HEALTHCARE TRUST OF AMERICA, INC.
Form 424B3
December 23, 2010

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-158418

HEALTHCARE TRUST OF AMERICA, INC.
SUPPLEMENT NO. 11 DATED DECEMBER 22, 2010
TO THE PROSPECTUS DATED MARCH 19, 2010

This document supplements, and should be read in conjunction with our prospectus dated March 19, 2010, as supplemented by Supplement No. 1 dated March 19, 2010, Supplement No. 2 dated March 19, 2010, Supplement No. 3 dated June 17, 2010, Supplement No. 4 dated August 16, 2010, Supplement No. 5 dated August 20, 2010, Supplement No. 6 dated October 15, 2010, Supplement No. 7 dated October 19, 2010, Supplement No. 8 dated November 3, 2010, Supplement No. 9 dated November 24, 2010 and Supplement No. 10 dated December 8, 2010, relating to our offering of up to $2,200,000,000 of shares of common stock. The purpose of this Supplement No. 11 is to disclose:

- the status of our offerings;
- the results of our 2010 annual meeting of stockholders; and
- certain amendments to our charter approved by our stockholders at our 2010 annual meeting of stockholders.

Status of Our Offerings

As of March 19, 2010, we had received and accepted subscriptions in our initial public offering, or our initial offering, for 147,562,354 shares of our common stock, or $1,474,062,000, excluding shares issued pursuant to our distribution reinvestment plan. On March 19, 2010, we stopped offering shares of our common stock in our initial offering.

We commenced our follow-on public offering of shares of our common stock, or our follow-on offering, on March 19, 2010. As of December 17, 2010, we had received and accepted subscriptions in our follow-on offering for 47,562,5258 shares of our common stock, or approximately $475,201,234, excluding shares issued pursuant to our distribution reinvestment plan. As of December 17, 2010, 152,437,472 shares remained available for sale to the public pursuant to our follow-on offering, excluding shares available pursuant to our distribution reinvestment plan. This offering will terminate effective February 28, 2011.

Results of Our 2010 Annual Meeting of Stockholders

At our annual meeting of stockholders, or annual meeting, on December 8, 2010, our stockholders voted upon and approved (1) a proposal to re-elect the six members of our board of directors and (2) a proposal to ratify the appointment of Deloitte & Touche to serve as our independent auditors for 2010. We adjourned our annual meeting with respect to six proposals to amend certain provisions of our charter. At our reconvened annual meeting on December 20, 2010, our stockholders voted upon and approved the six proposals to amend certain provisions of our charter, as discussed below.

Amendments to Our Charter

On December 20, 2010, at the reconvened annual meeting, our stockholders voted upon and approved six proposals to amend certain provisions of our charter, which do the following:

Listing Related Amendments

(a) provide for the reclassification and conversion of our common stock in the event our shares are listed on a national securities exchange to implement a phased in liquidity program;

(b) provide that certain provisions of our charter will not remain in effect in the event our shares are listed on a national securities exchange;

Self-Management Related and Other Amendments

(c) reflect that we are self-managed and no longer externally advised or sponsored;

(d) require compliance with the Securities and Exchange Commission s tender offer regulations under the Securities Exchange Act of 1934, as amended, for any tender offer made for our shares regardless of the size of the tender offer;

(e) address changes requested by state securities administrators in connection with the registration of our follow-on offering; and

(f) effectuate certain ministerial revisions and clarifications.

These charter amendments became effective on December 20, 2010. Set forth below are some Questions and Answers regarding each of these amendments. Following these Questions and Answers are more detailed discussions of each of the amendments to our charter.

Why was the company s charter amended to provide for the reclassification and conversion of the company s common stock in the event the company s shares are listed on a national securities exchange?

We have previously disclosed that we intend to effect a liquidity event by September 20, 2013. Consistent with this objective, we are currently evaluating alternatives for maximizing stockholder value and providing liquidity to our stockholders. We may consider, among other alternatives, listing our shares on a national securities exchange, or a Listing, a merger transaction, or a sale of substantially all of our assets. We proposed these amendments and submitted them for approval by our stockholders to prepare our company in the event we decide to pursue a Listing.

We may determine that a Listing is in the best interests of our stockholders for several reasons. These reasons include (1) providing us with faster access to debt and equity capital, (2) providing us with access to a lower cost of capital, (3) making our shares and our operating partnership s limited partner units more attractive acquisition consideration and (4) providing liquidity, on a phased in basis, to our stockholders. These reasons are discussed in more detail below under Amendments to Reclassify and Convert Our Common Stock Prior to a Listing. In the event we determine it is in the best interest of our stockholders to pursue a Listing, we may also determine to conduct a concurrent underwritten public offering of shares, or an Offering. We have determined that a key part of any Listing and/or Offering that we undertake will be to have a phased in liquidity program for our outstanding shares of stock.

To accomplish a phased in liquidity program, it is necessary to reclassify and convert our common stock into shares of Class A common stock and Class B common stock immediately prior to a Listing. The shares of Class A common stock would be listed on a national securities exchange. The shares of Class B common stock would not be listed. Rather, those shares would convert into shares of Class A common stock and become listed in defined phases, over a defined period of time. The amendments provide that all shares of Class B common stock would convert into shares of Class A common stock within 18 months of a Listing, with individual classes of Class B common stock converting into Class A common stock and becoming listed every six months. The Board of Directors will have the

right to accelerate the timeframe for when each class of Class B common stock converts into Class A common stock, but no shares will convert earlier than six months following the date of Listing. If we do make a determination to pursue a Listing, the ultimate length of the overall phased in liquidity program and the timing of each of the phases will depend on a number of factors, including the timing of the Listing.

Our objective is to provide liquidity as soon as is reasonably possible, without sacrificing valuation. We believe, and our strategic advisors agree, that the reclassification and conversion of our shares of common stock increases our ability to maximize the success of a Listing and any concurrent Offering both in the short and long term.

What are the intended benefits of a phased in liquidity program?

With a Listing, we believe that liquidity is one part of a two part equation. The other part is valuation. Both parts are needed. We believe that it is in the best interests of our stockholders to have stable stock pricing in the short and long term. We cannot control market forces. However, we can attempt to structure a Listing to increase the likelihood of success for our stockholders. The fact is we have a large company with a substantial number of shares outstanding. As of December 17, 2010, there were approximately 199,627,976 shares of our common stock outstanding. If we conduct a Listing without a phased in liquidity program, all of our shares of common stock would become listed at the same time and, therefore, could be put up for sale in the public market. This could result in concentrated sales of our common stock. Concentrated sales will likely depress the trading price. The potential for concentrated sales of our outstanding common stock could also make our shares less attractive to institutional and other investors in any concurrent Offering and reduce demand to buy stock and/or reduce the price investors are willing to pay. The phased in liquidity program directly addresses this potential risk, and therefore increases the likelihood of a successful Listing. With a phased in liquidity program, we believe our shares will be able to become traded in the public market without causing any material disruption or imbalance in stock pricing.

Will the reclassification and conversion impact my voting rights, right to receive distributions or my proportional ownership interest in the company?

No. The shares of Class B common stock and the shares of Class A common stock will have the same voting rights and right to receive distributions. Additionally, the reclassification and conversion will have no immediate impact on the proportional ownership interests of our stockholders prior to the reclassification and conversion, except for any changes as a result of the treatment of fractional shares.

How will the reclassification and conversion of the company s common stock impact stockholders?

The reclassification and conversion of our common stock are conditioned upon and would only take effect in the event we proceed with a Listing in the future. If we pursue an alternative strategic opportunity, the reclassification and conversion will never become effective.

If a Listing does occur and the reclassification and conversion of our common stock becomes effective, it will have a direct impact on the liquidity of our shares of common stock, as discussed below.

In the event of a Listing, the shares of our common stock owned by our existing stockholders would be divided into multiple classes. Initially, 25% of a stockholder s shares would be converted into shares of our Class A common stock, which would be listed on a national securities exchange at the time of the Listing. The remaining 75% of the stockholder s shares would be converted into three classes of our Class B common stock that would not be listed on a national securities exchange. Each of the classes of our Class B common stock will then convert into Class A common stock in intervals with all classes converting no later than 18 months following the Listing Date. However, no classes of Class B common stock will convert into Class A common stock prior to six months following the Listing Date.

The impact of the reclassification and conversion of our common stock is discussed in detail below under Amendments to Reclassify and Convert Our Common Stock Prior to a Listing.

How will the reclassification and conversion be implemented upon a Listing?

If there is a Listing and the reclassification and conversion become effective, all of your outstanding shares of our common stock will convert into shares of Class A common stock and Class B common stock as described above and in more detail below under Amendments to Reclassify and Convert Our Common Stock Prior to a Listing. Currently, all of our shares of common stock are held in uncertificated form and are reflected on the books of our transfer agent, DST Systems, Inc. Upon a Listing, the conversion of your shares would be effected electronically by our transfer agent.

We expect that if we pursue a Listing, the listed shares would be made eligible for the direct registration system, which is similar to our current system of holding shares in uncertificated form. Physical stock certificates would not be issued unless requested by a stockholder. Every stockholder would receive a notification of their holdings post-listing and instructions for having their shares placed in a brokerage account in the event the stockholder wants to make a sale. In the event we determine to list our shares, we will work with our transfer agent, your financial advisors and others to make sure the reclassification and conversion is implemented as smoothly as possible.

What is the purpose of the other Listing related amendments to our charter?

If we determine to pursue a Listing, these amendments are intended to provide our directors and officers with greater flexibility to operate our company and position us to be similar to other publicly traded companies. Please see Amendments to Provide that Certain Provisions of Our Charter Will Not Remain in Effect After a Listing for more information regarding these changes.

Are there any other actions that may be undertaken by the company in connection with a potential Listing or any other strategic opportunity that the company might pursue?

We are committed to being proactive and taking steps that are intended to create value for our stockholders. We anticipate that we will be undertaking other actions in order to position our company to access and implement potential strategic opportunities.

How will the self-management related and other amendments to the company s charter impact stockholders?

The impacts of the other four amendments to the company s charter are described in more detail below.

Amendments to Reclassify and Convert Our Common Stock Prior to a Listing (Phased In Liquidity Program)

Background

Our board of directors is currently evaluating alternatives for maximizing stockholder value and providing liquidity to our stockholders. Our board of directors may consider, among other alternatives, listing our shares on a national securities exchange, or a Listing, a merger transaction, or a sale of substantially all of our assets. Our board of directors may determine that a Listing is in the best interests of our stockholders for several reasons, including those discussed below.

Faster Access to Capital. A Listing may provide us with the ability to raise capital in both the debt and equity markets more rapidly than we are able to raise capital through this offering. In this offering, we are selling our shares of common stock on a best efforts basis through our dealer manager and a network of selling broker-dealers. It takes a long period of time to raise a significant amount of offering proceeds through this method of distribution. This offering was originally scheduled to last at least two years, to enable us to sell the maximum amount of shares registered, and we have the option to extend for an additional one-year period. If our shares were publicly traded and the market value of our equity securities held by non-affiliates was sufficient, we would be able to use a certain short-form registration process with the SEC, referred to as a shelf registration, that may enable us to raise money through the capital markets within a few days or weeks rather than months or years as under this offering. If we were able to raise capital more quickly, it might allow us to react more quickly to market conditions and potentially take advantage of additional acquisition opportunities.

Lower Cost of Capital. A Listing may enable us to raise capital at a cost that is less expensive to us than this offering. In this offering, we pay selling commissions and dealer manager fees to the dealer manager and selling broker-dealers. If our shares are traded on a national securities exchange, we may not be required to pay selling commissions or dealer manager fees or if we are required to pay such fees or other underwriting compensation, we believe they will likely be less than the fees we currently pay. We also may be able to access additional sources of capital that may be less expensive to us, such as unsecured notes. In addition, during the offering period of this offering, we are required to file prospectus supplements and post-effective amendments to the registration statement for the offering in order to disclose material information and developments to potential investors. If we are able to use the SEC s short-form registration statement discussed above, the information in such a registration statement is automatically updated when we file reports on Form 10-K, Form 10-Q and Form 8-K, thereby alleviating both the need to file ongoing prospectus supplements and post-effective amendments and the associated costs.

