COCA COLA ENTERPRISES INC
Form S-8 POS
August 20, 2004

Registration No. 333-90245

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 1

FORM S-8

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

COCA-COLA ENTERPRISES INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**58-0503352**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

2500 Windy Ridge Parkway, Atlanta, Georgia 30339

(Address of principal executive offices, including Zip Code)

COCA-COLA ENTERPRISES INC.

MATCHED EMPLOYEE SAVINGS AND INVESTMENT PLAN

(Full title of the plan)

John J. Culhane, Esq.

General Counsel

Coca-Cola Enterprises Inc.

2500 Windy Ridge Parkway

Atlanta, GA 30339

(Name and address of agent for service)

(770) 989-3000

(Telephone number, including area code, of agent for service)

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE.

The following documents filed by the Registrant with the Commission are incorporated herein by reference:

(a) the Registrant s Annual Report on Form 10-K filed pursuant to Section 13 of the Securities Exchange Act of 1934 for its fiscal year ended December 31, 2003;

(b) all other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since December 31, 2003;

(c) the description of the Registrant s common stock to be offered hereby which is contained in the registration statement filed under Section 12 of the Securities Exchange Act of 1934, including any amendments or reports filed for the purpose of updating such description.

(d) The Annual Report on Form 11-K for the Coca-Cola Enterprises Inc. Matched Employee Savings and Investment Plan for its fiscal year ended December 31, 2003.

All documents filed by the Registrant or the Plan pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 after the date of filing of this Registration Statement and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold, or which deregisters all securities then remaining unsold, shall be deemed to be incorporated hereby by reference and to be a part hereof from the date of filing of such documents.

ITEM 8. EXHIBITS.

4.1 Restated Certificate of Incorporation of Coca-Cola Enterprises (restated as of April 15, 1992), as amended by Certificate of Amendment dated April 21, 1997 and by Certificate of Amendment dated April 26, 2000, incorporated by reference to Exhibit 3 to the Company s Current Report on Form 8-K (Date of Report July 22, 1997) and Exhibit 3.1 to the Company s Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.

4.2 Bylaws of Coca-Cola Enterprises, as amended through July 27, 2004, incorporated by reference to Exhibit 3 to the Company s Quarterly Report on Form 10-Q for the fiscal quarter ended July 2, 2004.

23 Consent of Ernst & Young LLP.

24.1 Powers of Attorney.

24.2 Resolution of Board of Directors.

An opinion of counsel is not being filed because the securities being registered are not original issuance securities, and the Registrant undertakes to submit the Plan and any amendments thereto to the Internal Revenue Service (the Service) in order to secure a determination letter in a timely manner and will make all changes required by the Service in order to qualify the Plan and obtain such letter.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia, on the 16th day of August, 2004.

COCA-COLA ENTERPRISES INC.

(Registrant)

JOHN R. ALM*
John R. Alm

President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this report has been signed by the following persons in the capacities and on the dates indicated.

JOHN R. ALM*	President, Chief Executive Officer and a Director (principal executive officer)	August 16, 2004
(John R. Alm)		
SHAUN B. HIGGINS*	Senior Vice President and Chief Financial Officer (principal financial officer)	August 16, 2004
(Shaun B. Higgins)		
WILLIAM W. DOUGLAS, III*	Vice President, Controller and Principal Accounting Officer (principal accounting officer)	August 16, 2004
(William W. Douglas, III)		
LOWRY F. KLINE*	Director	August 16, 2004
(Lowry F. Kline)		
JOHN L. CLENDENIN*	Director	August 16, 2004
(John L. Clendenin)		
JAMES E. COPELAND, JR.*	Director	August 16, 2004
(James E. Copeland, Jr.)		
CALVIN DARDEN*	Director	August 16, 2004
(Calvin Darden)		
J. TREVOR EYTON*	Director	August 16, 2004

(J. Trevor Eyton)

GARY P. FAYARD*	Director	August 16, 2004
(Gary P. Fayard)		
MARVIN J. HERB*	Director	August 16, 2004
(Marvin J. Herb)		
STEVEN J. HEYER*	Director	August 16, 2004
(Steven J. Heyer)		
L. PHILLIP HUMANN*	Director	August 16, 2004
(L. Phillip Humann)		
JOHN E. JACOB*	Director	August 16, 2004
(John E. Jacob)		
SUMMERFIELD K. JOHNSTON, JR. *	Director	August 16, 2004
(Summerfield K. Johnston, Jr.)		
JEAN-CLAUDE KILLY*	Director	August 16, 2004
(Jean-Claude Killy)		
PAULA G. ROSPUT*	Director	August 16, 2004
(Paula G. Rosput)		

*By: /S/ JOHN J. CULHANE

John J. Culhane

Attorney-in-Fact

The Plan. Pursuant to the requirements of the Securities Act of 1933, the trustees (or other persons who administer the employee benefit plan) have duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia, on August 16, 2004.

COCA-COLA ENTERPRISES INC.

By: GLOBAL RETIREMENT PROGRAM COMMITTEE

By: /S/ VICKI R. PALMER

Vicki R. Palmer

Title: Chairperson

EXHIBIT INDEX

Exhibit Number	
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24.2	Resolution of Board of Directors.

ansform:none;font-variant: normal;">

Research and development

$

11,247

$

12,991

$

18,802

$

13,474

General and administrative

5,814

6,494

7,140

5,280

Total operating expenses

17,061

19,485

25,942

18,754

Loss from operations

(17,061

)

(19,485

)

(25,942

)

(18,754

)

Interest and other income, net

503

605

576

519

Loss before provision for income taxes

(16,558

)

(18,880

)

(25,366

)

(18,235

)

Provision (benefit) for income taxes

3

—

7

—

Net loss

(16,561

)

(18,880

)

(25,373

)

(18,235

)

Other comprehensive loss:

Unrealized gain (loss) on available-for-sale securities

569

142

(158

)

(218

)

Comprehensive loss

$

(15,992

)

$

(18,738

)

$

(25,531

)

$

(18,453

)

Basic and diluted net loss per common share

$

(0.58

)

$

(0.66

)

$

(0.88

)

$

(0.63

)

Three months ended

March 31

June 30

September 30

December 31

2015

(In thousands)

Operating expenses:

Research and development

$

5,767

$

11,507

$

8,113

$

16,231

General and administrative

3,544

3,601

4,146

5,539

Total operating expenses

9,311

15,108

12,259

21,770

Loss from operations

(9,311

)

(15,108

)

(12,259

)

(21,770

)

Interest and other income, net

153

163

380

522

Loss before provision for income taxes

(9,158

)

(14,945

)

(11,879

)

(21,248

)

Provision (benefit) for income taxes

2

—

(11

)

—

Net loss

(9,160

)

(14,945

)

(11,868

)

(21,248

)

Other comprehensive loss:

Unrealized gain (loss) on available-for-sale securities

82

(48

)

117

(569

)

Comprehensive loss

$

(9,078

)

$

(14,993

)

$

(11,751

)

$

(21,817

)

Basic and diluted net loss per common share	$	(0.42)	$	(0.62)	$	(0.43)	$	(0.75)	

(1) Subsequent to issuance of our interim consolidated financial statements for the three and nine months ended September 30, 2016, we identified certain share-based awards provided in 2016 and 2015 with only time-based vesting conditions for which we recorded stock based compensation expense using the graded accelerated expensing method instead of a straight-line expensing method in accordance with our accounting policy, certain share-based awards where stock-based compensation expense was not appropriately adjusted for unvested awards of terminated employees during 2016, and certain stock-based compensation expense related to non-employee options recorded incorrectly during the first quarter of 2016. We corrected for these errors by recording a $3.3 million out-of-period adjustment to stock-based compensation expense during the fourth quarter of 2016. The recorded adjustment included $0.7 million related to the three months ended September 30, 2016, $1.1 million

related to the three months ended June 30, 2016, $0.7 million related to the three months ended March 31, 2016 and $0.7 million related to the fiscal year ended December 31, 2015. The adjustment was not considered material to the fiscal year ended December 31, 2016 or any previously issued interim or annual consolidated financial statements.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception in 2012, we have funded our operations primarily through the issuance of common and preferred stock.

We have incurred losses and negative cash flows from operations in each year since inception. As of December 31, 2016, we had an accumulated deficit of $177.2 million. It will be several years, if ever, before we have a product candidate ready for

commercialization, and we anticipate that we will continue to incur losses for at least the next several years. We expect that our research and development and general and administrative expenses will continue to increase and, as a result, we will need additional capital to fund our operations, which we may raise through a combination of equity offerings, debt financings, other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. We may borrow funds on terms that may include restrictive covenants, including covenants that restrict the operation of our business, liens on assets, high effective interest rates and repayment provisions that reduce cash resources and limit future access to capital markets. In addition, we expect to continue to opportunistically seek access to the equity capital markets to support our development efforts and operations. To the extent that we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. To the extent that we raise additional funds through collaboration or partnering arrangements, we may be required to relinquish some of our rights to our technologies or rights to market and sell our products in certain geographies, grant licenses on terms that are not favorable to us, or issue equity that may be substantially dilutive to our stockholders.

Cash in excess of immediate requirements is invested in accordance with our written investment policy, primarily with a view to liquidity and capital preservation. Currently, our cash, cash equivalents and short-term investments are held in bank and custodial accounts and consist of money market funds, U.S. Treasury, government agency and corporate debt obligations, commercial paper and asset-backed securities. Management expects that our cash, cash equivalents and short-term investments as of December 31, 2016 will be sufficient to fund our planned operations into the first quarter of 2019.

