CareDx, Inc.
Form S-1
September 01, 2017
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As filed with the Securities and Exchange Commission on September 1, 2017

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

CAREDX, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**8071**	**94-3316839**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

3260 Bayshore Boulevard

Brisbane, California 94005

(415) 287-2300

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

Peter Maag

Chief Executive Officer

CareDx, Inc.

3260 Bayshore Boulevard

Brisbane, California 94005

(415) 287-2300

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

Copies to:

Jeffrey T. Hartlin, Esq.

Paul Hastings LLP

1117 S. California Avenue

Palo Alto, California 94304

(650) 320-1804

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, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

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

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 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered(1)**	**Proposed Maximum Offering Price Per Share(2)**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount of Registration Fee**
Common Stock, par value $0.001 per share	3,450,000	$2.72	$9,384,000	$1,087.61

(1) Includes 450,000 shares of common stock that the underwriters have the option to purchase to cover over-allotments.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act.

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, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange 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. These securities may not be sold 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, dated September 1, 2017

PROSPECTUS

CareDx, Inc.

3,000,000 Shares of Common Stock

We are offering 3,000,000 shares of our common stock in this offering.

Our common stock is currently listed on the NASDAQ Global Market under the symbol CDNA . On August 31, 2017, the last reported sales price for our common stock on the NASDAQ Global Market was $2.86 per share.

We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings with the Securities and Exchange Commission.

Investing in our common stock involves a high degree of risk. You should review carefully the risks and uncertainties described under the heading Risk Factors contained on page 5 of this prospectus and in any applicable free writing prospectuses, and under similar headings in the documents that are incorporated by reference into this prospectus.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions(1)		
Proceeds to us, before expenses		

(1) See Underwriting beginning on page 15 of this for a description of the compensation to be received by the underwriters.

We have granted the underwriters a 30-day option to purchase up to 450,000 additional shares of common stock from us at the public offering price, less underwriting discounts and commissions, to cover over-allotments, if any.

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 common stock to the investors in book-entry form through the facilities of The Depository Trust Company on or about , 2017.

The date of this prospectus is , 2017.

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ABOUT THIS PROSPECTUS

You should rely only on the information we have provided or incorporated by reference into this prospectus and any related free writing prospectus. We have not authorized anyone to provide you with information different from that contained in this prospectus or any related free writing prospectus. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or any related free writing prospectus. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus or any related free writing prospectus is accurate only as of the date on the front of the document and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference, regardless of the time of delivery of this prospectus or any sale of a security.

We may authorize one or more free writing prospectuses to be provided to you that may contain material information relating to that offering. We may also use any related free writing prospectus to add, update or change any of the information contained in this prospectus or in documents we have incorporated by reference. This prospectus, together with any related free writing prospectuses and the documents incorporated by reference into this prospectus, includes all material information relating to this offering. Please carefully read both this prospectus together with the additional information described below under Important Information Incorporated by Reference .

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus or incorporated by reference in this prospectus, and does not contain all of the information that you need to consider in making your investment decision. You should carefully read the entire prospectus and any related free writing prospectus, including the risks of investing in our Common Stock discussed under the heading Risk Factors contained in this prospectus and any related free writing prospectus, and under similar headings in the other documents that are incorporated by reference into this prospectus. You should also carefully read the information incorporated by reference into this prospectus, including our financial statements, and the exhibits to the registration statement of which this prospectus forms a part. Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus to CareDx , the Company , we , us , our or similar references mean CareDx, Inc. and its consolidated subsidiaries.

CareDx, Inc.

We are a global transplant diagnostics company with product offerings along the pre- and post-transplant continuum. We focus on discovery, development and commercialization of clinically differentiated, high-value diagnostic surveillance solutions for transplant patients. In post-transplant diagnostics, we offer AlloMap®, which is a heart transplant molecular test, or AlloMap. In pre-transplant diagnostics, we offer high quality products that increase the chance of successful transplants by facilitating a better match between a donor and a recipient of stem cells and organs.