More Attractive Acquisition Consideration. If our shares are publicly traded on a national securities exchange, our shares may be more attractive to potential acquisition targets or the owners of property that we may be interested in acquiring. As a result, we may be able to use our shares as acquisition consideration, which would enable us to conserve cash. If our shares are publicly traded, it may also make acquisitions of properties in exchange for limited partner units in our operating partnership more attractive to property owners. When a property owner contributes property to our operating partnership in exchange for limited partner units, the contribution is generally not taxable at that time. When the operating partnership redeems the limited partner s units, the transaction is taxable. If we redeem the units for shares of our stock, the owner may not have the cash necessary to pay the taxes due. However, if our shares are listed on a national securities exchange, the property owner can sell the shares to obtain the cash needed to pay the taxes due. As a result, listing our shares on a national securities exchange may make our operating partnership s limited partner units more attractive as acquisition consideration to potential property sellers.

Phased In Liquidity for Stockholders. For the reasons discussed above, our board of directors may determine that a Listing is in the best interests of our company and our stockholders independent of any liquidity that our stockholders may obtain as a result of a Listing. Additionally, listing on a national securities exchange would ultimately provide our stockholders liquidity for their shares of our common stock. We believe that liquidity should be provided to our stockholders as part of a Listing which is structured toward achieving stable and optimal stock pricing. In the case of a Listing, the liquidity price is the trading price on the national securities exchange where the shares can be sold. Like everything else, this is subject to supply and demand. If there is too much supply, then the price will move downwards. The phased in liquidity program described below is aimed at attempting to balance supply and demand.

Reclassification and Conversion of Our Common Stock: Phased In Liquidity Program

We have previously disclosed that we intend to effect a liquidity event by September 20, 2013 and that we may consider, among other alternatives, a Listing, a merger transaction, or a sale of substantially all of our assets. We have amended our charter now so that, (1) if our board of directors determines that it is in our best interest to pursue a Listing, which could potentially be executed with a concurrent Offering, in the future, we will be positioned to act quickly, and (2) such Listing will be structured in a way that we believe is best suited for our company and our stockholders. As part of any Listing in the future, there will be a phased in liquidity program. Under this program, liquidity would be provided to our stockholders in stages. As discussed below, we believe a phased in liquidity program is an important component of a successful Listing, as it is directed toward both liquidity and valuation.

The reclassification and conversion of our shares of common stock into shares of Class A common stock and Class B common stock immediately prior to a Listing will operate to create a phased in liquidity program. Simply put, this program is aimed at providing stability and valuation, as part of liquidity. This program is intended to maximize the success of a Listing and any concurrent Offering in the short and long term. We have been advised by our strategic advisors and we believe that a phased in liquidity program will increase the likelihood of a successful Listing and any concurrent Offering. Our board of directors may also approve other measures in the future that it believes will improve the success of a Listing, such as stock splits or stock combinations.

The phased in liquidity program will limit the number of shares that may be traded immediately upon a Listing and for up to the following 18 months. This phased in liquidity program is intended to reduce concentrated sales of our common stock in the public market. Concentrated sales of our common stock could depress the trading price,

negatively impacting the proceeds a stockholder could receive upon the sale of shares of our common stock. In addition, the potential for concentrated sales of our common stock could make our shares less attractive to buyers in any concurrent Offering. The reclassification and resulting limitation on the number of shares that could be traded immediately after a Listing could improve the share price obtained in the Offering. This is intended to benefit our current stockholders by maximizing the offering proceeds our company may receive and lessening any dilution of our current stockholders.

Even though a phased in liquidity program will become effective upon a Listing, we cannot predict the price at which our shares will trade on a national securities exchange and we cannot predict the price at which our shares might be sold in any concurrent Offering. We cannot provide you with any assurance that our shares will trade or be sold at any minimum price level.

The conversion of your outstanding shares of common stock into Class A common stock and Class B common stock and then the eventual conversion of your shares of Class B common stock into Class A common stock will provide you with immediate liquidity upon a Listing with respect to 25% of your shares with phased in liquidity for the remaining 75% of your shares over an 18-month period, as discussed in more detail below.

Our board of directors has not made a determination to pursue a Listing or any concurrent Offering and may not do so in the future. Even if our board of directors does determine that a Listing or Offering are in our best interests, we may not be able to complete the Listing or the Offering or may not be able to do so in a timely manner or on terms that are favorable to our stockholders.

Reclassification and Conversion

As approved by our stockholders, our amended charter provides that immediately prior to a Listing, all of our authorized 1,000,000,000 shares of common stock will be reclassified to consist of the following:

700,000,000 shares of Class A common stock;

100,000,000 shares of Class B-1 common stock;

100,000,000 shares of Class B-2 common stock; and

100,000,000 shares of Class B-3 common stock.

Total: 1,000,000,000

We refer to the Class B-1, Class B-2, and Class B-3 common stock collectively as Class B common stock.

Each share of our common stock issued and outstanding will convert immediately prior to a Listing into the following:

1/4 of a share of our Class A common stock;

1/4 of a share of our Class B-1 common stock;

1/4 of a share of our Class B-2 common stock; and

1/4 of a share of our Class B-3 common stock.

Stockholder Shares after Reclassification and Conversion

Following the reclassification and conversion, 25% of each stockholder s previously outstanding shares of common stock will be Class A common stock and 75% will be Class B common stock. Of the 75% that will be Class B common stock, 25% will be Class B-1, 25% will be Class B-2, and 25% will be Class B-3. The Class A common stock will be listed upon completion of a Listing. The Class B common stock will be converted to Class A common stock and become listed over time, in phases.

Class A Common Stock

Shares of our Class A common stock will be identical to our existing common stock, except that such shares of our Class A common stock will be listed on a national securities exchange upon a Listing.

Class B Common Stock Conversion of Class B to Class A

The shares of our Class B common stock will not be listed on a national securities exchange. Rather, the shares of Class B common stock will convert automatically into shares of our Class A common stock, and become listed, in the following intervals:

In the case of the Class B-1 common stock, six months following the date of the Listing, or the Listing Date.

In the case of the Class B-2 common stock, on the earlier of (x) 12 months following the Listing Date, or (y) such earlier date as may be determined by our board of directors, but not earlier than six months following the Listing Date.

In the case of the Class B-3 common stock, on the earlier of (x) 18 months following the Listing Date, or (y) such earlier date as may be determined by our board of directors, but not earlier than six months following the Listing Date.

Effect on Existing Stockholders

The reclassification and conversion of our common stock will not become effective and will not have any impact on our shares of common stock unless and until we successfully complete a Listing.

If a Listing does occur and the reclassification and conversion of our common stock becomes effective, the amendments will not affect the voting or distribution rights of our stockholders. In addition, there will be no immediate effect on the current proportional ownership interests of our stockholders except for any change as a result of the treatment of fractional shares discussed below. However, in the event of a Listing, the amendments will have a direct impact on the liquidity of our shares of common stock, as discussed in detail below.

In the event of a Listing, the amended charter provides for an immediate division of the shares owned by our existing stockholders into multiple classes. Initially, 25% of a stockholder s shares would be converted into shares of our Class A common stock, which will be listed on a national securities exchange at the time of the Listing. The remaining 75% of the stockholder s shares would be converted into shares of our Class B common stock that would not be listed on a national securities exchange. As a result, even though our shares of Class A common stock could be traded on a national securities exchange, our shares of Class B common stock will not be traded.

The shares of Class B common stock will convert into shares of Class A common stock and become listed over time in intervals, with all outstanding shares converting and becoming listed within 18 months of the Listing Date, or such earlier dates as determined by our board of directors in its sole discretion.

There will be no public market for the shares of Class B common stock. Until the shares of Class B common stock convert into Class A shares and become listed on national securities exchange, they cannot be traded on a national securities exchange. In addition, upon a Listing, we are required to terminate our share repurchase plan. As a result, after a Listing, our stockholders will have very limited, if any, liquidity with respect to their shares of Class B common stock. Further, the trading price per share of Class A common stock when each class of Class B common stock converts into Class A common stock could be very different than the trading price per share of the Class A common stock on the date of a Listing. As a result, stockholders may receive more or less consideration for their shares than they may have received if they had been able to sell immediately upon the effectiveness of a Listing.

Board of Directors Discretion to Accelerate Conversion of Class B Common Stock

Our board of directors will have some discretion to accelerate the date on which each class of Class B common stock converts into Class A common stock and will make this determination based on what it believes to be in the best interests of our company and our stockholders. However, all shares of Class B common stock must convert within 18 months following the Listing Date into Class A common stock, which we expect would be listed on a national securities exchange at that time.

We expect that the determination by our board of directors of whether any classes of Class B common stock will convert into Class A common stock earlier than the dates set forth in the amendment will be made at or prior to a Listing. Our board of directors will make this determination taking into account the advice of our strategic advisors, including the underwriters for any concurrent offering, with respect to the conversion dates that will best enable the underwriters to market an offering to potential investors and that will maximize the trading price of our shares after Listing. In making its determination, our board of directors will have to rely on a number of assumptions, including certain assumptions about the equity capital markets based on the information available to it at that time. Actual results could turn out to be materially different than those assumptions.

Treatment of Fractional Shares

No fractional shares of common stock will be issued in the event of the reclassification and conversion of our common stock. Instead, stockholders who otherwise would own a fractional share of a class of our common stock following the reclassification and conversion would be entitled to receive cash in an amount equal to the fair market value of such fractional share of common stock, as determined by our board of directors.

Certain Material U.S. Federal Income Tax Consequences of the Conversion of Our Common Stock

The following is a summary of certain material U.S. federal income tax considerations in the event of the conversion of our common stock as discussed above but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the Internal Revenue Code of 1986, as amended, or the Code, and Treasury regulations promulgated thereunder and judicial and administrative decisions in effect as of the date hereof, all of which are subject to change, possibly on a retroactive basis. It addresses only stockholders who hold our common stock as capital assets. This summary does not address stockholders subject to special rules, including, but not limited to, financial institutions, tax-exempt organizations, insurance companies, dealers in securities, foreign stockholders, stockholders who hold their pre-conversion shares as part of a straddle, hedge, or conversion transaction, and stockholders who acquired their pre-conversion shares pursuant to the exercise of employee stock options or otherwise as compensation. We have not sought any ruling from the Internal Revenue Service, or the IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no complete assurance that the IRS will agree with these statements and conclusions. This summary does not address other federal taxes (such as the alternative minimum tax or gift or estate tax laws) and tax considerations under state, local, foreign, and other laws. We recommend that stockholders consult their tax advisors to determine the federal state, local, foreign and other tax consequences to them of the conversion in light of the stockholders particular circumstances.

A stockholder generally will not recognize gain or loss on the conversion of our common stock, except to the extent of cash, if any, received in lieu of a fractional share interest. The aggregate tax basis of the post-conversion shares received will be equal to the aggregate tax basis of the pre-conversion shares exchanged therefor (excluding any portion of the holder s basis allocated to fractional shares) and the holding period of the post-conversion shares received will include the holding period of the pre-conversion shares exchanged.

A holder of the pre-conversion shares who receives cash will generally be treated as having exchanged a fractional share interest for cash in a redemption that is subject to Section 302 of the Code. The redemption will be treated as a sale of the fractional share, and not as a distribution under Section 301 of the Code, if the receipt of cash (a) is substantially disproportionate with respect to the holder, (b) results in a complete termination of the holder s interest, or (c) is not essentially equivalent to a dividend with respect to the holder, in each case taking into account shares both actually and constructively owned by such holder (under certain constructive ownership rules). A distribution is not essentially equivalent to a dividend if the holder undergoes a meaningful reduction in

the holder s proportionate interest. If the redemption is treated as a sale, the holder will recognize gain or loss equal to the difference between the portion of the tax basis of the post-conversion shares allocated to the fractional share interest and the cash received. If the redemption does not meet one of the Section 302 tests, the cash distribution will be treated as a distribution under Section 301 of the Code. In such case, the cash distribution will be treated as dividend to the extent of our earnings and profits, and then as a recovery, and to the extent, of the holder s tax basis in its shares (which, for these purposes, may include the holder s tax basis in all of its shares or be limited to the holder s tax basis in its fractional share interest), and finally as gain from the sale of stock.

Whether a holder who receives cash in lieu of fractional shares will have a meaningful reduction in ownership will depend on all of the facts and circumstances existing at and around the time of the conversion, including the size of the holder s percentage interest in our common stock before and after the conversion. In addition, if we issue shares pursuant to a public offering and such issuance is treated as part of a firm and fixed plan that includes the common stock conversion and the fractional share redemptions, the dilution in ownership resulting from such offering would be taken into account in applying the Section 302 tests.

We recommend that stockholders consult their own tax advisors to determine the extent to which their fractional share redemption is treated as a sale of the fractional share or as a distribution under Section 301 of the Code and the tax consequences thereof.