Our cash, cash equivalents and short-term investments balances as of the dates indicated were as follows:

	December 31, 2016	December 31, 2015
	(in thousands)	
Cash and cash equivalents	$47,968	$23,746
Short-term investments	207,714	296,736
Total cash, cash equivalents and short-term investments	$255,682	$320,482

Cash Flows

The following table details the primary sources and uses of cash for each of the periods set forth below:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Net cash provided by (used in):			
Operating activities	$(60,025)	$(37,156)	$(16,628)
Investing activities	83,741	(220,127)	(83,363)
Financing activities	506	259,226	70,273
Effect of exchange rates on cash	—	(94)	—
Net increase in cash and cash equivalents	$24,222	$1,849	$(29,718)

Operating activities

Net cash used in operating activities was $60.0 million in 2016 as compared to $37.2 million in 2015. The increase of $22.9 million was primarily due to a $21.8 million increase in net loss and a $7.0 million decrease in accrued research and development expenses, partially offset by a $6.5 million increase stock-based compensation.

Net cash used in operating activities was $37.2 million in 2015 as compared to $16.6 million in 2014. The increase of $20.5 million was primarily due to a $29.2 million increase in net loss, partially offset by a $3.8 million increase in accrued research and development expenses, a $2.9 million increase in amortization of investment premiums and discount and a $2.0 million increase in accounts payable, accrued compensation and other accrued liabilities.

Investing activities

Net cash provided by investing activities in 2016 consisted primarily of $391.7 million of maturities and sales of short-term available-for-sale investments partially offset by $304.9 million of purchases of short-term available-for-sale investments.

Net cash used in investing activities in 2015 consisted primarily of $379.8 million of purchases of short-term available-for-sale securities, partially offset by $160.1 million of maturities and sales of short-term available-for-sale securities.

Net cash used in investing activities in 2014 consisted primarily of $95.5 million of purchases of short-term available-for-sale securities, partially offset by $12.2 million of maturities and sales of short-term available-for-sale securities.

Financing activities

Net cash provided by financing activities in 2016 of $0.5 million consists primarily of net proceeds from employee stock transactions. Net cash provided by financing activities in 2015 consisted primarily of $263.4 million in aggregate net proceeds from the sale of common stock in two separate follow-on offerings. Net cash provided by financing activities in 2014 consisted primarily of $56.5 million in net proceeds from the sale of common stock in our initial public offering and $13.5 million from the sale of shares of Series B convertible preferred stock.

Operating Capital Requirements

To date, we have not generated any revenue from product sales. We do not know when, or if, we will generate any revenue from product sales. We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future product candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of and seek regulatory approvals for our product candidates, and begin to commercialize any approved products. We are subject to all of the risks inherent in the development of new products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We anticipate that we will need substantial additional funding in connection with our continuing operations.

We expect that our existing cash, cash equivalents and short-term investments will be sufficient to fund our planned operations into the first quarter of 2019. In order to complete the process of obtaining regulatory approval for our lead product candidates and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize our lead product candidates, if approved, we will require substantial additional funding.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the timing and costs of our planned clinical trials for our product candidates;
- the timing and costs of our planned preclinical studies of our product candidates;
- our success in establishing and scaling commercial manufacturing capabilities, including the building of our own manufacturing facility;
- the number and characteristics of product candidates that we pursue;
- the outcome, timing and costs of seeking regulatory approvals;
- subject to receipt of regulatory approval, revenues received from commercial sales of our product candidates;
- the terms and timing of any future collaborations, licensing, consulting or other arrangements that we may establish;
- the amount and timing of any payments we may be required to make in connection with the licensing, filing, prosecution, maintenance, defense and enforcement of any patents or patent applications or other intellectual property rights; and
- the extent to which we in-license or acquire other products and technologies.

Contractual Obligations and Commitments

We lease our current corporate headquarters in South San Francisco, California under a non-cancellable lease agreement for approximately 13,670 square feet of office space in South San Francisco, California. The lease is expected to expire in April 2021.

In January 2015, we entered into a non-cancellable lease agreement for office and laboratory space in Westlake Village, California. In September 2015, we amended the lease agreement to add additional office space and extend the term of the agreement to April 2019.

In February 2017, we entered into a lease agreement for approximately 90,580 square feet of office, lab and cellular therapy manufacturing space in Thousand Oaks, California, or the Thousand Oaks lease. The term of the Thousand Oaks lease commences when the landlord delivers possession of the facility to us. Upon commencement, the initial term of the lease is fifteen years.

Aggregate future minimum commitments for our operating leases as of December 31, 2016 are as follows:

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Operating lease obligations	$ 3,878	1,294	1,712	872	$ —
Total contractual obligations	$ 3,878	$ 1,294	$ 1,712	$ 872	$ —

The above amounts exclude potential milestone and royalty payments related to our license and collaboration agreements, as the achievement of these milestones is currently not fixed and determinable.

We may also enter into contracts in the normal course of business with clinical research organizations for clinical trials, with contract manufacturing organizations for clinical supplies, and with other vendors for preclinical studies and supplies and other services and products for operating purposes. These contracts generally provide for termination on notice, with the exception of potential termination charges related to one of our contract manufacturing agreements in the event certain minimum purchase volumes are not met. Payments in the table above are based on current operating forecasts, which are subject to change, and do not include any termination fees.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate and Market Risk

We are exposed to market risk related to changes in interest rates. As of December 31, 2016, we had cash and cash equivalents and short-term investments of $255.7 million. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because our investments are in short-term securities. Our available-for-sale securities are subject to interest rate risk and will fall in value if market interest rates increase, which could result in a realized loss if we are forced to sell an investment before its scheduled maturity. We currently do not hedge our interest rate risk exposure. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, an immediate change in interest rates

of 10 basis points would not result in a significant change in the fair market value of our portfolio.

The primary objective of our investment activities is to preserve principal while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve this objective, we maintain our portfolio of cash equivalents and short-term and long-term investments in a variety of securities, including money market funds, U.S. Treasury, government agency and corporate debt obligations, commercial paper and asset-backed securities. These securities are all classified as available-for-sale and consequently are recorded on the balance sheet at fair value, with unrealized gains or losses reported as a separate component of accumulated other comprehensive income (loss). Our holdings of the securities of any one issuer, except obligations of the U.S. Treasury or U.S. Treasury guaranteed securities, do not exceed 5% of our portfolio.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Atara Biotherapeutics, Inc.

South San Francisco, California

We have audited the accompanying consolidated balance sheets of Atara Biotherapeutics, Inc. and its subsidiaries (collectively, the “Company”) as of December 31, 2016 and 2015, and the related consolidated and combined statements of operations and comprehensive loss, convertible preferred stock and stockholders’ equity (deficit), and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated and combined financial statements present fairly, in all material respects, the financial position of Atara Biotherapeutics, Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

San Jose, California

March 9, 2017

Atara Biotherapeutics, Inc.

Consolidated Balance Sheets

(In thousands)

	December 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$47,968	$23,746
Short-term investments	207,714	296,736
Restricted cash	194	194
Prepaid expenses and other current assets	4,677	3,921
Total current assets	260,553	324,597
Property and equipment, net	3,259	270
Other assets	102	108
Total assets	$263,914	$324,975
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$2,778	$1,445
Accrued compensation	3,745	2,624
Accrued research and development expenses	2,408	5,112
Other accrued liabilities	744	528
Total current liabilities	9,675	9,709
Long-term liabilities	503	166
Total liabilities	10,178	9,875
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock—$0.0001 par value, 500,000 shares authorized as of December 31, 2016 and December 31, 2015; 28,933 and 28,459 shares issued and outstanding as of December 31, 2016 and December 31, 2015, respectively	3	3
Additional paid-in capital	431,075	413,725
Accumulated other comprehensive loss	(183)	(518)
Accumulated deficit	(177,159)	(98,110)
Total stockholders' equity	253,736	315,100
Total liabilities and stockholders' equity	$263,914	$324,975

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Atara Biotherapeutics, Inc.

Consolidated and Combined Statements of Operations and Comprehensive Loss

(In thousands, except per share amounts)

	Years Ended December 31,		
	2016	2015	2014
Operating expenses:			
Research and development	$56,514	$41,618	$15,446
General and administrative	24,728	16,830	12,710
Total operating expenses	81,242	58,448	28,156
Loss from operations	(81,242)	(58,448)	(28,156)
Interest and other income, net	2,203	1,218	125
Loss before provision (benefit) for income taxes	(79,039)	(57,230)	(28,031)
Provision (benefit) for income taxes	10	(9)	(25)
Net loss	$(79,049)	$(57,221)	$(28,006)
Other comprehensive gain (loss):			
Unrealized gain (loss) on available-for-sale securities	335	(418)	(100)
Comprehensive loss	$(78,714)	$(57,639)	$(28,106)
Net loss per common share:			
Basic and diluted net loss per common share	$(2.75)	$(2.24)	$(5.62)
Weighted-average common shares outstanding used to calculate basic and diluted net loss per common share	28,732	25,583	4,986

Atara Biotherapeutics, Inc.