AlloMap is a gene expression test that helps clinicians monitor and identify heart transplant recipients with stable graft function who have a low probability of moderate to severe acute cellular rejection. Since 2008, we have sought to expand the adoption and utilization of our AlloMap solution through ongoing studies to substantiate the clinical utility and actionability of AlloMap, secure positive reimbursement decisions for AlloMap from large private and public payers, develop and enhance our relationships with key members of the transplant community, including opinion leaders at major transplant centers, and explore opportunities and technologies for the development of additional solutions for post-transplant surveillance. We believe the use of AlloMap, in conjunction with other clinical indicators, can help healthcare providers and their patients better manage long-term care following a heart transplant. In particular, we believe AlloMap can improve patient care by helping healthcare providers avoid the use of unnecessary, invasive surveillance biopsies and determine the appropriate dosage levels of immunosuppressants. AlloMap has received 510(k) clearance from the U.S. Food and Drug Administration, or the FDA, for marketing and sale as a test to aid in the identification of recipients with a low probability of moderate or severe acute cellular rejection. A 510(k) submission is a premarketing submission made to the FDA. Clearance may be granted by the FDA if it finds the device or test provides satisfactory evidence pertaining to the claimed intended uses and indications for the device or test. We are also pursuing the development of additional products for transplant monitoring using a variety of technologies, including AlloSure®, our proprietary next-generation sequencing-based test to detect donor-derived cell-free DNA, or dd-cfDNA, after transplantation. Through the acquisition of ImmuMetrix, Inc., a privately held development-stage company working on dd-cfDNA-based solutions in transplantation and other fields, we added to our existing know-how, expertise, and intellectual property the ability to apply dd-cfDNA technology to the surveillance of transplant recipients, which has contributed to the development of AlloSure.

With the acquisition of CareDx International AB, formerly Allenex AB, on April 14, 2016, we develop, manufacture, market and sell high quality products that increase the chance of successful transplants by facilitating a better match between a donor and a recipient of stem cells and organs. Olerup SSP® is used to type HLA alleles based on the sequence specific primer technology and has a market in Europe and selected other markets for pre-transplant solutions. We also offer Olerup XM-ONE®, a standardized test that identifies a patient s antigens against HLA Class I or Class II, as well as antibodies against a donor s endothelium. This cross-match test has primarily been used prior to kidney transplants. With the acquisition of the business assets of Conexio Genomics Pty Ltd on January 20, 2017, we offer a complete product range for sequence-based typing of HLA alleles. Olerup SBT Resolver™ is a test kit for sequence based HLA typing, while Assign SBT™ is the companion software for sequence analysis. In 2014, Olerup began active development of a new HLA typing product, Olerup QTYPE® that uses real-time polymerase chain reaction methodology. Olerup QTYPE® was commercially launched at the end of September 2016.

For a complete description of our business, financial condition, results of operations and other important information, we refer you to our filings with the Securities and Exchange Commission, or the SEC, that are incorporated by reference in this prospectus, including our Annual Report on Form 10-K for the year ended December 31, 2016. For instructions on how to find copies of these documents, see Where You Can Find More Information.

Corporate Information

We were originally incorporated in Delaware in December 1998 under the name Hippocratic Engineering, Inc. In April 1999, we changed our name to BioCardia, Inc., and in June 2002, again we changed our name, this time to Expression Diagnostics, Inc. In July 2007, we changed our name to XDx, Inc. and in March 2014, we most recently changed our name to CareDx, Inc. Our principal executive offices are located at 3260 Bayshore Boulevard, Brisbane, California 94005 and our telephone number is (415) 287-2300.

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Implications of Being an Emerging Growth Company

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012. We will remain an emerging growth company until the earlier of (1) the beginning of the first fiscal year following the fifth anniversary of our initial public offering, or January 1, 2020, (2) the beginning of the first fiscal year after our annual gross revenue is $1.07 billion (subject to adjustment for inflation) or more, (3) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities and (4) as of the end of any fiscal year in which the market value of our Common Stock held by non-affiliates exceeded $700 million as of the end of the second quarter of that fiscal year.

