Prothena Corp plc
Form S-1/A
September 30, 2013
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As filed with the Securities and Exchange Commission on September 30, 2013.

Registration No. 333-191218

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Prothena Corporation plc

(Exact name of Registrant as specified in its charter)

Ireland	**2834**	**43-1256213**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

650 Gateway Boulevard

South San Francisco, CA 94080

(650) 837-8550

(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Dale B. Schenk

Chief Executive Officer

Prothena Corporation plc

650 Gateway Boulevard

South San Francisco, CA 94080

(650) 837-8550

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company x

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We and the selling shareholder may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Prospectus dated September 30, 2013

5,000,000 Shares

Ordinary Shares

Prothena Corporation plc is offering 3,500,000 of its ordinary shares. The selling shareholder identified in this prospectus is offering 1,500,000 ordinary shares. We will not receive any of the proceeds from the sale of the ordinary shares offered by the selling shareholder.

Our ordinary shares are listed on The NASDAQ Global Market under the symbol PRTA. On September 27, 2013, the last reported sale price of our ordinary shares on The NASDAQ Global Market was $20.24 per ordinary share.

We are an emerging growth company as that term is defined under the federal securities laws of the United States and, as such, may elect to comply with certain reduced public company reporting requirements for this and future filings.

Investing in our ordinary shares involves risks that are described in the Risk Factors section beginning on page 11 of this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discount (1)	$	$
Proceeds, before expenses, to Prothena Corporation plc	$	$
Proceeds, before expenses, to the selling shareholder	$	$

(1) See Underwriting for a description of the compensation payable to the underwriters.

We have granted to the underwriters the right to subscribe for up to 750,000 additional ordinary shares at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares to investors on or about , 2013.

BofA Merrill Lynch **Credit Suisse** **RBC Capital Markets**

Wedbush PacGrow Life Sciences **Roth Capital Partners**

The date of this prospectus is , 2013.

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Neither we, the selling shareholder nor the underwriters have authorized anyone to provide you with information that is different from that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We, the selling shareholder and the underwriters are offering to sell ordinary shares and seeking offers to buy ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front of this prospectus, regardless of the time of delivery of this prospectus or any sale of our ordinary shares.

Prothena and our logo are our trademarks and are used in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this prospectus appear without the symbol, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames.

For investors outside the United States: Neither we nor any of the underwriters have taken any action that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons who have come into possession of this prospectus in a jurisdiction outside the United States are required to inform themselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

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PROSPECTUS SUMMARY

The items in the following summary are described in more detail later in this prospectus. This summary provides an overview of selected information and does not contain all of the information you should consider before buying our ordinary shares. Therefore, you should read the entire prospectus carefully, especially the Risk Factors section beginning on page 11 and our consolidated financial statements (which we refer to as our Financial Statements) and the related notes appearing at the end of this prospectus, before deciding to invest in our ordinary shares. In this prospectus, unless the context otherwise requires, references to we, us, our, or Prothena, refer to Prothena Corporation plc.

Overview

We are a clinical stage biotechnology company focused on the discovery, development and commercialization of novel antibodies for the treatment of a broad range of diseases that involve protein misfolding or cell adhesion. We focus on the discovery, development and commercialization of therapeutic monoclonal antibodies directed specifically to disease causing proteins. Our antibody-based product candidates target a broad range of potential indications including AL and AA forms of amyloidosis (NEOD001), Parkinson s disease and other synucleinopathies (PRX002) and inflammatory diseases and cancers (PRX003). We initiated a Phase 1 clinical trial for NEOD001, with the first patient dosing in April 2013. The Phase 1 clinical trial of NEOD001 is evaluating its safety and tolerability in AL amyloidosis patients. We also plan to initiate Phase 1 clinical trials for PRX002 and PRX003 in 2014 and 2015, respectively. Our strategy is to identify antibody candidates for clinical development by applying our extensive expertise in generating novel therapeutic antibodies and working with collaborators having expertise in specific animal models of disease.