Consolidated and Combined Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)

(In thousands)

	Series A Convertible Preferred Stock		Series A-1 Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Notes Receivable From Stockholders	Accumulated Other Comprehensive Loss	Accumulated Deficit	To Sto Eq (D
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
as of er 31,	46,356	19,909	5,538	2,768	43,529	38,414	12,004	1	2,200	(335)	—	(12,883)	(
e of Series red stock, ffering	—	—	—	—	15,263	13,481	—	—	—	—	—	—	–
income on notes le from lder	—	—	—	—	—	—	—	—	—	(2)	—	—	(
ent of ceivable ckholder	—	—	—	—	—	—	—	—	—	337	—	—	3
e of n stock sting of d stock s	—	—	—	—	—	—	645	—	20	—	—	—	2
alization	(41,205)	—	(4,923)	—	(52,260)	—	(11,346)	(1)	1	—	—	—	–
e of n stock sting of wards— alization	—	—	—	—	—	—	282	—	70	—	—	—	7
e of n stock for and ment	—	—	—	—	—	—	60	—	750	—	—	—	7

ses related ology g option													
sion of d stock	(5,151)	(19,909)	(615)	(2,768)	(6,532)	(51,895)	12,298	1	74,572				7
e of n stock, iscounts ring of $6,794	—	—	—	—	—	—	5,750	1	56,455	—	—	—	5
ased sation	—	—	—	—	—	—	—	—	10,101	—	—	—	1
	—	—	—	—	—	—	—	—	—	—	—	(28,006)	(2
zed loss e-for-sale es	—	—	—	—	—	—	—	—	—	—	(100)	—	(
as of er 31,	—	—	—	—	—	—	19,693	2	144,169	—	(100)	(40,889)	1
e of n stock, iscounts ring of $5,166 ary 2015	—	—	—	—	—	—	4,147	1	69,486	—	—	—	6
e of n stock, iscounts ring of $13,053 2015	—	—	—	—	—	—	3,981	—	193,947	—	—	—	1
e of n stock sting of d stock s	—	—	—	—	—	—	287	—	80	—	—	—	8
tlements, hares d	—	—	—	—	—	—	327	—	(4,647)	—	—	—	(
e of n stock t to stock xercises	—	—	—	—	—	—	24	—	439	—	—	—	4
ased sation	—	—	—	—	—	—	—	—	10,251	—	—	—	1

	—	—	—	—	—	—	—	—	—	—	—	(57,221)	(5
zed loss													
e-for-sale es	—	—	—	—	—	—	—	—	—	—	(418)	—	(4
as of er 31,	—	—	—	—	—	—	28,459	3	413,725	—	(518)	(98,110)	3
e of n stock sting of d awards	—	—	—	—	—	—	233	—	60	—	—	—	6
tlements, hares d	—	—	—	—	—	—	199	—	(94)	—	—	—	(9
e of n stock t to ee stock	—	—	—	—	—	—	42	—	600	—	—	—	6
ased sation	—	—	—	—	—	—	—	—	16,784	—	—	—	1
	—	—	—	—	—	—	—	—	—	—	—	(79,049)	(7
zed gain e-for-sale es	—	—	—	—	—	—	—	—	—	—	335	—	3
as of er 31,	—	$—	—	$—	—	$—	28,933	$3	$431,075	$—	$(183)	$(177,159)	$2

Atara Biotherapeutics, Inc.

Consolidated and Combined Statements of Cash Flows

(In thousands)

	Year Ended December 31,		
	2016	2015	2014
Operating activities			
Net loss	$(79,049)	$(57,221)	$(28,006)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation expense	16,784	10,251	10,101
Amortization of investment premiums and discounts	2,582	3,465	526
Depreciation expense	383	48	6
Loss on foreign exchange	—	94	—
Write-off of property and equipment	—	21	—
Interest accrued on notes receivable from stockholder	—	—	(2)
Non-cash research and development expenses	—	—	750
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(742)	(767)	(1,246)
Other assets	6	(61)	(37)
Accounts payable	981	1,005	(164)
Accrued compensation	1,121	1,399	894
Accrued research and development expenses	(2,704)	4,288	468
Other accrued liabilities	215	293	4
Long-term liabilities	398	29	78
Net cash used in operating activities	(60,025)	(37,156)	(16,628)
Investing activities			
Purchases of short-term investments	(304,928)	(379,776)	(95,525)
Sales of short-term investments	242,643	64,020	5,808
Maturities of short-term investments	149,046	96,113	6,400
Transfer to restricted cash	—	(194)	—
Purchases of property and equipment	(3,020)	(290)	(46)
Net cash provided by (used in) investing activities	83,741	(220,127)	(83,363)
Financing activities			
Proceeds from sale of common stock, net of offering costs	—	263,434	56,455
Taxes paid related to net share settlement of restricted stock units	(94)	(4,647)	—
Proceeds from employee stock awards	600	439	—
Proceeds from sale of convertible preferred stock, net of offering costs	—	—	13,481
Repayment of notes receivable from stockholder	—	—	337
Net cash provided by financing activities	506	259,226	70,273
Effect of exchange rates on cash	—	(94)	—
Increase in cash and cash equivalents	24,222	1,849	(29,718)
Cash and cash equivalents at beginning of period	23,746	21,897	51,615
Cash and cash equivalents at end of period	$47,968	$23,746	$21,897
Non-cash investing and financing activities			

Issuance of common stock related to technology licensing option	—	—	$750
Issuance of common stock upon vesting of stock awards	$60	$80	$90
Change in long-term liabilities related to non-vested stock awards	$(60)	$(80)	$(90)
Property and equipment purchases included in liabilities	$352	$—	$—
Supplemental cash flow disclosure			
Cash paid for taxes	$10	$3	$70

Atara Biotherapeutics, Inc.

Notes to Consolidated and Combined Financial Statements

1. Description of Business

Atara Biotherapeutics, Inc. ("Atara", "we", "our" or "the Company") was incorporated in August 2012 in Delaware. Atara is a clinical-stage biopharmaceutical company focused on developing meaningful therapies for patients with severe and life-threatening diseases that have been underserved by scientific innovation. We are focused on developing allogeneic or third-party derived antigen-specific T-cells. T-cells are a type of white blood cell and cytotoxic T-cells, otherwise known as cytotoxic T lymphocytes, or CTLs, can mount an immune response against an antigen or antigens in order to combat viral infection or disease.

Our cellular therapy platform is designed to provide a healthy immune capability to a patient whose immune system is compromised or is unable to identify the disease targets. We licensed rights to T-cell product candidates from Memorial Sloan Kettering Cancer Center ("MSK") in June 2015 and to know how and technology from QIMR Berghofer Medical Research Institute ("QIMR Berghofer") in October 2015 and September 2016. See Note 6 for further information.

In October 2014, we completed our initial public offering of 5,750,000 shares of common stock at an offering price to the public of $11.00 per share and received net proceeds of $56.5 million. In February 2015, we completed a follow-on offering of 4,147,358 shares of common stock at an offering price to the public of $18.00 per share and received net proceeds of $69.5 million. In July 2015, we completed a follow-on offering of 3,980,768 shares of common stock at an offering price to the public of $52.00 per share and received net proceeds of $193.9 million.

2. Summary of Significant Accounting Policies

Basis of Presentation and Recapitalization

The accompanying consolidated and combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC").

Atara was originally formed as a management company with the sole purpose of providing management, financial and administrative services for Nina Biotherapeutics, Inc. ("Nina"), Santa Maria Biotherapeutics, Inc. ("Santa Maria") and Pinta Biotherapeutics, Inc. ("Pinta"). Prior to March 31, 2014, the accompanying financial statements include the operations of Atara, Nina, Pinta and Santa Maria on a combined basis as the four individual companies were under common ownership and common management. All intercompany transactions have been eliminated.

On March 31, 2014, we implemented a recapitalization (the "Recapitalization") in which (a) all the outstanding shares of common stock of Atara were cancelled and forfeited by existing stockholders and (b) the stockholders of Nina, Pinta and Santa Maria exchanged their existing common and convertible preferred stock for newly-issued shares of Atara, with the same rights and privileges as the outstanding capital stock of Nina, Pinta and Santa Maria. The shares were

exchanged on a collective nine-for-one basis. The Recapitalization lacked economic substance as the newly-issued shares have the same rights and privileges as the previously outstanding capital stock of Nina, Pinta and Santa Maria and there was no change in ownership percentages of the individual stockholders. As a result of the Recapitalization, Nina, Pinta and Santa Maria became wholly owned subsidiaries of Atara effective March 31, 2014. The Recapitalization is considered a tax-free exchange for U.S. federal income tax purposes.

Because the four individual companies were under common ownership and the Recapitalization lacked economic substance, we accounted for the Recapitalization as a combination of businesses under common control. The assets and liabilities of Nina, Pinta and Santa Maria were recorded by Atara at their historical carrying amounts on March 31, 2014 and beginning March 31, 2014, the financial statements of Atara are presented on a consolidated basis.

Principles of Consolidation

The consolidated and combined financial statements include the accounts of Atara and its wholly owned subsidiaries, Nina, Pinta, Santa Maria, Atara Biotherapeutics Cayman Limited, a Cayman Islands corporation and Atara Biotherapeutics Ireland Limited, an Ireland corporation. All intercompany balances and transactions have been eliminated in consolidation.

Segment and Geographic Information

We operate and manage our business as one reporting and one operating segment, which is the business of developing and commercializing therapeutics. Our Chief Executive Officer, who is our chief operating decision maker, reviews financial information

on an aggregate basis for purposes of allocating resources and evaluating financial performance. All of our assets are located in the United States and Cayman Islands.

