
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-37906**

Avista Healthcare Public Acquisition Corp.

(Exact Name of Registrant as Specified in its Charter)

Cayman Islands

(State or other jurisdiction of
incorporation or organization)

**65 East 55th Street, 18th Floor
New York, NY**

(Address of principal executive offices)

98-1329150

(I.R.S. Employer
Identification No.)

10022

(Zip Code)

Registrant's telephone number, including area code: **(212) 593-6900**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

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

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At November 14, 2017, there were 31,000,000 Class A ordinary shares, \$0.0001 par value per share and 7,750,000 Class B ordinary shares, \$0.0001 par value per share outstanding.

Table of Contents

| | <u>Page</u> |
|--|-------------|
| <u>PART I.</u> | |
| <u>FINANCIAL INFORMATION</u> | 3 |
| <u>Item 1.</u> | 3 |
| <u>Financial Statements</u> | 3 |
| <u>Condensed Balance Sheets</u> | 3 |
| <u>Condensed Statements of Operations (unaudited)</u> | 4 |
| <u>Condensed Statements of Cash Flows (unaudited)</u> | 5 |
| <u>Notes to Condensed Financial Statements (unaudited)</u> | 6 |
| <u>Item 2.</u> | 15 |
| <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u> | 15 |
| <u>Item 3.</u> | 19 |
| <u>Quantitative and Qualitative Disclosures About Market Risk</u> | 19 |
| <u>Item 4.</u> | 19 |
| <u>Controls and Procedures</u> | 19 |
| <u>PART II.</u> | 20 |
| <u>OTHER INFORMATION</u> | 20 |
| <u>Item 1.</u> | 20 |
| <u>Legal Proceedings</u> | 20 |
| <u>Item 1A.</u> | 20 |
| <u>Risk Factors</u> | 20 |
| <u>Item 2.</u> | 20 |
| <u>Unregistered Sales of Equity Securities and Use of Proceeds</u> | 20 |
| <u>Item 3.</u> | 21 |
| <u>Defaults Upon Senior Securities</u> | 21 |
| <u>Item 4.</u> | 21 |
| <u>Mine Safety Disclosures</u> | 21 |
| <u>Item 5.</u> | 21 |
| <u>Other Information</u> | 21 |
| <u>Item 6.</u> | 21 |
| <u>Exhibits</u> | 21 |
| <u>Signatures</u> | 23 |

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Avista Healthcare Public Acquisition Corp.

CONDENSED BALANCE SHEETS

| | As of September 30, 2017 (Unaudited) | As of December 31, 2016 |
|---|--|----------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 117,728 | \$ 1,040,068 |
| Prepaid expenses | 242,302 | 395,843 |
| Total current assets | 360,030 | 1,435,911 |
| Cash and cash equivalents held in trust account | 311,658,037 | 310,000,000 |
| Accrued interest receivable held in trust account | 39,744 | — |
| Total assets | <u>\$ 312,057,811</u> | <u>\$ 311,435,911</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Offering costs payable | \$ — | \$ 427,578 |
| Accrued expenses | 2,696,066 | 50,782 |
| Total current liabilities | 2,696,066 | 478,360 |
| Deferred underwriting commission | 10,850,000 | 10,850,000 |
| Total liabilities | 13,546,066 | 11,328,360 |
| COMMITMENTS | | |
| Class A ordinary shares subject to possible redemption, \$0.0001 par value; 29,191,301 and 29,510,755 shares at conversion value at September 30, 2017 and December 31, 2016 | 293,511,740 | 295,107,550 |
| Shareholders' equity | | |
| Preferred shares, \$0.0001 par value, 1,000,000 shares authorized: no shares issued and outstanding at September 30, 2017 and December 31, 2016 | — | — |
| Ordinary shares, \$0.0001 par value, 220,000,000 shares authorized | | |
| Class A ordinary shares 200,000,000 shares authorized; 1,808,699 and 1,489,245 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively, (excluding 29,191,301 and 29,510,755 shares subject to possible redemption at September 30, 2017 and December 31, 2016, respectively) | 181 | 149 |
| Class B ordinary shares, 20,000,000 shares authorized; 7,750,000 and 7,750,000 shares issued and outstanding at September 30, 2017 and December 31, 2016 | 775 | 775 |
| Additional paid-in capital | 6,828,715 | 5,232,937 |
| Accumulated deficit | (1,829,666) | (233,860) |
| Total shareholders' equity | 5,000,005 | 5,000,001 |
| Total liabilities and shareholders' equity | <u>\$ 312,057,811</u> | <u>\$ 311,435,911</u> |

The accompanying notes are an integral part of the unaudited condensed financial statements.

Avista Healthcare Public Acquisition Corp.**CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)**

| | For the Three Months Ended September 30, 2017 | For the Three Months Ended September 30, 2016 | For the Nine Months Ended September 30, 2017 | For the Nine Months Ended September 30, 2016 |
|---|--|--|---|---|
| Formation and operating costs | \$ 2,853,131 | \$ 14,492 | \$ 3,293,587 | \$ 30,542 |
| Loss from operations | (2,853,131) | (14,492) | (3,293,587) | (30,542) |
| Other income: | | | | |
| Interest income | 736,128 | — | 1,697,781 | — |
| Net loss | \$ (2,117,003) | \$ (14,492) | \$ (1,595,806) | \$ (30,542) |
| Weighted average number of shares outstanding, basic and diluted (1) | 9,278,550 | 7,500,000 | 9,259,196 | 7,500,000 |
| Basic and diluted loss per share | \$ (0.30) | \$ (0.00) | \$ (0.35) | \$ (0.00) |

- (1) Excludes an aggregate of up to 1,125,000 shares that are subject to forfeiture if the over-allotment option is not exercised in full by the underwriters at September 30, 2016 (see Note 6)

The accompanying notes are an integral part of the unaudited condensed financial statements.

