipate commercial launch in the United States around the end of 2018.

Serological Disease Screening

We have completed the transfer of the initial CMV and Syphilis assays to manufacturing and are currently focusing on the integration of the expanded serological disease screening menu. We expect to transfer the remaining assays related to the full, mandated serological disease screening assays to manufacturing in the second half of 2017.

Molecular Disease Screening

During February our development partner took delivery of a MosaiQ device that we expect will be used to demonstrate feasibility of our novel nucleic acid testing (NAT) amplification technology. Our current NAT development work is focused on demonstrating appropriate amplification and detection of clinical samples for HIV, HBV, HCV, West Nile Virus and Zika. We plan to finalize the development pathway for the molecular disease screening microarray following completion of this demonstration, with validation and field trials expected to occur in two to three years, and commercialization thereafter.

Conventional Regent Business

On March 23, 2017, we announced that eight new blood typing reagent products developed by us, were licensed for sale by the U.S. Food and Drug Administration, or FDA. These products were developed as part of a long-term development partnership with Ortho, whereby we develop and manufacture blood typing reagent products for commercialization by Ortho. This approval triggered a milestone payment under our on-going development partnership with Ortho.

Short-Term Liquidity

The audited consolidated financial statements appearing in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 were prepared assuming we would continue as a going concern. In the notes to these financial statements, we disclosed that: (i) we had incurred net losses and negative cash flows from operations in each year since we commenced operations in 2007; (ii) as of March 31, 2016, we had an accumulated deficit of $108.2 million; and (iii) we had expenditure plans for the year ending March 31, 2017 that were in excess of our current cash holdings, raising substantial doubt about our ability to continue as a going concern.

In its audit report related to these financial statements, our independent registered public accounting firm, Ernst & Young LLP, made reference to our disclosure regarding substantial doubt about our ability to continue as a going concern. We expect to fund our operations, including the continued development of MosaiQ™ to commercialization, from a combination of funding sources. These include our existing cash and short-term investment balances, the issuance of new equity (including this offering), debt or other securities, milestone payments under our distribution and supply agreement with Ortho related to MosaiQ and the sale and leaseback of our Biocampus facility in Edinburgh, Scotland. We expect that these funding sources will address our financial needs through to the commencement of commercialization for MosaiQ .

Corporate History and Information

Quotient Limited is a limited liability no par value company incorporated under the laws of Jersey, Channel Islands. Our registered address is Elizabeth House, 9 Castle Street, St. Helier, JE2 3RT, Jersey, Channel Islands. Our agent for service of process is our wholly owned U.S. subsidiary, Quotient Biodiagnostics, Inc., 301 South State Street, Suite S-204, Newton, Pennsylvania 18940.

We were incorporated in Jersey, Channel Islands in 2012. Our principal executive offices are located at Pentlands Science Park, Bush Loan, Penicuik, Midlothian, EH26 OPZ, United Kingdom, and our telephone number is 011-44-131-445-6159. Our website address is *www.quotientbd.com*. Information contained on, or

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accessible through, our website is not incorporated by reference into this prospectus supplement and should not be considered to be part of this prospectus supplement, and you should not rely on any such information in making the decision whether to purchase our securities.

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THE OFFERING

Issuer:	Quotient Limited
Ordinary shares offered by us:	shares
Ordinary shares to be outstanding immediately after this offering:	shares
Option to purchase additional shares:	We have granted the underwriters an option for a period of 30 days to purchase an additional ordinary shares.
Use of proceeds:	We currently anticipate that we will use the net proceeds received by us to fund the ongoing scale up and, if approved, commercialization of MosaiQ and for working capital and other general corporate purposes. See the information included under the heading Use of Proceeds.
Risk factors:	Investing in our ordinary shares involves a high degree of risk. Before buying any of our ordinary shares, you should carefully read the discussion of material risks of investing in our ordinary shares. Please see the information included under the heading Risk Factors in this prospectus supplement and under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which are incorporated by reference in this prospectus supplement.
NASDAQ Global Market symbol:	QTNT

The number of ordinary shares to be outstanding after this offering is based on 29,511,775 ordinary shares outstanding as of December 31, 2016, and excludes the following:

- 175,525 ordinary shares issuable upon the exercise of warrants outstanding as of December 31, 2016, at a weighted average exercise price of $13.67 per ordinary share;
- 1,826,590 ordinary shares issuable upon the exercise of options outstanding as of December 31, 2016, at a weighted-average exercise price of $8.13 per ordinary share;

668,608 ordinary shares issuable upon the vesting of restricted share units, or RSUs, and multi-year, performance-based restricted share units, or MRSUs, outstanding as of December 31, 2016; and

692,790 ordinary shares reserved for future grant or issuance under the 2014 Stock Incentive Plan, or 2014 Plan, as of December 31, 2016.

