

Mast Therapeutics, Inc.
Form S-4
February 10, 2017
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As filed with the Securities and Exchange Commission on February 10, 2017

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

Under
The Securities Act of 1933

Mast Therapeutics, Inc.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2834
(Primary Standard Industrial
Classification Code Number)

84-1318182
(I.R.S. Employer
Identification Number)

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3611 Valley Centre Drive, Suite 500

San Diego, CA 92130

(858) 552-0866

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

Brandi L. Roberts

Chief Financial Officer and Senior Vice President

Mast Therapeutics, Inc.

3611 Valley Centre Drive, Suite 500

San Diego, CA 92130

(858) 552-0866

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

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San Diego, CA 92121

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Austin, TX 78746

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(512) 961-1891

Austin, TX 78746

(512) 338-5400

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement and the satisfaction or waiver of all other conditions under the Merger Agreement described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Security Being Registered | Amount Registered(1) | Proposed | Proposed | Amount of Registration Fee(3) |
|---|-------------------------|--|---|-------------------------------------|
| | | Maximum Offering Price Per Share | Maximum Aggregate Offering Price(2) | |
| Common stock, \$0.001 par value per share | 871,659,402 | N/A | \$12,525,000 | \$1,452 |

- (1) Relates to common stock, \$0.001 par value per share, of Mast Therapeutics, Inc., a Delaware corporation (Mast), issuable to holders of capital stock, \$0.001 par value per share, and warrants and options of Savara Inc., a Delaware corporation (Savara), in the proposed merger of Victoria Merger Corp., a Delaware corporation and a wholly-owned subsidiary of Mast, with and into Savara. The amount of Mast common stock to be registered is based on the estimated number of shares of Mast common stock that are expected to be issued pursuant to the merger, assuming an exchange ratio of 40.15 shares of Mast common stock for each outstanding share of Savara capital stock and for each option and warrant exercisable for shares of Savara capital stock, without giving effect to a reverse stock split of Mast common stock immediately prior to the merger. The estimated exchange ratio calculation contained herein is based upon Mast s capitalization immediately prior to the date of this proxy statement/prospectus/information statement, and will be adjusted to account for the issuance of any additional shares of Mast common stock prior to the consummation of the merger.
- (2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933, as amended, based upon the estimated book value of the Savara securities to be exchanged in the merger, as of immediately prior to the merger. Savara is a private company, and no market exists for its securities.
- (3) This fee has been calculated pursuant to Section 6(b) of the Securities Act of 1933, as amended, at a rate equal to \$115.90 per \$1,000,000 of the proposed maximum aggregate offering price.

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

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

SUBJECT TO COMPLETION, DATED FEBRUARY 10, 2017

PROPOSED MERGER

YOUR VOTE IS VERY IMPORTANT

To the Stockholders of Mast Therapeutics, Inc. and Savara Inc.:

Mast Therapeutics, Inc., or Mast, and Savara Inc., or Savara, have entered into an Agreement and Plan of Merger and Reorganization, or the Merger Agreement, pursuant to which a wholly owned subsidiary of Mast will merge with and into Savara, with Savara surviving as a wholly owned subsidiary of Mast, or the merger. The merger will result in a clinical-stage specialty pharmaceutical company focused on the development and commercialization of novel therapies for the treatment of serious or life-threatening rare respiratory diseases.

Immediately prior to the effective time of the merger, each share of Savara preferred stock will be converted into one share of Savara common stock. At the effective time of the merger, each share of Savara common stock will be converted into the right to receive approximately [] pre-split shares of Mast common stock, subject to adjustment to account for the effect of a reverse stock split of Mast common stock, at a ratio of [], to be implemented prior to the consummation of the merger as discussed in this proxy statement/prospectus/information statement. The post-split exchange ratio is approximately []. Mast will assume restricted shares of Savara common stock and options to purchase Savara common stock that are outstanding and unexercised as of immediately prior to the effective time of the merger, and they will be converted into restricted shares of Mast common stock or options to purchase Mast common stock, respectively. Mast will assume warrants to purchase Savara common stock that are outstanding and unexercised as of immediately prior to the effective time of the merger, and they will be converted into warrants to purchase Mast common stock. Mast stockholders will continue to own and hold their existing shares of Mast common stock. Immediately after the merger, Savara stockholders, warrant holders and option holders will own approximately 76% of the common stock of Mast, with Mast stockholders, warrant holders and option holders, whose Mast equity will remain outstanding after the merger, holding approximately 24% of the common stock of Mast. The exchange ratio is determined pursuant to a formula described in more detail in the Merger Agreement and in the attached proxy statement/prospectus/information statement, and the [] pre-split figure, [] post-split figure and percentage ownership figures are estimates.

Shares of Mast common stock are currently listed on the NYSE MKT equities market under the symbol MSTX. Prior to consummation of the merger, Mast intends to file an initial listing application for the combined company with the NYSE MKT pursuant to NYSE MKT reverse merger rules. In connection with the merger, Mast will be renamed

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Savara Inc. and expects to trade on the NYSE MKT under the symbol SVRA. On [], 2017, the last trading day before the date of this proxy statement/prospectus/information statement, the closing sale price of Mast common stock was \$[] per share.

Mast is holding a special meeting of stockholders to obtain the stockholder approvals necessary to complete the merger and related matters. At the Mast special meeting, which will be held at [], local time, on [], 2017 at the offices of Mast Therapeutics, Inc. located at 3611 Valley Centre Drive, Suite 500, San Diego, California 92130, unless postponed or adjourned to a later date, Mast will ask its stockholders to, among other things, adopt the Merger Agreement thereby approving the merger and the issuance of Mast common stock, and approve an amendment and restatement of the Mast amended and restated certificate of incorporation (i) effecting a reverse stock split of Mast common stock, at a ratio of 1-for-[], which is referred to herein as the 1-for-[] reverse stock split, and (ii) changing the Mast corporate name to Savara Inc., and approve, on a non-binding advisory vote basis, compensation that will or may become payable by Mast to its named executive officers in connection with the merger, each as described in the accompanying proxy statement/prospectus/information statement.

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As described in the accompanying proxy statement/prospectus/information statement, certain Savara stockholders who in the aggregate beneficially own or control approximately 30% of the outstanding shares of Savara common stock on an as converted to common stock basis, and certain Mast stockholders who in the aggregate beneficially own or control less than one percent of the outstanding shares of Mast common stock, are parties to voting agreements with Mast and Savara, respectively, whereby such stockholders agreed to vote in favor of the adoption of the Merger Agreement and the transactions contemplated by the Merger Agreement, respectively, subject to the terms of the voting agreements. In addition, following the registration statement on Form S-4, of which this proxy statement/prospectus/information statement is a part, being declared effective by the U.S. Securities and Exchange Commission and pursuant to the conditions of the Merger Agreement, the Savara stockholders who are party to the voting agreements will each execute an action by written consent of the Savara stockholders, referred to herein as the written consent, adopting the Merger Agreement and approving the merger and the transactions contemplated by the Merger Agreement. No meeting of Savara stockholders to adopt the Merger Agreement and approve the merger and related transactions will be held; however, all Savara stockholders will have the opportunity to elect to adopt the Merger Agreement, thereby approving the merger and related transactions, by signing and returning to Savara a written consent.

After careful consideration, the Mast and Savara boards of directors have unanimously approved the Merger Agreement and the respective proposals referred to above, and each of the Mast and Savara boards of directors has unanimously determined that it is advisable to enter into the merger. The board of directors of Mast unanimously recommends that its stockholders vote **FOR** the proposals described in the accompanying proxy statement/prospectus/information statement, and the board of directors of Savara unanimously recommends that its stockholders sign and return the written consent indicating their approval of the merger and adoption of the Merger Agreement and related transactions to Savara.