For as long as we remain an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, reduced disclosure obligations regarding executive compensation and financial statements in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote to approve executive compensation and shareholder approval of any golden parachute payments not previously approved. We will take advantage of these reporting exemptions until we are no longer an emerging growth company.

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THE OFFERING

Common stock offered by us	3,000,000 shares
Common stock to be outstanding after this offering	24,421,016 shares
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to 450,000 additional shares of common stock from us at the public offering price, less underwriting discounts and commissions, to cover over-allotments, if any.
Use of proceeds	We estimate the net proceeds from this offering will be approximately $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for working capital and general corporate purposes. See the section of this prospectus entitled Use of Proceeds on page 9 for a more complete description of the intended use of the net proceeds from this offering.
Risk Factors	Investing in our securities involves a high degree of risk. You should read the section of this prospectus entitled Risk Factors beginning on page 5 for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Dividend Policy	Currently, we do not anticipate paying cash dividends.
NASDAQ Global Market Symbol	CDNA

The number of shares of common stock that will be outstanding after this offering is based on 21,421,016 shares of common stock outstanding as of June 30, 2017, and excludes the following:

- 353,807 shares of our common stock issuable upon the vesting of restricted stock units outstanding under our equity incentive plans as of June 30, 2017, with a weighted-average grant date fair value of $4.16 per share;

- 1,898,390 shares of our common stock issuable upon the exercise of stock options outstanding under equity incentive plans as of June 30, 2017, at a weighted-average exercise price of $5.46 per share;

- 31,150 shares of our common stock reserved for future issuance under our 2016 Inducement Plan as of June 30, 2017;

- 413,717 shares of our common stock reserved for future issuance under our 2014 Equity Incentive Plan as of June 30, 2017;

- 387,017 shares of our common stock reserved for future issuance under our 2014 Employee Stock Purchase Plan as of June 30, 2017;

- 4,509,926 shares of our common stock issuable upon the exercise of outstanding warrants as of June 30, 2017, at a weighted-average exercise price of $5.34 per share;

- 1,791,755 shares of our common stock that we may issue, subject to approval of our stockholders, to Midroc Invest AB, FastPartner AB and Xenella Holding AB, the former majority shareholders of CareDx International AB (formerly Allenex AB), or the Former Majority Shareholders; and

- any shares of our common stock issuable upon the conversion or redemption of those certain debentures we issued to certain affiliates of JGB Collateral LLC, or the Debentures, on March 15, 2017.

In addition, under the terms of the warrants to purchase an aggregate of 2,978,087 shares of common stock issued by us in April 2016 and June 2016 and outstanding as of August 9, 2017, upon the closing of this offering, the warrant exercise price will be adjusted to the price to the public paid by investors in this offering if the offering price in this offering is below $1.12 per share. Notwithstanding any such adjustment to the warrant exercise price, the number of warrants outstanding will not change as a result of this offering.

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Under the terms of the warrants to purchase an aggregate of 1,296,679 shares of common stock issued by us on March 15, 2017 and outstanding as of August 9, 2017, upon the closing of this offering, the warrant exercise price will be adjusted downward and the number of shares issuable upon exercise of the warrants will be adjusted upward based on the aggregate amount paid by investors in this offering if the offering price in this offering is below $4.82 per share.

Further, under the terms of the Debentures, upon the closing of this offering, the conversion price of the Debentures will be adjusted downward based on the aggregate amount paid by investors in this offering if the offering price in this offering is below $4.40 per share.

Except as otherwise indicated, all information in this prospectus assumes:

- no exercise of options or warrants described above after June 30, 2017;
- no redemption or conversion of the Debentures for shares of common stock; and
- no exercise by the underwriters of their option to purchase additional shares to cover over-allotments, if any.