Significant Risks and Uncertainties

We have incurred significant operating losses since inception and have relied on public and private equity financings to fund our operations. As of December 31, 2016, we had an accumulated deficit of $177.2 million. As we continue to incur losses, our transition to profitability will depend on the successful development, approval and commercialization of product candidates and on the achievement of sufficient revenues to support our cost structure. We may never achieve profitability, and unless and until we do, we will need to continue to raise additional capital. Management expects that our cash, cash equivalents and short-term investments as of December 31, 2016 will be sufficient to fund our planned operations into the first quarter of 2019.

Concentration of Credit Risk and Other Uncertainties

We place cash and cash equivalents in the custody of financial institutions that management believes are of high credit quality, the amount of which at times, may be in excess of the amount insured by the Federal Deposit Insurance Corporation. We also have short-term investments in money market funds, U.S. Treasury, government agency and corporate debt obligations, commercial paper and asset-backed securities, which can be subject to certain credit risk. However, we mitigate the risks by investing in high-grade instruments, limiting our exposure to any one issuer, and monitoring the ongoing creditworthiness of the financial institutions and issuers.

We are subject to certain risks and uncertainties and believe that changes in any of the following areas could have a material adverse effect on future financial position or results of operations: our ability to obtain future financing; regulatory approval and market acceptance of, and reimbursement for, our product candidates, if approved; performance of third-party clinical research organizations and manufacturers upon which we rely; development of sales channels; protection of our intellectual property; litigation or claims against us based on intellectual property, patent, product, regulatory or other factors; and our ability to attract and retain employees necessary to support our growth.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes. Significant estimates relied upon in preparing these financial statements include estimates related to clinical trial and other accruals, stock-based compensation expense, fair value of investments and income taxes. Actual results could differ materially from those estimates.

Foreign Currency

Transactions and foreign currency-denominated monetary assets and liabilities that are denominated in a foreign currency are translated into U.S. dollars at the current exchange rate on the transaction date and as of each balance sheet date, respectively, with gains or losses on foreign exchange changes recognized in interest and other income (expense), net in the statements of operations and comprehensive loss. We held no foreign currency as of December 31, 2016. As of December 31, 2015, we held British pounds valued at $1.5 million, which were used in operations or sold in 2016.

Cash Equivalents and Short-Term Investments

Cash equivalents are defined as short-term, highly liquid investments with original maturities of 90 days or less at the date of purchase, and generally consist of money market funds, U.S. Treasury, government agency and corporate debt obligations, and commercial paper.

Investments with original maturities of greater than 90 days are classified as short-term investments on the balance sheet, and consist primarily of U.S. Treasury, government agency and corporate debt obligations, commercial paper and asset-backed securities.

As our entire investment portfolio is considered available for use in current operations, we classify all investments as available-for-sale and as current assets, even though the stated maturity may be more than one year from the current balance sheet date. Available-for-sale securities are carried at fair value, with unrealized gains and losses reported in accumulated other comprehensive loss, which is a separate component of stockholders' equity in the consolidated balance sheet.

The amortized cost of securities is adjusted for amortization of premiums and accretion of discounts to maturity, which are both recorded to interest and other income (expense), net in the statements of operations and comprehensive loss.

Changes in the fair value of available-for-sale securities impact the statements of operations only when such securities are sold or if an other-than-temporary impairment is recognized. Realized gains and losses on the sale of securities are determined by specific identification of each security's cost basis. We regularly review our investment portfolio to determine if any security is other-than-temporarily impaired, which would require us to record an impairment charge in the period any such determination is made. In making this judgment, we evaluate, among other things, the duration and extent to which the fair value of a security is less than its cost, the financial condition of the issuer and any changes thereto, our intent to sell, or whether it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis. Our assessment on whether a security is other-than-temporarily impaired could change in the future due to new developments or changes in assumptions related to any particular security. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities, if any, are recorded to interest and other income (expense), net in the statements of operations and comprehensive loss.

Fair Value Measurement

The carrying amounts of certain of our financial instruments including cash equivalents, prepaid expenses, accounts payable and accrued liabilities approximate fair value due to their short maturities. Short-term investments are comprised of available-for-sale securities, which are carried at fair value.

Fair Value of Financial Instruments

Our financial assets and liabilities are measured at fair value on a recurring basis using the following hierarchy to prioritize valuation inputs, in accordance with applicable GAAP:

Level 1: Quoted prices in active markets for identical assets or liabilities that we have the ability to access

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data such as quoted prices, interest rates and yield curves

Level 3: Inputs that are unobservable data points that are not corroborated by market data

We review the fair value hierarchy classification on a quarterly basis. Changes in the ability to observe valuation inputs may result in a reclassification of levels of certain securities within the fair value hierarchy. We recognize transfers into and out of levels within the fair value hierarchy in the period in which the actual event or change in circumstances that caused the transfer occurs. There have been no transfers between Level 1, Level 2, and Level 3 in any periods presented.

Financial assets and liabilities are considered Level 2 when their fair values are determined using inputs that are observable in the market or can be derived principally from or corroborated by observable market data such as pricing for similar securities, recently executed transactions, cash flow models with yield curves, and benchmark securities. In addition, Level 2 financial instruments are valued using comparisons to like-kind financial instruments and models that use readily observable market data as their basis. U.S. Treasury, government agency and corporate debt obligations, and commercial paper and asset-backed securities are valued primarily using market prices of comparable securities, bid/ask quotes, interest rate yields and prepayment spreads and are included in Level 2.

Financial assets and liabilities are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies, or similar techniques, and at least one significant model assumption or input is

unobservable. We have no Level 3 financial assets or liabilities.

Property and Equipment, net

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, ranging from three to five years. Leasehold improvements are amortized over the lesser of the life of the leasehold improvements or the lease term. Maintenance and repairs are charged to operations as incurred.

Long-lived Assets

We evaluate the carrying amount of our long-lived assets whenever events or changes in circumstances indicate that the assets may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition are less than the carrying amount of the asset. To date, there have been no such impairment losses.

Stock-Based Compensation Expense

We account for stock-based compensation expense, including the expense of restricted common stock awards ("RSAs") and grants of restricted stock units ("RSUs") and stock options that may be settled in shares of our common stock, based on the fair values of the equity instruments issued. The fair value is determined on the measurement date, which is generally the date of grant for employee awards and the date when the service performance is completed for non-employees. The fair value for our RSAs is their intrinsic value, which is the difference between the fair value of the underlying stock at the measurement date and the purchase price. The fair value of our RSUs is the fair value of the underlying stock at the measurement date. The fair value for our stock option awards is determined at the grant date using the Black-Scholes valuation model. For employees' awards with performance-based vesting criteria, we assess the probability of the achievement of the performance conditions at the end of each reporting period and recognize the share-based compensation costs when it becomes probable that the performance conditions will be met. For non-employees' awards with performance-based vesting criteria, we assess all possible outcomes at the end of each reporting period and recognize the lowest aggregate fair value in the range of possible outcomes. The lowest value in the range of possible outcomes may be zero. For awards that are subject to both service and performance conditions, no expense is recognized until it is probable that performance conditions will be met. Stock-based compensation expense for awards with time-based vesting criteria is recognized as expense on a straight-line basis over the requisite service period. Stock-based compensation expense for awards with performance and other vesting criteria is recognized as expense under an accelerated graded vesting model.

Key assumptions used in the Black-Scholes valuation model used for employee stock awards include:

Expected term – We derived the expected term using the "simplified" method (the expected term is determined as the average of the time-to-vesting and the contractual life of the options), as we have limited historical information to develop expectations about future exercise patterns and post vesting employment termination behavior. Expected term for non-employee awards is based on the remaining contractual term of an option on each measurement date.

Expected volatility – Expected volatility is estimated using comparable public companies' volatility for similar terms.

Expected dividend – We have not historically declared or paid dividends to our stockholders and have no plans to pay dividends; therefore we assumed an expected dividend yield of 0%.

Risk-free interest rate – The risk-free interest rate is based on the yield on U.S. Treasury securities with the expected term of the associated award.

The fair value of non-employee stock options is estimated using the Black-Scholes valuation model with assumptions generally consistent with those used for employee stock options, with the exception of the expected term, which is the remaining contractual life at each measurement date.

Prior to our IPO in October 2014, due to the absence of an active market for our common stock, we estimated the fair value of our common stock in accordance with the framework of the American Institute of Certified Public Accountants Technical Practice Aid, Valuation of Privately-Held Company Equity Securities Issued as Compensation. Each valuation included estimates and assumptions that required management's judgment, including assumptions regarding the probability and estimated time to completion of our IPO. Subsequent to the completion of our IPO, the fair value of our common stock is based on observable market prices.

Research and Development Expense

Research and development expense consists of costs incurred in performing research and development activities, including compensation and benefits for research and development employees, including stock-based compensation; expenses incurred under agreements with contract research organizations and investigative sites that conduct clinical trials and preclinical studies, the costs of acquiring and manufacturing clinical trial materials and other supplies; payments under licensing and research and development agreements; other outside services and consulting costs, and an allocation of facility and overhead expenses. Research and development costs are expensed as incurred.

Clinical Trial Accruals

Costs for preclinical study and clinical trial activities are recognized based on an evaluation of our vendors' progress towards completion of specific tasks, using data such as patient enrollment, clinical site activations or information provided to us by our vendors regarding their actual costs incurred. Payments for these activities are based on the terms of individual contracts and payment timing may differ significantly from the period in which the services are performed. We determine accrual estimates through reports from and discussions with applicable personnel and outside service providers as to the progress or state of completion of trials, or the services completed. Our estimates of accrued expenses as of each balance sheet date are based on the facts and circumstances known at the time. Costs that are paid in advance of performance are deferred as a prepaid expense and amortized over the service period as the services are provided.