More information about Mast, Savara and the proposed transaction is contained in this proxy statement/prospectus/information statement. Mast and Savara urge you to read the accompanying proxy statement/prospectus/information statement carefully and in its entirety. IN PARTICULAR, YOU SHOULD CAREFULLY CONSIDER THE MATTERS DISCUSSED UNDER RISK FACTORS BEGINNING ON PAGE [].

Mast and Savara are excited about the opportunities the merger brings to both Mast and Savara stockholders, and thank you for your consideration and continued support.

Brian M. Culley
Chief Executive Officer
Mast Therapeutics, Inc.

Robert Neville
Chief Executive Officer
Savara Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this proxy

statement/prospectus/information statement. Any representation to the contrary is a criminal offense.

The accompanying proxy statement/prospectus/information statement is dated [], 2017, and is first being mailed to Mast and Savara stockholders on or about [], 2017.

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MAST THERAPEUTICS, INC.

3611 Valley Centre Drive, Suite 500

San Diego, California 92130

(858) 552-0866

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [], 2017

Dear Stockholders of Mast:

On behalf of the board of directors of Mast Therapeutics, Inc., a Delaware corporation, or Mast, Mast is pleased to deliver this proxy statement/prospectus/information statement for the proposed merger between Mast and Savara Inc., a Delaware corporation, or Savara, pursuant to which Victoria Merger Corp., a wholly owned subsidiary of Mast, will merge with and into Savara, with Savara surviving as a wholly owned subsidiary of Mast. The special meeting of stockholders of Mast will be held on [], 2017 at [], local time, at the offices of Mast Therapeutics, Inc. located at 3611 Valley Centre Drive, Suite 500, San Diego, California 92130, for the following purposes:

1. To consider and vote upon a proposal to approve the merger and the issuance of Mast common stock pursuant to the Agreement and Plan of Merger and Reorganization, dated as of January 6, 2017, by and among Mast, Victoria Merger Corp. and Savara, a copy of which is attached as *Annex A* to the accompanying proxy statement/prospectus/information statement;
2. To approve the amendment and restatement of the amended and restated certificate of incorporation of Mast to effect a reverse stock split of Mast common stock, at a ratio of 1-for-[], in the form attached as *Annex D* to the accompanying proxy statement/prospectus/information statement;
3. To approve the amendment and restatement of the amended and restated certificate of incorporation of Mast to change the name Mast Therapeutics, Inc. to Savara Inc. in the form attached as *Annex D* to the accompanying proxy statement/prospectus/information statement;
4. To consider and vote upon a proposal to approve, on a non-binding advisory vote basis, compensation that will or may become payable by Mast to its named executive officers in connection with the merger;
5. To consider and vote upon an adjournment of the Mast special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of Mast Proposal Nos. 1, 2, 3 and 4; and
6. To transact such other business as may properly come before the stockholders at the Mast special meeting or any adjournment or postponement thereof.

The board of directors of Mast has fixed [], 2017 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Mast special meeting and any adjournment or postponement thereof. Only holders of record of shares of Mast common stock at the close of business on the record date are entitled to notice of, and to vote at, the Mast special meeting. At the close of business on the record date, Mast had [] shares of common stock

outstanding and entitled to vote.

Your vote is important. The affirmative vote of the holders of a majority of the shares of Mast common stock having voting power present in person or represented by proxy at the Mast special meeting, presuming a quorum is present, is required for approval of Mast Proposal Nos. 1, 4 and 5. The affirmative

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vote of the holders of a majority of shares of Mast common stock having voting power outstanding on the record date for the Mast special meeting is required for approval of Mast Proposal Nos. 2 and 3. Each of Proposal Nos. 1, 2 and 3 are conditioned upon each other. Therefore, the merger cannot be consummated without the approval of Proposal Nos. 1, 2 and 3.

Even if you plan to attend the Mast special meeting in person, Mast requests that you sign and return the enclosed proxy to ensure that your shares will be represented at the Mast special meeting if you are unable to attend.

By Order of the Mast Board of Directors,

Brian M. Culley

Chief Executive Officer

San Diego, California

[], 2017

THE MAST BOARD OF DIRECTORS HAS DETERMINED AND BELIEVES THAT EACH OF THE PROPOSALS OUTLINED ABOVE IS ADVISABLE TO, AND IN THE BEST INTERESTS OF, MAST AND ITS STOCKHOLDERS AND HAS APPROVED EACH SUCH PROPOSAL. THE MAST BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT MAST STOCKHOLDERS VOTE FOR EACH SUCH PROPOSAL.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus/information statement incorporates important business and financial information about Mast that is not included in or delivered with this document. You may obtain this information without charge through the Securities and Exchange Commission, or the SEC, website (www.sec.gov) or upon your written or oral request by contacting the Chief Financial Officer of Mast Therapeutics, Inc., 3611 Valley Centre Drive, Suite 500, San Diego, California 92130 or by calling (858) 552-0866.

To ensure timely delivery of these documents, any request should be made no later than [], 2017 to receive them before the special meeting.

For additional details about where you can find information about Mast, please see the section entitled "Where You Can Find More Information" in this proxy statement/prospectus/information statement.

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THERAPEUTICS, INC.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Except where specifically noted, the following information and all other information contained in this proxy statement/prospectus/information statement does not give effect to the proposed 1-for-[] reverse stock split described in Mast Proposal No. 2, beginning on page [] in this proxy statement/prospectus/information statement.

The following section provides answers to frequently asked questions about the merger. This section, however, provides only summary information. For a more complete response to these questions and for additional information, please refer to the cross-referenced sections.

Q: What is the merger?

A: Mast Therapeutics, Inc., or Mast, and Savara Inc., or Savara, have entered into an Agreement and Plan of Merger and Reorganization, dated as of January 6, 2017, or the Merger Agreement. The Merger Agreement contains the terms and conditions of the proposed business combination of Mast and Savara. Under the Merger Agreement, Victoria Merger Corp., a wholly owned subsidiary of Mast, or the Merger Sub, will merge with and into Savara, with Savara surviving as a wholly owned subsidiary of Mast. This transaction is referred to as the merger or the Merger.

At the effective time of the merger, each share of Savara common stock outstanding immediately prior to the effective time of the merger (excluding certain shares to be canceled pursuant to the Merger Agreement, and shares held by stockholders who have exercised and perfected appraisal rights or dissenters' rights as more fully described in The Merger Appraisal Rights and Dissenters' Rights below) will be converted into the right to receive approximately [] pre-split shares of Mast common stock, subject to adjustment to account for a reverse stock split of Mast common stock, at a ratio of one new share for every [] outstanding shares, to be implemented prior to the consummation of the merger. The post-split exchange ratio is approximately []. As a result of the merger, holders of Savara stock, options and warrants are expected to own in the aggregate approximately 76% of Mast, and the Mast stockholders, optionholders and warrant holders are expected to own in the aggregate approximately 24% of Mast. The exchange ratio is determined pursuant to a formula described in more detail in the Merger Agreement and in this proxy statement/prospectus/information statement, and the [] pre-split figure, [] post-split figure and percentage ownership figures are estimates. In connection with the merger, Mast will change its corporate name to Savara Inc. as required by the Merger Agreement.

Q: What will Savara stockholders, warrant holders and holders of Savara equity awards receive in the merger?