Avista Healthcare Public Acquisition Corp.**CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)**

| | For the Nine Months Ended September 30, 2017 | For the Nine Months Ended September 30, 2016 |
|---|--|--|
| Cash flows from operating activities: | | |
| Net loss | \$ (1,595,806) | \$ (30,542) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Interest income received in the Trust Account | (1,658,037) | — |
| Change in operating assets and liabilities: | | |
| Accrued interest receivable held in Trust Account | (39,744) | — |
| Prepaid expenses | 153,541 | — |
| Accrued expenses | 2,645,284 | 6,056 |
| Net cash used in operating activities | <u>(494,762)</u> | <u>(24,486)</u> |
| Cash flows from financing activities: | | |
| Proceeds from note payable to Sponsor | — | 125,000 |
| Payment of offering costs | (427,578) | (54,742) |
| Net cash provided by/(used) in financing activities | <u>(427,578)</u> | <u>70,258</u> |
| Net change in cash | <u>(922,340)</u> | <u>45,772</u> |
| Cash at beginning of period | 1,040,068 | 126,062 |
| Cash at end of period | <u>\$ 117,728</u> | <u>\$ 171,834</u> |
| Supplemental disclosure of non-cash financing activities: | | |
| Offering costs included in deferred offering costs | <u>\$ —</u> | <u>\$ 305,095</u> |
| Change in ordinary shares subject to possible redemption | <u>\$ (1,595,810)</u> | <u>\$ —</u> |

The accompanying notes are an integral part of the unaudited condensed financial statements.

AVISTA HEALTHCARE PUBLIC ACQUISITION CORP.

NOTES TO CONDENSED FINANCIAL STATEMENTS

Note 1—Organization and Plan of Business Operations

Organization and General

Avista Healthcare Public Acquisition Corp. (the “*Company*”) was incorporated as a Cayman Islands exempted company on December 4, 2015. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (a “*Business Combination*”). The Company intends to focus its search for a target business in the healthcare industry, although it may seek to complete a Business Combination with an operating company in any industry or sector. The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended (the “*Securities Act*”), as modified by the Jumpstart Our Business Startups Act of 2012 (as amended, the “*JOBS Act*”). The Company’s sponsor is Avista Acquisition Corp. (the “*Sponsor*”), which was incorporated on December 4, 2015.

At September 30, 2017, the Company had not commenced any operations. All activity through September 30, 2017 relates to the Company’s formation, its initial public offering of 30,000,000 units (the “*Units*”) at \$10.00 per Unit, each consisting of one of the Company’s Class A ordinary shares, par value \$0.0001 per share (the “*Class A Shares*”), and one warrant (the “*Warrants*”) to purchase one-half of one Class A Share (the “*Public Offering*”) and efforts directed towards locating a suitable initial Business Combination. The Company also granted the Underwriters (as defined below) of the Public Offering a 45-day option to purchase up to 4,500,000 additional Units to cover over-allotments (the “*Over-allotment Option*”). The Class A Shares sold as part of the Units in the Public Offering are sometimes referred to herein as the “public shares.” The Company will not generate any operating revenues until after completion of a Business Combination, at the earliest.

Financing

The registration statement for the Company’s Public Offering was declared effective by the U.S. Securities and Exchange Commission (the “*SEC*”) on October 7, 2016. The Public Offering closed on October 14, 2016 (the “*Close Date*”). The Sponsor and certain other accredited investors (the “*Initial Shareholders*”) purchased an aggregate of 16,000,000 warrants (the “*Private Placement Warrants*”) at a purchase price of \$0.50 per warrant, or \$8,000,000 in the aggregate, in a private placement at the Close Date (the “*Private Placement*”).

On November 28, 2016, the Company consummated the closing of the sale of 1,000,000 Units which were sold pursuant to the Over-allotment Option. The Company also consummated a simultaneous private placement of an additional 400,000 Private Placement Warrants with the Initial Shareholders. Following the closing of the Over-allotment Option and Private Placement, an additional \$10,000,000 was placed into the Trust Account, after paying additional underwriting discounts of \$200,000.

The Company intends to finance a Business Combination with net proceeds from its \$310,000,000 Public Offering and \$8,200,000 Private Placement (see Note 3). Following the Public Offering, after paying underwriting discounts of \$6,200,000 and funds designated for operational use of \$2,000,000, the remaining net proceeds of \$310,000,000 were deposited in a trust account with Continental Stock Transfer and Trust Company acting as trustee (the “*Trust Account*”) as described below.

The Trust Account

On January 6, 2017 the funds in the Trust Account were invested in U.S. government treasury bills, which matured on April 6, 2017. On April 6, 2017 the funds in the Trust Account were reinvested in U.S. government treasury bills, which matured on July 6, 2017. On July 6, 2017, the funds in the Trust Account were reinvested in US government treasury bills, which matured on August 3, 2017. On August 3, 2017, the funds in the Trust Account were reinvested in US government treasury bills, which matured on August 31, 2017. On August 31, 2017, the funds in the Trust Account were reinvested in US government treasury bills, which matured on September 28, 2017. On September 28, 2017, the funds in the Trust Account were reinvested in US government treasury bills, which matured on October 26, 2017. On October 26, 2017 the funds in the Trust Account were reinvested in U.S. government treasury bills, maturing on

November 24, 2017. The funds in the Trust Account will continue to be invested in U.S. government treasury bills, or other similar investments until the earlier of (i) the consummation of the Business Combination and (ii) the Company's failure to consummate a Business Combination within the prescribed time. Placing funds in the Trust Account may not protect those funds from third-party claims against the Company. Although the Company will seek to have all vendors, service providers (other than its independent auditors), prospective target businesses or other entities it engages execute agreements with the Company waiving any claim of any kind in or to any monies held in the Trust Account, there is no guarantee that such persons will execute such agreements. The Sponsor has agreed that it will be liable to the Company under certain circumstances if and to the extent any claims by such persons reduce the amount of funds in the Trust Account below a specified threshold. The Company has not independently verified whether the Sponsor has sufficient funds to satisfy its indemnity obligations and believes that the Sponsor's only assets are securities of the Company. Therefore, the Sponsor may not be able to satisfy those obligations should they arise. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses as well as any taxes. The balance in the Trust Account as of September 30, 2017 was \$311,697,781, of this amount \$39,744 was accrued interest.

Business Combination

The Company's management has broad discretion with respect to the specific application of the net proceeds of the Public Offering, the sale of the Private Placement Warrants and the Over-allotment Option, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to successfully effect a Business Combination. The Company will provide the holders of the public shares (the "Public Shareholders") with the opportunity to redeem all or a portion of their public shares upon the completion of the Business Combination, either (i) in connection with a shareholder meeting called to approve the Business Combination or (ii) by means of a tender offer, in either case at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Business Combination, including interest (which interest shall be net of taxes payable) divided by the number of then outstanding public shares. Notwithstanding the foregoing, if the Company seeks shareholder approval of the Business Combination and the Company does not conduct redemptions pursuant to the tender offer rules, a Public Shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), will be restricted from redeeming its shares with respect to more than an aggregate of 15% of the public shares. In connection with any shareholder vote required to approve any Business Combination, the Initial Shareholders have agreed (i) to vote any of their respective Ordinary Shares (as defined below) in favor of the Business Combination and (ii) not to redeem any of their Ordinary Shares in connection therewith.