Other Accrued Liabilities

As of December 31, 2016, other accrued liabilities included $0.6 million of accrued operating expenses and $0.1 million of other accrued liabilities. As of December 31, 2015, other accrued liabilities included $0.4 million of accrued operating expenses and $0.1 million of other accrued liabilities.

Income Taxes

We use the assets and liabilities method to account for income taxes. We record deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates expected to be in effect when the differences are expected to reverse. Valuation allowances are provided when necessary to reduce net deferred tax assets to the amount that is more likely than not to be realized. Based on the available evidence, we are unable, at this time, to support the determination that it is more likely than not that our deferred tax assets will be utilized in the future. Accordingly, we recorded a full valuation allowance as of December 31, 2016 and 2015. We intend to maintain valuation allowances until sufficient evidence exists to support their reversal.

Tax benefits related to uncertain tax positions are recognized when it is more likely than not that a tax position will be sustained during an audit. Interest and penalties related to unrecognized tax benefits are included within the provision for income tax.

Comprehensive Loss

Comprehensive loss is defined as a change in equity of a business enterprise during a period resulting from transactions from non-owner sources. Our other comprehensive loss is comprised solely of unrealized gains (losses) on available-for-sale securities, and is presented net of taxes. We have not recorded any reclassifications from other comprehensive loss to net loss during any period presented.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which is intended to increase the transparency and comparability in the reporting of leasing arrangements by generally requiring leased assets and liabilities to be recorded on the balance sheet. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018, with early adoption permitted. The Company has not yet determined the method of adoption and the potential effect the new standard will have on the Company’s consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting (Topic 718), which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification in the statement of cash flows. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2016, with early adoption permitted. The Company will prospectively adopt the new standard on January 1, 2017 and does not believe that adoption will have a material effect on the Company’s consolidated financial statements due to the full valuation allowance of its deferred tax assets.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires that expected credit losses relating to financial assets

measured on an amortized cost basis and available-for-sale debt securities be recorded through an allowance for credit losses. ASU 2016-13 limits the amount of credit losses to be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and also requires the reversal of previously recognized credit losses if fair value increases. The new standard will be effective for us on January 1, 2020. Early adoption will be available on January 1, 2019. We are currently evaluating the effect that the updated standard will have on our consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, which clarifies how certain cash receipts and cash payments should be presented and classified in the statement of cash flows. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017, with early adoption permitted. The Company has not yet determined the method of adoption and the potential effect the new standard will have on the Company’s consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory, which clarifies the timing of recognition of income tax consequences of when an intra-entity transfer of as asset other than inventory to when the transfer occurs and eliminates the exception for an intra-entity transfer of an asset other than inventory. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017, with early adoption permitted. The standard should be applied on a modified retrospective basis through a cumulative-effect adjustment directly

to retained earnings as of the beginning of the period of adoption. The Company has not yet determined the potential effect the new standard will have on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18 Statement of Cash Flows (Topic 230): Restricted Cash, which clarifies the statement of cash flow treatment of restricted cash or restricted cash equivalents. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017, with early adoption permitted. The standard should be applied using a retrospective transition method to each period presented. The Company has not yet determined the potential effect the new standard will have on the Company's consolidated financial statements.

3. Net Loss per Common Share

Basic and diluted net loss per common share is presented, giving effect to the Recapitalization on March 31, 2014, including cancellation of existing Atara common stock and a nine-for-one share exchange. Basic net loss per common share is calculated by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, without consideration of common stock equivalents. Diluted net loss per common share is computed by dividing the net loss by the weighted-average number of shares of common stock and common share equivalents outstanding for the period. Common share equivalents are only included in the calculation of diluted net loss per common share when their effect is dilutive. Prior to the date of our IPO, we considered all series of our convertible preferred stock to be participating securities as they were entitled to participate in undistributed earnings with shares of common stock. Due to net losses, there is no impact on the net loss per common share calculation in applying the two-class method since the participating securities had no legal requirement to share in any losses.

Potential dilutive securities, which include unvested RSAs, unvested RSUs, vested and unvested options and ESPP share purchase rights have been excluded from the computation of diluted net loss per share as the effect is antidilutive. Therefore, the denominator used to calculate both basic and diluted net loss per common share is the same in all periods presented.

The following table represents the potential common shares issuable pursuant to outstanding securities as of the related period end dates that were excluded from the computation of diluted net loss per common share as their inclusion would have an antidilutive effect:

	As of December 31,		
	2016	2015	2014
Unvested RSAs	—	233,413	666,091
Unvested RSUs	1,286,262	427,605	721,293
Vested and unvested options	3,733,847	3,137,529	313,565
ESPP share purchase rights	7,037	—	—

Additionally, convertible preferred stock that was outstanding prior to our IPO in October 2014 has been excluded from the computation of diluted net loss per common share, as these securities would have been antidilutive during

2014.

4. Financial Instruments

The following tables summarize the estimated fair value and related valuation input hierarchy of our available-for-sale securities as of each period end:

As of December 31, 2016:	Input Level	Total Amortized Cost	Total Unrealized Gain	Total Unrealized Loss	Total Estimated Fair Value
		(in thousands)			
Money market funds	Level 1	$28,816	$ —	$ —	$28,816
U.S. Treasury obligations	Level 2	65,403	3	(21)	65,385
Government agency obligations	Level 2	23,860	5	(5)	23,860
Corporate debt obligations	Level 2	113,649	8	(172)	113,485
Commercial paper	Level 2	699	—	—	699
Asset-backed securities	Level 2	13,414	4	(6)	13,412
Total available-for-sale securities		245,841	20	(204)	245,657
Less amounts classified as cash equivalents		(37,944)	—	1	(37,943)
Amounts classified as short-term securities		$207,897	$ 20	$ (203)	$207,714

As of December 31, 2015:	Input Level	Total Amortized Cost	Total Unrealized Gain	Total Unrealized Loss	Total Estimated Fair Value
		(in thousands)			
Money market funds	Level 1	$16,364	$ —	$ —	$16,364
U.S. Treasury obligations	Level 2	599	—	(1)	598
Government agency obligations	Level 2	36,480	1	(88)	36,393
Corporate debt obligations	Level 2	203,767	8	(339)	203,436
Commercial paper	Level 2	999	—	—	999
Asset-backed securities	Level 2	61,304	2	(102)	61,204
Total available-for-sale securities		319,513	11	(530)	318,994
Less amounts classified as cash equivalents		(22,259)	—	1	(22,258)
Amounts classified as short-term securities		$297,254	$ 11	$ (529)	$296,736

The amortized cost and fair value of our available-for-sale securities by contractual maturity were as follows:

	As of December 31, 2016		As of December 31, 2015	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(in thousands)		(in thousands)	
Maturing within one year	$198,022	$197,956	$211,311	$211,059
Maturing in one to five years	47,819	47,701	108,202	107,935
Total available-for-sale securities	$245,841	$245,657	$319,513	$318,994

As of December 31, 2016, certain available-for-sale securities had been in a continuous unrealized loss position, each for less than twelve months. As of this date, no significant facts or circumstances were present to indicate a deterioration in the creditworthiness of the respective issuers, and the Company had no requirement or intention to sell these securities before maturity or recovery of their amortized cost basis. During the years ended December 31, 2016, 2015 and 2014, we did not recognize any other-than-temporary impairment loss.

In addition, restricted cash collateralized by money market funds is a financial asset measured at fair value and is a Level 1 financial instrument under the fair value hierarchy.

5. Property and Equipment

Property and equipment of $1.8 million includes lab equipment, furniture and fixtures, computer equipment and software, which are depreciated over the estimated useful lives of the assets, ranging from three to five years. Leasehold improvements of $0.5 million are amortized over the lesser of the life of the leasehold improvements or the lease term. Costs for construction-in-process of $1.0 million related to expenses capitalized for our planned manufacturing facility in Thousand Oaks, California are also included in property and equipment. Depreciation expense was $0.4 million, $48,000 and $6,000 for the years ended December 31, 2016, 2015 and 2014, respectively.

6. License and Collaboration Agreements

MSK Agreements – In September 2014, we entered into an exclusive option agreement with MSK under which we had the right to acquire the exclusive worldwide license rights to three clinical stage T-cell therapies from MSK. In exchange for the option, we paid $1.25 million in cash and issued 59,761 shares of our common stock to MSK. At the time of issuance, we estimated the fair value of the stock issued to MSK to be $0.75 million. The total of $2.0 million was recorded as research and development expense in our statements of operations and comprehensive loss.

In June 2015, we exercised our option and entered into an exclusive license agreement with MSK. In connection with the execution of the license agreement, we paid $4.5 million in cash to MSK, which was recorded as research and development expense in our statement of operations and comprehensive loss. We are required to make additional payments of up to $33.0 million to MSK based on achievement of specified regulatory and sales-related milestones, as well as mid-single-digit percentage tiered royalty payments based on future sales of products resulting from the development of the licensed product candidates, if any. In addition, under certain circumstances, we are required to make certain minimum annual royalty payments to MSK, which are creditable against earned royalties owed for the same annual period. We are also required to pay a low double-digit percentage of any consideration we receive for sublicensing the licensed rights. The license agreement expires on a product-by-product and country-by-country basis on the later of: (i) expiration of the last licensed patent rights related to each licensed product, (ii) expiration of any market exclusivity period granted by law with respect to each licensed product, and (iii) a specified number of years after the first commercial sale of the licensed product in each country. Upon expiration of the license agreement, Atara will retain non-exclusive rights to the licensed products.