Amendments to Provide that Certain Provisions of Our Charter Will Not Remain in Effect after a Listing

The provisions of the Statement of Policy Regarding Real Estate Investment Trusts adopted by the North American Securities Administrators Association, or the NASAA Guidelines, apply to REITs with shares of common stock that are publicly registered with the SEC but are not listed on a national securities exchange. In the event of a Listing, there are certain provisions of our charter that will no longer be required to be included pursuant to the NASAA Guidelines. The amended charter provides that certain provisions in our charter will not remain in effect after a Listing, including but not limited to:

Sections 5.2.2 and 5.3, which limits the voting rights per share of stock sold in a private offering;

Section 5.5, which prohibits distributions in kind, except for distributions of readily marketable securities, distributions of beneficial interests in a liquidity trust or distributions in which each stockholder is advised of the risks of direct ownership of property and offered the election of receiving such distributions;

Section 8.1, which places limits on incentive fees;

Section 8.2, which places limits on our organizational and offering expenses;

Section 8.3, which places limits on our total operating expenses;

Section 8.4, which places limits on our acquisition fees and expenses;

Section 11.1 related to the requirement that a special meeting of stockholders be called upon the request of stockholders holding 10% of our shares entitled to vote;

Section 11.2 related to the restrictions on amending our charter in certain circumstances without prior stockholder approval;

Sections 11.5 and 11.6 related to inspection of our stockholder list and receipt of reports;

Sections 12.2(c), 12.2(d) and 12.3 related to restrictions on exculpation, indemnification and the advancement of expenses to our directors; and

Article XIV related to prohibitions on roll-up transactions.

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These changes will not have an impact on stockholders unless and until our board of directors deems a Listing in the best interests of our company and our stockholders and we successfully complete a Listing.

Amendments to Reflect Self-Management

We became a self-managed company in the third quarter of 2009 and the advisory agreement with our former advisor expired on September 20, 2009. As a self-managed company, certain provisions in our previous charter are no longer applicable. The amended charter no longer contains references to our having a sponsor or an advisor, and no longer contains specific provisions relating to such entities or referencing such entities, including but not limited to the deletion of Article VIII, Advisor and amendments to specific sections of Article X, Conflicts of Interest, Section XII, Liability Limitation and Indemnification. In addition, new Article VIII, Expenses has been added.

In addition, certain definitions in our charter have been updated to reflect self-management, including but not limited to, Acquisition Expense, Acquisition Fee and Independent Director. Other definitions have been deleted from our charter, including Advisor, Advisory Agreement, Competitive Real Estate Commission, Initial Investments, Sponsor, Termination Date and Termination Event.

On August 24, 2009, we amended our charter to change our name from Grubb & Ellis Healthcare REIT, Inc. to Healthcare Trust of America, Inc. We did this in connection with our transition to self-management and to reflect that we are no longer externally advised or externally sponsored. We also changed the name of our operating partnership from Grubb & Ellis Healthcare REIT Holdings, L.P. to Healthcare Trust of America Holdings, LP. Our amended charter reflects the name change of our operating partnership.

Finally, our amended charter defines Dealer Manager as Realty Capital Securities, LLC, or such other person selected by our board of directors to act as the dealer manager for an offering. Realty Capital Securities, LLC is the dealer manager for this offering.

Tender Offer Compliance Requirements

Under the rules of the SEC, a person engaging in a tender offer for less than 5% of our outstanding shares of common stock, which is commonly referred to as a mini-tender offer, is not required to comply with the provisions of Regulation 14D of the Exchange Act, including the notice and disclosure requirements. We believe that a requirement that any tender offer, including a mini-tender offer, comply with all of the provisions of Regulation 14D of the Exchange Act (except that related offering documents are not required to be filed with the SEC unless otherwise required by the Exchange Act) will (1) better enable stockholders to evaluate such offer by ensuring that they receive critical information regarding the material terms of the offer, the purposes of the offer and the offeror s past transactions in our securities and (2) better protect their investment in us by ensuring that they have the right to (a) withdraw any shares deposited with the offeror during the period the offer remains open and (b) receive the highest consideration per share paid to any other stockholder for shares tendered in the offer.

Our amended charter includes a new Section 11.7, which requires that any tender offer made by any person regardless of the size of the tender offer and including any mini-tender offer, comply with all of the provisions of Regulation 14D of the Exchange Act, including the notice and disclosure requirements (except that such notice and disclosure documents are not required to be filed with the SEC unless otherwise required by the Exchange Act). Among other things, the offeror will be required to provide us notice of such tender offer at least ten business days before initiating the tender offer. If the offeror initiates a tender offer without complying with the provisions set forth above, we will have the right to redeem that offeror s shares, if any, and any shares acquired in the tender offer. In addition, the noncomplying offeror will be responsible for all of our expenses in connection with that offeror s noncompliance.

Amendments Requested by State Securities Administrators

We commenced this offering of shares of our common stock on March 19, 2010. We were required to register this offering with the SEC and, because our common stock is not listed on a national securities exchange, the state securities regulators in each state where we offer securities for sale. In offerings by REITs subject to their

regulation, many state securities examiners apply the standards set forth in the NASAA Guidelines. In connection with the registration of this offering, certain state securities regulators requested that we amend our charter in certain respects to conform to the NASAA Guidelines. Our amended charter responds to these regulatory requests, as provided below.

Heightened Investor Suitability Standards

At the time our previous charter was adopted on December 8, 2006, the NASAA Guidelines required that investors in our initial public offering have: (1) a minimum annual gross income of $45,000 and a minimum net worth, excluding home, furnishings and automobiles, of $45,000; or (2) a minimum net worth of $150,000, excluding home, furnishings and automobiles. On May 7, 2007, the NASAA Guidelines were revised to require that investors have: (1) a minimum annual gross income of $70,000 and a minimum net worth, excluding home, furnishings and automobiles, of $70,000; or (2) a minimum net worth of $250,000, excluding home, furnishings and automobiles. Section 5.8.1 of our amended charter reflects the change to the investor suitability standards set forth in the NASAA Guidelines.

Determination of Suitability

Our previous charter provided that each person selling shares on our behalf must make every reasonable effort to determine that the purchase of our shares is a suitable and appropriate investment for each investor. The NASAA Guidelines also impose this obligation on sponsors of externally advised, non-listed REITs. However, since we are self-managed and no longer have a sponsor, a state securities administrator requested that we amend our charter so that our company assumes this obligation. Section 5.8.2 of our amended charter reflects the obligation of our company to make every reasonable effort to determine that the purchase of our shares is a suitable and appropriate investment for each investor. In making this determination, we will rely on the representations made by each investor in their subscription agreement, as well as the suitability determinations made by participating broker-dealers and financial advisors.

Minimum Initial Investment Amount

Prior to the adoption of our previous charter, no state securities administrator required that we impose a minimum initial investment amount. Although we require a minimum initial investment of 100 shares, this minimum was not required to be included in our previous charter. In connection with the registration of this offering, a state securities administrator requested that we amend our charter to include a minimum initial investment amount. As a result, Section 5.8.3 of our amended charter requires a minimum initial investment of 100 shares of our common stock until our shares are listed on a national securities exchange.

Fee-Related Provisions

Sections 8.6, 8.7, 8.8, 8.9 and 8.10 of our previous charter provided that we could pay certain fees to our former advisor [u]nless otherwise provided in any resolution adopted by our Board of Directors. A state securities administrator requested that we amend our charter to remove this statement because it does not appear in the NASAA Guidelines. The amended charter removed that statement from the fee related provisions, including Section 8.1, Incentive Fees, Section 8.2, Organizational and Offering Expenses Limitation and Section 8.3, Total Operating Expenses.

Appraisals of Roll-Up Transactions

A roll-up transaction is a transaction involving our acquisition, merger, conversion or consolidation, either directly or indirectly, and the issuance of securities of a partnership, REIT, corporation or similar entity, or a Roll-Up Entity, to stockholders. Our previous charter required us to obtain an appraisal of all of our assets in the event we engaged in a roll-up transaction. A state securities administrator requested that we amend our charter to reflect additional mandates related to roll-up transactions set forth in the NASAA Guidelines. Article XIV of our amended charter requires that if any such appraisal is included in a prospectus used to offer securities of the Roll-Up Entity, such appraisal must also be filed with the SEC and the state securities commissions as an exhibit to the registration statement.

Ministerial Revisions and Clarifications

Our stockholders also approved certain ministerial revision and clarifications to our charter. These include clarification of certain defined terms and cross references, as well as conforming language to the corresponding provision of the Maryland General Corporation Law.

style="font-family:times;"> 2,769 2,769

Exercise of stock options

8,921 9 544 553

Accretion of preferred stock offering costs

33,932 33,932 (10,353) (23,579) (33,932)

Net loss and comprehensive loss

(11,370,959) (11,370,959)

Balance, December 31, 2009

25,074,999 24,936,140 24,936,140 675,209 675 (16,440,013) (16,439,338)

See accompanying notes to unaudited condensed financial statements.

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TREVENA, INC.

(A Development-Stage Company)

Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit (Continued)

For the Period From November 9, 2007 (date of inception) to December 31, 2013

	Redeemable Convertible Preferred Stock									Stockholders' Deficit				
	Series A		Series B		Series B-1		Series C			Common Stock				
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Total	Number of Shares	$0.001 Par Value	Additional Paid-in Capital	Deficit Accumulated During the Development Stage	To Stockh Def
, ber 31, *rom s page)*	25,074,999	$ 24,936,140		$		$		$	$ 24,936,140	675,209	$ 675	$	$ (16,440,013)	$ (16,4
e of s ble d stock, suance July			17,500,000	17,461,432					17,461,432					
hase of d May 2010										(21,174)	(21)	21		
of d stock												2,549		
ased sation												76,154		
on of d stock costs		27,483		3,214					30,697			(30,697)		(
and hensive													(11,131,740)	(11,1
, ber 31,	25,074,999	24,963,623	17,500,000	17,464,646					42,428,269	654,035	654	48,027	(27,571,753)	(27,5
e of s ble d stock, suance July ember			13,300,000	13,289,954					13,289,954					
e of 3-1 ble d stock, suance $3,172 ferred arrants					4,200,000	2,849,400			2,849,400					

428 July ember														
of d stock												1,966		
ased sation												180,584		1
on of d stock ion		20,250		7,088		46,231			73,569			(73,569)		(
and hensive													(15,810,004)	(15,8
, er 31,	25,074,999	24,983,873	30,800,000	30,761,688	4,200,000	2,895,631			58,641,192	654,035	654	157,008	(43,381,757)	(43,2
of d stock												162		
ased sation												176,308		1
e of tions										28,459	28	2,882		
on of d stock ion		20,250		8,506		287,886			316,642			(316,642)		(3
and hensive													(15,635,658)	(15,6
, er 31,	25,074,999	25,004,123	30,800,000	30,770,194	4,200,000	3,183,517			58,957,834	682,494	682	19,718	(59,017,415)	(58,9
e of ' ble d stock, suance May							36,764,704	59,918,917	59,918,917					
ased sation												927,996		9
e of tions										275,262	276	83,279		
e of -1 d stock s					550,000	1,351,677			1,351,677					
on of d stock ion		20,250		8,506		287,885		17,069	333,710			(333,710)		(3
and hensive													(23,251,435)	(23,2

, er 31,	25,074,999	$ 25,024,373	30,800,000	$ 30,778,700	4,750,000	$ 4,823,079	36,764,704	$ 59,935,986	$ 120,562,138	957,756	$ 958	$ 697,283	$ (82,268,850)	$ (81,5

See accompanying notes to unaudited condensed financial statements.

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TREVENA, INC.