The NASDAQ rules require that the Business Combination must be with one or more target businesses that together have an aggregate fair market value equal to at least 80% of the balance in the Trust Account (less any Deferred Commissions (as defined below) and taxes payable on interest earned) at the time of the Company signing a definitive agreement in connection with the Business Combination.

If the Company has not completed a Business Combination by October 14, 2018, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of taxes payable, and less up to \$50,000 of interest to pay dissolution expenses) divided by the number of then outstanding public shares, which redemption will completely extinguish the rights of the Public Shareholders as Shareholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining shareholders and its Board of Directors, dissolve and liquidate, subject in each case to the Company's obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law. In the event of a liquidation, the Public Shareholders will be entitled to receive a full pro rata interest in the Trust Account (initially anticipated to be approximately \$10.00 per share, plus any pro rata interest earned on the Trust Account not previously released to the Company and less up to \$50,000 of interest to pay dissolution expenses). There will be no redemption rights or liquidating distributions with respect to the Founder Shares (as defined below) or the Private Placement Warrants, which will expire worthless if the Company fails to complete a Business Combination within the 24-month time period.

Proposed Business Combination

On August 21, 2017, the Company, Avista Healthcare Merger Sub, Inc. (“*Merger Sub*”), Avista Healthcare NewCo, LLC (“*NewCo*”), Envigo International Holdings, Inc. (“*Envigo*”), and Jermyn Street Associates, LLC, solely in its capacity as Shareholder Representative, entered into a Transaction Agreement (the “*Transaction Agreement*”).

Pursuant to the Transaction Agreement, among other things, (i) the Company will transfer by way of continuation out of the Cayman Islands into the State of Delaware or domesticate as a Delaware corporation in accordance with Section 388 of the Delaware General Corporation Law, as amended and the Cayman Islands Companies Law (2016 Revision); (ii) Merger Sub will merge with and into Envigo, the separate corporate existence of Merger Sub will cease and Envigo will be the surviving corporation and a direct wholly-owned subsidiary of the Company (the “*First Merger*”) (Envigo, in its capacity as the surviving corporation in the First Merger, is sometimes referred to as the “*Surviving Corporation*”) and (iii) the Surviving Corporation will merge with and into NewCo, the separate corporate existence of the Surviving Corporation will cease and NewCo will be the surviving company and a direct wholly-owned subsidiary of the Company. For additional information regarding the Transaction Agreement, the Parent Sponsor Letter Agreement and the Business Combination, see the Current Report on Form 8-K filed by the Company on August 22, 2017.

Liquidity

As of September 30, 2017, the Company had a working capital deficit of \$2,336,036. In order to preserve liquidity, as of April 30, 2017, the affiliate of the Sponsor (the “*Affiliate*”) has agreed to defer payment of the monthly administrative fee under the Administrative Services Agreement until the initial Business Combination, at which time all such accrued but unpaid fees will be paid to the Affiliate. In addition certain vendors have agreed to defer the payment of invoices until the close or termination of the Proposed Business Combination.

The Company issued to the Sponsor on August 11, 2017, an unsecured promissory note pursuant to which the Company is permitted to borrow up to \$300,000 in aggregate principal amount. The Company has not drawn amounts under this note. This note is non-interest bearing and payable on the earlier of October 14, 2018 or the closing of the Proposed Business Combination.

Based on the foregoing, management believes that the Company will have sufficient working capital to continue as a going concern until the earlier of October 14, 2018 or the close or termination of the Proposed Business Combination.

Note 2—Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in U.S dollars in accordance with accounting principles generally accepted in the United States of America (“*US GAAP*”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC. Certain information or footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all of the information and footnotes necessary for a comprehensive presentation of the financial position, results of operations or cash flows. In the opinion of management, the accompanying unaudited condensed financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed financial statements should be read in conjunction with the Company’s form 10-K, as filed with the SEC on March 28, 2017. Operating results for the nine months ended September 30, 2017 are not necessarily indicative of the results that may be expected for the year ending December 31, 2017 or any other future period.

Emerging Growth Company

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

Use of Estimates

The preparation of the Company's financial statements in conformity with US GAAP requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which at times, may exceed the Federal depository insurance coverage of \$250,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under FASB ASC 820, Fair Value Measurements and Disclosures, approximates the carrying amounts represented in the balance sheet.

Fair Value Measurement

ASC 820 establishes a fair value hierarchy that prioritizes and ranks the level of observability of inputs used to measure investments at fair value. The observability of inputs is impacted by a number of factors, including the type of investment, characteristics specific to the investment, market conditions and other factors. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

Investments with readily available quoted prices or for which fair value can be measured from quoted prices in active markets will typically have a higher degree of input observability and a lesser degree of judgment applied in determining fair value.

The three levels of the fair value hierarchy under ASC 820 are as follows:

Level I – Quoted prices (unadjusted) in active markets for identical investments at the measurement date are used.

Level II – Pricing inputs are other than quoted prices included within Level I that are observable for the investment, either directly or indirectly. Level II pricing inputs include quoted prices for similar investments in active markets, quoted prices for identical or similar investments in markets that are not active, inputs other than quoted prices that are observable for the investment, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level III – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs used in determination of fair value require significant judgment and estimation.

In some cases, the inputs used to measure fair value might fall within different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the investment is categorized in its entirety is determined based on the lowest level input that is significant to the investment. Assessing the significance of a particular input to the valuation of an investment in its entirety requires judgment and considers factors specific to the investment. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the perceived risk of that investment.

The following table presents information about the Company’s assets that are measured at fair value on a recurring basis as of September 30, 2017.

| Description | September 30, 2017 | | Level 1 | Level 2 | Level 3 |
|--|--------------------|-------------|---------|-------------|-----------|
| Investments and cash held in Trust Account | \$ | 311,697,781 | \$ | 311,697,781 | \$ — \$ — |
| Total | \$ | 311,697,781 | \$ | 311,697,781 | \$ — \$ — |

Offering Costs

The Company complies with the requirements of ASC 340-10-S99-1 and SEC Staff Accounting Bulletin Topic 5A; “Expenses of Offering”. The Company incurred offering costs in connection with its Public Offering of \$833,589, primarily consisting of accounting and legal services, securities registration expenses and exchange listing fees, and excluding \$6,200,000 in underwriting discounts and \$10,850,000 in deferred underwriting discounts. These offering costs, along with underwriting discounts, were charged to shareholders’ equity.