A: As a result of the merger, Savara stockholders, warrant holders and holders of Savara equity awards will become entitled to receive shares of Mast common stock, warrants and equity awards equal to approximately 76% of the fully-diluted common stock of Mast. At the effective time of the merger, each share of Savara capital stock will be converted into the right to receive the number of shares of Mast common stock calculated based on the exchange ratio determined in accordance with the Merger Agreement. Savara outstanding warrants, or Savara Warrants, to purchase shares of Savara equity securities not exercised at or prior to the effective time of the merger will be converted into warrants to purchase Mast common stock, with the number of shares and exercise

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price being appropriately adjusted to reflect the exchange ratio between Mast common stock and Savara common stock determined in accordance with the Merger Agreement.

At the effective time of the merger, each option to purchase Savara common stock, or Savara Options, that is outstanding and unexercised immediately prior to the effective time of the merger will be converted into and become an option to purchase Mast common stock, with the number of shares and exercise price being appropriately adjusted to reflect the exchange ratio between Mast common stock and Savara common stock determined in accordance with the Merger Agreement.

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At the effective time of the merger, each share of Savara restricted common stock, or Savara Restricted Shares, that is outstanding immediately prior to the effective time of the merger will be exchanged for a restricted share of Mast common stock, and will have, and be subject to, the same terms and conditions (including vesting terms) set forth in Savara's Stock Option Plan and applicable restricted share agreements relating thereto. The number of Mast restricted shares that will be exchanged for an award of Savara restricted shares will be appropriately adjusted to reflect the exchange ratio between Mast common stock and Savara common stock determined in accordance with the Merger Agreement.

For a more complete description of what Savara stockholders, warrant holders and holders of Savara equity awards will receive in the merger, please see the sections entitled "Market Price and Dividend Information" and "The Merger Agreement - Merger Consideration" in this proxy statement/prospectus/information statement.

Q: What will Mast stockholders, warrant holders and holders of Mast equity awards receive in the merger?

A: Mast stockholders, warrant holders and holders of Mast equity awards will not receive anything as a result of the merger, but will continue to hold the same amount of Mast common stock, warrants to purchase Mast common stock and Mast equity awards held immediately prior to the merger, as appropriately adjusted for the reverse stock split.

Q: What will happen to Mast if, for any reason, the merger does not close?

A: If, for any reason, the merger does not close, the Mast board of directors (the "Mast Board") may elect to, among other things, attempt to complete another strategic transaction like the merger, attempt to sell or otherwise dispose of the various assets of Mast or continue to operate the business of Mast. If Mast decides to dissolve and liquidate its assets, Mast would be required to pay all of its debts and contractual obligations, and to set aside certain reserves for potential future claims, and there can be no assurances as to the amount or timing of available cash left to distribute to stockholders after paying the debts and other obligations of Mast and setting aside funds for reserves.

Q: Why are the two companies proposing to merge?

A: Following the merger, Mast and Savara believe the combined organization will advance a diversified pipeline of novel therapies for the treatment of serious or life-threatening rare respiratory diseases. Mast and Savara believe that the combined organization will have the following potential advantages: (i) a diversified, late-stage product development pipeline with important forthcoming milestones; (ii) an experienced management team; and (iii) the potential to access additional sources of capital. For a discussion of Mast and Savara reasons for the merger, please see the section entitled "The Merger - Mast Reasons for the Merger" and "The Merger - Savara Reasons for the Merger" in this proxy statement/prospectus/information statement.

Q: Why am I receiving this proxy statement/prospectus/information statement?

A: You are receiving this proxy statement/prospectus/information statement because you have been identified as a stockholder of Mast or Savara as of the applicable record date, and you are entitled, as applicable, to vote at the Mast stockholder meeting to approve among other things the merger and the issuance of shares of Mast common stock pursuant to the Merger Agreement, or sign and return the Savara written consent to adopt the Merger Agreement and approve the merger. This document serves as:

a proxy statement of Mast used to solicit proxies for its special meeting of stockholders;

a prospectus of Mast used to offer shares of Mast common stock in exchange for shares of Savara common stock in the merger and issuable upon exercise of Savara options and warrants; and

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an information statement of Savara used to solicit the written consent of its stockholders for the adoption of the Merger Agreement and the approval of the merger and related transactions.

Q: What is required to consummate the merger?

A: To consummate the merger, Mast stockholders must approve the issuance of Mast common stock pursuant to the Merger Agreement. In addition, the Merger Agreement anticipates approval of an amendment and restatement of the amended and restated certificate of incorporation of Mast effecting (i) the 1-for-[] reverse stock split, and (ii) the change in Mast's name to Savara Inc. Moreover, Savara stockholders must approve the merger.

The approval of the merger and the issuance of Mast common stock pursuant to the Merger Agreement by the stockholders of Mast requires the affirmative vote of the holders of a majority of the shares of Mast common stock having voting power present in person or represented by proxy at the Mast special meeting for the issuance of shares of Mast common stock in the merger, presuming a quorum is present at the meeting. The approval of the 1-for-[] reverse stock split and the change of Mast's name require the affirmative vote of the holders of a majority of shares of Mast common stock having voting power outstanding on the record date for the Mast special meeting. The approval of the 1-for-[] reverse stock split is required in order to authorize Mast to implement the reverse stock split and to ensure Mast may issue a sufficient amount of Mast common stock to consummate the merger. In addition, the reverse stock split is necessary to ensure that the post-merger trading price of Mast's common stock satisfies the initial listing requirements of the NYSE MKT applicable to the combined company. Therefore, if the requisite stockholders of Mast approve the merger and the issuance of Mast common stock pursuant to the Merger Agreement but do not approve the 1-for-[] reverse stock split, it is possible that the merger may not be consummated.

The adoption of the Merger Agreement and the approval of the merger and related transactions by the stockholders of Savara require the affirmative votes of the holders of (i) a majority of the outstanding Savara common stock and preferred stock, voting together as one class, and (ii) a majority of the outstanding shares of Savara preferred stock. In addition to the requirement of obtaining such stockholder approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived.

Certain Savara stockholders who in the aggregate beneficially own or control approximately 30% of the outstanding shares of Savara common stock on an as converted to common stock basis, and certain Mast stockholders who in the aggregate beneficially own or control less than one percent of the outstanding shares of Mast common stock, are parties to voting agreements with Mast and Savara, respectively, whereby such stockholders agreed to vote in favor of the adoption of the Merger Agreement and the transactions contemplated by the Merger Agreement, respectively, subject to the terms of the voting agreements. In addition, following the registration statement on Form S-4, of which this proxy statement/prospectus/information statement is a part, being declared effective by the U.S. Securities and Exchange Commission and pursuant to the conditions of the Merger Agreement, Savara stockholders who are party to the voting agreements will each execute written consents approving the merger and related transactions. Stockholders of Savara, including those who are parties to voting agreements, are being requested to execute written consents providing such approvals.

For a more complete description of the closing conditions under the Merger Agreement, you are urged to read the section entitled "The Merger Agreement - Conditions to the Completion of the Merger" in this proxy statement/prospectus/information statement.

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Q: Who will be the directors of Mast following the merger?

A: Immediately following the merger, the Mast Board is expected to be composed of seven directors, with five to be designated by Savara and two to be designated by Mast. Such directors are identified in the table below.

| Name | Current Principal Affiliation |
|---------------------|--|
| Robert Neville | Chairman and Chief Executive Officer, Savara |
| Nevan Elam | Chairman, Chief Executive Officer and President of AntriaBio, Inc. |
| Richard J. Hawkins | Chief Executive Officer and President of Lumos Pharma, Inc. |
| Yuri Pikover | Managing Director of 37 Ventures, LLC |
| Joseph S. McCracken | Roche Global Head of Business Development and Licensing (retired) |
| [] | |
| [] | |

Q: Who will be the executive officers of Mast immediately following the merger?