On April 1, 2017, the number of ordinary shares reserved for issuance under the 2014 Plan automatically increased by 200,000 additional ordinary shares pursuant to the terms of the 2014 Plan.

The number of ordinary shares to be outstanding after this offering does not include 50,000 ordinary shares we issued on February 9, 2017 at a price of $6.41 per share (which was equal to the closing price of our ordinary shares as reported on the Nasdaq Global Market on such date) in connection with our appointment of Christopher J. Lindop as our Chief Financial Officer.

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Unless otherwise noted, the information in this prospectus supplement assumes the following:

- no options, warrants, RSUs, MSRUs or ordinary shares were issued or granted after December 31, 2016, no outstanding options or warrants were exercised after December 31, 2016 and no outstanding RSUs or MSRUs vested after December 31, 2016; and
- no exercise of the underwriters option to purchase additional shares.

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RISK FACTORS

Investing in our ordinary shares involves a high degree of risk. Before buying any of our ordinary shares, you should carefully consider the risks described below, together with all of the other information included in this prospectus supplement and the accompanying prospectus, together with the information incorporated by reference herein and therein, and any free writing prospectus, including the risks described under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended March 31, 2016 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016. Any of these risks could materially adversely affect our business, financial condition and results of operations. As a result, the market price of our ordinary shares could decline, and you could lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations and could result in complete or partial loss of your investment. Certain statements below are forward-looking statements. See the information included under the heading Forward-Looking Statements.

Risks Related to this Offering and our Ordinary Shares

Galen Partners LLP, Mrs. Deidre Cowan (the wife of our Chairman and Chief Executive Officer) and management own a significant percentage of our ordinary shares and will be able to exercise significant influence over matters subject to shareholder approval.

Certain entities affiliated with Galen Partners LLP, Mrs. Deidre Cowan (the wife of our Chairman and Chief Executive Officer) and our executive officers and directors, together with their respective affiliates, held 36.6% of our outstanding ordinary shares as of December 31, 2016. These shareholders will be able to exert a significant degree of influence over our management and affairs and over matters requiring shareholder approval, including the election of our Board of Directors and approval of significant corporate transactions. This concentration of ownership could have the effect of entrenching our management and/or our Board of Directors, delaying or preventing a change in our control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which in turn could have a material and adverse effect on the fair market value of our securities.

If securities analysts do not continue to cover our ordinary shares or publish unfavorable research or reports about our business, this may have a negative impact on the market price of our ordinary shares.

The trading market for our ordinary shares depends on the research and reports that securities analysts publish about our business and our company. We do not have any control over these analysts. There is no guarantee that securities analysts will continue to cover the ordinary shares of our company. If securities analysts do not cover the ordinary shares of our company, the lack of research coverage may adversely affect the market price of our ordinary shares. If our shares are the subject of an unfavorable report, our share price and trading volume would likely decline. If one or more of these analysts ceases to cover our company or fails to publish regular reports on our company, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

The price of our ordinary shares is likely to be volatile, and purchasers of our shares could incur substantial losses.

Like other emerging life sciences companies, the market price of our ordinary shares is likely to be volatile. The factors below may also have a material adverse effect on the market price of our shares:

- fluctuations in our results of operations;

delays in the planned commercialization of MosaiQ ;

speed and timing of adoption of MosaiQ by key target customers;

our ability to enter new markets;

negative publicity;

changes in securities or industry analyst recommendations regarding our company, the sectors in which we operate, the securities market generally, conditions in the financial markets and the perception of our ability to raise additional funding;

regulatory developments affecting MosaiQ or our industry, including announcement of new adverse regulatory decisions in respect of MosaiQ ;

announcements of studies and reports relating to our products or planned products, including MosaiQ , or those of our competitors;

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changes in the economic performance or market valuations of our competitors;

actual or anticipated fluctuations in our annual and quarterly financial results;

conditions in the industries in which we operate;

announcements by us or our competitors of new products, acquisitions, strategic relations, joint ventures or capital commitments;

additions to or departures of our key executives and employees;

fluctuations of exchange rates;

release or expiry of lock-up or other transfer restrictions on our outstanding securities subject to such restrictions; and

sales or perceived sales of additional ordinary shares.

In addition, the securities of life sciences companies have recently experienced significant volatility. The volatility of the securities of life sciences companies often does not relate to the operating performance of those companies. As we operate in a single indust