Net Income (Loss) Per Share

The Company complies with accounting and disclosure requirements ASC Topic 260, “Earnings Per Share.” Net income/(loss) per ordinary share is computed by dividing net income/(loss) attributable to ordinary shares by the weighted average number of ordinary shares outstanding for the period. Ordinary shares subject to possible redemption at September 30, 2017, which are not currently redeemable and are not redeemable at fair value, have been excluded from the calculation of basic income per share since such shares, if redeemed, only participate in their pro rata share of the Trust Account earnings. Also excluded, to the extent dilutive, is the incremental number of Class A Shares to settle the Private Placement Warrants and the Warrants included in the Units. At September 30, 2017, the Company had outstanding warrants for the purchase of up to 23,700,000 Class A Shares. For the period ended September 30, 2017, the weighted average of these shares was excluded from the calculation of diluted net income/(loss) per ordinary share since the exercise of the warrants is contingent on the occurrence of future events. As a result, diluted net income/(loss) per ordinary share is equal to basic net income/(loss) per ordinary share.

Reconciliation Of Net Income (Loss) Per Share

The Company’s net loss is adjusted for the portion of income that is attributable to ordinary shares subject to redemption, as these shares only participate in the income of the Trust Account and not the losses of the Company. Accordingly, basic and diluted loss per ordinary share is calculated as follows:

| | Three Months Ended September 30, 2017 | Nine Months Ended September 30, 2017 |
|--|---|--|
| Net loss | \$ (2,117,003) | \$ (1,595,806) |
| Less: Income attributable to ordinary shares subject to redemption | (693,179) | (1,598,724) |
| Adjusted net loss | <u>\$ (2,810,182)</u> | <u>\$ (3,194,530)</u> |
| Weighted average shares outstanding, basic and diluted | <u>9,278,550</u> | <u>9,259,196</u> |
| Basic and diluted net loss per ordinary share | \$ (0.30) | \$ (0.35) |

Income Taxes

The Company accounts for income taxes under FASB ASC 740, *Income Taxes* (“ASC 740”). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits as of September 30, 2017. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

There is currently no taxation imposed on income by the Government of the Cayman Islands.

Recent Accounting Standards

Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying balance sheet.

Subsequent Events

On October 26, 2017, the Company invested the funds held in the Trust Account in U.S. Treasury Bills maturing on November 24, 2017.

Other than the foregoing, management has performed an evaluation of subsequent events from September 30, 2017 through the date which these financial statements were issued. Based upon the review, management did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements.

Note 3—Public Offering

In the Public Offering, the Company issued and sold 31,000,000 Units at a price of \$10.00 per Unit, including 1,000,000 Units issued upon exercise of the Over-allotment Option. The ordinary shares and warrants comprising the Units began separate trading on November 29, 2016. The holders have the option to continue to hold Units or separate their Units into the component securities. Each Unit consists of one Class A Share and one Warrant to purchase one-half of one Class A Share. Two Warrants must be exercised for one whole Class A Share at a price of \$11.50 per share. The Warrants will become exercisable on the later of 30 days after completion of the Business Combination or 12 months after the Close Date and will expire five years from the completion of the Business Combination or earlier upon redemption or liquidation. The Company may redeem the Warrants at a price of \$0.01 per Warrant upon 30 days’ notice, only in the event that the last sale price of the Class A Shares is at least \$24.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which notice of redemption is given. The Company will not redeem the Warrants unless a registration statement under the Securities Act covering the Class A Shares issuable upon exercise of the Warrants is effective and a current prospectus relating to those shares is available throughout the 30 day redemption period, unless the Warrants may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act. If the Company redeems the Warrants as described above, management will have the option to require all holders that wish to exercise their Warrants to do so on a cashless basis, provided an exemption from registration is available. No Warrants will be exercisable for cash unless the Company has an effective registration statement covering the Class A Shares issuable upon exercise of the Warrants and a current prospectus relating to such shares. If the shares issuable upon exercise of the Warrants are not registered under the Securities Act, holders will be permitted to exercise their Warrants on a cashless basis. However, no Warrant will be

exercisable for cash or on a cashless basis, and the Company will not be obligated to issue any Class A Shares to holders seeking to exercise their Warrants, unless the issuance of the Class A Shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption is available.

Note 4—Commitments

Underwriting Agreement

The Company entered into an agreement with the underwriters (the “*Underwriters*”) of the Public Offering (“*Underwriting Agreement*”) that required the Company to pay an underwriting discount of 2.0% of the gross proceeds of the Public Offering and Over-allotment Option to the Underwriters at the Close Date of the Public Offering. The Company will pay the Underwriters a deferred underwriting discount of 3.5% of the gross proceeds of the Public Offering and Over-allotment Option (“*Deferred Commissions*”) at the time of the closing of the Business Combination. The Deferred Commission was placed in the Trust Account at the completion of the Public Offering and will be forfeited if the Company is unable to complete a Business Combination in the prescribed time.

Registration Rights

Holders of the Founder Shares, the Private Placement Warrants, and warrants that may be issued on conversion of working capital loans (and any Class A Shares issuable upon exercise of such warrants and upon conversion of the Founder Shares) will be entitled to registration rights with respect to such securities (in the case of the Founder Shares, only after conversion to Class A Shares) pursuant to an agreement signed on the effective date of the Public Offering. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities for resale. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the Business Combination. However, the registration rights agreement will provide that the Company will not permit any registration statement to become effective until termination of applicable lock-up periods with respect to such securities.

Note 5—Cash Held in Trust Account

Gross proceeds of \$310,000,000 and \$8,200,000 from the Public Offering and Over-allotment Option, and Private Placement, respectively, less underwriting discounts of \$6,200,000 and \$2,000,000 designated for offering expenses and to fund the Company’s ongoing administrative and acquisition search costs, were held in the Trust Account at the close date.

Note 6—Related Party Transactions

Related Party Loans

The Company issued to the Sponsor on December 14, 2015, as amended and restated on September 1, 2016, an unsecured promissory note pursuant to which the Company was permitted to borrow up to \$300,000 in aggregate principal amount. Between inception and the Close Date, the Company borrowed \$300,000. This note was non-interest bearing and was repaid in full to the Sponsor at the Close Date.

The Company issued to the Sponsor on August 11, 2017, an unsecured promissory note pursuant to which the Company is permitted to borrow up to \$300,000 in aggregate principal amount. The Company has not drawn amounts under this note. This note is non-interest bearing and payable on the earlier of October 14, 2018 or the closing of the Business Combination.