(A Development-Stage Company)

Statements of Cash Flows

	Year Ended December 31,		Period From November 9, 2007 (date of inception) to December 31, 2013
	2012	2013	
Operating activities:			
Net loss	$ (15,635,658)	$ (23,251,435)	$ (82,220,148)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	787,522	706,779	3,966,150
Stock-based compensation	176,308	927,996	1,365,250
Issuance of restricted stock for consulting services			7,380
Issuance of common stock for a license agreement			1,250
Noncash interest expense on loans	48,848	121,160	190,438
Loss on disposal of assets			5,062
Revaluation of preferred stock warrant liability	(44,576)	(241,478)	(296,939)
Changes in operating assets and liabilities:			
Prepaid expenses, offering costs and other assets	114,302	(3,769,605)	(4,040,737)
Restricted cash	92,000	102,000	(112,000)
Accounts payable and accrued expenses	(343,899)	1,165,353	3,030,340
Net cash used in operating activities	(14,805,153)	(24,239,230)	(78,103,954)
Investing activities:			
Purchase of property and equipment	(21,344)	(140,036)	(4,303,033)
Net cash used in investing activities	(21,344)	(140,036)	(4,303,033)
Financing activities:			
Proceeds from issuance of redeemable convertible preferred stock and warrants, net		59,918,917	119,735,880
Proceeds from the sale of restricted common stock			11,836
Proceeds from exercise of common stock options	2,910	83,555	87,018
Proceeds from exercise of preferred stock warrants		550,000	550,000
Proceeds from loans payable	5,300,000		7,615,278
Repurchase of restricted stock			(1,312)
Repayment of loans payable	(797,863)	(4,946,667)	(7,615,278)
Capital lease payments			(11,237)
Net cash provided by financing activities	4,505,047	55,605,805	120,372,185
Net increase (decrease) in cash and cash equivalents	(10,321,450)	31,226,539	37,965,198
Cash and cash equivalents beginning of period	17,060,109	6,738,659	
Cash and cash equivalents end of period	$ 6,738,659	$ 37,965,198	$ 37,965,198

Supplemental disclosure of cash flow information:					
Capital lease obligations incurred for the acquisition of office equipment	$		$		11,237
Cash paid for interest	$	148,351	$	84,535	564,119
Fair value of preferred stock warrants issued	$	101,707	$		1,449,135

See accompanying notes to financial statements.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements

December 31, 2013

1. Organization and Description of the Business

Trevena, Inc. (the Company) is a development-stage biopharmaceutical company that was incorporated in Delaware as Parallax Therapeutics, Inc. on November 9, 2007. The Company began operations in December 2007, and its name was changed to Trevena, Inc. on January 3, 2008. The Company is a drug discovery company focused on discovering and developing pharmaceutical products targeting G protein coupled receptors. The Company operates in one segment and has its principal office in King of Prussia, Pennsylvania. The Company's revenue is derived from research grants and a research collaboration with a pharmaceutical company.

Initial Public Offering

On February 5, 2014, 9,250,000 shares of common stock were sold on the Company's behalf at an initial public offering price of $7.00 per share, for aggregate gross proceeds of $64.8 million. On March 6, 2014, in connection with the partial exercise by the underwriters of the Company's initial public offering of the over-allotment option granted to them in connection with the initial public offering, 270,449 additional shares of common stock were sold on the Company's behalf at the initial public offering price of $7.00 per share, for aggregate gross proceeds of approximately $1.9 million. In addition, as part of the initial public offering, all of the Company's outstanding convertible preferred stock, and a portion of its warrants were net exercised, into aggregate total of 15,649,686 shares of common stock.

The Company paid to the underwriters underwriting discounts and commissions of approximately $4.6 million in connection with the offering. In addition, the Company incurred expenses of approximately $2.5 million in connection with the offering. Thus, the net offering proceeds to the Company, after deducting underwriting discounts and commissions and offering expenses, were approximately $59.6 million.

Following the completion of the IPO, there is a common stock warrant exercisable into 20,161 shares of our common stock at an exercise price of $6.20 per share, which warrant expires in December 2021. There is also an immediately exercisable warrant to purchase an aggregate of 2,419 shares of our common stock at an exercise price of $0.06 per share, which warrant expires in June 2018.

Liquidity

The Company has incurred recurring operating losses since inception. As of December 31, 2013, the Company had an accumulated deficit of $82,268,850 and will require substantial additional capital to fund its research and development. The Company anticipates that the net proceeds from its initial public offering, together with its existing cash and cash equivalents as of December 31, 2013, will enable it to fund its operating expenses and capital expenditure requirements through the end of 2015, without giving effect to a potential option payment and, if the option is exercised, potential milestone payments the Company may receive under its option and license agreements with Forest Laboratories Holdings Limited. The Company anticipates operating losses to continue for the foreseeable future due to, among other things, costs related to research funding, development of its product candidates and its preclinical programs, and the development of its administrative organization. As the Company continues to incur losses, a transition to profitability is dependent upon the successful development,

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

1. Organization and Description of the Business (Continued)

approval and commercialization of its product candidates and the achievement of a level of revenue adequate to support the Company's cost structure. The Company may never achieve profitability, and unless and until it does, the Company will continue to need to raise additional capital. Management intends to fund future operations through the sale of equity, debt financings or other sources, including potential additional collaborations. There can be no assurances, however, that additional funding will be available on terms acceptable to the Company, or at all.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB). The Company considers the U.S. dollar to be its functional currency.

Reverse Stock Split

The Company's Board of Directors and stockholders approved a 1-for-6.2 reverse stock split of the Company's Common Stock. The reverse stock split became effective on October 30, 2013. All share and per share amounts in the financial statements and notes thereto have been retroactively adjusted for all periods presented to give effect to this reverse stock split, including reclassifying an amount equal to the reduction in par value of common stock to additional paid-in capital.

Use of Estimates

Management considers many factors in selecting appropriate financial accounting policies and controls, and in developing the estimates and assumptions that are used in the preparation of these financial statements. Management must apply significant judgment in this process. In addition, other factors may affect estimates, including expected business and operational changes, sensitivity and volatility associated with the assumptions used in developing estimates, and whether historical trends are expected to be representative of future trends. The estimation process often may yield a range of potentially reasonable estimates of the ultimate future outcomes and management must select an amount that falls within that range of reasonable estimates. This process may result in actual results differing materially from those estimated amounts used in the preparation of the financial statements if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made. In preparing these financial statements, management used significant estimates in the following areas, among others: stock-based compensation expense, the determination of the fair value of stock-based awards, the fair value of liability-classified preferred stock warrants, the accounting for research and development costs, accrued expenses and the recoverability of the Company's net deferred tax assets and related valuation allowance.

TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Company considers all highly liquid investments that have maturities of three months or less when acquired to be cash equivalents. Cash and cash equivalents subject the Company to concentrations of credit risk. However, the Company has invested in money market mutual funds that invest substantially all of their assets in U.S. government securities. Cash equivalents are valued at cost, which approximates their fair market value.

Restricted Cash

At December 31, 2012 and 2013, the Company maintained letters of credit totaling $214,000 and $112,000, respectively, as collateral for the Company's facility and laboratory equipment lease obligations in Pennsylvania.

Concentration of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash, cash equivalents, restricted cash and grants receivable. The Company maintains its cash and cash equivalent balances in the form of money market mutual funds that invest substantially all of their assets in U.S. government securities with financial institutions that management believes are creditworthy. The Company's investment policy includes guidelines on the quality of the institutions and financial instruments and defines allowable investments that the Company believes minimizes the exposure to concentration of credit risk.

The Company routinely assesses the creditworthiness of its collaborators. The Company has not experienced any material losses related to receivables from collaborators. The Company does not require collateral from its collaborators.

The Company has not recognized any losses from credit risks on such accounts since inception. The Company believes it is not exposed to significant credit risk on cash.

Property and Equipment

Property and equipment consists of computer and laboratory equipment, software, office equipment, furniture and leasehold improvements and is recorded at cost. Maintenance and repairs that do not improve or extend the lives of the respective assets are expensed to operations as incurred. Upon disposal, retirement or sale the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in the results of operations. Property and equipment are depreciated on a straight-line basis over their estimated useful lives. The Company uses a life of three years for computer equipment, and five years for laboratory equipment, office equipment, furniture and software. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset.

The Company reviews long-lived assets when events or changes in circumstances indicate the carrying value of the assets may not be recoverable. Recoverability is measured by comparison of the book values of the assets to future net undiscounted cash flows that the assets are expected to

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the book value of the assets exceed their fair value, which is measured based on the projected discounted future net cash flows arising from the assets. No impairment losses have been recorded since inception.

Grant Revenue Recognition

The Company recognizes grant revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed and determinable, and collectibility is reasonably assured. In 2009, the Company received a research grant from the National Institutes of Health (NIH) to assist in the funding of certain research activities from September 2009 through August 2011. The amount of the award was approximately $7.6 million and as of December 31, 2011, the Company had completed all activities and recognized all revenue related to this grant. In August 2011, the Company received a second research grant from the NIH to assist in the funding of its δ-opioid program. The award contemplated funding up to $496,000 during the period from August 15, 2011 through July 31, 2016, subject to availability of funds and successful progression of the program. Through June 6, 2013, the Company had received $338,162 and on June 6, 2013, the Company was informed that no additional funds would be made available. In November 2011, the Company received a research grant for approximately $205,000 from the Michael J. Fox Foundation for the funding of certain research activities from December 2011 through November 2012. As of December 31, 2012, the Company had completed all activities and recognized all revenue related to this grant. The Company recognizes revenue under all three grants in earnings in the period in which the related expenditures are incurred. During the years ended December 31, 2012 and 2013 and the period from November 9, 2007 (date of inception) to December 31, 2013, the Company recognized revenue related to these grants of $407,595, $84,980 and $8,183,297, respectively.

In November 2010, the Company received a Federal grant from the U.S. Internal Revenue Service for $733,437 under the Qualifying Therapeutic Discovery Project Program. The Qualifying Therapeutic Discovery Project tax credit or grant is provided under section 48D of the Internal Revenue Code, enacted as part of the Patient Protection and Affordable Care Act of 2010. The funds were awarded for expenses previously incurred for three of the Company's research programs and were recognized as grant revenue when received.

In May 2009, the Company entered into an Opportunity Grant Program with the Commonwealth of Pennsylvania under which it could receive up to $200,000 based on the achievement of specified headcount and expenditure milestones. The Company met its initial headcount goal and was awarded $100,000 under this program in 2011. This revenue was recognized as received. The Company did not meet its second headcount goal and no additional revenue is expected under this program.

Collaboration Revenue Recognition

The Company recognizes collaboration revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed and determinable, and collectibility is reasonably assured. In May 2012, the Company entered into a research collaboration

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

with Merck Sharp & Dohme Corporation (Merck), requiring the Company to conduct certain research activities. The Company was paid $400,000 for this work and this revenue was recognized in 2012 when all of the recognition criteria were achieved. The research collaboration agreement was amended in April 2013 for an additional $50,000 for research activities that were completed and thus recognized as revenue in 2013.

Research and Development

Research and development costs are charged to expense as incurred. These costs include, but are not limited to, employee-related expenses, including salaries, benefits and travel and stock based compensation of our research and development personnel; expenses incurred under agreements with contract research organizations and investigative sites that conduct clinical trials and preclinical studies; the cost of acquiring, developing and manufacturing clinical trial materials; facilities; other supplies; allocated facilities, depreciation and other expenses, which include rent and utilities; insurance; and costs associated with preclinical activities and regulatory operations.

Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information provided to the Company by its vendors with respect to their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the financial statements as prepaid or accrued research and development expense, as the case may be.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive loss was equal to net loss for all periods presented.

Income Taxes

Income taxes are recorded in accordance with ASC Topic 740, *Income Taxes* (ASC 740), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit will more likely than not be realized. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

well as consideration of the available facts and circumstances. As of December 31, 2012 and 2013, the Company does not have any significant uncertain tax positions.

Preferred Stock Warrants

Freestanding warrants that are related to the purchase of preferred stock are classified as liabilities and recorded at fair value regardless of the timing of the redemption feature or the redemption price or the likelihood of redemption. The warrants are subject to re-measurement at each balance sheet date and any change in fair value is recognized as a component of change in fair value of warrant liability in the Statements of Operations and Comprehensive Loss. Pursuant to the terms of these warrants, upon the conversion to common stock of the series of preferred stock underlying the warrant, the warrants automatically become exercisable for shares of common stock based upon the conversion ratio of the underlying preferred stock. Upon such conversion of the underlying series of preferred stock, the warrants will be classified as a component of equity and will no longer be subject to re-measurement. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrants or the conversion of the underlying preferred stock. The preferred stock warrants are classified as Level 3 liabilities (see Fair Value Measurements). In November 2013, one of the Company's warrant holders exercised its warrants to purchase 550,000 shares of the Company's Series B preferred stock. Of the remaining 1,225,000 outstanding warrants to purchase preferred stock at December 31, 2013, 1,100,000 were net exercised immediately prior to the consummation of the Company's initial public offering in February 2014. Upon consummation of the Company's initial public offering, the remaining warrant to purchase up to 125,000 shares of the Company's Series B preferred stock was converted into a warrant to purchase up to 20,161 shares the Company's common stock, and the fair value of the warrant liability at that time was reclassified to additional paid-in capital.