QIMR Berghofer Agreements – In October 2015, we entered into an exclusive license agreement and a research and development collaboration agreement with QIMR Berghofer.

Under the terms of the license agreement, we obtained an exclusive, worldwide license to develop and commercialize allogeneic cytotoxic T-lymphocyte (“CTL”) therapy programs utilizing technology and know-how developed by QIMR Berghofer. In consideration for the exclusive license, we paid $3.0 million in cash to QIMR Berghofer, which was recorded as research and development expense in our consolidated statement of operations and comprehensive loss in the fourth quarter of 2015. In September 2016, the exclusive license agreement and research and development collaboration agreement were amended and restated. Under the amended and restated agreements, we obtained an exclusive, worldwide license to develop and commercialize additional CTL programs as well as the option to license additional technology in exchange for $3.3 million in cash, which was recorded as research and development expense in our consolidated statement of operations and comprehensive loss in the third quarter of 2016 and paid in October 2016. The amended and restated license agreement also provides for various milestone and royalty payments to QIMR Berghofer based on future product sales, if any.

Under the terms of the amended and restated research and development collaboration agreement, we are also required to reimburse the cost of agreed-upon development activities related to programs developed under the collaboration. These payments are expensed on a straight-line basis over the related development periods and resulted in research and development expense of $1.2 million and $0.2 million for the years ended December 31, 2016 and 2015, respectively. The agreement also provides for various milestone payments to QIMR Berghofer based on achievement of certain developmental and regulatory milestones.

Milestones and royalties under each of the above agreements are contingent upon future events and will be recorded as expense when it is probable that the milestones will be achieved or royalties are due. As of December 31, 2016 and 2015, there were no outstanding obligations for milestones and royalties to MSK and QIMR Berghofer.

Amgen License Agreements – In September 2012, we entered into license agreements with Amgen, Inc., for several molecular programs, including PINTA745, ATA842 and STM434. In December 2015, we announced the suspension of further development of PINTA745 and, in June 2016, we returned the rights related to this and the ATA842 program to Amgen.

7. Commitments and Contingencies

License and Collaboration Agreements

Potential payments related to our license and collaboration agreements, including milestone and royalty payments, are detailed in Note 6. As the achievement of regulatory and sales milestones and royalties are currently not fixed and determinable, such commitments have not been included in our balance sheets.

Other Research and Development Agreements

We may also enter into contracts in the normal course of business with clinical research organizations for clinical trials, with contract manufacturing organizations for clinical supplies, and with other vendors for pre-clinical studies, supplies and other services and products for operating purposes. These contracts generally provide for termination on notice, with the exception of potential termination charges related to one of our contract manufacturing agreements in the event certain minimum purchase volumes are not met.

Operating Leases

We lease our corporate headquarters in South San Francisco, California under a non-cancellable lease agreement that expires in April 2021. In connection with the lease, we were required to issue a letter of credit in the amount of $0.2 million to the landlord, which expires in December 2017 and is classified as restricted cash in our balance sheet. We also lease office space in Westlake Village, California that expires in April 2019. In February 2017, we entered into a lease agreement for approximately 90,580 square feet of office, lab and cellular therapy manufacturing space in Thousand Oaks, California. The term of the lease commences after the end of the construction project when the landlord delivers possession of the property to us. Upon the commencement of the lease, the initial term of the lease is fifteen years. Future minimum payments under our operating leases as of December 31, 2016 were as follows:

Periods Ending December 31,	Operating Leases (in thousands)
2017	$ 1,294
2018	980
2019	732
2020	613
2021	259
Thereafter	—
Total operating lease commitments	$ 3,878
Less income from sublease	(18)
Net minimum operating lease commitments	$ 3,860

Rent expenses for the years ended December 31, 2016, 2015 and 2014 were $1.2 million, $0.4 million and $0.1 million, respectively.

Indemnification Agreements

In the normal course of business, we enter into contracts and agreements that contain a variety of representations and warranties and provide for indemnification for certain liabilities. The exposure under these agreements is unknown because it involves claims that may be made against us in the future but have not yet been made. To date, we have not paid any claims or been required to defend any action related to our indemnification obligations. However, we may record charges in the future as a result of these indemnification obligations. We also have indemnification obligations to our directors and executive officers for specified events or occurrences, subject to some limits, while they are serving at our request in such capacities. There have been no claims to date and we believe the fair value of these indemnification agreements is minimal. Accordingly, we have not recorded any liabilities for these agreements as of December 31, 2016 and 2015.

Contingencies

From time to time, we may be involved in legal proceedings, as well as demands, claims and threatened litigation, which arise in the normal course of our business or otherwise. The ultimate outcome of any litigation is uncertain and unfavorable outcomes could have a negative impact on our results of operations and financial condition. Regardless of outcome, litigation can have an adverse impact on us because of the defense costs, diversion of management resources and other factors. We are not currently involved in any material legal proceedings.

8. Stockholders' Equity

Our authorized capital stock consists of 520,000,000 shares, all with a par value of $0.0001 per share, of which 500,000,000 shares are designated as common stock and 20,000,000 shares are designated as preferred stock. There were no shares of preferred stock outstanding as of December 31, 2016 and 2015.

The following shares of common stock were reserved for future issuance as of December 31, 2016:

	Total Shares Reserved
2014 Equity Incentive Plan	9,132,638
2014 Employee Stock Purchase Plan	640,823
Total reserved shares of common stock	9,773,461

Restricted Stock Awards

In August 2012, in connection with our formation, our CEO purchased 1,066,154 post-recap, post-split shares of restricted common stock at a nominal per share purchase price. The shares were issued subject to certain vesting conditions, restrictions on transfer and a Company right of repurchase of any unvested share at their original purchase price. The combined grant date intrinsic value for this award was $1.7 million.

In March 2013, an Atara employee purchased 269,230 post-recap, post-split shares of restricted common stock for $0.3 million. The shares were issued under our 2012 Equity Incentive Plan and were subject to certain vesting conditions, restrictions on transfer and a Company right of repurchase of any unvested shares at their original purchase price.

The amounts paid for both RSAs were initially recorded as other long-term liabilities. As the shares vested, we reclassified liabilities to equity. As of December 31, 2016, all of these shares had vested and are reported as common stock shares outstanding in the consolidated financial statements.

There were no grants of RSAs in the years ended December 31, 2016, 2015 and 2014. Stock-based compensation expense related to the RSAs is recorded using the accelerated graded vesting model and was $0.2 million, $0.8 million and $5.2 million for the years ended December 31, 2016, 2015 and 2014, respectively.

Equity Incentive Plan

In March 2014, we adopted the 2014 Equity Incentive Plan (the "2014 EIP") as part of our Recapitalization. In connection with the Recapitalization, Atara assumed the plans of Nina, Pinta and Santa Maria and all outstanding RSAs and RSUs granted under such plans. At the date of Recapitalization, RSAs and RSUs issued by Nina, Pinta and Santa Maria to Atara employees became employee awards and the awards' grant dates were established as the Recapitalization date. In May 2014, our board of directors amended and restated our 2014 EIP and the amended plan became effective on October 15, 2014 upon the pricing of our IPO.

The 2014 EIP provides for annual increases in the number of shares available for issuance thereunder on the first business day of each fiscal year, beginning with 2015 and ending in 2024, equal to five percent of the number of shares of the Company's common stock outstanding as of such date or a lesser number of shares as determined by our board of directors.

Under the terms of the 2014 EIP, we may grant options, RSAs and RSUs to employees, directors, consultants and other service providers. RSUs typically require settlement by the earlier of seven years from the date of grant or the service termination (or, for RSUs granted prior to February 2014, two years following the service termination date). Stock options are granted at prices no less than 100% of the estimated fair value of the shares on the date of grant as determined by the board of directors, provided, however, that the exercise price of an option granted to a 10% shareholder cannot be less than 110% of the estimated fair value of the shares on the date of grant. Options granted to employees and non-employees generally vest over four years and expire in seven years. As of December 31, 2016, a total of 9,132,638 shares of common stock were reserved for issuance under the 2014 Plan, of which 4,087,124 shares were available for future grant and 5,045,514 were subject to outstanding options and RSUs.

Restricted Stock Units and Awards

The RSUs granted prior to our October 2014 IPO had a time-based service condition and a liquidity-based performance condition, and vest when both conditions are met. Prior to our IPO, we determined that the liquidity-based performance condition was not probable of occurring and recorded no stock-based compensation expense related to these RSUs. Upon the closing of our IPO, we

recorded $3.8 million of stock-based compensation expense in our statement of operations and comprehensive loss. The weighted average grant date fair value of RSUs granted during the year ended December 31, 2016, 2015 and 2014 was $17.83, $25.15 and $6.53, respectively. As of December 31, 2016, there was $18.0 million of unrecognized stock-based compensation expense related to RSUs that is expected to be recognized over a weighted average period of 1.8 years. The aggregate intrinsic value of the RSUs outstanding as of December 31, 2016 was $18.6 million.

The following is a summary of RSAs and RSUs activity under our 2014 EIP:

	RSAs		RSUs	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested as of December 31, 2015	48,317	$ 0.40	427,605	$ 7.86
Granted	—		1,142,697	$ 17.83
Forfeited	—		(78,859)	$ 13.56
Vested	(48,317)	$ 0.40	(205,181)	$ 6.34
Unvested as of December 31, 2016	—		1,286,262	$ 16.61
Vested and unreleased			25,405	
Outstanding as of December 31, 2016			1,311,667	

Under our RSU net settlement procedures, we withhold shares at settlement to cover the minimum payroll withholding tax obligations. During 2016, we settled 204,611 RSUs, of which 199,389 RSUs were net settled by withholding 5,222 shares. The value of the RSUs withheld was $0.1 million, based on the closing price of our common stock on the settlement date. This amount was remitted to the appropriate taxing authorities and has been reflected as a financing activity in our statements of cash flows.