We are a public limited company formed under the laws of Ireland. We separated from Elan Corporation, plc, or Elan, on December 20, 2012 and our ordinary shares began trading on The NASDAQ Global Market under the symbol PRTA on December 21, 2012.

Our Approach

We focus on the discovery, development and commercialization of therapeutic monoclonal antibodies directed specifically to disease causing proteins. These product candidates target a broad range of potential indications including AL (primary) and AA (secondary) forms of amyloidosis, Parkinson s disease and other synucleinopathies, and novel cell adhesion targets involved in inflammatory diseases and cancers. Our strategy is to apply our extensive expertise in generating novel therapeutic antibodies and work with collaborators having expertise in specific animal models of disease, to identify antibody candidates for clinical development.

An epitope is the molecular target recognized by an antibody. A neo-epitope is a site on a protein that becomes accessible only after modification, such as from cleavage or by misfolding into an abnormal shape. The neo-epitopes we target may occur as part of a disease-associated pathological process. For some of our products we are developing novel, specific monoclonal antibodies against neo-epitope targets for the potential treatment of patients having a disease associated with the neo-epitope.

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Targeting Neo-epitopes of Misfolded Proteins Associated with Disease

In addition to antibodies directed to neo-epitope targets, we are developing antibodies directed to other targets. For example, we have generated antibodies against novel cell adhesion targets expressed on certain pathogenic Th17 immune cells and tumor cells. One specific cell adhesion protein, called melanoma cell adhesion molecule, or MCAM, interacts with another protein called laminin near blood vessel walls which allows circulating tumor cells and a critical subset of T cells to leave the bloodstream and enter into tissues, sometimes initiating pathogenic processes that result in disease. Antibodies that interfere with the cell adhesion process may be useful for treating a range of inflammatory diseases and cancers.

Targeting Cell Adhesion Involved in Disease Processes

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Research and Development Pipeline

Our research and development pipeline includes three lead therapeutic antibody programs that we intend to advance: NEOD001 for the potential treatment of AL and AA amyloidosis; PRX002 for the potential treatment of Parkinson s disease; and PRX003 for the potential treatment of inflammatory diseases and cancers.

The following table summarizes the status and anticipated upcoming milestones of our research and development pipeline for lead programs:

Our Lead Programs

NEOD001 for Amyloidosis

Systemic amyloidoses are a complex group of diseases caused by tissue deposition of misfolded proteins that result in progressive organ damage. The most common type, AL amyloidosis or primary amyloidosis, involves a hematological disorder caused by plasma cells that produce misfolded AL protein resulting in deposits of abnormal AL protein (amyloid), in the tissues and organs of individuals with AL amyloidosis. Although little data are available on amyloidosis populations, AL amyloidosis is a rare disorder with an estimated incidence of 8.9 in 1,000,000 patient years. 1,200 to 3,200 new cases of AL amyloidosis are reported each year in the United States. The etiology of AL amyloidosis remains poorly understood.

Current treatments of patients with AL amyloidosis are organ transplant or treatments aimed at reducing or eliminating the bone marrow disorder, i.e. the plasma cells that are responsible for producing the AL protein, thereby limiting production of amyloid. There are no currently approved treatments for AL amyloidosis and no treatments that directly target potentially toxic forms of the AL protein. We believe that there are approximately 15,000 patients in the United States and Europe suffering from AL amyloidosis.

A different form of systemic amyloidosis, AA amyloidosis or secondary amyloidosis, occurs as a result of other illnesses, such as chronic inflammatory diseases (for example, rheumatoid arthritis and ankylosing spondylitis) or chronic infections (for example, tuberculosis or osteomyelitis). In secondary amyloidosis, the depositing amyloid protein is amyloid A protein. Amyloid A protein is a cleaved fragment from the acute phase protein serum amyloid A that is produced in abundance by the liver as a result of chronic inflammation. The treatment of secondary amyloidosis is directed at treating the underlying illness, typically with broad acting anti-inflammatory agents such as tumor necrosis factor, or TNF, inhibitors. We believe that there are approximately 8,000 patients in the United States and Europe suffering from AA amyloidosis.