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RISK FACTORS

Investing in shares of our common stock involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described below and under Risk Factors in our most recent Annual Report on Form 10-K, or any updates in our Quarterly Reports on Form 10-Q, together with all of the other information appearing in or incorporated by reference into this prospectus, before deciding whether to purchase any of the common stock being offered. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of shares of our common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to this Offering

Purchasers of common stock in this offering will experience immediate and substantial dilution in the book value of their investment. You may experience further dilution upon exercise of our outstanding options and warrants.

The public offering price per share of common stock in this offering is substantially higher than the net tangible book value per share of our common stock before giving effect to this offering. Accordingly, if you purchase common stock in this offering, you will incur immediate substantial dilution of approximately $ per share, representing the difference between the public offering price per share of common stock and our as adjusted net tangible book value as of June 30, 2017. In addition, if outstanding options or warrants are exercised, you could experience further dilution. For a further description of the dilution that you will experience immediately after this offering, see the section in this prospectus entitled Dilution.

We will require additional financing.

In connection with the acquisition of CareDx International AB (formerly Allenex AB), or Allenex, we entered into conditional share purchase agreements, as amended, or the Conditional Share Purchase Agreements, with each of Midroc Invest AB, FastPartner AB and Xenella Holding AB, the former majority shareholders of Allenex, or the Former Majority Shareholders. Under the terms of the Conditional Share Purchase Agreements, we are required to pay to the Former Majority Shareholders approximately $5.7 million in deferred purchase price consideration by no later than March 31, 2017. The date by which the deferred purchase consideration was due to the Former Majority Shareholders was subsequently extended to July 1, 2017. In addition, interest began accruing on our obligations to the Former Majority Shareholders at a rate of 10.0% per year commencing on January 1, 2017 and will continue to accrue until the date the obligations are paid in full.

On July 1, 2017, the Conditional Share Purchase Agreements were amended in order to, among other things, (1) convert approximately $1.1 million of the deferred obligation into shares of our common stock at a price per share equal to $1.12, (2) make an immediate cash payment of approximately $0.5 million to the Former Majority Shareholders, (3) extend the due date for payment of the remainder of the deferred purchase consideration to March 31, 2019; provided that approximately $2.0 million of the deferred purchase consideration shall become payable at December 31, 2017, unless earlier converted into common stock, and (4) provide that interest will begin to accrue at 10% per annum commencing on July 1, 2017.

On March 15, 2017, we completed a convertible debt financing with institutional investors for net proceeds of $24.0 million. The proceeds from the convertible debt facility were used to pay off our $11.2 million debt facility with East West Bank and we are required to maintain restricted cash of $9.4 million, which is restricted as to withdrawal and is not available to us to fund our operations or repay indebtedness. We intend to use the remaining net proceeds for continuing operations and to fund the commercialization of AlloSure. The Debentures mature on February 28, 2020, accrue interest at 9.5% per year and are convertible into shares of our common stock at a price of $4.40 per share, or the Conversion Price, which is subject to change upon the occurrence of certain transactions, at the holder s option. The Debentures include warrants to purchase up to an aggregate of 1,296,679 shares of our common stock. The warrants have an exercise price of $4.82 (subject to adjustment in certain circumstances), become exercisable commencing on September 16, 2017 and expire on September 15, 2022. After September 1, 2017, upon the satisfaction of certain conditions, including the volume weighted average price of our common stock exceeding 250% of the Conversion Price for twenty consecutive trading days, we can require that the Debentures be converted into shares of our common stock, subject to certain limitations. Commencing on March 1, 2018, each of the holders of the Debentures will have the right, at its option, to require us to redeem up to $937,500 of the outstanding principal amount of its Debenture per month. We will be required to promptly, but in any event no more than one trading day after the holder delivers a redemption notice to us, pay the applicable redemption amount in cash or, at our election and subject to certain conditions, in shares of our common stock. If we elect to pay the redemption amount in shares of our common stock, then the shares will be delivered based on a price equal to the lowest of (a) 88% of the average of the three lowest volume weighted average prices of our common stock over the prior 20 trading days, (b) 88% of the prior trading day s volume weighted average price, or (c) the Conversion Price.