Fair Value of Financial Instruments

The carrying amount of the Company's financial instruments, which include cash and cash equivalents, grants receivable, restricted cash, accounts payable and accrued expenses approximate their fair values, given their short-term nature. The carrying amount of the Company's loans payable at December 31, 2012 approximates fair value because the interest rate is reflective of the rate the Company could obtain on debt with similar terms and conditions. The preferred stock warrants are carried at fair value as disclosed above. The Company has evaluated the estimated fair value of financial instruments using available market information and management's estimates. The use of different market assumptions and/or estimation methodologies could have a significant effect on the estimated fair value amounts.

Fair Value Measurements

ASC Topic 820, *Fair Value Measurement* (ASC 820), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances.

ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820 establishes a three-tier fair value hierarchy that distinguishes among the following:

Level 1 Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 Valuations based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and models for which all significant inputs are observable, either directly or indirectly.

Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Items measured at fair value on a recurring basis include money market mutual funds, restricted cash and warrants to purchase redeemable convertible preferred stock. During the periods presented, the Company has not changed the manner in which it values assets and liabilities that are measured at fair value using Level 3 inputs. The following fair value hierarchy table presents information about each

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

major category of the Company's financial assets and liabilities measured at fair value on a recurring basis:

	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
December 31, 2012				
Assets				
Money market mutual funds	$ 3,050,003	$	$	$ 3,050,003
Restricted cash	214,000			214,000
Total assets	$ 3,264,003	$	$	$ 3,264,003
Liabilities				
Warrants to purchase redeemable preferred stock	$	$	$ 1,393,674	$ 1,393,674
Total liabilities	$	$	$ 1,393,674	$ 1,393,674
December 31, 2013				
Assets				
Money market mutual funds	$ 35,551,000	$	$	$ 35,551,000
Restricted cash	112,000			112,000
Total assets	$ 35,663,000	$	$	$ 35,663,000
Liabilities				
Warrants to purchase redeemable preferred stock	$	$	$ 350,519	$ 350,519

Total liabilities	$	$	$ 350,519	$ 350,519

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

The following table sets forth a summary of changes in the fair value of the Company's preferred warrant liability, which represents a recurring measurement that is classified within Level 3 of the fair value hierarchy, wherein fair value is estimated using significant unobservable inputs:

	Redeemable Convertible Preferred Stock Warrant Liability
Balance as of December 31, 2011	1,336,543
Amounts acquired or issued	101,707
Changes in estimated fair value	(44,576)
Balance as of December 31, 2012	1,393,674
Amounts acquired or issued	(801,677)
Changes in estimated fair value	(241,478)
Balance as of December 31, 2013	$ 350,519

The money market mutual funds noted above are included in cash and cash equivalents in the accompanying balance sheets. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy during the years ended December 31, 2012 or 2013.

The fair value of the warrants on the date of issuance and on each re-measurement date of those warrants classified as liabilities is estimated using the Black-Scholes option pricing model using the following assumptions: contractual life according to the remaining terms of the warrants at December 31, 2012 and 1.1 years at December 31, 2013, no dividend yield, weighted average risk-free interest rate of 1.92% and 0.62% at December 31, 2012 and 2013, respectively, fair value of underlying instrument of $1.00 share and $1.13 per share at December 31, 2012 and 2013, respectively, and weighted average volatility of 80% and 71% at December 31, 2012 and 2013, respectively. For this liability, the Company developed its own assumptions that do not have observable inputs or available market data to support the fair value. This method of valuation involves using inputs such as the fair value of the Company's various classes of preferred stock, stock price volatility, the contractual term of the warrants, risk free interest rates and dividend yields. Due to the nature of these inputs, the valuation of the warrants is considered a Level 3 measurement. The Company accounts for its redeemable convertible preferred stock warrants as liabilities in accordance with the guidance for accounting for certain financial instruments with characteristics of both liabilities and equity as the warrants entitle the holder to purchase preferred stock that is considered contingently redeemable. The warrant liability is recorded on its own line item on the Company's Balance Sheets. The warrant liability is marked-to-market each reporting period with the change in fair value recorded on its own line in the Statement of Operations and Comprehensive Loss until the warrants are exercised, expire or other facts and circumstances lead the warrant liability to be reclassified as an equity instrument.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

Stock-Based Compensation

At December 31, 2013, the Company had one stock-based compensation plan, which is more fully described in Note 7. The Company accounts for stock-based compensation in accordance with the provisions of ASC Topic 718, *Compensation Stock Compensation* (ASC 718), which requires the recognition of expense related to the fair value of stock-based compensation awards in the Statements of Operations and Comprehensive Loss.

For stock options issued to employees and members of the Board for their services on the Board, the Company estimates the grant date fair value of each option using the Black-Scholes option-pricing model. The use of the Black- Scholes option pricing model requires management to make assumptions with respect to the expected term of the option, the expected volatility of the common stock consistent with the expected life of the option, risk-free interest rates, the value of the common stock and expected dividend yields of the common stock. For awards subject to service-based vesting conditions, the Company recognizes stock-based compensation expense, net of estimated forfeitures, equal to the grant date fair value of stock options on a straight-line basis over the requisite service period, which is generally the vesting term. For awards subject to both performance and service-based vesting conditions, the Company recognizes stock-based compensation expense using the accelerated attribution method when it is probable that the performance condition will be achieved. Forfeitures are required to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Share-based payments issued to non-employees are recorded at their fair values, and are periodically revalued as the equity instruments vest and are recognized as expense over the related service period in accordance with the provisions of ASC 718 and ASC Topic 505, *Equity*. See Note 7 for a discussion of the assumptions used by the Company in determining the grant date fair value of options granted under the Black-Scholes option pricing model, as well as a summary of the stock option activity under the Company's stock-based compensation plan for the years ended December 31, 2012 and 2013.

Clinical Trial Expense Accruals

As part of the process of preparing its financial statements, the Company is required to estimate its expenses resulting from its obligations under contracts with vendors, clinical research organizations and consultants and under clinical site agreements in connection with conducting clinical trials. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided under such contracts. The Company's objective is to reflect the appropriate trial expenses in its financial statements by matching those expenses with the period in which services are performed and efforts are expended. The Company accounts for these expenses according to the progress of the trial as measured by subject progression and the timing of various aspects of the trial. The Company determines accrual estimates through financial models taking into account discussion with applicable personnel and outside service providers as to the progress or state of consummation of trials, or the services completed. During the course of a clinical trial, the Company adjusts its clinical expense

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

recognition if actual results differ from its estimates. The Company makes estimates of its accrued expenses as of each balance sheet date based on the facts and circumstances known to it at that time. The Company's clinical trial accruals are dependent upon the timely and accurate reporting of contract research organizations and other third-party vendors. Although the Company does not expect its estimates to be materially different from amounts actually incurred, its understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in it reporting amounts that are too high or too low for any particular period. For the years ended December 31, 201 and 2013, there were no material adjustments to the Company's prior period estimates of accrued expenses for clinical trials.

Segment Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief operating decision maker is the chief executive officer. The Company and the chief executive officer view the Company's operations and manage its business as one operating segment. All long-lived assets of the Company reside in the United States.

Basic and Diluted Net Loss Per Share of Common Stock

Basic net loss per share of common stock is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, excluding the dilutive effects of preferred stock, warrants to purchase preferred stock and stock options. Diluted net loss per share of common stock is computed by dividing the net loss attributable to common stockholders by the sum of the weighted-average number of shares of common stock outstanding during the period plus the potential dilutive effects of preferred stock and warrants to purchase preferred stock, and stock options outstanding during the period calculated in accordance with the treasury stock method, although these shares, options and warrants are excluded if their effect is anti-dilutive. Because the impact of these items is anti- dilutive during periods of net loss, there was no difference between basic and diluted net loss per share of Common Stock for the years ended December 31, 2012 and 2013.

Recent Accounting Pronouncements

On April 5, 2012, the Jump-Start Our Business Startups Act (the JOBS Act) was signed into law. The JOBS Act contains provisions that, among other things, reduce certain reporting requirements for an "emerging growth company." The Company is considered an emerging growth company, but has elected to not take advantage of the extended transition period afforded by the JOBS Act for the implementation of new or revised accounting standards. As a result, the Company will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

2. Summary of Significant Accounting Policies (Continued)

In February 2013, FASB issued ASU No. 2013-02, "Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" ('ASU 2013-02). ASU 2013-02 requires companies to present either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. The adoption of this standard did not have a significant impact on its financial position, results of operations or cash flows.

3. Net Loss Per Common Share

The following table sets forth the computation of basic and diluted net loss per share for the periods indicated:

	Year Ended December 31,	
	2012	**2013**
Basic and diluted net loss per common share calculation:		
Net loss	$ (15,635,658)	(23,251,435)
Accretion of redeemable convertible preferred stock	(316,642)	(333,710)
Net loss attributable to common stockholders	$ (15,952,300)	$ (23,585,145)
Weighted average common shares outstanding	673,191	793,806
Net loss per share of common stock basic and diluted	$ (23.70)	$ (29.71)

The following outstanding securities at December, 31, 2012 and 2013 have been excluded from the computation of diluted weighted shares outstanding, as they would have been anti-dilutive:

	December 31,	
	2012	**2013**
Redeemable convertible preferred stock	9,689,486	15,707,986
Options outstanding	1,523,156	2,795,746
Warrants	288,705	199,996

Total	11,501,347	18,703,728

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

4. Property and Equipment

Property and equipment consisted of the following:

	December 31,	
	2012	2013
Laboratory equipment	$ 1,853,685	1,853,685
Computers and software	416,606	509,109
Office equipment and furniture	185,044	193,781
Leasehold improvements	1,680,125	1,718,922
Total property and equipment	4,135,460	4,275,497
Less accumulated depreciation and amortization	(3,225,659)	(3,932,438)
Property and equipment, net	$ 909,801	$ 343,059

Depreciation and amortization expense was $787,522 and $706,779 for the years ended December 31, 2012 and 2013, respectively, and $3,966,150 for the period from November 9, 2007 (date of inception) to December 31, 2013.

5. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2012	2013
Compensation and benefits	$ 745,820	$ 859,444
Clinical trial fees	269,367	762,687
Other research and development expenses	164,777	507,845
Professional services	60,855	24,005
Other accrued expenses and other current liabilities	40,841	4,811
Total accrued expenses and other current liabilities	$ 1,281,660	$ 2,158,792

6. Loans Payable

In September 2008, the Company entered into an equipment loan facility with a bank (the Bank Facility) that provided for borrowings up to $1,500,000, subject to certain conditions, through February 2009. Borrowings under the Bank Facility were used to finance laboratory equipment, office equipment, furnishings and, up to specified maximum percentages, software and leasehold improvements. Borrowings were secured by the related assets. In November 2011, the Company repaid the outstanding balance of the loan, plus a final payment equal to 2% of the amount borrowed. Interest expense related to the Bank Facility was $259,993 for the period from November 9, 2007 (date of inception) to December 31, 2013. In connection with the Bank Facility, the Company incurred financing costs of $13,768, which were included in other assets and amortized to interest expense over the term of the Bank Facility. Amortization expense of these deferred financing costs was $13,768 for the period from November 9, 2007 (date of inception) to December 31, 2013. In connection with the borrowings under

TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

6. Loans Payable (Continued)

the Bank Facility, the Company issued a ten-year warrant to purchase 2,419 shares of common stock at $0.06 per share, exercisable through June 2018.

In November 2009, the Company entered into an equipment loan facility with the Commonwealth of Pennsylvania (the PA Facility) that provided for borrowings of up to $815,278 subject to certain conditions. Borrowings under the PA Facility were used to finance laboratory equipment and computer equipment. Borrowings were secured by the related assets. In December 2012, the Company repaid the outstanding balance of the loan. Interest expense related to the PA Facility was $9,970 for the year ended December 31, 2012 and $50,333 for the period from November 9, 2007 (date of inception) to December 31, 2013. In connection with the PA Facility, the Company incurred financing costs of $13,745, which were included in other assets and amortized to interest expense over the term of the PA Facility. Amortization expense of these deferred financing costs was $7,137 for the year ended December 31, 2012 and $13,745 for the period from November 9, 2007 (date of inception) to December 31, 2013.