NEOD001 is a monoclonal antibody that specifically targets the amyloid that accumulates in both AL and AA forms of amyloidosis. The antibody was designed to not react with normal serum amyloid A and only with the aberrant cleaved form of the protein (amyloid A). Preclinical data has demonstrated survival benefits

and selectivity of NEOD001 for amyloid deposits in a mouse model of AA amyloidosis. This approach has the potential to be a first-in-class agent for this orphan disease with a significant unmet medical need. NEOD001 was granted orphan drug designation for the treatment of AL and AA amyloidosis by the FDA in 2012 and for the treatment of AL amyloidosis by the European Medicines Agency in 2013. An Investigational New Drug application, or IND, for NEOD001 in systemic amyloidosis (AL and AA forms of amyloidosis) was filed and accepted by the FDA in 2012. We have initiated a Phase 1 clinical trial for NEOD001 with the first patient dosed in April 2013. The primary objective of the Phase 1 clinical trial is evaluating the safety and tolerability of NEOD001 in AL Amyloidosis patients and determining a recommended dose for testing in Phase 2 trials. The secondary and exploratory objective of the Phase 1 clinical trial includes assessments of pharmacokinetics and immunogenicity of NEOD001 and hematologic and organ response. We anticipate initiating a Phase 2 trial of NEOD001 in 2014 assuming a Phase 2 recommended dose is identified prior to that date.

PRX002 for Parkinson s Disease

Alpha-synuclein is a protein that is a prominent component of Lewy bodies and neurites which are pathological hallmarks of Parkinson s disease, dementia with Lewy bodies, multiple system atrophy and certain other neurological disorders, collectively known as synucleinopathies. While the normal function of synuclein is not well understood, the protein normally occurs in an unstructured soluble form. In synucleinopathies, the synuclein protein can misfold and aggregate to form insoluble fibrils that contribute to the pathology of the disease.

There is genetic evidence for a causal role of synuclein in Parkinson s disease. In rare cases of familial forms of Parkinson s disease, there are mutations in the synuclein gene, or duplication and triplications of the gene that may cause synuclein protein to form amyloid-like fibrils that contribute to the disease. There is also increasing evidence that pathogenic forms of synuclein can be propagated and transmitted from neuron to neuron. Recent studies in cellular and animal models suggest that the spread of synuclein-associated neurodegeneration can be disrupted by targeting the pathogenic synuclein. Parkinson s disease is a degenerative disorder of the central nervous system. Current treatments for Parkinson s disease are effective at managing the early motor symptoms of the disease, mainly through the use of levodopa and dopamine agonists. As the disease progresses and dopaminergic neurons continue to be lost, these drugs eventually become ineffective at treating the symptoms. The goal of our approach is to slow down the progressive neurodegenerative consequences of disease, a current unmet need.

We have generated proprietary antibodies targeting alpha-synuclein that may slow or reduce the neurodegeneration associated with synuclein misfolding and/or transmission. We have tested the efficacy of these antibodies in various cellular and animal models of synuclein-related disease. In a transgenic mouse model of Parkinson s disease, passive immunization with 9E4, a murine version of PRX002, reduced the appearance of synuclein pathology, protected synapses and improved performance by the mice in behavioral testing. The humanized antibody product candidate PRX002 has advanced into manufacturing and preclinical safety testing. We anticipate filing an IND and initiating a Phase 1 trial of PRX002 for Parkinson s disease in 2014.

PRX003 for Inflammatory Diseases and Cancers

We are developing PRX003, a monoclonal antibody targeting MCAM for the potential treatment of inflammatory diseases and cancers.

MCAM is a cell adhesion molecule that allows certain cells travelling in the blood stream to leave the circulation and enter tissues. For example, MCAM is expressed on pathogenic Th-17 expressing immune cells that underlie inflammatory diseases and on tumor cells involved in metastatic cancer. MCAM functions like VELCRO hook-and-loop fasteners, allowing these cells to stick to the blood vessel wall and migrate into tissues to initiate their pathogenic process.