A: Immediately following the merger, the executive management team of Mast is expected to be composed solely of the members of the Savara executive management team prior to the merger as set forth below:

| Name | Title |
|--------------------|-------------------------|
| Robert Neville | Chief Executive Officer |
| Taneli Jouhikainen | Chief Operating Officer |
| David Lowrance | Chief Financial Officer |

Q: What are the potential material U.S. federal income tax consequences of the merger to Savara stockholders?

A: Each of Mast and Savara intends the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). However, completion of the merger is not conditioned upon receipt of an opinion from counsel that the merger qualifies as a reorganization, and the merger will occur even if the merger does not qualify as a reorganization.

Assuming the merger qualifies as a reorganization, in general, the material U.S. federal income tax consequences to U.S. Holders (as defined herein) of Savara common stock (other than any such holders exercising dissenters' rights) are expected to be as follows:

Each Savara stockholder should not generally recognize gain or loss upon the exchange of Savara common stock for Mast common stock pursuant to the merger, except to the extent of cash received in lieu of a fractional share of Mast common stock as described below; and

Each Savara stockholder should recognize gain or loss to the extent any cash received in lieu of a fractional share of Mast common stock exceeds or is less than the basis of such fractional share.

Tax matters are very complicated, and the tax consequences of the merger to a particular Savara stockholder will depend on such stockholder's circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of U.S. federal, state, local and non-U.S. income and other tax laws. For more information, please see the section entitled "The Merger - Considerations with Respect to U.S. Federal Income Tax Consequences of the Merger" beginning on page [].

Q: As a Mast stockholder, how does the Mast Board recommend that I vote?

A: After careful consideration, the Mast Board unanimously recommends that Mast stockholders vote:

FOR Proposal No. 1 to approve the merger and the issuance of shares of common stock of Mast in the merger;

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FOR Proposal No. 2 to approve the amendment and restatement of the amended and restated certificate of incorporation of Mast to effect a reverse stock split of Mast common stock, at a ratio of 1-for-[];

FOR Proposal No. 3 to approve the amendment and restatement of the amended and restated certificate of incorporation of Mast to change the name of Mast Therapeutics, Inc. to Savara Inc. ;

FOR Proposal No. 4 to consider and vote upon a proposal to approve, on a non-binding advisory vote basis, compensation that will or may become payable by Mast to its named executive officers in connection with the merger; and

FOR Proposal No. 5 to adjourn the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal Nos. 1, 2, 3 and 4.

Q: What is the compensation that will or may become payable by Mast to its named executive officers in connection with the merger for purposes of this advisory vote?

A: The compensation that will or may become payable by Mast to its named executive officers in connection with the merger includes: (i) based on the terms of the severance agreements Mast entered into with its executive officers in March 2016, cash severance payments, cash payments intended to cover health insurance costs for a period of time post-termination and the acceleration of outstanding equity awards as a result of the planned termination of the named executive officers in connection with the consummation of the merger; (ii) incentive awards to Mast's named executive officers payable 50% in a single sum cash payment and 50% in a grant of restricted stock units (RSUs) approved by the Mast Board in January 2017 in order to retain, reward and incentivize these individuals for their continuing efforts to help Mast achieve its goals through the merger which will become payable or vest, as applicable, upon consummation of the merger; and (iii) certain RSUs granted in January 2017 and held by Mast's named executive officers provide that such RSUs will vest upon consummation of the merger and that their outstanding unexercised stock options will be cancelled. Based on the terms of their respective severance agreements, outstanding equity awards and Mast's short-term incentive program, Mast's executive officers will be entitled to receive a total value of approximately \$2.5 million (collectively, not individually) in connection with the consummation of the merger and the associated termination of their employment from Mast, based on data available as of December 31, 2016. For further detail, see the section titled Mast Proposal No. 4: Advisory Non-Binding Vote on Merger-Related Executive Compensation Arrangements.

Q: What will happen if stockholders do not approve the compensation that will or may become payable by Mast to its named executive officers in connection with the merger at the special meeting?

A: Approval of the compensation that will or may become payable by Mast to its named executive officers in connection with the merger (and their associated termination from Mast) is not a condition to completion of the merger. The vote with respect to the compensation that will or may become payable by Mast to its named executive officers in connection with the merger is an advisory vote and will not be binding on Mast. Further, the severance agreements, equity awards and other arrangements governing the

consideration the Mast named executive officers have received or will be eligible to receive in the merger are contractual in nature and not, by their terms, subject to stockholder approval. Accordingly, regardless of the outcome of the advisory vote, if the Merger Agreement is adopted by the stockholders and the merger is completed, Mast's named executive officers will be eligible to receive the compensation that is based on or otherwise relates to the merger and their associated termination from Mast in accordance with the terms and conditions applicable to the employment and separation agreements, equity awards and other arrangements Mast has entered into with the named executive officers.

Q: As a Savara stockholder, how does the Savara board of directors recommend that I vote?

A: After careful consideration, the Savara board of directors (the Savara Board) unanimously recommends that Savara stockholders execute the written consent indicating their vote in favor of the adoption of the Merger Agreement and the approval of the merger and the transactions contemplated thereby.

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Q: What risks should I consider in deciding whether to vote in favor of the merger or to execute and return the written consent, as applicable?

A: You should carefully review the section of this proxy statement/prospectus/information statement entitled "Risk Factors," which sets forth certain risks and uncertainties related to the merger, risks and uncertainties to which the combined organization's business will be subject, and risks and uncertainties to which each of Mast and Savara, as an independent company, is subject.

Q: When do you expect the merger to be consummated?

A: The merger is anticipated to occur promptly after the Mast special meeting to be held on [], 2017. For more information, please see the section entitled "The Merger Agreement - Conditions to the Completion of the Merger" in this proxy statement/prospectus/information statement.

Q: What do I need to do now?

A: Mast and Savara urge you to read this proxy statement/prospectus/information statement carefully, including its annexes, and to consider how the merger affects you.

If you are a stockholder of Mast, you may provide your proxy instructions in one of two different ways. First, you can mail your signed proxy card in the enclosed return envelope. Second, you may also provide your proxy instructions via the Internet or telephone by following the instructions on your proxy card or voting instruction form. Please provide your proxy instructions only once, unless you are revoking a previously delivered proxy instruction, and as soon as possible so that your shares can be voted at the special meeting of Mast stockholders.

If you are a stockholder of Savara, you may execute and return your written consent to Savara in accordance with the instructions provided.

Q: What happens if I do not return a proxy card or otherwise provide proxy instructions, as applicable?

A: If you are a Mast stockholder, the failure to return your proxy card or otherwise provide proxy instructions will reduce the aggregate number of votes required to approve Mast Proposals Nos. 1, 4 and 5 and will have the same effect as voting against Mast Proposal Nos. 2 and 3, and your shares will not be counted for purposes of determining whether a quorum is present at the Mast special meeting.

Q: May I vote in person at the special meeting of stockholders of Mast?

A: If your shares of Mast common stock are registered directly in your name with the Mast transfer agent, you are considered to be the stockholder of record with respect to those shares, and the proxy materials and proxy card

are being sent directly to you by Mast. If you are a Mast stockholder of record, you may attend the special meeting of Mast stockholders and vote your shares in person. Even if you plan to attend the Mast special meeting in person, Mast requests that you sign and return the enclosed proxy to ensure that your shares will be represented at the Mast special meeting if you are unable to attend. If your shares of Mast common stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you by your broker or other nominee together with a voting instruction card. As the beneficial owner, you are also invited to attend the special meeting of Mast stockholders. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Mast special meeting unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting.

Q: When and where is the special meeting of Mast stockholders being held?

A: The special meeting of Mast stockholders will be held at the offices of Mast located at 3611 Valley Centre Drive, Suite 500, San Diego, California 92130, at [] local time, on [], 2017. Subject to space availability, all Mast stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis.