In December 2011, the Company entered into a loan facility with Comerica Bank (the Comerica Facility) that provided for borrowings of up to $5,300,000 subject to certain conditions. Borrowings under the Comerica Facility were used to fund working capital for general business requirements and were secured by the assets of the Company, excluding intellectual property. The facility bore interest at the prime rate plus a 1% margin. The Company drew down the entire amount available under the Comerica Facility during 2012. The borrowings were being repaid in 30 equal monthly installments, plus interest, beginning November 1, 2012. As of December 31, 2012, $4,946,667 of borrowings were outstanding under the Comerica Facility. Interest expense related to the Comerica Facility was $150,751 and $64,292 for the years ended December 31, 2012 and 2013, respectively, and $215,043 for the period from November 9, 2007 (date of inception) to December 31, 2013. On May 3, 2013, the Company used a portion of the proceeds from the Series C Preferred Stock (Note 6) to repay the remaining Comerica Facility outstanding balance of $4,073,485, including unpaid interest and fees.

In connection with the Comerica Facility, the Company incurred financing costs of $62,034, which were included in other assets at December 31, 2012 and were being amortized to interest expense over the term of the Comerica Facility until May 3, 2013 when the financing costs were fully expensed. Amortization expense of these deferred financing costs was $18,464 and $42,047 for the years ended December 31, 2012 and 2013, respectively, and $62,034 for the period from November 9, 2007 (date of inception) to December 31, 2013. In connection with the borrowings under the Comerica Facility, the Company issued a ten-year warrant to purchase 125,000 shares of Series B preferred stock at $1.00 per share, exercisable through December 2021. The Company recorded a total of $101,707 as debt discount related to the estimated fair value of the preferred stock warrants issued, with a corresponding credit to the preferred stock warrant liability. The debt discount was being amortized to interest expense over the term of the Comerica Facility. Interest expense related to the amortization of the debt discount was $23,247 and $78,460 for the years ended December 31, 2012 and 2013, respectively, and $101,107 for the period from November 9, 2007 (date of inception) to December 31, 2013.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

7. Redeemable Convertible Preferred Stock and Stockholder's Equity

On January 4, 2008, the Company authorized the sale and issuance of up to 25,000,000 shares of Series A Convertible Preferred Stock (the Series A). On January 7, 2008, the Company completed the first closing of its sale of the Series A and issued 501,562 shares at $1.00 per share generating gross proceeds of $501,562. On January 31, 2008, the Company completed a second closing of its sale of the Series A and issued an additional 4,514,062 shares at $1.00 per share generating gross proceeds of $4,514,062. Costs associated with these offerings were $200,137. In September 2008, the Company completed a third closing of its sale of the Series A and issued an additional 8,025,000 shares at $1.00 per share generating gross proceeds of $8,025,000. Costs associated with this offering were $2,154. On June 30, 2009, the Company completed a fourth closing of its sale of the Series A and issued 11,034,375 shares at $1.00 per share generating gross proceeds of $11,034,375. Costs associated with this offering were $561. On November 16, 2009, the Company amended the stock purchase agreement associated with the Series A financing and issued an additional 1,000,000 shares at $1.00 per share generating gross proceeds of $1,000,000. Costs associated with this offering were $3,398. All offering costs associated with the Series A are being accreted into the carrying value of the Series A until its redemption date, adjusted on July 8, 2010 from January 2014 to July 2016.

On July 8, 2010, the Company authorized the sale and issuance of up to 35,000,000 shares of Series B Preferred Stock (the Series B) and up to 4,300,000 of Series B-1 Preferred Stock (the Series B-1). In connection with the authorization of the Series B and the Series B-1, the Company also authorized the sale and issuance of warrants to purchase up to 1,700,000 shares of the Series B-1 (the Series B-1 Warrants). On July 8, 2010, the Company completed the first closing of its sale of the Series B and issued 17,500,000 shares at $1.00 per share generating gross proceeds of $17,500,000. Costs associated with this offering were $38,568. On July 8, 2011, the Company completed its second closing, issuing 5,700,000 shares of its Series B at $1.00 per share and 1,800,000 shares of its Series B-1 at $1.00 per share. Costs associated with this offering were $8,229. On December 15, 2011, the Company completed its third closing issuing 7,600,000 shares of its Series B at $1.00 per share and 2,400,000 shares of its Series B-1 at $1.00 per share. Costs associated with this offering were $4,989. All offering costs associated with the Series B and Series B-1 are being accreted into the carrying value of the preferred stock until its redemption date in July 2016.

In connection with the issuance of the Series B-1 shares in the second and third closings, the Series B-1 shareholders received ten-year warrants to purchase a total of 1,650,000 shares of the Company's Series B-1 Preferred Stock at an exercise price of $1.00 per share. The estimated fair value of the preferred stock warrants on the dates of issuance of $1,347,428 was recorded as a reduction to the carrying value of the Series B-1 Preferred stock and is being accreted into the carrying value of the Series B-1 until its redemption date in July 2016. The preferred stock warrants were recorded as a liability pursuant to the guidance for accounting for certain financial instruments with characteristics of both liabilities and equity and are revalued at each reporting period to reflect any changes in fair value. In November 2013, one of the Company's warrant holders exercised its warrants to purchase 550,000 shares of the Company's Series B preferred stock. Of the remaining 1,225,000 outstanding warrants to purchase preferred stock at December 31, 2013, 1,100,000 were net exercised immediately prior to the consummation of the Company's initial public offering in February 2014. Upon consummation of the Company's initial public offering, the remaining warrant to purchase up to 125,000 shares of the

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

7. Redeemable Convertible Preferred Stock and Stockholder's Equity (Continued)

Company's Series B preferred stock was converted into a warrant to purchase up to 20,161 shares the Company's common stock, and the fair value of the warrant liability at that time was reclassified to additional paid-in capital.

In May, 2013, the Company authorized the sale and issuance of up to 37,000,000 shares of Series C Preferred Stock (the Series C). On May 3, 2013, the Company completed the closing of its sale of the Series C and issued 36,764,704 shares at $1.632 per share generating gross proceeds of $59,999,997. Costs associated with this offering were $81,080. All offering costs associated with the Series C were recorded as a discount and are being accreted into the carrying value of the Series C until its redemption date in July 2016.

Each share of the Series A, the Series B, the Series B-1 and the Series C preferred stock is convertible into approximately 0.1613 shares of common stock at any time at the option of the holder. The preferred stock is automatically convertible in the event of (i) an initial public offering at a price of at least $4.00 per share of common stock (subject to adjustment to reflect stock splits, stock dividends, stock combinations, recapitalizations and like occurrences) and net proceeds to the Company of at least $40 million; or (ii) the affirmative vote or written consent of the holders of at least 60% of shares of the preferred stock then outstanding. Each share of Series A, B or B-1 preferred stock is also subject to a special mandatory conversion feature. In the event that any holder of shares of Series A, B or B-1 preferred stock does not participate in a Qualified Financing (as defined in the Company's Certificate of Incorporation) by purchasing, in the aggregate, in such Qualified Financing and within the time period specified by the Company, such holder's pro rata amount, then such holder's shares of preferred stock will automatically convert into common stock at the respective Conversion Price (as defined). The Company evaluated each series of its Preferred Stock and determined that each individual series is considered an equity host under ASC 815. As a result of the Company's conclusion that the Preferred Stock represents an equity host, the conversion feature of all series of Preferred Stock is considered to be clearly and closely related to the associated Preferred Stock host instrument. Accordingly, the conversion feature of all series of Preferred Stock is not considered an embedded derivative that requires bifurcation. The Company accounts for potential beneficial conversion features under FASB ASC Topic 470-20, *Debt with Conversion and Other Options*. At the time of each of the issuances of Preferred Stock, the Company's common stock into which each series of the Company's Preferred Stock is convertible had an estimated fair value less than the effective conversion prices of the Preferred Stock. Therefore, there was no intrinsic value on the respective commitment dates.

Holders of the preferred stock are entitled to receive non-cumulative dividends at the rate of 8% of the applicable purchase price per share per annum if and when declared by the board of directors. No dividends have been declared through December 31, 2013.

Holders of the preferred stock, voting as a class, are entitled to elect five members of the board of directors.

Holders of the Series A, the Series B, and the Series B-1 are entitled to a liquidation preference in an amount equal to $1.00 per share plus all declared and unpaid dividends in the event of a liquidation, dissolution, or winding-up of the Company, or in the event the Company merges with or is acquired by another entity. Holders of the Series C are entitled to a liquidation preference in an

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7. Redeemable Convertible Preferred Stock and Stockholder's Equity (Continued)

amount equal to $1.632 per share plus all declared and unpaid dividends in the event of a liquidation, dissolution, or winding-up of the Company, or in the event the Company merges with or is acquired by another entity.

At any time on or after July 8, 2016, the holders of at least 60% of the outstanding shares of the preferred stock may require the Company to redeem, in three annual installments beginning on the date of the initial redemption, all of the outstanding shares of the preferred stock for an amount equal to the original issue price per share plus any declared and unpaid dividends.

Common Stock

The Company was authorized to issue 85,000,000 and 132,000,000 shares of common stock as of December 31, 2012 and 2013, respectively. The Company is required, at all times, to reserve and keep available out of its authorized but unissued shares of common stock sufficient shares to effect the conversion of the shares of the preferred stock and all stock options and warrants.

Holders of the common stock, voting as a class, are entitled to elect one member of the board of directors.

Restricted Stock Agreements

In connection with the formation of the Company, 373,548 shares of restricted common stock were sold to the Company's initial shareholders at a price of $0.0062 per share. The restricted stock agreements imposed transfer restrictions on the unvested shares of common stock and provided the Company with certain repurchase rights. The restricted shares vested ratably over four years from the time of grant.

In March 2008, the Company sold 256,451 shares of restricted common stock to four individuals in consideration for the performance of certain services. The Company received proceeds of $9,420 and recorded expense of $6,480 in 2008 related to the issuance of these shares. The restricted stock agreements imposed transfer restrictions on the unvested shares of common stock and provided the Company with certain repurchase rights. The restricted shares vested over periods ranging from two to four years from time of grant. Of these shares, 140,322 were sold under the 2008 Equity Incentive Plan discussed below.

In August 2009, the Company sold 81,290 shares of restricted common stock to one individual which were subsequently adjusted in November 2009 to 16,129 shares of fully vested common stock in consideration for the performance of certain services. The Company received proceeds of $100 and recorded expense of $900 in 2009 related to the issuance of these shares.

In May 2010, the Company repurchased 21,169 shares of restricted common stock in association with the voluntary termination of one individual for a price of $1,312.

There were no unvested shares of common stock that remain subject to repurchase rights as of December 31, 2013.

TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

7. Redeemable Convertible Preferred Stock and Stockholder's Equity (Continued)

2008 Equity Incentive Plan

In January 2008, the Company adopted the 2008 Equity Incentive Plan (the Plan), amended on February 29, 2008, January 7, 2010, July 8, 2010, December 10, 2010, June 23, 2011 and June 17, 2013 that authorizes the Company to grant up to 3,310,990 shares of common stock to eligible employees, directors and consultants to the Company, in the form of restricted stock and stock options. The amount, terms of grants and exercisability provisions are determined by the board of directors. The term of the options may be up to 10 years, and options are exercisable in cash or as otherwise determined by the board of directors. Vesting generally occurs over a period of not greater than four years.

The estimated grant-date fair value of the Company's share-based awards is amortized ratably over the awards' service periods. Share-based compensation expense recognized was as follows:

	Year Ended December 31,		Period from November 9, 2007 (date of inception) to December 31, 2013
	2012	2013	
Research and development	$ 124,879	$ 609,483	$ 894,995
General and administrative	51,429	318,513	470,255
Total stock-based compensation	$ 176,308	$ 927,996	$ 1,365,250

		Options Outstanding		
	Shares Available for Grant	Number of Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Balance, December 31, 2011	159,523	1,563,895	0.56	8.55
Granted	(221,770)	221,770	0.68	
Exercised		(28,459)	0.12	
Forfeitures	234,050	(234,050)	0.68	
Balance, December 31, 2012	171,803	1,523,156	0.56	7.89
Authorized	1,459,514			
Granted	(1,730,156)	1,730,156	3.73	
Exercised		(275,262)	0.30	
Forfeitures	182,304	(182,304)	0.95	

Balance, December 31, 2013	83,465	2,795,746	2.52	8.45
Vested or expected to vest at December 31, 2013		2,795,746	2.52	8.45
Exercisable at December 31, 2013		996,263	0.90	7.09

The intrinsic value of our 996,263 options exercisable as of December 31, 2013 was $6.1 million, based on a per share price of $7.00, the Company's initial public offering price, and a weighted average

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

7. Redeemable Convertible Preferred Stock and Stockholder's Equity (Continued)

exercise price of $0.90 per share. The intrinsic value of our 1,799,483 unvested options as of December 31, 2013 was $6.4 million, based on a per share price of $7.00, the Company's initial public offering price, and a weighted average exercise price of $3.45 per share.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of stock options at the grant date. The Black-Scholes model requires the Company to make certain estimates and assumptions, including estimating the fair value of the Company's common stock, assumptions related to the expected price volatility of the Company's stock, the period during which the options will be outstanding, the rate of return on risk-free investments and the expected dividend yield for the Company's stock.