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Our research in the area of cell adhesion has uncovered unique insights into MCAM function, allowing us to develop specific and novel antibodies that may block MCAM s VELCRO-like function as potential therapeutics to prevent disease causing cells from spreading into tissue.

Anti-MCAM antibodies may be useful for treating a variety of inflammatory diseases such as rheumatoid arthritis, psoriasis, psoriatic arthritis, multiple sclerosis, sarcoidosis and Behcet s disease. Inflammatory disease arises from an inappropriate immune response of the body against substances and tissues normally present in the body. In other words, the immune system mistakes some part of the body as a pathogen and attacks its own cells. A substantial portion of the population suffers from these diseases, which are often chronic, debilitating, and life-threatening. There are more than eighty illnesses caused by autoimmunity. Current treatment for many types of inflammatory diseases typically entails the use of broad acting immunosuppressive agents that weaken the body s ability to fight infection. Only 3 to 5% of CD4+ T-cells in the circulation express MCAM, yet these cells appear to be disproportionately involved in the propagation of inflammatory diseases. Hence, anti-MCAM based therapy may provide a more specific way to target the disease-causing immune cells while not interfering with normal function of the majority of the immune system.

MCAM antibodies may also be useful for treating cancers, including melanoma. Melanoma is a malignant tumor of melanocytes, a potentially dangerous form of skin cancer. It was estimated that doctors in the United States would diagnose about 76,250 new cases of melanoma in 2012, with approximately 9,000 melanoma-related deaths that are usually related to metastatic spread of the tumors. Normal melanocytes do not express MCAM, but expression is turned on and continues to increase as the cells become more malignant. Treatment with anti-MCAM antibodies may help patients with melanoma by inhibiting the growth and spread of the tumor.

We have generated monoclonal antibodies that selectively block MCAM-mediated cell adhesion and have been shown to delay relapse and severity of relapse in a mouse model of multiple sclerosis known as experimental autoimmune encephalomyelitis. Our antibodies are currently being tested in animal models of inflammatory diseases and cancers. Based on early results from these studies, we have identified a lead clinical candidate, PRX003. We have advanced this antibody into manufacturing and intend to advance this antibody into preclinical safety testing. We anticipate that we will file an IND and initiate a Phase 1 trial of PRX003 in late 2015.

Our Discovery Programs

Our pipeline also includes several late discovery stage programs for which we are testing efficacy of antibodies in preclinical models of disease. We are also generating additional novel antibodies against other targets involved in protein misfolding and cell adhesion for characterization in vivo and in vitro. If promising, we expect that these antibodies will advance to preclinical development.

Our Strategy

Our goal is to be a leading biotechnology company focused on discovery, development and commercialization of novel antibodies for the treatment of a broad range of diseases that involve protein misfolding or cell adhesion. Key elements of our strategy to achieve this goal are to:

Continue to discover antibodies directed against novel targets involved in protein misfolding and cell adhesion;

Quickly translate our research discoveries into clinical development;

Establish early clinical proof of concept with our therapeutic antibodies;

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Strategically collaborate or out-license select programs;

Highly leverage external talent and resources;

Collaborate with scientific and clinical experts in disease areas of interest; and

Evaluate commercialization strategies on a product-by-product basis in order to maximize the value of each of our product candidates or future potential products.