The Sponsor may make a working capital loan to the Company and up to \$1,500,000 of such loan may be converted into warrants, at the price of \$0.50 per warrant at the option of the Sponsor. Such warrants would be identical to the Private Placement Warrants.

Administrative Services Agreement

The Company presently occupies office space provided by an Affiliate. The Affiliate has agreed that, until the Company consummates a Business Combination, it will make such office space, as well as certain support services, available to the Company, as may be required by the Company from time to time. The Company will pay the Affiliate an aggregate of \$10,000 per month for such office space and support services.

As of April 30, 2017, the Affiliate has agreed to defer payment of the monthly administrative fee under the Administrative Services Agreement until the initial Business Combination, at which time all such accrued but unpaid fees will be paid to the Affiliate.

Private Placement Warrants

The Initial Shareholders purchased 16,000,000 Private Placement Warrants at \$0.50 per warrant (for an aggregate purchase price of \$8,000,000) from the Company in a Private Placement on the Close Date. A portion of the proceeds from the sale of the Private Placement Warrants were placed into the Trust Account. The Initial Shareholders have also purchased an additional 400,000 Private Placement Warrants at \$0.50 per warrant (for an aggregate purchase price of \$200,000) simultaneously with the underwriter's exercise of the Over-Allotment Option. Each Private Placement Warrant is exercisable for one-half of one Class A Share. Two Private Placement Warrants must be exercised for one whole Class A Share at a price of \$11.50 per share. The Private Placement Warrants are identical to the Warrants included in the Units to be sold in the Public Offering except that the Private Placement Warrants: (i) will not be redeemable by the Company and (ii) may be exercised for cash or on a cashless basis, as described in the registration statement relating to the Public Offering, so long as they are held by the Initial Shareholders or any of their permitted transferees. Additionally, the Initial Shareholders have agreed not to transfer, assign or sell any of the Private Placement Warrants, including the Class A Shares issuable upon exercise of the Private Placement Warrants (except to certain permitted transferees), until 30 days after the completion of the Business Combination.

Founder Shares

In connection with the organization of the Company, on December 14, 2015, an aggregate of 8,625,000 Class B Shares (the "*Founder Shares*") were sold to the Sponsor at a price of approximately \$0.003 per share, for an aggregate price of \$25,000. In October 2016, the Sponsor transferred 50,000 Founder Shares to each of the Company's independent directors at a price per share of approximately \$0.003 per share. In addition, at such time, each of our independent directors purchased an additional 421,250 Founder Shares from our Sponsor at a price per share of approximately \$0.003 per share. The 8,625,000 Founder Shares included an aggregate of up to 1,125,000 shares that were subject to forfeiture if the Over-allotment Option was not exercised in full by the Underwriters in order to maintain the Initial Shareholders' ownership at 20% of the issued and outstanding Ordinary Shares upon completion of the Public Offering. Following the partial exercise of the Over-allotment Option, 875,000 Founder Shares were forfeited in order to maintain the Initial Shareholder's ownership at 20% of the issued and outstanding Ordinary shares. The Founder Shares are identical to the Class A Shares included in the Units sold in the Public Offering, except that the Founder Shares (i) have the voting rights described in Note 7, (ii) are subject to certain transfer restrictions described below, and (iii) are convertible into Class A Shares on a one-for-one basis, subject to adjustment pursuant to the anti-dilution provisions contained therein. The Founder Shares may not be transferred, assigned or sold until the earlier of (i) one year after the completion of the Business Combination and (ii) the date on which the Company completes a liquidation, merger, share exchange, reorganization or other similar transaction after the Business Combination that results in all of the Public Shareholders having the right to exchange their Class A Shares for cash, securities or other property. Notwithstanding the foregoing, if the last sale price of the Class A Shares equals or exceeds \$12.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within any 30 trading day period commencing at least 150 days after the Business Combination, the Founder Shares will be released from the lock-up.

Note 7—Shareholders’ Equity

Preferred Shares

The Company is authorized to issue 1,000,000 preferred shares with a par value of \$0.0001. The Company’s board of directors will be authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. The board of directors will be able to, without shareholder approval, issue preferred shares with voting and other rights that could adversely affect the voting power and other rights of the holders of the Ordinary Shares and could have anti-takeover effects. At September 30, 2017 there were no preferred shares issued or outstanding.

Ordinary Shares

The Company is authorized to issue 200,000,000 Class A Shares, with a par value of \$0.0001 each, and 20,000,000 Class B ordinary shares, with a par value of \$0.0001 each (the “*Class B Shares*” and, together with the Class A Shares, the “*Ordinary Shares*”). Holders of the Ordinary Shares are entitled to one vote for each Ordinary Share; *provided*, that only holders of the Class B Shares have the right to vote on the election of directors prior to the Business Combination. The Class B Shares will automatically convert into Class A Shares at the time of the Business Combination, on a one-for-one basis, subject to adjustment for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional Class A Shares, or equity-linked securities, are issued or deemed issued in excess of the amounts sold in the Public Offering and related to the closing of the Business Combination, the ratio at which the Class B Shares shall convert into Class A Shares will be adjusted (unless the holders of a majority of the outstanding Class B ordinary shares agree to waive such anti-dilution adjustment with respect to any such issuance or deemed issuance) so that the number of Class A Shares issuable upon conversion of all Class B Shares will equal, in the aggregate, 20% of the sum of all Ordinary Shares outstanding upon completion of the Public Offering plus all Class A Shares and equity-linked securities issued or deemed issued in connection with the Business Combination, excluding any Ordinary Shares or equity-linked securities issued, or to be issued, to any seller in the Business Combination. Holders of Founder Shares may also elect to convert their Class B Shares into an equal number of Class A Shares, subject to adjustment as provided above, at any time. At September 30, 2017 there were 31,000,000 Class A Shares issued and outstanding, of which 29,191,301 shares were subject to possible redemption and are classified outside of shareholders’ equity at the balance sheet date and 7,750,000 Class B Shares issued and outstanding.