The per-share weighted-average grant date fair value of the options granted to employees during 2012 and 2013 was estimated at $0.56 and $2.52, respectively, per share on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,	
	2012	**2013**
Risk-free interest rate	1.92%	1.52%
Expected term of options (in years)	6.1	6.1
Expected volatility	80.0%	80.5%
Dividend yield	0.00%	0.00%

The weighted-average valuation assumptions were determined as follows:

Risk-free interest rate: The Company based the risk-free interest rate on the interest rate payable on U.S. Treasury securities in effect at the time of grant for a period that is commensurate with the assumed expected option term.

Expected term of options: The Company estimated the expected life of its employee stock options using the "simplified" method, as prescribed in Staff Accounting Bulletin (SAB) No. 107, whereby the expected life equals the arithmetic average of the vesting term and the original contractual term of the option due to its lack of sufficient historical data.

Expected stock price volatility: The Company estimated the expected volatility based on actual historical volatility of the stock price of similar companies with publicly-traded equity securities. The Company calculated the historical volatility of the selected companies by using daily closing prices over a period of the expected term of the associated award. The companies were selected based on their enterprise value, risk profiles, position within the industry and with historical share price information sufficient to meet the expected term of the associated award. A decrease in the selected volatility would have decreased the fair value of the underlying instrument.

Expected annual dividend yield: The Company estimated the expected dividend yield based on consideration of its historical dividend experience and future dividend expectations. The Company has not historically declared or paid dividends to stockholders. Moreover, it does not intend to pay dividends in the future, but instead expects to retain any earnings to invest in the

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

7. Redeemable Convertible Preferred Stock and Stockholder's Equity (Continued)

continued growth of the business. Accordingly, the Company assumed an expected dividend yield of 0.0%.

Estimated forfeiture rate: The Company's estimated annual forfeiture rate on 2013 stock option grants was 5%, based on the historical forfeiture experience.

The fair value of the Company's common stock, prior to the Company's initial public offering, was determined by its board of directors with assistance of its management. The board of directors and management considered numerous objective and subjective factors in the assessment of fair value, including the price for the Company's preferred stock that was sold to investors and the rights, preferences and privileges of the preferred stock and common stock, the Company's financial condition and results of operations during the relevant periods and the status of strategic initiatives. These estimates involve a significant level of judgment.

As of December 31, 2013, there was $4.1 million of total unrecognized compensation expense, related to unvested options granted under the Plan, which will be recognized over the weighted average remaining period of 2.02 years.

Shares Reserved for Future Issuance

At December 31, 2013, the Company has reserved the following shares of common stock for issuance:

Common stock options outstanding	2,795,746
Common stock options and restricted stock available for future grant	83,465
Series A Preferred Stock	4,044,340
Series B Preferred Stock	4,967,732
Series B-1 Preferred Stock	766,129
Series C Preferred Stock	5,929,785
Preferred and Common Stock warrants outstanding	199,996
	18,787,193

2013 Equity Incentive Plan

The Company has adopted a 2013 Equity Incentive Plan, or the 2013 plan. The 2013 plan became effective upon the initial public offering in February 2014. As of the time the 2013 plan became effective, no further grants may be made under the 2008 Equity Incentive Plan, or 2008 plan. The 2013 plan provides for the grant of incentive stock options, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards and other forms of equity compensation (collectively, stock awards), all of which may be granted to employees, including officers, non-employee directors and consultants of the Company. Additionally, the 2013 plan provides for the grant of performance cash awards. ISOs may be granted only to employees. All other awards may be granted to employees, including officers, and to non-employee directors and consultants.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

8. Commitments and Contingencies

Licenses

On May 3, 2013, the Company entered into an option agreement and a license agreement with Forest, under which the Company granted to Forest an exclusive option to license its product candidate, TRV027. If Forest exercises this option, the license agreement between the Company and Forest will become effective and Forest will have an exclusive worldwide license to develop and commercialize TRV027 and specified related compounds. Under the option agreement, the Company will conduct, at its expense, a Phase 2b trial of TRV027 in acute heart failure. Forest may exercise its option during the pendency of the Phase 2b clinical trial or during a specified time period after the Company delivers the data from the Phase 2b clinical trial to Forest. During the option period, the Company is not permitted to negotiate for or enter into any agreement with a third party for the development and commercialization of TRV027 and its related compounds. Under specified circumstances linked to adverse changes in the market or with respect to TRV027, Forest has the right to renegotiate the terms of the license agreement. If Forest exercises such right, its option will expire and the Company will be obligated to negotiate in good faith with Forest for a period of time the terms of any new arrangement. If the Company and Forest are unable to agree on the terms of any new arrangement during such period of time, then the option agreement will terminate and for a specified period of time thereafter the Company may not offer a license to any third party on terms better than those last proposed by either the Company or Forest during the negotiations.

If Forest does not exercise the option during the specified period, its option will expire and the license agreement will not become effective. In that event, the Company would be free to enter into a collaboration arrangement with another party for the development and commercialization of TRV027 or to pursue development and commercialization on its own.

If Forest exercises the option, Forest will have the sole and exclusive right under the license agreement, at its sole cost and expense, to develop and commercialize TRV027 and specified related compounds throughout the world. At the Company's request, Forest will consider in good faith whether to grant the Company the right to co-promote the licensed products in the United States under terms to be agreed upon by the parties.

The Company received no consideration upon the grant of the option to Forest. If Forest exercises the option, the Company could potentially receive up to $430 million in the aggregate, including an upfront option exercise fee of $65 million and milestone payments depending upon the achievement of future development and commercial milestones. The Company could also receive tiered royalties between 10% and 20% on worldwide net sales of licensed products worldwide, with the royalty rates on net sales of licensed products in the United States being somewhat higher than the royalty rates on net sales of licensed products outside the United States.

If Forest exercises the option and the license agreement becomes effective, both Forest and the Company would have the right to terminate the license agreement in the event of an uncured material breach or insolvency of the other party. In addition, Forest would be permitted to terminate the license agreement without cause at any time upon prior written notice or immediately for product safety reasons. Following a termination of the license agreement, all licenses granted to Forest would terminate, and Forest would grant the Company an exclusive royalty bearing license under specified

TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

8. Commitments and Contingencies (Continued)

patents and know-how to develop and commercialize reverted licensed products. If not terminated, the license agreement would remain in effect until the expiration of the last royalty term for the last licensed product.

If Forest elects to exercise its option, the term of the royalty on sales of TRV027 for a given country would extend until the first to occur of (i) 10 years from first commercial sale of TRV027 in that country, (ii) the expiration of the last to expire patent claiming TRV027 that is sufficient to block the entrance of a generic version of the product, or (iii) the expiration of any period of exclusivity granted by applicable law or any regulatory authority in such country that confers exclusive marketing rights on the product.

Forest has the right to grant sublicenses under the license agreement to affiliates and third parties. Any sublicensing does not act to relieve Forest of any of its obligations under the license agreement, including Forest's obligation to make milestone payments to the Company with respect to TRV027 or pay royalties to the Company on sales of TRV027 by such sublicensee. Forest participated in the Series C Preferred Stock financing (Note 6) and purchased $30 million of Series C Preferred Stock. Because the Series C Preferred Stock was acquired at the same time as the option agreement, management considered whether the Preferred Stock was issued at fair value and if not, whether the consideration received for the Preferred Stock should be allocated in the financial statements in a manner differently than the price stated in the agreement. The Series C Preferred Stock acquired by Forest was acquired at the same time and at the same price per share as all of the other investors in the Series C Preferred Stock financing and therefore the preferred stock sold to Forest was deemed to be issued at fair value and no value was allocated to the option agreement.

Operating Leases

The Company leases office and laboratory space in Pennsylvania. In addition, the Company leases vivarium space in Pennsylvania. The vivarium lease can be terminated at any time upon 90 days' written notice by the Company. The Company's leases contain escalating rent clauses, which require higher rent payments in future years. The Company expenses rent on a straight-line basis over the term of the lease, including any rent-free periods. In July 2013, the Company extended the lease for the Company's office and laboratory lease in Pennsylvania until September 2020, with a Company option to terminate the lease in December 2017 with a required termination payment of $131,902.

Rent expense under operating leases was $438,173 and $459,288 in 2012 and 2013, respectively, and $2,146,916 for the period from November 9, 2007 (date of inception) to December 31, 2013.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

8. Commitments and Contingencies (Continued)

Future minimum lease payments, including termination fees, under noncancelable lease agreements as of December 31, 2013, are as follows:

	Operating Lease
2014	$ 226,313
2015	232,688
2016	239,064
2017	356,622
Total minimum lease payments	$ 1,054,687

The Company had deferred rent of $347,033 at December 31, 2013. This balance related entirely to the Pennsylvania office and laboratory lease.

Legal Proceedings

The Company is not involved in any legal proceeding that it expects to have a material effect on its business, financial condition, results of operations and cash flows.

9. Income Taxes

The Company provides for income taxes under ASC 740. Under ASC 740, the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company did not record a current or deferred income tax expense or benefit since its inception.

The Company's loss before income taxes was $15,635,658 and $23,251,435 for the years ended December 31, 2012 and 2013, respectively, and was generated entirely in the United States.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

9. Income Taxes (Continued)

Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The significant components of the Company's deferred tax assets are comprised of the following:

	December 31,	
	2012	**2013**
Deferred tax assets:		
Net operating losses	$ 3,116,214	$ 5,159,176
Research and development credits	1,653,174	2,801,924
Research and development expenses capitalized for tax purposes	20,042,703	26,936,217
Deferred rent	40,350	140,873
Depreciation	487,224	652,104
Other temporary differences	497,268	628,296
Total deferred tax assets	25,836,933	36,318,590
Deferred tax liabilities:		
Prepaid expenses	(44,561)	(80,311)
Total deferred tax liabilities	(44,561)	(80,311)
Net deferred tax assets	25,792,372	36,238,279
Less valuation allowance	(25,792,372)	(36,238,279)
Net deferred tax asset	$	$

The Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets. Based on the Company's history of operating losses since inception, the Company has concluded that it is more likely than not that the benefit of its deferred tax assets will not be realized. Accordingly, the Company has provided a full valuation allowance for deferred tax assets as of December 31, 2012 and 2013. The valuation allowance increased by $6,432,425 and $10,445,907 during the years ended December 31, 2012 and 2013, respectively, due primarily to the generation of net operating losses during the periods.

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

9. Income Taxes (Continued)

A reconciliation of income tax expense computed at the statutory federal income tax rate to income taxes as reflected in the financial statements is as follows:

	December 31,	
	2012	2013
Percent of pre-tax income:		
U.S. federal statutory income tax rate	34.0%	34.0%
Permanent Differences	0.0%	(0.5)%
State taxes, net of federal benefit	6.6%	6.5%
Research and development credit	0.0%	1.9%
Change in valuation allowance	(40.6)%	(41.9)%
Effective income tax rate	0.0%	0.0%

As of December 31, 2012 and 2013, the Company had U.S. federal net operating loss carryforwards of $7,674,369 and $12,707,112, respectively, which may be available to offset future income tax liabilities and will begin to expire at various dates starting in 2027. As of December 31, 2012 and 2013, the Company also had U.S. state net operating loss carryforwards of $7,688,430 and $12,721,173, respectively, which may be available to offset future income tax liabilities and will begin to expire at various dates starting in 2027.

As of December 31, 2012 and 2013, the Company had federal research and development tax credit carryforwards of $1,499,073 and $2,524,082, respectively, available to reduce future tax liabilities which will begin to expire at various dates starting in 2027. As of December 31, 2012 and 2013, the Company had state research and development tax credit carryforwards of approximately $233,487and $420,974, respectively, available to reduce future tax liabilities which will begin to expire at various dates starting in 2022.

Under the provisions of the Internal Revenue Code, the net operating loss and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. Net operating loss and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant shareholders over a three-year period in excess of 50 percent, as defined under Sections 382 and 383 of the Internal Revenue Code, respectively, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years. The Company has completed several financings since its inception which may have resulted in a change in control as defined by Sections 382 and 383 of the Internal Revenue Code, or could result in a change in control in the future.

The Company will recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2012 and 2013, the Company had no accrued interest or penalties related

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

9. Income Taxes (Continued)

to uncertain tax positions and no amounts have been recognized in the Company's Statements of Operations and Comprehensive Loss.