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Q: If my Mast shares are held in street name by my broker, will my broker vote my shares for me?

A: Unless your broker has discretionary authority to vote on certain matters, your broker will not be able to vote your shares of Mast common stock on matters requiring discretionary authority without instructions from you. Brokers are not expected to have discretionary authority to vote for Mast Proposals No. 1, 2, 3 or 4. To make sure that your vote is counted, you should instruct your broker to vote your shares, following the procedures provided by your broker.

Q: May I change my vote after I have submitted a proxy or provided proxy instructions?

A: Mast stockholders of record, other than Mast stockholders who have signed voting agreements, may change their vote at any time before their proxy is voted at the Mast special meeting in one of three ways. First, a stockholder of record of Mast can send a written notice to the Secretary of Mast stating that it would like to revoke its proxy. Second, a stockholder of record of Mast can submit new proxy instructions either on a new proxy card or via the Internet or telephone. Third, a stockholder of record of Mast can attend the Mast special meeting and vote in person. Attendance alone will not revoke a proxy. If a Mast stockholder of record or a stockholder who owns Mast shares in street name has instructed a broker to vote its shares of Mast common stock, the stockholder must follow directions received from its broker to change those instructions.

Q: Who is paying for this proxy solicitation?

A: Mast and Savara will share equally the cost of printing and filing of this proxy statement/prospectus/information statement and the proxy card. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries who are record holders of Mast common stock for the forwarding of solicitation materials to the beneficial owners of Mast common stock. Mast will reimburse these brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses they incur in connection with the forwarding of solicitation materials. Mast has retained Advantage Proxy to assist it in soliciting proxies using the means referred to above. Mast will pay the fees of Advantage Proxy, which Mast expects to be approximately \$10,000, plus reimbursement of out-of-pocket expenses.

Q: Who can help answer my questions?

A: If you are a Mast stockholder and would like additional copies, without charge, of this proxy statement/prospectus/information statement or if you have questions about the merger, including the procedures for voting your shares, you should contact Mast's proxy solicitor:

ADVANTAGE PROXY

(877) 870-8565 (toll free)

(206) 870-8565 (collect)

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ksmith@advantageproxy.com

If you are a Savara stockholder and would like additional copies, without charge, of this proxy statement/prospectus/information statement or if you have questions about the merger, including the procedures for voting your shares, you should contact:

Savara Inc.

900 S. Capital of Texas Highway

Las Cimas IV, Suite 150

Austin, Texas 78746

Tel: (512) 961-1891

Attn: Chris Marich, Head of Business Operations

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PROSPECTUS SUMMARY

*This summary highlights selected information from this proxy statement/prospectus/information statement and may not contain all of the information that is important to you. To better understand the merger, the proposals being considered at the Mast special meeting and the Savara stockholder actions that are the subject of the written consent, you should read this entire proxy statement/prospectus/information statement carefully, including the Merger Agreement and the other annexes to which you are referred herein. For more information, please see the section entitled *Where You Can Find More Information* in this proxy statement/prospectus/information statement.*

The Companies

Mast Therapeutics, Inc.

3611 Valley Centre Drive, Suite 500

San Diego, California 92130

(858) 552-0866

Mast Therapeutics, Inc., or Mast, is a biopharmaceutical company headquartered in San Diego, California. Mast's lead product candidate, AIR001, is a sodium nitrite solution for intermittent inhalation via nebulization for the treatment of heart failure with preserved ejection fraction (HFpEF), which is currently in Phase 2 clinical development.

Savara Inc.

900 S. Capital of Texas Highway

Las Cimas IV, Suite 150

Austin, Texas 78746

Tel: (512) 961-1891

Savara Inc., or Savara, is a clinical-stage specialty pharmaceutical company focused on the development and commercialization of novel therapies for the treatment of serious or life-threatening rare respiratory diseases. Savara's pipeline comprises AeroVanc, a Phase 3 ready inhaled vancomycin, and Molgradex, a Phase 2/3 stage inhaled granulocyte-macrophage colony-stimulating factor, or GM-CSF. Savara's strategy involves expanding its pipeline of best-in-class products through indication expansion, strategic development partnerships and product acquisitions, with the goal of becoming a leading company in its field. Savara's management team has significant experience in orphan drug development and pulmonary medicine, in identifying unmet needs, creating and acquiring new product candidates, and effectively advancing them to approvals and commercialization.

Savara acquired the assets of Copenhagen-based Serendex Pharmaceuticals A/S (Serendex) on July 15, 2016. Serendex was established in 2008 and listed on the Oslo Stock Exchange in 2014. Serendex operated as a public company until their delisting on May 4, 2016, ahead of its acquisition by Savara.

Victoria Merger Corp.

3611 Valley Centre Drive, Suite 500

San Diego, California 92130

(858) 552-0866

Victoria Merger Corp., or Merger Sub, is a wholly owned subsidiary of Mast and was formed solely for the purposes of carrying out the merger.

The Merger (see page []))

If the merger is completed, Merger Sub will merge with and into Savara, with Savara surviving as a wholly owned subsidiary of Mast.

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Immediately after the merger, subject to adjustments to reflect certain events that could occur prior to closing of the merger, Savara stockholders, option holders and warrant holders will own approximately 76% of the fully-diluted common stock of post-merger Mast, with Mast stockholders, option holders and warrant holders holding approximately 24% of the fully-diluted common stock of post-merger Mast. Savara outstanding warrants to purchase shares of Savara equity securities not exercised at or prior to the effective time of the merger will be converted into warrants to purchase Mast common stock. Mast will assume options to purchase Savara common stock that are outstanding and unexercised as of immediately prior to the effective time of the merger, and they will be converted into options to purchase Mast common stock. Mast will assume unvested shares of Savara restricted stock that are outstanding immediately prior to the effective time of the merger, and they will be converted into restricted shares of Mast common stock. The exchange ratio is determined pursuant to a formula described in more detail in the Merger Agreement and in this proxy statement/prospectus/information statement, and the percentage ownership figures are estimates. The foregoing percentages assume that the exchange ratio is not adjusted, as described in The Merger Merger Consideration and Adjustment below.

For a more complete description of the merger exchange ratio, please see the section entitled The Merger Agreement in this proxy statement/prospectus/information statement.

The closing of the merger will occur no later than three business days after the last of the conditions to the merger has been satisfied or waived, or at another time as Mast and Savara agree. Mast and Savara anticipate that the consummation of the merger will occur promptly after the Mast special meeting. However, because the merger is subject to a number of conditions, neither Mast nor Savara can predict exactly when the closing will occur or if it will occur at all. In connection with the merger, assuming that Mast receives the required stockholder approval of Mast Proposal No. 3, Mast will be renamed Savara Inc.

The reasons for the merger are described on pages [] and [].

Opinion of the Mast Financial Advisor (see page [])

Roth Capital Partners LLC (Roth), the financial advisor of Mast, delivered to the Mast Board a written opinion dated January 6, 2017, addressed to the Mast Board, to the effect that, as of such date and based on and subject to the assumptions, factors, qualifications and limitations described in the opinion, the consideration to be paid by Mast in the merger was fair, from a financial point of view, to Mast. The full text of this written opinion to the Mast Board, which describes, among other things, the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Roth in preparing its opinion, is attached as Annex B to this proxy statement/prospectus/information statement and is incorporated by reference in its entirety into this proxy statement/prospectus/information statement. Holders of Mast common stock are encouraged to read the opinion carefully in its entirety. The Roth opinion was prepared solely for the information of the Mast Board for use in connection with its consideration of the merger. It does not address any other aspect of the proposed merger or any alternative to the merger. Neither Roth s written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus/information statement are intended to be, and they do not constitute, advice or a recommendation to any stockholder as to how such stockholder should act or vote with respect to any matter relating to the merger or any other matter.