Redeemable Ordinary Shares

The Class A Shares subject to possible redemption will be recorded at redemption value and classified as temporary equity in accordance with Financial Accounting Standards Board (“*FASB*”) Accounting Standards Update (“*ASU*”) 480, Distinguishing Liabilities from Equity. The Company will proceed with a Business Combination only if it has net tangible assets of at least \$5,000,001 upon consummation of the Business Combination and, in the case of a shareholder vote, a majority of the outstanding Ordinary Shares voted are voted in favor of the Business Combination. Accordingly, at September 30, 2017, 29,191,301 of the Company’s 31,000,000 Class A Shares were classified outside of permanent equity at their redemption value.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References in this report (this “*Quarterly Report*”) to “we,” “us” or the “Company” refer to Avista Healthcare Public Acquisition Corp. References to our “management” or our “management team” refer to our officers and directors, and references to the “sponsor” refer to Avista Acquisition Corp. The following discussion and analysis of the Company’s financial condition and results of operations should be read in conjunction with the condensed financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under “Special Note Regarding Forward-Looking Statements,” “Item 1A. Risk Factors” and elsewhere in this Quarterly Report.

Special Note regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that are forward-looking and as such are not historical facts. This includes, without limitation, statements under “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding the Company’s financial position, business strategy and the plans and objectives of management for future operations. These statements constitute projections, forecasts and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of performance. They involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by these statements. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report on Form 10-Q, words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. When the Company discusses its strategies or plans, it is making projections, forecasts or forward-looking statements. Such statements are based on the beliefs of, as well as assumptions made by and information currently available to, the Company’s management. Actual results and shareholders’ value will be affected by a variety of risks and factors, including, without limitation, international, national and local economic conditions, merger, acquisition and business combination risks, financing risks, geo-political risks, acts of terror or war, and those risk factors described under “Item 1A. Risk Factors.” Many of the risks and factors that will determine these results and shareholders’ value are beyond the Company’s ability to control or predict.

All such forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written or oral forward-looking statements attributable to us or persons acting on the Company’s behalf are qualified in their entirety by this Special Note Regarding Forward-Looking Statements.

Overview

We are a blank check company incorporated as a Cayman Islands exempted company and formed for the purpose of effecting a Business Combination in the form of a merger, share exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more target businesses. We have reviewed, and continue to review, a number of opportunities to enter into a Business Combination with an operating business, but we are not able to determine at this time whether we will complete a Business Combination with any of the businesses that we have reviewed or with any other target business. We intend to effectuate a Business Combination using cash from the proceeds from the Public Offering and the sale of the Private Placement Warrants, and from additional issuances of, if any, our capital stock and debt or a combination of cash, stock and debt. At September 30, 2017, we held cash of \$117,728, had current liabilities of \$2,696,066 and deferred underwriting compensation of \$10,850,000. Further, we expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete a Business Combination will be successful.

Recent Developments

Proposed Business Combination

On August 21, 2017, the Company, Merger Sub, NewCo, Envigo, and Jermyn Street Associates, LLC, solely in its capacity as Shareholder Representative, entered into a Transaction Agreement.

Pursuant to the Transaction Agreement, among other things, (i) the Company will transfer by way of continuation out of the Cayman Islands into the State of Delaware or domesticate as a Delaware corporation in accordance with Section 388 of the Delaware General Corporation Law, as amended and the Cayman Islands Companies Law (2016 Revision); (ii) Merger Sub will merge with and into Envigo, the separate corporate existence of Merger Sub will cease and Envigo will be the surviving corporation and a direct wholly-owned subsidiary of the Company and (iii) the Surviving Corporation will merge with and into NewCo, the separate corporate existence of the Surviving Corporation will cease and NewCo will be the surviving company and a direct wholly-owned subsidiary of the Company. For additional information regarding the Transaction Agreement, the Parent Sponsor Letter Agreement and the Business Combination, see the Current Report on Form 8-K filed by the Company on August 22, 2017.

Results of Operations

For the three months ended September 30, 2017 we had a net loss of \$2,117,003, which consisted of interest income from the trust account of \$736,128 and operating costs of \$2,853,131. For the three months ended September 30, 2016 we had a loss of \$14,492, which consisted of operating costs of \$14,492. For the nine months ended September 30, 2017 we had a net loss of \$1,595,806, which consisted of interest income from the trust account of \$1,697,781 and operating costs of \$3,293,587. For the nine months ended September 30, 2016 we had a loss of \$30,542, which consisted of operating costs of \$30,542. Our business activities for the nine months ended September 30, 2017 consisted solely of identifying and evaluating prospective acquisition targets for a Business Combination. We will not generate any operating revenues until after completion of our Business Combination at the earliest. Starting in January 2017, we began generating non-operating income in the form of interest income on the funds held in the Trust Account. There has been no significant change in our financial or trading position and no material adverse change has occurred since the date of our financial statements. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses related to our acquisition plans.

Liquidity and Capital Resources

As of September 30, 2017 we had cash of \$117,728 and a working capital deficit of \$2,336,036.

At September 30, 2017, \$311,697,781 was held in the Trust Account and consisted of cash, U.S. Treasury Bills and accrued interest. The U.S. Treasury Bills matured on October 26, 2017. On October 26, 2017 the funds in the Trust Account were reinvested in U.S. Treasury Bills, maturing on November 24, 2017.

On December 14, 2015, our Sponsor purchased 8,625,000 Founder Shares for an aggregate purchase price of \$25,000, or approximately \$0.003 per share. In October 2016, our Sponsor transferred 50,000 Founder Shares to each of our independent directors at their original per share purchase price. In addition, at such time, each of our independent directors purchased an additional 421,250 Founder Shares from our Sponsor at their original purchase price.

On October 14, 2016, the Company consummated its Public Offering of 30,000,000 Units, each unit consisting of one Class A ordinary share and one Warrant to purchase one-half of one Class A ordinary share. The Units were sold at an offering price of \$10.00 per Unit, generating gross proceeds of \$300,000,000. The Company granted the underwriters a 45-day option to purchase up to 4,500,000 additional Units to cover over-allotments, if any. On November 28, 2016, the underwriters partially exercised the Over-allotment Option, and we sold an additional 1,000,000 Units at a price of \$10.00 per Unit, generating an additional \$10,000,000 of gross proceeds.

On October 14, 2016, simultaneously with the consummation of the Public Offering, the Company completed a private placement of an aggregate of 16,000,000 Private Placement Warrants to the Sponsor and the Company's independent directors, at a purchase price of \$0.50 per warrant, generating gross proceeds of \$8,000,000. On November 28, 2016, the Initial Shareholders purchased an additional 400,000 Private Placement Warrants at a price of \$0.50 per warrant (or an aggregate purchase price of \$200,000) in conjunction with the exercise of the Over-allotment Option. Following the partial exercise of the Over-allotment Option, 875,000 Founder Shares were forfeited in order to

maintain the ownership of the Initial Shareholders at 20% of the issued and outstanding ordinary shares. On November 28, 2016, our Sponsor sold 161,180 Founder Shares and 350,114 Private Placement Warrants to one of our independent directors at their original purchase price. On July 5, 2017, our Sponsor sold 186,320 Founder Shares and 404,723 Private Placement Warrants to one of our independent directors at their original per share purchase price.