After either a Change of Control Transaction, as defined in the Debentures, or February 28, 2018, subject to the satisfaction of certain conditions, we may redeem all of the then outstanding principal amount of the Debentures for cash by paying the outstanding principal balance, accrued and unpaid interest, and a payment premium. The payment premium will be calculated by multiplying the outstanding balance and the following percentage: (i) 15% if the Debentures are prepaid on or prior to March 1, 2018, (ii) 8% if the Debentures are prepaid after March 1, 2018 but prior to March 1, 2019, and (iii) 5% if the Debentures are prepaid on or after March 1, 2019. We may only opt for payment in shares of our common stock if certain conditions are met, and any repayments made through the issuance of common stock will result in dilution to our existing stockholders. Our obligations under the Debentures can be accelerated upon the occurrence of certain events of default as specified in the agreement, including any failure to deliver cash or shares if any holder of the Debentures elects to require us to redeem a Debenture. In the event of default and acceleration of our obligations, we would be required to pay (i) 115% of all amounts of principal and interest then outstanding under the Debentures in cash if the Debenture is accelerated on or prior to March 1, 2018, (ii) 108% of all amounts of principal and interest then outstanding under the Debentures in cash if the Debenture is accelerated after March 1, 2018, but prior to March 1, 2019, and (iii) 105% of all amounts of principal and interest then outstanding under the Debentures in cash if the Debenture is accelerated on or after March 1, 2019.

Notwithstanding the prior transactions, we will require additional financing and/or refinancing of our current debt obligations to fund working capital, repay debt and to pay our obligations, including our obligations under a term loan facility, or the Term Loan Facility, with Danske Bank A/B, or Danske, and our obligations to FastPartner AB and Mohammed Al Amoudi under our outstanding promissory notes with such parties. Our obligations under the promissory notes are secured by a pledge of shares of Allenex. We may pursue financing and refinancing opportunities in both the private and public debt and equity markets through sales of debt or equity securities. Additional financing might include one or more offerings and one or more of a combination of discounted or at-the-market common stock, securities convertible into or exchangeable for shares of common stock, warrants or other rights to purchase or acquire common stock.

We believe that our cash and cash equivalents of $9.1 million at June 30, 2017 and expected revenues will not be sufficient to allow us to fund our current operations beyond March 31, 2018. As a result of our obligations and lack of immediately available financial resources, there is uncertainty regarding our ability to maintain liquidity sufficient to operate our business effectively, which raises substantial doubt about our ability to continue as a going concern. If we are unsuccessful in our efforts to raise outside financing, and/or refinance our Allenex indebtedness in the near term, we will be required to significantly reduce or cease operations. The report of our independent registered public accounting firm on our audited financial statements as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016, included in our Annual Report on Form 10-K for the year ended December 31, 2016, included a going concern explanatory paragraph indicating that our recurring losses from operations and need for additional capital raise substantial doubt about our ability to continue as a going concern.

Our ability to raise additional financing for working capital and to refinance our indebtedness will depend, in part, on the conditions of the capital markets, restrictions on the issuance of securities under the regulations implemented by the SEC and The NASDAQ Stock Market LLC and current stock valuation. Additional capital may not be available on attractive terms, or at all. Raising additional funds by issuing equity securities would result in dilution to our existing stockholders. Any equity securities issued also may provide for rights, preferences or privileges senior to those of holders of our common stock. If we raise additional funds by issuing debt securities, these debt securities would have rights, preferences and privileges senior to those of holders of our common stock. Any refinancing of our indebtedness could be at significantly higher interest rates, require additional restrictive financial and operational covenants, require us to incur significant transaction fees and also require that we issue warrants or other equity securities, or issue convertible securities. Any debt arrangement we enter into may contain restrictive covenants, including restrictions on the ability of us and our subsidiaries to incur additional debt, grant liens, make investments, including acquisitions and pay dividends and distributions. These restrictions and covenants may restrict our ability to finance our operations and engage in, expand, or otherwise pursue our business activities and strategies. Our ability to comply with these covenants and restrictions may be affected by events beyond our control, and breaches of these covenants and restrictions could result in a default and an acceleration of our obligations under a debt agreement. If we raise additional funds through collaborations and licensing arrangements, we might be required to relinquish significant rights to our technologies or our solutions under development, or grant licenses on terms that are not favorable to us, which could lower the economic value of those programs to us. If adequate funds are not available, we would have to curtail our research and development and other activities and this would adversely affect our business and future prospects.