Risks and Uncertainties Relating to Our Business

We are a clinical stage biotechnology company and our business and ability to execute our business strategy is subject to numerous risks and uncertainties that you should be aware of before making an investment decision. These risks and uncertainties are described more fully in the sections titled Risk Factors and Special Note Regarding Forward-Looking Statements in this prospectus. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under Risk Factors and Special Note Regarding Forward-Looking Statements in deciding whether to invest in our ordinary shares. Among these important risks and uncertainties that could adversely affect our results of operations and business condition are the following:

We have not generated any significant third party external revenue to date, and we anticipate that we will incur losses for the foreseeable future and we may never achieve or sustain profitability;

We will require additional capital to fund our operations, and if we are unable to obtain such capital, we will be unable to successfully develop and commercialize drug candidates;

Our success is largely dependent on the success of our research and development programs, which are at an early stage. Our drug candidates are still in early stages of development and we have only one drug candidate in its first Phase 1 clinical trials. We may not be able to successfully discover, develop, obtain regulatory approval for or commercialize any drug candidates;

Even if any of our drug candidates receives regulatory approval, if such approved product does not achieve broad market acceptance, the revenues that we generate from sales of the product will be limited;

The markets for our drug candidates are subject to intense competition. If we are unable to compete effectively, our drug candidates may be rendered noncompetitive or obsolete;

If clinical trials of our drug candidates are prolonged, delayed, suspended or terminated, we may be unable to commercialize our drug candidates on a timely basis, which would require us to incur additional costs and delay our receipt of any revenue from potential product sales;

We rely on third parties to conduct our clinical trials, and those third parties may not perform satisfactorily, including failing to meet established deadlines for the completion of any such clinical trials;

The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed;

Even if our drug candidates receive regulatory approval in the United States, we may never receive approval or commercialize our products outside of the United States;

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We depend on third-party suppliers for key raw materials used in our manufacturing processes, and the loss of these third-party suppliers or their inability to supply us with adequate raw materials could harm our business;

If we are unable to adequately protect or enforce the intellectual property relating to our drug candidates our ability to successfully commercialize our drug candidates will be harmed; and

Other factors identified elsewhere in this prospectus, including those set forth under Risk Factors and Special Note Regarding Forward-Looking Statements.

Corporate Information

We were formed under the laws of Ireland as a private limited company under the name Neotope Corporation Limited on September 26, 2012. We subsequently re-registered as a public limited company and changed our name to Neotope Corporation plc. On November 1, 2012, our shareholders resolved to change our name to Prothena Corporation plc, and this was approved by the Irish Registrar of Companies on November 7, 2012.

Our business consists of a substantial portion of Elan s former drug discovery business platform, including Neotope Biosciences Limited and its wholly owned subsidiaries Onclave Therapeutics Limited and Prothena Biosciences Inc (which for the period prior to separation and distribution we refer to herein as the Prothena Business). Prior to December 21, 2012, the Prothena Business operated as part of Elan and not as a separate stand-alone entity. After the separation from Elan, and the related distribution of our ordinary shares to Elan s shareholders (which we refer to as the Separation and Distribution), our ordinary shares began trading on The NASDAQ Global Market under the symbol PRTA on December 21, 2012.

Our principal executive offices are located at 650 Gateway Boulevard, South San Francisco, California 94080, and our telephone number is (650) 837-8550. We also maintain offices in Dublin, Ireland. Our website address is http://www.prothena.com. The information contained in, or that can be accessed through, our website is not part of this prospectus.

Implications of Being an Emerging Growth Company

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These include, but are not limited to, (i) reduced obligations with respect to the disclosure of selected financial data in registration statements filed with the Securities and Exchange Commission (including the registration statement on Form S-1 of which this information statement is a part), (ii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, (iii) an exception from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and (iv) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and the requirement to obtain shareholder approval of any golden parachute payments not previously approved.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, or Securities Act, for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for private companies. Section 107 of the JOBS Act provides that we can elect to opt out of the extended transition period at any time and that election is irrevocable.