Overview of the Merger Agreement and Agreements Related to the Merger Agreement

Merger Consideration (see page [])

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Immediately prior to the effective time of the merger, each share of Savara preferred stock outstanding at such time will be converted into shares of Savara common stock at a ratio determined in accordance with the Savara certificate of incorporation then in effect. At the effective time of the merger:

each share of Savara capital stock issued and outstanding immediately prior to the effective time of the merger will be converted into and represent the right to receive a number of shares of Mast common stock equal to the exchange ratio, as described below; and

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each Savara Option will be assumed by Mast and will become an option to that number of shares of the common stock of Mast, or Mast Option, multiplied by the exchange ratio (and rounding the resulting number down to the nearest whole share), at an exercise price equal to the per share exercise price of such Savara Option divided by the exchange ratio (and rounding the resulting number up to the nearest whole cent);

each award of Savara Restricted Shares will be assumed by Mast and will become an award of a number of restricted shares of Mast, or Mast Restricted Shares, subject to vesting, determined by multiplying the number of Savara Restricted Shares subject to the award by the exchange ratio (and rounding the resulting number down to the nearest whole share); and

each Savara Warrant will be assumed by Mast and will become a warrant to purchase to that number of shares of the common stock of Mast, or Mast Warrants, multiplied by the exchange ratio (and rounding the resulting number down to the nearest whole share), at an exercise price equal to the per share exercise price of such Savara Warrant divided by the exchange ratio (and rounding the resulting number up to the nearest whole cent).

Immediately after the merger, based on the exchange ratio, Savara stockholders, warrant holders and option holders will own approximately 76% of the fully-diluted common stock of Mast with Mast stockholders, option holders and warrant holders holding approximately 24% of the fully-diluted common stock of Mast. The exchange ratio is determined pursuant to a formula described in more detail in the Merger Agreement and in this proxy statement/prospectus/information statement.

There will be no adjustment to the total number of shares of Mast common stock that Savara stockholders will be entitled to receive for changes in the market price of Mast common stock. Accordingly, the market value of the shares of Mast common stock issued pursuant to the merger will depend on the market value of the shares of Mast common stock at the time the merger closes, and could vary significantly from the market value on the date of this proxy statement/prospectus/information statement.

Treatment of Savara Options and Savara Restricted Shares (see page [])

At the effective time of the merger, each Savara Option, whether vested or not vested, will be converted into a Mast Option and each Mast Option may be exercised solely for shares of Mast common stock. Mast will assume the Savara Stock Option Plan. The number of shares of Mast common stock subject to each Mast Option will be determined by multiplying (i) the number of shares of Savara common stock that were subject to the underlying Savara Option by (ii) the exchange ratio, with the resulting number rounded down to the nearest whole number of shares of Mast common stock. The per share exercise price for the Mast common stock subject to such Mast Option will be determined by dividing (i) the per share exercise price of the underlying Savara Option by (ii) the exchange ratio, with the resulting number rounded up to the nearest whole cent.

Any restrictions on the exercise of assumed Savara Options will continue in full force and effect following the conversion and the term, exercisability, vesting schedules, status as an incentive stock option under Section 422 of the Code, if applicable, and other provisions of the assumed Savara Options will generally remain unchanged; provided, that any Savara Options assumed by Mast may be subject to adjustment to reflect changes in Mast's capitalization after the effective time of the merger and that the Mast Board or any committee thereof will succeed to the authority of the Savara Board with respect to each assumed Savara Option.

At the effective time, Savara Restricted Share will be exchanged for a Mast Restricted Share and each Mast Restricted Share will have, and be subject to, the same terms and conditions (including vesting terms) set forth in Savara's Stock Option Plan and applicable Savara Restricted Share agreements relating thereto, as in effect immediately prior to the effective time of the merger. The number of Mast Restricted Shares that will be exchanged for an award of Savara Restricted Shares will equal the number of Savara Restricted Shares

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outstanding subject to such award immediately prior to the effective time of the merger multiplied by the exchange ratio, with the result rounded down to the nearest whole number of shares of Mast common stock.

Treatment of Savara Warrants (see page [])

At the effective time of the merger, each Savara Warrant will be converted into a Mast Warrant and each Mast Warrant may be exercised solely for shares of Mast common stock. The number of shares of Mast common stock subject to each Mast Warrant will be determined by multiplying (i) the number of shares of Savara common stock that were subject to the underlying Savara Warrant by (ii) the exchange ratio, with the resulting number rounded down to the nearest whole number of shares of Mast common stock. The per share exercise price for the Mast common stock subject to such Mast Warrant will be determined by dividing (i) the per share exercise price of the underlying Savara Warrant by (ii) the exchange ratio, with the resulting number rounded up to the nearest whole cent.

Any restrictions on the exercise of assumed Savara Warrants will continue in full force and effect following the conversion and the term, exercisability and other provisions of the assumed Savara Warrants will otherwise remain unchanged; provided, that any Savara Warrants assumed by Mast may be subject to adjustment to reflect changes in Mast's capitalization after the effective time of the merger.

Conditions to the Completion of the Merger (see page [])

To consummate the merger, Mast stockholders must approve the merger and the issuance of shares of Mast common stock in the merger. In addition, the Merger Agreement anticipates approval of an amendment and restatement of the amended and restated certificate of incorporation of Mast (i) effecting the proposed [] reverse stock split, and (ii) effecting a change of the Mast name to Savara Inc. Moreover, the Savara stockholders must adopt the Merger Agreement and approve the merger. In addition to obtaining such stockholder approvals and appropriate regulatory approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived.

No Solicitation (see page [])

Each of Mast and Savara agreed that, subject to limited exceptions, Mast and Savara will not, and will not authorize or permit any of their respective subsidiaries or any of their respective controlled affiliates, officers, directors, employees, partners, attorneys, accountants, advisors, agents or representatives of such parties or of any such party's subsidiaries or other controlled affiliates to, directly or indirectly:

solicit, initiate, knowingly encourage, induce or facilitate the making, submission or announcement of any acquisition proposal, as defined below, or take any action that would reasonably be expected to lead to an acquisition proposal;

furnish any nonpublic information regarding it to any person in connection with or in response to an acquisition proposal or an inquiry or indication of interest that could lead to an acquisition proposal;

engage in discussions or negotiations with any person with respect to any acquisition proposal;

approve, endorse or recommend an acquisition proposal; or

enter into any letter of intent or similar document or any agreement contemplating or otherwise relating to an acquisition transaction, as defined in the Merger Agreement.

However, before obtaining the applicable Mast or Savara stockholder approvals required to adopt the Merger Agreement, each party may furnish nonpublic information regarding such party and its respective

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subsidiaries to, may enter into discussions with, or facilitate or cooperate with the submission of an acquisition proposal made by any person in response to any such acquisition proposal, that after consultation with a financial advisor and outside legal counsel, such party's board of directors determines in good faith is, or would reasonably be expected to result in a superior offer, as defined in the Merger Agreement, if:

such acquisition proposal did not result from a breach of the no solicitation provisions of the Merger Agreement described above such party's board of directors concludes in good faith, after having taken into account the advice of its outside legal counsel, that such action is required in order for the board of directors to comply with its fiduciary duty obligations to its stockholders under applicable legal requirements;

at least two business days prior to furnishing any information or entering into discussions with a third party, such party must (i) give the other party written notice of the identity of the third party, the terms and conditions of any proposals or offers (including, if applicable, copies of any written requests, proposals or offers, including proposed agreements) made thereby and of that party's intention to furnish information to, or enter into discussions with such third party and (ii) such party must receive from the third party an executed confidentiality agreement on terms no less favorable to such party than those in the confidentiality agreement between Mast and Savara, with such new confidentiality agreement to contain customary limitations on the use and disclosure of all nonpublic written and oral information furnished to such third party on or behalf of such party (as well as customary standstill provisions if Mast is the party entering into a new confidentiality agreement with the third party); and

substantially contemporaneous with furnishing of any information to a third party, such party furnishes the same information to the other party to the extent not previously furnished.