Stock Options

The following is a summary of option activity under our 2014 EIP:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2015	3,137,529	$ 25.81		
Granted	975,250	$ 20.01		
Exercised	(18,947)	$ 13.15		
Forfeited or expired	(359,985)	$ 28.74		
Outstanding as of December 31, 2016	3,733,847	$ 24.14	5.6	$ 1,369
Vested and expected to vest as of December 31, 2016	3,733,847	$ 24.14	5.6	$ 1,369
Exercisable as of December 31, 2016	1,143,977	$ 24.99	5.0	$ 719

Aggregate intrinsic value represents the difference between the closing stock price of our common stock on December 31, 2016 and the exercise price of outstanding, in-the-money options. As of December 31, 2016, there was $32.2 million of unrecognized stock-based compensation expense related to stock options that is expected to be recognized over a weighted average period of 2.8 years.

Options for 18,947 and 23,822 shares of our common stock were exercised during the years ended December 31, 2016 and 2015, with an intrinsic value of $0.2 million and $0.6 million, respectively. No options were exercised during 2014. As we believe it is more likely than not that no stock option related tax benefits will be realized, we do not record any net tax benefits related to exercised options.

The fair value of each option issued was estimated at the date of grant using the Black-Scholes valuation model. The following table summarizes the weighted-average assumptions used as inputs to the Black-Scholes model, and resulting weighted-average grant date fair values of employee and consultant stock options granted during the periods indicated:

	Year ended December 31, 2016		Year ended December 31, 2015		Year ended December 31, 2014	
	Employees	Consultants	Employees	Consultants	Employees	Consultants
Assumptions:						
Expected term (years)	4.5	7.0	4.5	7.0	4.5	7.0
Expected volatility	69.0 %	66.1 %	72.4 %	71.5 %	65.7 %	65.8 %
Risk-free interest rate	1.3 %	1.7 %	1.6 %	2.0 %	1.6 %	2.2 %
Expected dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fair Value:						
Weighted-average estimated grant date fair value per share	$ 11.02	$ 11.57	$ 16.63	$ 27.82	$ 7.29	$ 8.61
Options granted	966,250	9,000	2,601,174	9,000	590,015	35,844
Total estimated grant date fair value	$ 10,648,000	$ 104,000	$ 43,258,000	$ 250,000	$ 4,301,000	$ 309,000

The estimated fair value of stock options that vested in the years ended December 31, 2016, 2015 and 2014 was $14.0 million, $2.9 million and $0.1 million, respectively.

Employee Stock Purchase Plan

In May 2014, we adopted the 2014 Employee Stock Purchase Plan (“2014 ESPP”), which became effective on October 15, 2014 upon the pricing of our IPO. The 2014 ESPP permits eligible employees to purchase common stock at a discount through payroll deductions during defined offering periods. Eligible employees can purchase shares of the Company’s common stock at 85% of the lower of the fair market value of the common stock at (i) the beginning of a 12-month offering period, or (ii) at the end of one of the two related 6-month purchase periods. No participant in the 2014 ESPP may be issued or transferred shares of common stock valued at more than $25,000 per calendar year. On June 1, 2016, the first offering under the 2014 ESPP commenced, and the Company recorded $0.4 million of expense in the year ended December 31, 2016. A total of 22,844 shares were purchased at the end of the first purchase period on November 30, 2016.

The 2014 ESPP provides for annual increases in the number of shares available for issuance thereunder on the first business day of each fiscal year, beginning with 2015 and ending in 2024, equal to the lower of (i) one percent of the number of shares of our common stock outstanding as of such date, (ii) 230,769 shares of our common stock, or (iii) a lesser number of shares as determined by our board of directors. As of December 31, 2016, there were 640,823 shares available for purchase under the 2014 ESPP.

Stock-based Compensation Expense

Total stock-based compensation expense related to all employee and non-employee awards was as follows:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
Research and development	$7,612	$4,822	$3,258
General and administrative	9,172	5,429	6,843
Total stock-based compensation expense	$16,784	$10,251	$10,101

9. Income Taxes

Losses before provision for income taxes were as follows in each period presented:

	Year Ended December 31,		
	2016	2015	2014
	(in thousands)		
United States	$(48,795)	$(57,230)	$(28,031)
Foreign	(30,244)	—	—
Total loss before provision for income taxes	$(79,039)	$(57,230)	$(28,031)

The components of income tax provision (benefit) were as follows in each period presented:

	Year Ended December 31,		
	2016	2015	2014
Current provision (benefit) for income taxes:	(in thousands)		
Federal	$—	$ (1)	$(36)
State	10	(8)	11
Total current provision (benefit) for income taxes	$10	$ (9)	$(25)

A reconciliation of statutory tax rates to effective tax rates were as follows in each of the periods presented:

	Year Ended December 31,		
	2016	2015	2014
Federal income taxes at statutory rate	34.0 %	34.0 %	34.0 %
Non-deductible stock compensation	(1.3 %)	(0.6 %)	(7.3 %)
Foreign income tax at different rate	(13.0%)	—	—
Other	(0.9 %)	—	0.1 %
Valuation allowance	(18.8%)	(33.4%)	(26.7%)
Effective tax rate	0.0 %	0.0 %	0.1 %

Deferred tax assets and liabilities reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax assets and liabilities were as follows as of the dates indicated:

	As of December 31,	
	2016	2015
Deferred tax assets:	(in thousands)	

Net operating losses	$36,911	$24,219
License fees	5,800	5,122
Stock-based compensation	9,600	4,999
Legal fees	1,933	1,436
Other	1,643	1,249
Total deferred tax assets	55,887	37,025
Valuation allowance	(55,887)	(37,025)
Net deferred tax assets	$—	$—

We recognize deferred income taxes for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes, as well as for tax attribute carryforwards. We regularly evaluate the positive and negative evidence in determining the realizability of our deferred tax assets. Based upon the weight of available evidence, which includes our historical operating performance and reported cumulative net losses since inception, we maintained a full valuation allowance on the net deferred tax assets as of December 31, 2016 and 2015. We intend to maintain a full valuation allowance on our deferred tax assets until sufficient positive evidence exists to support reversal of the valuation allowance. The valuation allowance increased by $18.9 million, $23.3 million and $9.2 million for the years ended December 31, 2016, 2015 and 2014, respectively.

As of December 31, 2016, we had federal and state net operating loss carryforwards for tax return purposes of $100.0 million and $130.1 million, respectively. The federal and state net operating loss carryforwards begin to expire in 2032 in various amounts if not utilized. Included in each of these amounts are unrealized federal and state net operating loss deductions resulting from stock

option exercises of $10.5 million and $10.5 million, respectively. The benefit of these unrealized stock option-related deductions has not been included in the deferred tax assets table above and will be recognized as a credit to additional paid-in capital when realized.

Under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), our ability to utilize net operating loss carryforwards or other tax attributes in any taxable year may be limited if we have experienced an "ownership change." Generally, a Section 382 "ownership change" occurs if one or more stockholders or groups of stockholders who owns at least 5% of a corporation's stock increases its ownership by more than 50% over its lowest ownership percentage within a specified testing period. Similar rules may apply under state tax laws.

We have completed a Section 382 study of transactions in our stock through December 31, 2016. The study concluded that we have experienced at least one ownership change since inception and that our utilization of net operating loss carryforwards will be subject to annual limitations. Further, other provisions of the Code may limit our ability to utilize federal net operating losses incurred before our Recapitalization to offset income or gain realized after the Recapitalization unless such income or gain is realized by the same entity that originally incurred such losses. However, it is not expected that these limitations will result in the expiration of tax attribute carryforwards prior to utilization.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	(In thousands)
Balance as of December 31, 2013	$ —
Gross increases for tax positions related to current year	1,014
Gross increases for tax positions related to prior years	629
Balance as of December 31, 2014	1,643
Gross increases for tax positions related to current year	2,671
Balance as of December 31, 2015	4,314
Gross increases for tax positions related to current year	4,971
Balance as of December 31, 2016	$ 9,285

The Company currently has a full valuation allowance against its U.S. net deferred tax assets, which would impact the timing of the effective tax rate benefit should any uncertain tax position be favorably settled in the future. Of the $9.3 million total unrecognized tax benefits as of December 31, 2016, $0.1 million, if recognized, would affect the Company's effective tax rate.

During July 2016, the Company licensed certain intellectual property rights to a wholly-owned subsidiary outside the United States. Although the license of intellectual property rights between consolidated entities did not result in any gain in the consolidated statements of operations and comprehensive loss, the transaction generated a taxable gain in the United States. However, as this gain is offset by current and existing tax losses, there was no cash tax impact from the transaction in the periods presented. As a result of the transaction, there was an increase of $0.6 million in unrecognized tax benefits during the year ended December 31, 2016. The remaining $4.4 million increase in unrecognized tax benefits related to increasing federal and state research and development tax credit carryforwards. The Company expects to record an uncertain tax benefit of $1.1 million during the next 12 months related to the

licensed intellectual property rights. The Company's policy is to account for interest and penalties related to uncertain tax positions as a component of the income tax provision. The amount of accrued interest and penalties as of December 31, 2016 and for the years ended December 31, 2016, 2015 and 2014 was immaterial.