A total of \$310,000,000 of the net proceeds from the Public Offering and the sale of the Private Placement Warrants was deposited in the Trust Account established for the benefit of the Company's public shareholders. Remaining proceeds of approximately \$2,000,000 were used to repay the sponsor note and accrued offering and formation costs, and the remainder was deposited in the Company's operating account and is available for working capital purposes.

We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account (which interest shall be net of taxes payable and excluding deferred underwriting commissions) to complete our Business Combination. We may withdraw interest to pay taxes, if any. Our annual income tax obligations will depend on the amount of interest and other income earned on the amounts held in the Trust Account. To the extent that our ordinary shares or debt is used, in whole or in part, as consideration to complete our Business Combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

We will use the funds held outside the Trust Account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, review corporate documents and material agreements of prospective target businesses, structure, negotiate and complete a Business Combination, and to pay taxes to the extent the interest earned on the Trust Account is not sufficient to pay our taxes. Such expenses may be significant, and we expect that a portion of these expenses will be paid upon completion of a Business Combination.

In order to fund working capital deficiencies or finance transaction costs in connection with an intended Business Combination, the Company issued to the Sponsor on August 11, 2017, an unsecured promissory note pursuant to which the Company is permitted to borrow up to \$300,000 in aggregate principal amount. The Company has not drawn amounts under this note. This note is non-interest bearing and payable on the earlier of October 14, 2018 or the closing of the Business Combination. In the event that our Business Combination does not close, we may use a portion of the working capital held outside the Trust Account to repay such loaned amounts but no proceeds from our Trust Account would be used for such repayment. Up to \$1,500,000 of such loans may be convertible into warrants at a price of \$0.50 per warrant at the option of the lender. The warrants would be identical to the Private Placement Warrants issued to our Initial Shareholders. The terms of such loans by our officers and directors, if any, have not been determined and no written agreements exist with respect to such loans. We do not expect to seek loans from parties other than our Sponsor or an Affiliate as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our Trust Account.

In order to preserve liquidity, as of April 30, 2017, the Affiliate has agreed to defer payment of the monthly administrative fee under the Administrative Services Agreement until the initial Business Combination, at which time all such accrued but unpaid fees will be paid to the Affiliate. We do not believe we will need to raise additional funds through October 14, 2018 in order to meet the expenditures required for operating our business. However, if our estimates of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a Business Combination are less than the actual amount necessary to do so, we may have insufficient funds available to operate our business prior to our Business Combination. Moreover, we may need to obtain additional financing either to complete our Business Combination or because we become obligated to redeem a significant number of our Public Shares upon completion of a Business Combination, in which case we may issue additional securities or incur debt in connection with such Business Combination. We believe that we have sufficient funds available to complete our efforts to effect a Business Combination with an operating business by October 14, 2018, which is 24 months from the closing of the Public Offering.

We have 24 months after the Close Date to complete a Business Combination. If we do not complete a Business Combination within this time period, we shall (i) cease all operations except for the purposes of winding up, (ii) as promptly as reasonably possible, but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest, net of tax (less up to \$50,000 of such net interest to pay dissolution expenses), divided by the number of then outstanding Public

Shares, which redemption will completely extinguish the shareholder rights of owners of Class A ordinary shares (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the board of directors, dissolve and liquidate, subject in each case to the Company's obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law.

Off-Balance Sheet Financing Arrangements

As of September 30, 2017, we did not have any obligations, assets or liabilities which would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

Contractual Obligations

As of September 30, 2017, we did not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities. On October 10, 2016, we entered into an administrative services agreement pursuant to which we have agreed to pay an Affiliate a total of \$10,000 per month for office space, administrative and support services. Upon completion of a Business Combination or our liquidation, we will cease paying these monthly fees. In order to preserve liquidity, as of April 30, 2017, the Affiliate has agreed to defer payment of the monthly administrative fee under the Administrative Services Agreement until the initial Business Combination, at which time all such accrued but unpaid fees will be paid to the Affiliate.

The underwriters are entitled to underwriting commissions of 5.5%, of which 2.0% (\$6,200,000) was paid at the closing of the Public Offering and Over-allotment Option, and 3.5% (\$10,850,000) was deferred. The deferred underwriting commissions held in the Trust Account will be forfeited in the event we do not complete a Business Combination, subject to the terms of the underwriting agreement. The underwriters are not entitled to any interest accrued on the deferred underwriting commissions.

Critical Accounting Policies

The preparation of condensed financial statements and related disclosures in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. The Company has identified the following as its critical accounting policies:

Offering Costs

The Company complies with the requirements of Accounting Standards Codification ("the ASC") 340-10-S99-1 and SEC Staff Accounting Bulletin (SAB) Topic 5A — "Expenses of Offering". We incurred offering costs in connection with the Public Offering of \$833,589, primarily consisting of accounting and legal services, securities registration expenses and exchange listing fees. These costs, along with paid and deferred underwriting commissions totaling \$17,050,000, were charged to additional paid-in capital at the Close Date.

Redeemable Ordinary Shares

The Class A ordinary shares subject to possible redemption will be recorded at redemption value and classified as temporary equity in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 480, *Distinguishing Liabilities from Equity*. The Company will proceed with a Business Combination only if it has net tangible assets of at least \$5,000,001 upon consummation of the Business Combination and, in the case of a shareholder vote, a majority of the outstanding ordinary shares voted are voted in favor of the Business Combination. Accordingly, at September 30, 2017, 29,191,301 of the Company's 31,000,000 Class A ordinary shares were classified outside of permanent equity at their redemption value.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

All activity through September 30, 2017 related to our formation and the preparation for the Public Offering and identifying and evaluating prospective acquisition targets for a Business Combination. On September 28, 2017, the net proceeds of the Public Offering and the sale of the Private Placement Warrants held in the Trust Account were invested in U.S. government treasury bills with a maturity of 180 days or less. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk. For the three months ended September 30, 2017, the effective annualized interest rate earned on our US Treasury Bills investment was 0.96%

At September 30, 2017, \$311,697,781 was held in the Trust Account for the purposes of consummating a Business Combination. If we complete a Business Combination within 24 months after the Close Date, funds in the Trust Account will be used to pay for the Business Combination, redemptions of Class A ordinary shares, if any, the deferred underwriting compensation of \$10,850,000 and accrued expenses related to the Business Combination. Any funds remaining will be made available to us to provide working capital to finance our operations.