Termination of the Merger Agreement (see page [])

Either Mast or Savara can terminate the Merger Agreement under certain circumstances, which would prevent the merger from being consummated.

Termination Fee (see page [])

If the Merger Agreement is terminated under certain circumstances, Mast will be required to pay Savara a termination fee of \$1.8 million, Savara will be required to pay Mast a termination fee of \$2.5 million, or, Mast or Savara will be required in some circumstances, to reimburse the other party for expenses incurred in connection with the merger, up to a maximum of \$250,000.

Voting Agreements (see page [])

Certain Savara securityholders that beneficially own or control approximately 30% of the voting power of Savara's outstanding capital stock on an as-converted to common stock basis as of December 31, 2016 entered into voting agreements pursuant to which, among other things, they agreed to vote all of their shares of Savara capital stock in favor of the adoption of the Merger Agreement and the approval of the merger and the other transactions contemplated by the Merger Agreement, and any other matter that is reasonably necessary to facilitate the consummation of the merger and the other transactions contemplated by the Merger Agreement, against any Acquisition Proposal, as defined in the Merger Agreement, and against any other matter that would reasonably be expected to impede, interfere

with, delay, postpone or adversely affect the merger or any of the transactions contemplated by the Merger Agreement.

Certain Mast securityholders that beneficially own or control less than one percent of the outstanding shares of Mast common stock as of February 2, 2017 entered into voting agreements pursuant to which, among other

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things, they agreed to vote all their shares of Mast capital stock in favor of the adoption of the Merger Agreement and the approval of the merger and the other transactions contemplated by the Merger Agreement, and any other matter that is reasonably necessary to facilitate the consummation of the merger and the other transactions contemplated by the Merger Agreement, against any Acquisition Proposal, as defined in the Merger Agreement, and against any other matter that would reasonably be expected to impede, interfere with, delay, postpone or adversely affect the merger or any of the transactions contemplated by the Merger Agreement.

Lock-Up Agreements (see page []))

The Savara securityholders and Mast securityholders that entered into voting agreements also entered into lock-up agreements with Savara and Mast, respectively, pursuant to which they agreed not to, except in limited circumstances, (i) offer, pledge, sell, contract to sell, sell any option or contract purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, make any short sale or otherwise transfer or dispose of or lend any shares of Mast common stock or securities convertible into, exercisable or exchangeable for or that represent the right to receive Mast common stock whether then owned or thereafter acquired (the Securities), (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Securities, (iii) make any demanded for or exercise any right with respect to the registration of any Mast common stock or any security convertible into or exercisable or exchangeable for Mast common stock or (iv) publicly disclose the intention to do any of the foregoing (each such restriction, the lock-up restrictions).

The lock-up restrictions automatically terminate with respect to one-third of the Securities on each of (i) the six-month anniversary of the date of the closing of the merger, (ii) the eight-month anniversary of the date of the closing of the merger and (iii) the ten-month anniversary of the date of the closing of the merger.

Management Following the Merger (see page []))

Effective as of the closing of the merger, Mast's executive officers are expected to be the current Savara management team:

| Name | Title |
|--------------------|-------------------------|
| Robert Neville | Chief Executive Officer |
| Taneli Jouhikainen | Chief Operating Officer |
| David Lowrance | Chief Financial Officer |

Interests of Certain Directors, Officers and Affiliates of Mast and Savara (see pages [] and []))

When considering the recommendation of the Mast Board, you should be aware that Mast's executive officers and directors have interests in the merger that are different from, or in addition to, your interests as a stockholder. The Mast Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending that the merger agreement be adopted by the stockholders of Mast. For example, Mast previously entered into severance agreements with its named executive officers that provide them with cash severance payments, cash payments intended to cover certain health insurance costs and the acceleration of their outstanding equity awards in the event their employment is terminated without cause following a change of control of Mast. In addition, certain of Mast's directors and executive officers have options and RSUs, which shall RSU's vest immediately prior to the consummation of the merger, and certain officers of Mast are eligible for a cash bonus award upon the consummation of the merger. Two members of the Mast Board are expected to continue as directors of Mast upon the closing of the merger and all of Mast's directors and executive officers are entitled to certain

indemnification and liability insurance coverage pursuant to the terms of the Merger Agreement and coverage pursuant to insurance policies maintained by Mast.

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As of February 2, 2017, the directors and executive officers of Mast, together with their affiliates, owned less than one percent of the outstanding shares of Mast common stock, and each of the Mast directors and executive officers has entered into a voting agreement in connection with the merger. The voting agreement is discussed in greater detail in the section entitled "Agreements Related to the Merger - Voting Agreements" in this proxy statement/prospectus/information statement.

In considering the recommendation of the Savara Board with respect to approving the merger and related transactions by written consent, Savara stockholders should be aware that certain members of the board of directors and executive officers of Savara have interests in the merger that may be different from, or in addition to, interests they have as Savara stockholders. For example, certain of Savara's directors and executive officers have options or restricted stock, subject to vesting, which options to purchase shares of Savara common stock which will be converted into and become options to purchase shares of Mast common stock, Savara's directors and executive officers are expected to become directors and executive officers of Mast upon the closing of the merger and all of Savara's directors and executive officers are entitled to certain indemnification and liability insurance coverage pursuant to the terms of the Merger Agreement.

As of December 31, 2016, the directors and executive officers of Savara, together with their affiliates, owned approximately 8.65% of the outstanding shares of Savara capital stock, on an as converted to common stock basis. Savara officers and directors, and Serenova A/S, have also entered into a voting agreement in connection with the merger. The voting agreements are discussed in greater detail in the section entitled "Agreements Related to the Merger - Voting Agreements" in this proxy statement/prospectus/information statement.

Considerations with Respect to U.S. Federal Income Tax Consequences of the Merger (see page [])

Each of Mast and Savara intends the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. Assuming the merger qualifies as a reorganization, in general, and subject to the qualifications and limitations set forth in the section entitled "The Merger - Considerations with Respect to U.S. Federal Income Tax Consequences of the Merger," the material U.S. federal income tax consequences to U.S. Holders (as defined herein) of Savara common stock should be as follows:

a Savara stockholder should not recognize gain or loss upon the exchange of Savara common stock for Mast common stock pursuant to the merger, except to the extent of cash received in lieu of a fractional share of Mast common stock as described below;

a Savara stockholder's aggregate tax basis for the shares of Mast common stock received in the merger (including any fractional share interest for which cash is received) should equal the stockholder's aggregate tax basis in the shares of Savara common stock surrendered upon completion of the merger;

the holding period of the shares of Mast common stock received by a Savara stockholder in the merger should include the holding period of the shares of Savara common stock surrendered in exchange therefor provided the surrendered Savara common stock is held as a capital asset (generally, property held for investment) at the time of the merger; and

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a Savara stockholder who receives cash in lieu of a fractional share of Mast common stock in the merger should recognize capital gain or loss in an amount equal to the difference between the amount of cash received instead of a fractional share and the stockholder's tax basis allocable to such fractional share. Completion of the merger, however, is not conditioned upon a receipt of an opinion from counsel that the merger qualifies as a reorganization, and the merger will occur even if the merger does not qualify as a

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reorganization and Savara stockholders are fully taxed on the shares of Mast common stock they receive in the merger. Moreover, the tax opinions received by Savara and Mast are based on representation letters delivered by Savara and Mast as to factual matters and on certain factual assumptions, including with respect to the number of Savara shares held by, and the amount of consideration payable to, Savara stockholders, if any, that exercise dissenters rights. These representation letters will be delivered as of the effective date of this registration statement. If any of the representations or assumptions on which the tax opinions are based proves incorrect, including because there is a change in facts or law between the date of the representation letters and the closing date of the merger, the U.S. federal income tax consequences of the merger described above may be adversely affected.