Future sales of our common stock, or the perception that such future sales may occur, may cause our stock price to decline.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, following this offering could cause the market price of our common stock to decline. A substantial majority of the outstanding shares of our common stock are, and the shares of common stock sold in this offering upon issuance will be, freely tradable without restriction or further registration under the Securities Act of 1933, as amended. We also have filed resale registration statements covering (i) the resale of up to 8,534,261 shares of common stock by selling stockholders, including stockholders who acquired common stock in connection with private placements pursuant to which we financed our acquisition of Allenex, (ii) the resale of up to 2,814,299 shares of common stock by the Former Majority Shareholders, who acquired 1,022,544 of such shares from us on July 3, 2017, and may, subject to approval of our stockholders, acquire 1,791,755 of such shares pursuant to the Third Amendments to Conditional Share Purchase Agreements and Conversion Agreements entered into by and between us and the Former Majority Shareholders, and (iii) the resale of up to 8,250,000 shares of common stock by certain affiliates JGB Collateral LLC, who may acquire such shares pursuant to the terms of the Debentures and associated warrants.

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We have broad discretion to determine how to use the funds raised in this offering, and may use them in ways that may not enhance our operating results or the price of our common stock.

Our management will have broad discretion over the use of proceeds from this offering, and we could spend the proceeds from this offering in ways our stockholders may not agree with or that do not yield a favorable return, if at all. We intend to use the net proceeds from this offering for working capital and general corporate purposes. However, our use of these proceeds may differ substantially from our current plans. If we do not invest or apply the proceeds from this offering in ways that improve our operating results, we may fail to achieve expected financial results, which could cause our stock price to decline.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference into this prospectus may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, about the Company and its subsidiaries. These forward-looking statements are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, and can be identified by the use of forward-looking terminology such as believes , expects , may , will , could , should , projects , plans , goal , targets , potential , estimates , pro form anticipates or the negative thereof or comparable terminology. Forward-looking statements include discussions of strategy, financial projections, guidance and estimates (including their underlying assumptions), statements regarding plans, objectives, expectations or consequences of various transactions, and statements about the future performance, operations, products and services of the Company and its subsidiaries. We caution our stockholders and other readers not to place undue reliance on such statements.

You should read this prospectus and the documents incorporated by reference completely and with the understanding that our actual future results may be materially different from what we currently expect. Our business and operations are and will be subject to a variety of risks, uncertainties and other factors. Consequently, actual results and experience may materially differ from those contained in any forward-looking statements. Such risks, uncertainties and other factors that could cause actual results and experience to differ from those projected include, but are not limited to, the risk factors set forth in Part I Item 1A, Risk Factors , in our Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on April 21, 2017, and elsewhere in the documents incorporated by reference into this prospectus.

You should assume that the information appearing in this prospectus, any related free writing prospectus and any document incorporated herein by reference is accurate as of its date only. Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. All written or oral forward-looking statements attributable to us or any person acting on our behalf made after the date of this prospectus are expressly qualified in their entirety by the risk factors and cautionary statements contained in and incorporated by reference into this prospectus. Unless legally required, we do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of the common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional shares to cover over-allotments, if any, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed public offering price of $ per share of common stock, the last reported sale price of our common stock on the NASDAQ Global Market on , 2017, would increase or decrease the net proceeds from this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares of common stock we are offering. Each increase (decrease) of 1,000,000 shares in the number of shares of common stock we are offering would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the assumed public offering price remains the same, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for working capital and general corporate purposes.