For all years through December 31, 2013, the Company generated research credits but has not conducted a study to document the qualified activities. This study may result in an adjustment to the Company's research and development credit carryforwards; however, until a study is completed and any adjustment is known, no amounts are being presented as an uncertain tax position for these years. A full valuation allowance has been provided against the Company's research and development credits and, if an adjustment is required, this adjustment would be offset by an adjustment to the deferred tax asset established for the research and development credit carryforwards and the valuation allowance.

The American Tax Relief Act of 2012, enacted January 2, 2013, retroactively reinstated the research and development credit for 2012 and 2013. Accordingly, in 2013 we recorded credits of approximately $586 thousand related to 2012 as a result of the retroactive reinstatement.

The Company files income tax returns in the United States, and various state jurisdictions. The federal and state income tax returns are generally subject to tax examinations for the tax years ended December 31, 2010 through December 31, 2012. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service or state tax authorities to the extent utilized in a future period.

10. Related-Party Transactions

The Company has consulting agreements with two founding scientists and shareholders, under which $90,000 and $65,750 was paid in 2012 and 2013, respectively, and $515,750 was paid for the period from November 9, 2007 (date of inception) to December 31, 2013. The consulting agreements are currently ongoing and can be terminated with 30 days' notice.

11. Employee Benefit Plan

The Company sponsors a 401(k) defined contribution plan for its employees. Employee contributions are voluntary. The Company matches employee contributions in an amount equal to 100% of the first 3% of eligible contributions and 50% of the next 2% of eligible contributions. During 2012, 2013 and the period from November 9, 2007 (date of inception) through December 31, 2013, the Company provided matching contributions of $213,866, $175,943 and $769,271, respectively.

12. Subsequent Events

As disclosed in Note 1, on February 5, 2014, 9,250,000 shares of common stock were sold on the Company's behalf at an initial public offering price of $7.00 per share, for aggregate gross proceeds of $64.8 million. On March 6, 2014, in connection with the partial exercise by the underwriters of the Company's initial public offering of the over-allotment option granted to them in connection with the initial public offering, 270,449 additional shares of common stock were sold on the Company's behalf at the initial public offering price of $7.00 per share, for aggregate gross proceeds of approximately

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TREVENA, INC.

(A Development-Stage Company)

Notes to Financial Statements (Continued)

December 31, 2013

12. Subsequent Events (Continued)

$1.9 million. In addition, as part of the initial public offering, all of the Company's outstanding convertible preferred stock, and a portion of its warrants were net exercised, into aggregate total of 15,649,686 shares of common stock. Upon consummation of the initial public offering in February 2014, the remaining warrant to purchase up to 125,000 shares of our Series B preferred stock was converted into a warrant to purchase up to 20,161 shares our common stock, and the fair value of the warrant liability at that time was reclassified to additional paid-in capital.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K.

Based on our evaluation, we believe that our disclosure controls and procedures as of the date of our Annual Report on Form 10-K have been designed and are functioning effectively to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. We believe that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Neither we nor our independent registered public accounting firm has performed an evaluation of our internal control over financial reporting during any period in accordance with the provisions of the Sarbanes-Oxley Act. As a result it is possible that, had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, material weaknesses and significant control deficiencies may have been identified. However, for as long as we remain an "emerging growth company" as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the requirement that our independent registered public accounting firm provide an attestation on the effectiveness of our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting and Attestation Report of the Registered Public Accounting Firm

This Annual Report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by the rules of the SEC for newly public companies.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors

The information required by Item 10 is incorporated herein by reference to the information contained under the caption "Proposal 1 Election of Directors" in our definitive proxy statement related to the 2014 annual meeting of stockholders.

Executive Officers

The information concerning our executive offers required by this Item 10 is incorporated herein by reference to the information provided under the caption "Executive Officers" in our definitive proxy statement related to the 2014 annual meeting of stockholders.

Section 16(a) Beneficial Ownership Reporting Compliance

The information concerning Section 16(a) Beneficial Ownership Reporting Compliance by our directors and executive officers is incorporated by reference to the information contained under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive proxy statement related to the 2014 annual meeting of stockholders.

Code of Ethics

The information concerning our Code of Business Conduct and Ethics is incorporated by reference to the information contained under the caption "Governance of the Company" in our definitive proxy statement related to the 2014 annual meeting of stockholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated by reference to the information contained in our definitive proxy statement related to the 2014 annual meeting of stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by Item 12 is incorporated by reference to the information contained in our definitive proxy statement related to the 2014 annual meeting of stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference to the information contained in our definitive proxy statement related to the 2014 annual meeting of stockholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by Item 14 is incorporated by reference to the information contained in our definitive proxy statement related to the 2014 annual meeting of stockholders.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)

DOCUMENTS FILED AS PART OF THIS REPORT

The following is a list of our consolidated financial statements and our subsidiaries and supplementary data included in this Annual Report on Form 10-K under Item 8 of Part II hereof:

1.

FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Report of Independent Registered Public Accounting Firm.

Balance Sheets as of December 31, 2012 and 2013.

Statements of Operations and Comprehensive Loss for the years ended December 31, 2012 and 2013 and for the period from November 9, 2007 (date of inception) to December 31, 2013.

Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit for the years ended December 31, 2012and 2013 and for the period from November 9, 2007 (date of inception) to December 31, 2013.

Consolidated Statements of Cash Flows for the years ended December 31, 2012 and 2013 and for the period from November 9, 2007 (date of inception) to December 31, 2013.

Notes to Financial Statements for the years ended December 31, 2012and 2013 and for the period from November 9, 2007 (date of inception) to December 31, 2013.

(b)

EXHIBITS

The following is a list of exhibits filed as part of this Annual Report on Form 10-K. Where so indicated by footnote, exhibits that were previously filed are incorporated by reference. For exhibits incorporated by reference, the location of the exhibit in the previous filing is indicated.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2014).
3.2	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2014).
4.1	Reference is made to Exhibits 3.1 and 3.2.
4.2	Specimen stock certificate evidencing shares of Common Stock of the Registrant (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.1*	License Agreement, dated as of May 3, 2013, by and between the Registrant and Forest Laboratories Holdings Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-191643), originally filed with the SEC on October 9, 2013).
10.2*	Option Agreement, dated as of May 3, 2013, by and between the Registrant and Forest Laboratories Holdings Limited (incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-

191643), originally filed with the SEC on October 9, 2013).

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Exhibit Number	Description
10.3	Warrant to purchase shares of Series B preferred stock issued to Comerica Bank, dated December 9, 2011 (incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.4	Warrant to purchase shares of Common Stock issued to Silicon Valley Bank, dated June 24, 2008 (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.5	Amended and Restated Investor Rights Agreement, dated as of May 3, 2013, by and among the Registrant and certain of its stockholders (incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-191643), originally filed with the SEC on October 9, 2013).
10.6	Commercial Lease Agreement, dated as of August 4, 2008, by and between the Registrant and Pios Grande KOP Business Center, L.P. (successor-in-interest to KOPBC, Inc.) (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.7	Amendment No. 1 to Commercial Lease Agreement, dated as of December 8, 2008, by and between the Registrant and Pios Grande KOP Business Center, L.P. (successor-in-interest to KOPBC, Inc.) (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.8	Amendment No. 2 to Commercial Lease Agreement, dated as of July 3, 2013, by and between the Registrant and Pios Grande KOP Business Center, L.P. (successor-in-interest to KOPBC, Inc.) (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.9+	2008 Equity Incentive Plan, as amended to date (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.10+	Form of Stock Option Agreement under 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.11+	2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.12+	Form of Stock Option Grant Notice and Stock Option Agreement under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.13+	Form of Restricted Stock Grant Notice and Restricted Stock Unit Award Agreement under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).

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Exhibit Number	Description
10.14+	Non-Employee Director Compensation Plan (incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.15+	2013 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.16+	Form of Indemnity Agreement with executives and directors (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.17+	Employment Agreement, dated as of February 4, 2014, by and between the Registrant and Maxine Gowen.
10.18+	Employment Agreement, dated as of February 4, 2014, by and between the Registrant and Michael Lark.
10.19+	Employment Agreement, dated as of September 3, 2013, by and between the Registrant and Roberto Cuca (incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.20+	Employment Agreement, dated as of February 4, 2014, by and between the Registrant and David Soergel.
23.1	Consent of Independent Registered Public Accounting Firm.
24.1	Power of Attorney. Reference is made to the signature page hereto.
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

+ Indicates management contract or compensatory plan.

* Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been filed separately with the SEC.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 20, 2014

TREVENA, INC.

By: /s/ MAXINE GOWEN

Maxine Gowen
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MAXINE GOWEN Maxine Gowen	President and Chief Executive Officer (Principal Executive Officer) and Director	March 20, 2014
/s/ ROBERTO CUCA Roberto Cuca	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 20, 2014
/s/ LEON O. MOULDER, JR. Leon O. Moulder, Jr.	Chairman, Board of Directors	March 20, 2014
Farah Champsi	Director	March 20, 2014
/s/ MICHAEL R. DOUGHERTY Michael R. Dougherty	Director	March 20, 2014
Terrance G. McGuire	Director	March 20, 2014

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Signature	Title	Date
/s/ CHRISTOPHER K. MIRABELLI, PH.D. Christopher K. Mirabelli, Ph.D.	Director	March 20, 2014
Francois Nader	Director	March 20, 2014
/s/ JAKE R. NUNN Jake R. Nunn	Director	March 20, 2014
/s/ DAVID F. SOLOMON David F. Solomon	Director	March 20, 2014

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EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2014).
3.2	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on February 5, 2014).
4.1	Reference is made to Exhibits 3.1 and 3.2.
4.2	Specimen stock certificate evidencing shares of Common Stock of the Registrant (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.1*	License Agreement, dated as of May 3, 2013, by and between the Registrant and Forest Laboratories Holdings Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-191643), originally filed with the SEC on October 9, 2013).
10.2*	Option Agreement, dated as of May 3, 2013, by and between the Registrant and Forest Laboratories Holdings Limited (incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-191643), originally filed with the SEC on October 9, 2013).
10.3	Warrant to purchase shares of Series B preferred stock issued to Comerica Bank, dated December 9, 2011 (incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.4	Warrant to purchase shares of Common Stock issued to Silicon Valley Bank, dated June 24, 2008 (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.5	Amended and Restated Investor Rights Agreement, dated as of May 3, 2013, by and among the Registrant and certain of its stockholders (incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-191643), originally filed with the SEC on October 9, 2013).
10.6	Commercial Lease Agreement, dated as of August 4, 2008, by and between the Registrant and Pios Grande KOP Business Center, L.P. (successor-in-interest to KOPBC, Inc.) (incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.7	Amendment No. 1 to Commercial Lease Agreement, dated as of December 8, 2008, by and between the Registrant and Pios Grande KOP Business Center, L.P. (successor-in-interest to KOPBC, Inc.) (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).

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Exhibit Number	Description
10.8	Amendment No. 2 to Commercial Lease Agreement, dated as of July 3, 2013, by and between the Registrant and Pios Grande KOP Business Center, L.P. (successor-in-interest to KOPBC, Inc.) (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.9+	2008 Equity Incentive Plan, as amended to date (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.10+	Form of Stock Option Agreement under 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.11+	2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.12+	Form of Stock Option Grant Notice and Stock Option Agreement under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.13+	Form of Restricted Stock Grant Notice and Restricted Stock Unit Award Agreement under 2013 Equity Incentive Plan (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.14+	Non-Employee Director Compensation Plan (incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.15+	2013 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.16+	Form of Indemnity Agreement with executives and directors (incorporated by reference to Exhibit 10.16 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333- 191643), originally filed with the SEC on October 9, 2013).
10.17+	Employment Agreement, dated as of January 31, 2014, by and between the Registrant and Maxine Gowen.
10.18+	Employment Agreement, dated as of January 31, 2014, by and between the Registrant and Michael Lark.
10.19+	Employment Agreement, dated as of January 31, 2014, by and between the Registrant and Roberto Cuca.
10.20+	Employment Agreement, dated as of January 31, 2014, by and between the Registrant and David Soergel.
10.21+	Employment Agreement, dated as of January 31, 2014, by and between the Registrant and Rosamond Deegan.
23.1	Consent of Independent Registered Public Accounting Firm.
24.1	Power of Attorney. Reference is made to the signature page hereto.

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Exhibit Number	Description
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

+ Indicates management contract or compensatory plan.

* Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been filed separately with the SEC.