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THE OFFERING

Issuer	Prothena Corporation plc
Ordinary shares offered:	
by us	3,500,000 ordinary shares (or 4,250,000 ordinary shares if the underwriters exercise in full their option to subscribe for additional shares)
by the selling shareholder	1,500,000 ordinary shares
Ordinary shares to be outstanding after the offering	21,179,182 ordinary shares (or 21,929,182 shares if the underwriters exercise in full their option to subscribe for additional shares)
Use of proceeds	We intend to use substantially all of the net proceeds from this offering to conduct clinical trials and the balance for working capital and general corporate purposes, including research and development. We will not receive any proceeds from the sale of ordinary shares by the selling shareholder. See Use of Proceeds on page 42 for a more complete description of the intended use of proceeds from this offering.
Risk factors	See Risk Factors beginning on page 11 and other information included in this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our ordinary shares.
Symbol on The NASDAQ Global Market	PRTA

The number of ordinary shares to be outstanding after this offering is based on 17,679,182 ordinary shares outstanding as of June 30, 2013, and excludes the following:

- 1,835,500 ordinary shares issuable upon the exercise of outstanding options as of June 30, 2013 having a weighted-average exercise price of $6.57 per share; and
- 814,500 ordinary shares reserved for issuance pursuant to future awards under our 2012 Long Term Incentive Plan.

Unless otherwise indicated, all information in this prospectus assumes:

- no exercise of options outstanding as of June 30, 2013; and
- no exercise of the underwriters option to subscribe for additional ordinary shares from us.

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SUMMARY FINANCIAL DATA

The following tables set forth a summary of our historical financial data as of, and for the period ended on, the dates indicated. The Consolidated Statement of Operations data for the years ended December 31, 2012, 2011 and 2010 and the Consolidated Balance Sheet data as of December 31, 2012 and 2011 are derived from our audited Financial Statements included elsewhere in this prospectus. The Consolidated Balance Sheet data as of December 31, 2010 are derived from our audited Financial Statements not included in this prospectus. The Consolidated Statement of Operations data for the six months ended June 30, 2013 and 2012 and Consolidated Balance Sheet data as of June 30, 2013 have been derived from our unaudited Financial Statements appearing elsewhere in this prospectus. You should read this data together with our audited and unaudited Financial Statements and related notes appearing elsewhere in this prospectus and the information under the captions Selected Financial Data and Management s Discussion and Analysis of Financial Condition and Results of Operations. Our historical results are not necessarily indicative of our future results, and results for the six months ended June 30, 2013 are not necessarily indicative of results to be expected for the full year ending December 31, 2013.

Our historical results of operations presented below may not be reflective of our financial position, results of operations and cash flows had we operated as a stand-alone public company during all periods presented. Prior to December 21, 2012, the Prothena Business operated as part of Elan and not as a separate stand-alone entity. Our Combined Financial Statements prior to December 21, 2012 have been prepared on a carve-out basis from the consolidated financial statements of Elan to represent our financial position and performance as if we had existed on a stand-alone basis during each of the fiscal years presented in the Consolidated Financial Statements. Central support costs have been allocated to us for the purposes of preparing the Consolidated Financial Statements based on our estimated usage of the resources. Our estimated usage of the central support resources was determined by estimating our portion of the most appropriate driver for each category of central support costs such as headcount or labor hours, depending on the nature of the costs. We believe that such allocations have been made on a reasonable basis, but may not necessarily be indicative of all of the costs that would have been incurred if we had operated on a standalone basis.

	Years Ended December 31,			Six Months Ended June 30,	
	2012	2011	2010	2013	2012
	(in thousands, except per share data)			(unaudited)	
Consolidated Statement of Operations Data:					
Revenues related party	$ 2,658	$ 507	$ 1,243	$ 338	$ 1,139
Operating expenses:					
Research and development	34,139	24,172	9,787	14,104	16,776
General and administrative	9,929	5,579	3,618	6,393	4,885
Total operating expenses	44,068	29,751	13,405	20,497	21,661
Loss from operations	(41,410)	(29,244)	(12,162)	(20,159)	(20,522)
Interest income, net	5			36	
Loss before income taxes	(41,405)	(29,244)	(12,162)	(20,123)	(20,522)
Provision for income taxes	6	426	320	130	
Net loss	$ (41,411)	$ (29,670)	$ (12,482)	$ (20,253)	$ (20,522)
Basic and diluted net loss per share (1)	$ (2.84)	$ (2.05)	$ (0.86)	$ (1.15)	$ (1.42)