Tax matters are very complicated, and the tax consequences of the merger to a particular Savara stockholder will depend on such stockholder's circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and non-U.S. income and other tax laws. For more information, please see the section entitled "The Merger Considerations with Respect to U.S. Federal Income Tax Consequences of the Merger" beginning on page [].

Risk Factors (see page [])

Both Mast and Savara are subject to various risks associated with their businesses and their industries. In addition, the merger, including the possibility that the merger may not be completed, poses a number of risks to each company and its respective stockholders, including the following risks:

The exchange ratio is not adjustable based on the market price of Mast common stock so the merger consideration at the closing may have a greater or lesser value than at the time the Merger Agreement was signed;

Failure to complete the merger may result in Mast and Savara paying a termination fee or expenses to the other and could harm the common stock price of Mast and the future business, liquidity and operations of each company;

If the conditions to the merger are not met, the merger may not occur;

The merger may be completed even though material adverse changes may result from the announcement of the merger, industry-wide changes and other causes;

Some Mast and Savara executive officers and directors have interests in the merger that are different from yours and that may influence them to support or approve the merger without regard to your interests;

The market price of the combined organization common stock may decline as a result of the merger;

Mast and Savara stockholders may not realize a benefit from the merger commensurate with the ownership dilution they will experience in connection with the merger;

During the pendency of the merger, Mast and Savara may not be able to enter into a business combination with another party at a favorable price (subject to certain exceptions) because of restrictions in the Merger Agreement, which could adversely affect their respective businesses;

Certain provisions of the Merger Agreement may discourage third parties from submitting alternative takeover proposals, including proposals that may be superior to the arrangements contemplated by the Merger Agreement; and

Because the lack of a public market for Savara shares makes it difficult to evaluate the fairness of the merger, the stockholders of Savara may receive consideration in the merger that is less than the fair market value of the Savara shares or Mast may pay more than the fair market value of the Savara shares.

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These risks and other risks are discussed in greater detail under the section entitled "Risk Factors" in this proxy statement/prospectus/information statement. Mast and Savara both encourage you to read and consider all of these risks carefully.

Regulatory Approvals (see page [])

In the United States, Mast must comply with applicable federal and state securities laws and the rules and regulations of the NYSE MKT in connection with the issuance of shares of Mast common stock and the filing of this proxy statement/prospectus/information statement with the SEC. As of the date hereof, the registration statement of which this proxy statement/prospectus/information statement is a part has not become effective.

NYSE MKT Listing (see page [])

Prior to consummation of the merger, Mast intends to file an initial listing application for the combined company with the NYSE MKT pursuant to NYSE MKT reverse merger rules. If such application is accepted, Mast anticipates that Mast's common stock will be listed on the NYSE MKT following the closing of the merger under the trading symbol SVRA.

Anticipated Accounting Treatment (see page [])

The merger will be treated by Mast as a reverse merger under the acquisition method of accounting in accordance with accounting principles generally accepted in the United States. For accounting purposes, Savara is considered to be acquiring Mast in the merger.

Appraisal Rights and Dissenters' Rights (see page [])

Holders of Mast common stock are not entitled to appraisal rights in connection with the merger. Savara stockholders are entitled to appraisal rights in connection with the merger under Delaware law. For more information about such rights, see the provisions of Section 262 of the Delaware General Corporation Law, or the DGCL, attached hereto as *Annex C*, and the section entitled "The Merger Appraisal Rights and Dissenters' Rights" in this proxy statement/prospectus/information statement.

Comparison of Stockholder Rights (see page [])

Both Mast and Savara are incorporated under the laws of the State of Delaware and, accordingly, the rights of the stockholders of each are currently, and will continue to be, governed by the DGCL. If the merger is completed, Savara stockholders will become stockholders of Mast, and their rights will be governed by the DGCL, the bylaws of Mast and, assuming Mast Proposals No. 2 and 3 are approved by Mast stockholders at the Mast special meeting, the amended and restated certificate of incorporation of Mast attached to this proxy statement/prospectus/information statement as *Annex D*. The rights of Mast stockholders contained in the amended and restated certificate of incorporation and bylaws of Mast differ from the rights of Savara stockholders under the amended and restated certificate of incorporation and bylaws of Savara, as more fully described under the section entitled "Comparison of Rights of Holders of Mast Stock and Savara Stock" in this proxy statement/prospectus/information statement.

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**SELECTED HISTORICAL AND UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL INFORMATION AND DATA**

The following tables present summary historical financial data for Mast and Savara, summary unaudited pro forma condensed combined financial data for Mast and Savara, and comparative historical and unaudited pro forma per share data for Mast and Savara.

Selected Historical Consolidated Financial Data of Mast

The selected consolidated statements of operations data for the years ended December 31, 2015 and 2014 and the selected consolidated balance sheet data as of December 31, 2015 and 2014 are derived from Mast's audited consolidated financial statements included elsewhere in this proxy statement/prospectus/information statement. The selected consolidated statements of operations data for the nine months ended September 30, 2016 and 2015 and the selected consolidated balance sheet data as of September 30, 2016 are derived from Mast's unaudited interim consolidated financial statements included elsewhere in this proxy statement/prospectus/information statement. Mast's unaudited interim consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles on the same basis as its audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal, recurring adjustments, necessary for the fair statement of those unaudited interim consolidated financial statements. Mast's historical results are not necessarily indicative of the results that may be expected in any future period and the results for the nine months ended September 30, 2016 are not necessarily indicative of results to be expected for the full year ending December 31, 2016 or any other period.

The selected historical consolidated financial data below should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" "Risks Related to Mast" and Mast's consolidated financial statements and related notes included elsewhere in this proxy statement/prospectus/information statement.

Table of Contents**Condensed Consolidated Statements of Operations and Comprehensive Loss****(in thousands, except for share and per share data)**

| | Years Ended December 31, | | | Nine Months Ended | |
|--------------------------------------|---------------------------------|---------------|---------------|--------------------------|---------------|
| | 2015 | 2014 | 2013 | September 30, | 2015 |
| | | | | 2016 | 2015 |
| | | | | (unaudited) | |
| Revenue | \$ | \$ | \$ | \$ 45 | \$ |
| Operating expenses: | | | | | |
| Research and development | 28,264 | 19,435 | 12,902 | 20,715 | 21,106 |
| Selling, general and administrative | 10,963 | 9,488 | 8,518 | 7,408 | 8,448 |
| Transaction related expense | | 271 | 79 | | |
| Depreciation and amortization | 146 | 85 | 40 | 86 | 105 |
| Total operating expenses | 39,373 | 29,279 | 21,539 | 28,209 | 29,659 |
| Loss from operations | (39,373) | (29,279) | (21,539) | (28,164) | (29,659) |
| Interest income | 130 | 69 | 60 | 107 | 94 |
| Interest expense | (603) | | | (1,979) | (102) |
| Other income (loss), net | 4 | 508 | (1) | (29) | (12) |
| Net loss | \$ (39,842) | \$ (28,702) | \$ (21,480) | \$ (30,065) | \$ (29,679) |
| Net loss per share basic and diluted | \$ (0.25) | \$ (0.23) | \$ (0.28) | \$ (0.15) | \$ (0.18) |