Our expected use of the net proceeds from this offering represents our current intentions based upon our present plans and business condition. As of the date of this prospectus, we cannot predict with complete certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the actual amounts that we will spend on the uses set forth above.

Our management will have broad discretion in the application of the net proceeds in the category of other working capital and general corporate purposes. For example, if we identify opportunities that we believe are in the best interests of our stockholders, we may use a portion of the net proceeds from this offering to acquire, invest in or license complementary products, technologies or businesses, although we have no current understandings, agreements or commitments to do so.

Pending use of the proceeds from this offering as described above, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment-grade securities or certificates of deposit.

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PRICE RANGE OF OUR COMMON STOCK

Our common stock is traded on the NASDAQ Global Market under the symbol CDNA. The following table sets forth the high and low sales prices per share of our common stock, as reported on the NASDAQ Global Market, for the periods indicated:

2015		
First Quarter	$ 7.66	$ 5.35
Second Quarter	$ 7.10	$ 4.60
Third Quarter	$ 8.00	$ 3.70
Fourth Quarter	$ 6.87	$ 3.85
2016		
First Quarter	$ 6.84	$ 4.0701
Second Quarter	$ 6.08	$ 4.01
Third Quarter	$ 5.0575	$ 3.28
Fourth Quarter	$ 4.076	$ 2.5
2017		
First Quarter	$ 2.90	$ 1.35
Second Quarter	$ 1.66	$ 0.76
Third Quarter (through August 31, 2017)	$ 3.60	$ 1.05

The last reported sale price for our common stock on the NASDAQ Global Market on August 31, 2017 was $2.86. As of August 9, 2017, we had approximately 155 holders of record of our common stock. The actual number of stockholders is greater than this number of holders of record and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

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DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock, and currently do not have any plans to do so in the foreseeable future. We expect to retain our future earnings, if any, for use in the operation and expansion of our business. Moreover, our Debentures and related documents with JGB Collateral LLC and certain of its affiliates and our term loan facility with Danske Bank A/S prohibit us from paying dividends without the respective lender s prior consent, and we may in the future become subject to additional contractual restrictions on, or prohibitions against, the payment of dividends. Subject to the foregoing, the payment of cash dividends in the future, if any, will be at the discretion of our board of directors and will depend upon such factors as earnings levels, capital requirements, our overall financial condition and any other factors deemed relevant by our board of directors.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of June 30, 2017 on an actual basis and on an as adjusted basis to give effect to our issuance and sale of 3,000,000 shares of common stock at an assumed public offering price of $ per share of common stock, the last reported sale price of our common stock on the NASDAQ Global Market on 2017, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the estimated net proceeds of this offering as described under Use of Proceeds. This table should be read in conjunction with Management s Discussion and Analysis of Results of Operations and Financial Condition and the consolidated financial statements and notes thereto included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, which is incorporated by reference into this prospectus.

	As of June 30, 2017	
	Actual	As Adjusted
	(unaudited)	
Cash and cash equivalents	$ 9,104	$
Long-term debt, including current portion	33,890	
Stockholders equity:		
Preferred stock, $0.001 par value, 10,000,000 shares authorized and no shares issued and outstanding, actual and as adjusted		
Common stock, $0.001 par value, 100,000,000 shares authorized, actual and as adjusted, 21,421,016 shares issued and outstanding, actual; and 24,421,016 shares issued and outstanding, as adjusted	21	
Additional paid-in capital	236,617	
Accumulated other comprehensive loss	(2,724)	
Accumulated deficit	(222,083)	
Total CareDx, Inc. stockholders equity	11,831	
Noncontrolling interest	155	
Total stockholders equity	11,986	
Total capitalization	$ 45,876	$

The above table excludes:

353,807 shares of our common stock issuable upon the vesting of restricted stock units outstanding under our equity incentive plans as of June 30, 2017, with a weighted-average grant date fair value of $4.16 per share;