Our significant jurisdictions are the U.S. federal and the California state jurisdiction. All of our tax years remain open to examination by the U.S. federal and California tax authorities.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision of our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) of the Exchange Act as of December 31, 2016. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2016 to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and

that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely discussion regarding required disclosures. In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2016 based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2016.

Inherent Limitations on Controls and Procedures

Our management, including the Chief Executive and Financial Officer and Principal Accounting Officer, does not expect that our disclosure controls and procedures and our internal controls will prevent all error and all fraud. A control system, no matter how well designed and operated, can only provide reasonable assurances that the objectives of the control system are met. The design of a control system reflects resource constraints; the benefits of controls must be considered relative to their costs. Because there are inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or will be detected. As these inherent limitations are known features of the financial reporting process, it is possible to design into the process safeguards to reduce, though not eliminate, these risks. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns occur because of simple error or mistake. Controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events. While our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, there can be no assurance that any design will succeed in achieving its stated goals under all future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

We intend to review and evaluate the design and effectiveness of our disclosure controls and procedures on an ongoing basis and to improve our controls and procedures over time and to correct any deficiencies that we may discover in the future. While our Chief Executive and Financial Officer and Principal Accounting Officer have concluded that, as of December 31, 2016, the design of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act, was effective, future events affecting our business may cause us to significantly modify our disclosure controls and procedures.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended

December 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of the Independent Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of our registered public accounting firm due to an exemption established by the JOBS Act for “emerging growth companies.”

Item 9B. Other Information

None.

PART III

Certain information required by Part III is omitted from this Annual Report on Form 10-K since we intend to file our definitive proxy statement for our 2016 annual meeting of stockholders, or the Definitive Proxy Statement, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, not later than 120 days after December 31, 2016, and certain information to be included in the Definitive Proxy Statement is incorporated herein by reference.

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this Item is hereby incorporated by reference to our Definitive Proxy Statement.

We have adopted a Code of Conduct that applies to our officers, directors and employees which is available on our internet website at www.atarabio.com. The Code of Conduct contains general guidelines for conducting the business of our company consistent with the highest standards of business ethics, and is intended to qualify as a “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and Item 406 of Regulation S-K. In addition, we intend to promptly disclose (1) the nature of any amendment to our Code of Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions and (2) the nature of any waiver, including an implicit waiver, from a provision of our code of ethics that is granted to one of these specified officers, the name of such person who is granted the waiver and the date of the waiver on our website in the future.

Item 11. Executive Compensation

Information required by this Item is hereby incorporated by reference to our Definitive Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this Item is hereby incorporated by reference to our Definitive Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item is hereby incorporated by reference to our Definitive Proxy Statement.

Item 14. Principal Accounting Fees and Services

Information required by this Item is hereby incorporated by reference to our Definitive Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) Financial Statements.
The response to this portion of Item 15 is set forth under Item 8 above.

(a)(2) Financial Statement Schedules.
All schedules have been omitted because they are not required or because the required information is given in the financial statements or notes thereto set forth under Item 8 above.

(a)(3) Exhibits.
A list of exhibits filed with this report or incorporated herein by reference can be found in the Exhibit Index immediately following the signature page of this Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of South San Francisco, State of California, on the 9th day of March, 2017.

Atara Biotherapeutics, Inc.

By: /s/ Isaac E. Ciechanover
Isaac E. Ciechanover, M.D.
President and Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Isaac E. Ciechanover and John F. McGrath, Jr., and each of them, as his or her true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him or her and in his or her name, place or stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their, his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Isaac E. Ciechanover Isaac E. Ciechanover, M.D.	President and Chief Executive Officer (principal executive officer)	March 9, 2017
/s/ John F. McGrath, Jr. John F. McGrath, Jr.	Executive Vice President and Chief Financial Officer (principal financial and accounting officer)	March 9, 2017
/s/ Eric Dobmeier Eric Dobmeier	Director	March 9, 2017
/s/ Matthew K. Fust Matthew K. Fust	Director	March 9, 2017
/s/ Carol G. Gallagher	Director	

Carol G. Gallagher, Pharm.D.		March 9, 2017
/s/ William Heiden William Heiden	Director	March 9, 2017
/s/ Joel S. Marcus Joel S. Marcus	Director	March 9, 2017
/s/ Beth Seidenberg Beth Seidenberg, M.D.	Director	March 9, 2017

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Atara Biotherapeutics, Inc.	S-1	333-196936	3.2	06/20/2014	
3.2	Amended and Restated Bylaws of Atara Biotherapeutics, Inc.	S-1	333-196936	3.4	06/20/2014	
4.1	Form of Common Stock Certificate	S-1/A	333-196936	4.1	07/10/2014	
4.2	Investors' Rights Agreement, by and among Atara Biotherapeutics, Inc. and the stockholders named therein, dated March 31, 2014	S-1	333-196936	4.2	06/20/2014	
10.1*	Amended and Restated 2014 Equity Incentive Plan	10-Q	001-36548	10.2	08/08/2016	
10.2*	Forms of Option Agreement and Option Grant Notice under the 2014 Equity Incentive Plan	S-1	333-196936	10.2	06/20/2014	

10.3*	Form of Restricted Stock Unit Agreement and Restricted Stock Unit Grant Notice under the 2014 Equity Incentive Plan	S-1	333-196936	10.3	06/20/2014
10.4*	Nina Biotherapeutics, Inc. 2012 Equity Incentive Plan	S-1	333-196936	10.4	06/20/2014
10.5*	Pinta Biotherapeutics, Inc. 2012 Equity Incentive Plan	S-1	333-196936	10.5	06/20/2014
10.6*	Santa Maria Biotherapeutics, Inc. 2012 Equity Incentive Plan	S-1	333-196936	10.6	06/20/2014
10.7*	Form of Stock Unit Agreement under the Nina Biotherapeutics, Inc. 2012 Equity Incentive Plan, Pinta Biotherapeutics, Inc. 2012 Equity Incentive Plan and Santa Maria Biotherapeutics, Inc. 2012 Equity Incentive Plan	S-1	333-196936	10.7	06/20/2014
10.8*	2014 Employee Stock Purchase Plan	S-1/A	333-196936	10.8	07/10/2014
10.9*	Form of Indemnification Agreement made by and between Atara Biotherapeutics, Inc. and each of	S-1	333-196936	10.9	06/20/2014

	its directors and executive officers				
10.10*	Amended and Restated Executive Employment Agreement by and between Atara Biotherapeutics, Inc. and Isaac E. Ciechanover, dated October 12, 2015	8-K	001-36548	10.1	10/16/2015
10.11*	Amended and Restated Executive Employment Agreement between Atara Biotherapeutics, Inc. and John F. McGrath, Jr., dated October 12, 2015	8-K	001-36548	10.2	10/16/2015
10.12*	Amended and Restated Executive Employment Agreement between Atara Biotherapeutics, Inc. and Christopher M. Haqq, dated October 12, 2015	8-K	001-36548	10.3	10/16/2015

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.13*	Amended and Restated Executive Employment Agreement between Atara Biotherapeutics, Inc. and Mitchall Clark, dated October 12, 2015	8-K	001-36548	10.4	10/16/2015	
10.14*	Amended and Restated Executive Employment Agreement between Atara Biotherapeutics, Inc. and Heather D. Turner, dated October 12, 2015	10-Q	001-36548	10.1	05/06/2016	
10.15†	Exclusive Option Agreement, by and between Atara Biotherapeutics, Inc. and Memorial Sloan Kettering Cancer Center, dated as of September 19, 2014	10-Q	001-36548	10.29	05/11/2015	
10.16†	Amendment Number One to the Exclusive Option Agreement, by and between Atara Biotherapeutics, Inc. and Memorial Sloan Kettering Cancer Center, dated as of June 12, 2015	10-Q	001-36548	10.32	08/07/2015	
10.17†	Exclusive License Agreement, by and between Atara Biotherapeutics, Inc. and Memorial Sloan Kettering Cancer Center, dated as of June 12, 2015	S-1	333-205347	10.30	06/29/2015	
10.18	Office Lease, by and between Atara Biotherapeutics, Inc. and BPG Rock Westlake, LLC, dated January 7, 2015	10-Q	001-36548	10.33	11/06/2015	
10.19	First Amendment to Lease, by and between BPG Rock Westlake, LLC and Atara Biotherapeutics, Inc., dated as of September 9, 2015	10-Q	001-36548	10.34	11/06/2015	
10.20	Office Lease, by and between BXP 611 Gateway Center LP and Atara Biotherapeutics, Inc., dated as of December 9, 2015	10-K	001-36548	10.29	3/04/2016	
10.21*	Amended and Restated Executive Employment Agreement between Atara Biotherapeutics, Inc. and Gad Soffer, dated October 12, 2015					X
21.1	List of Subsidiaries					X
23.1	Consent of Independent Registered Public Accounting Firm					X
24.1	Power of Attorney (included on signature page)					

31.1	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
31.2	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1(1)	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 USC Section 1350 as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.	X
101.INS	XBRL Instance Document.	X
101.SCH	XBRL Taxonomy Extension Schema Document.	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation LinkbaseDocument.					X

† Confidential treatment has been granted for a portion of this exhibit.
* Indicates management contract or compensatory plan or arrangement.
(1) The certifications attached as Exhibit 32.1 accompany this Annual Report on Form 10-K pursuant to 18 USC. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed “filed” by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.