We have not engaged in any hedging activities since our inception. We do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 as amended (the “Exchange Act”) is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2017. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were effective.

Changes in Internal Control Over Financial Reporting

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

Factors that could cause our actual results to differ materially from those in this report or any of the risks disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the SEC on March 28, 2017. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

As of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the SEC on March 28, 2017. However, we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On December 14, 2015 our Sponsor purchased 8,625,000 Class B ordinary shares for \$25,000, or approximately \$0.003 per share. In October 2016, the Sponsor transferred 50,000 Founder Shares to each of the Company's independent directors at a price per share of approximately \$0.003 per share. In addition, at such time, each of our independent directors purchased an additional 421,250 Founder Shares from our Sponsor at a price per share of approximately \$0.003 per share.

Simultaneously with the consummation of our Public Offering, the Initial Shareholders purchased from the Company an aggregate of 16,000,000 Private Placement Warrants at a price of \$0.50 per Private Placement Warrant (or an aggregate purchase price of \$8,000,000). On November 28, 2016, the Initial Shareholders purchased an additional 400,000 Private Placement Warrants at a price of \$0.50 per warrant (or an aggregate purchase price of \$200,000) in conjunction with the exercise of the Over-allotment Option. Following the partial exercise of the Over-allotment Option, 875,000 Founder Shares were forfeited in order to maintain the Initial Shareholder's ownership at 20% of the issued and outstanding ordinary shares. On November 28, 2016, our Sponsor sold 161,180 Founder Shares and 350,114 Private Placement Warrants to one of our independent directors at their original per share purchase price. On July 5, 2017, our Sponsor sold 186,320 Founder Shares and 404,723 Private Placement Warrants to one of our independent directors at their original per share purchase price. Each Private Placement Warrant entitles the holder to purchase one-half of one Class A ordinary share at \$5.75 per one-half share. The Private Placement Warrants have terms and provisions that are identical to those of the Warrants sold as part of the Units in the Public Offering, except that the Private Placement Warrants may be exercised on a cashless basis and are not redeemable by us so long as they are held by the Initial Shareholders or their permitted transferees.

The sales of the above securities by the Company were deemed to be exempt from registration under the Securities Act, in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering.

Use of Proceeds from the Offering

On October 14, 2016, we consummated our Public Offering of 30,000,000 Units at a price of \$10.00 per Unit. Our Public Offering did not terminate before all of the securities registered in our registration statement were sold. Credit Suisse Securities (USA) LLC and I-Bankers Securities, Inc. acted as underwriters for the offering. The securities sold in the offering were registered under the Securities Act on a registration statement on Form S-1 (File No. 333-213465). The SEC declared the registration statement effective on October 7, 2016. On November 28, 2016, the Underwriters partially exercised the Over-allotment Option, and we sold an additional 1,000,000 Units at a price of \$10.00 per Unit.

From Inception through September 30, 2017, we incurred \$833,589 for costs and expenses related to the Public Offering. Additionally, at the closing of the Public Offering and Over-allotment Option, we paid a total of \$6,200,000 in underwriting discounts and commissions. In addition, the underwriters agreed to defer the payment of \$10,850,000 in underwriting discounts and commissions, which amount will be payable upon consummation of our Business Combination, if consummated. Prior to the closing of the Public Offering, our Sponsor loaned us \$300,000 to be used for a portion of the expenses of the Public Offering. These loans were repaid upon completion of the Public Offering out of the \$900,000 of Public Offering proceeds that were allocated for the payment of offering expenses other than underwriting discounts and commissions. Other than such loans, no payments were made by us to directors, officers or persons owning ten percent or more of our ordinary shares or to their associates, or to our affiliates. There has been no material change in the planned use of proceeds from the Public Offering as described in our final prospectus, dated October 10, 2016, filed with the SEC.

After deducting the underwriting discounts and commissions (excluding the deferred portion of \$10,850,000 in underwriting commissions, which amount will be payable upon consummation of the Business Combination, if consummated) and the estimated offering expenses, the total net proceeds from the Public Offering and the sale of the Private Placement Warrants were \$311,166,411, of which \$310,000,000 (or \$10.00 per share sold in the Public Offering) was placed in the Trust Account.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

| Exhibit Number | Description |
|-----------------------|---|
| 2.1* | Transaction Agreement, dated August 21, 2017, by and among Avista Healthcare Public Acquisition Corp., Avista Healthcare Merger Sub, Inc., Avista Healthcare NewCo, LLC and Envigo International Holdings, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-k filed on August 22, 2017). |
| 10.10* | Parent Sponsor Letter Agreement, dated August 21, 2017, by and among Avista Healthcare Public Acquisition Corp., Avista Acquisition Corp., and certain individuals (incorporated by reference to Exhibit 10.10 to the Registrant's Current Report on Form 8-K filed on August 22, 2017). |
| 31.1* | Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1* | Certification of Chief 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 Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS* | XBRL Instance Document |
| 101.SCH* | XBRL Taxonomy Extension Schema Document |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document |

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| 101.LAB* | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document |

* Filed herewith.

SIGNATURES

Pursuant to the requirements 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.

Avista Healthcare Public Acquisition Corp.

Date: November 14, 2017

By: /s/ David Burgstahler

David Burgstahler
Chief Executive Officer (Principal Executive Officer)

Date: November 14, 2017

By: /s/ John Cafasso

John Cafasso
Chief Financial Officer (Principal Financial and
Accounting Officer)

CERTIFICATION

I, David Burgstahler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Avista Healthcare Public Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [omitted];
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 14, 2017

/s/ David Burgstahler

David Burgstahler
President and Chief Executive Officer

CERTIFICATION

I, John Cafasso, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Avista Healthcare Public Acquisition Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) [omitted];
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 14, 2017

/s/ John Cafasso

John Cafasso
Chief Financial Officer

CERTIFICATION PURSUANT TO

18 U.S.C. 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, David Burgstahler, President and Chief Executive Officer of Avista Healthcare Public Acquisition Corp. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

/s/ David Burgstahler

David Burgstahler

President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

CERTIFICATION PURSUANT TO

18 U.S.C. 1350

(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)

I, John Cafasso, Chief Financial Officer of Avista Healthcare Public Acquisition Corp. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13 (a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2017

/s/ John Cafasso

John Cafasso

Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.