- 1,898,390 shares of our common stock issuable upon the exercise of stock options outstanding under equity incentive plans as of June 30, 2017, at a weighted-average exercise price of $5.46 per share;

- 31,150 shares of our common stock reserved for future issuance under our 2016 Inducement Plan as of June 30, 2017;

- 413,717 shares of our common stock reserved for future issuance under our 2014 Equity Incentive Plan as of June 30, 2017;

- 387,017 shares of our common stock reserved for future issuance under our 2014 Employee Stock Purchase Plan as of June 30, 2017;

- 4,509,926 shares of our common stock issuable upon the exercise of outstanding warrants as of June 30, 2017, at a weighted-average exercise price of $5.34 per share;

- 1,791,755 shares of our common stock that we may issue, subject to approval of our stockholders, to the Former Majority Shareholders; and

- any shares of our common stock issuable upon the conversion or redemption of the Debentures.

In addition, under the terms of the warrants to purchase an aggregate of 2,978,087 shares of common stock issued by us in April 2016 and June 2016 and outstanding as of August 9, 2017, upon the closing of this offering, the warrant exercise price will be adjusted to the price to the public paid by investors in this offering if the offering price in this offering is below $1.12 per share. Notwithstanding any such adjustment to the warrant exercise price, the number of warrants outstanding will not change as a result of this offering.

Under the terms of the warrants to purchase an aggregate of 1,296,679 shares of common stock issued by us on March 15, 2017 and outstanding as of August 9, 2017, upon the closing of this offering, the warrant exercise price will be adjusted downward and the number of shares issuable upon exercise of the warrants will be adjusted upward based on the aggregate amount paid by investors in this offering if the offering price in this offering is below $4.82 per share.

Further, under the terms of the Debentures, upon the closing of this offering, the conversion price of the Debentures will be adjusted downward based on the aggregate amount paid by investors in this offering if the offering price in this offering is below $4.40 per share.

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DILUTION

Purchasers of common stock in this offering will experience immediate dilution to the extent of the difference between the public offering price per share of common stock and the net tangible book value per share of common stock immediately after this offering.

Our net tangible book value as of June 30, 2017 was approximately $(33.8) million, or $(1.58) per share of common stock. Net tangible book value per share is determined by dividing the net of total tangible assets less total liabilities, by the aggregate number of shares of common stock outstanding as of June 30, 2017. After giving effect to the sale by us of 3,000,000 shares of common stock at an assumed public offering price of $ per share of common stock, the last reported sale price of our common stock on the NASDAQ Global Market on 2017, and after deducting the underwriting discounts and commissions and estimated offering expenses, our net tangible book value as of June 30, 2017 would have been approximately $ million, or $ per share of common stock. This represents an immediate increase in net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share of common stock issued to the new investors purchasing securities in this offering.

The following table illustrates this per share dilution:

Public offering price per share of common stock		$
Net tangible book value per share as of June 30, 2017	$ (1.58)	
Increase in net tangible book value per share attributable to this offering	$	
Net tangible book value per share after this offering		$
Dilution per share to investors participating in this offering		$

Each $1.00 increase or decrease in the assumed public offering price of $ per share of common stock, the last reported sale price of our common stock on the NASDAQ Global Market on , 2017, would increase or decrease the dilution per common share to new investors purchasing shares of common stock in this offering by $ per share, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. An increase or decrease of 1.0 million in the number of shares offered by us would increase or decrease the dilution to new investors by $ and $ per share, respectively, assuming a public offering price of $ per share of common stock, the last reported sale price of our common stock on the Nasdaq Global Market on , 2017, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We may also increase or decrease the number of shares of common stock we are offering. An increase of 1,000,000 shares in the number of shares of common stock we are offering would increase our as adjusted net tangible book value by $ per share and decrease the dilution to new investors in this offering by $ per share, assuming that the assumed public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. Similarly, a decrease of 1,000,000 shares in the number of shares of common stock we are offering would decrease our as adjusted net tang