

Atara Biotherapeutics, Inc.
Form 10-Q
November 06, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2015

OR

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

For the transition period from _____ to _____

001-36548

(Commission file number)

ATARA BIOTHERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

46-0920988
(I.R.S. Employer Identification No.)

701 Gateway Blvd., Suite 200

South San Francisco, CA 94080
(Address of principal executive offices) (Zip code)

(650) 278-8930

(Registrant's telephone number, including area code)

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

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

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

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

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

The number of shares of the registrant's Common Stock outstanding as of October 31, 2015 was 28,631,144 shares.

ATARA BIOTHERAPEUTICS, INC.

INDEX

	Page
PART I. FINANCIAL INFORMATION	
Item 1. <u>Financial statements (Unaudited)</u>	3
<u>Condensed Consolidated Balance Sheets</u>	3
<u>Condensed Consolidated and Combined Statements of Operations and Comprehensive Loss</u>	4
<u>Condensed Consolidated and Combined Statements of Cash Flows</u>	5
<u>Notes to Condensed Consolidated and Combined Financial Statements</u>	6
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	15
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	23
Item 4. <u>Controls and Procedures</u>	23
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	24
Item 1A. <u>Risk Factors</u>	24
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	54
Item 3. <u>Defaults Upon Senior Securities</u>	54
Item 4. <u>Mine Safety Disclosures</u>	54
Item 5. <u>Other information</u>	54
Item 6. <u>Exhibits</u>	55
<u>Signatures</u>	57
<u>Index to Exhibits</u>	58

Atara Biotherapeutics, Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands, except share and per share amounts)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 54,466	\$ 21,897
Short-term available-for-sale investments	279,799	82,219
Prepaid expenses and other current assets	5,970	1,910
Total current assets	340,235	106,026
Property and equipment, net	46	48
Other assets	98	48
Total assets	\$ 340,379	\$ 106,122
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,853	\$ 440
Accrued compensation	1,562	1,225
Income tax payable	1	1
Other accrued liabilities	3,034	1,058
Total current liabilities	6,450	2,724
Other long-term liabilities	181	216
Total liabilities	6,631	2,940
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock—\$0.0001 par value, 20,000,000 shares authorized; none issued and		
outstanding as of September 30, 2015 and December 31, 2014	—	—
Common stock—\$0.0001 par value, 500,000,000 shares authorized; 28,326,096		
and 19,692,937 shares issued and outstanding as of September 30, 2015 and		
December 31, 2014, respectively	3	2
Additional paid-in capital	410,556	144,169
Accumulated other comprehensive income (loss)	51	(100)
Accumulated deficit	(76,862)	(40,889)
Total stockholders' equity	333,748	103,182
Total liabilities and stockholders' equity	\$ 340,379	\$ 106,122

See accompanying notes.

3

Atara Biotherapeutics, Inc.

Condensed Consolidated and Combined Statements of Operations and Comprehensive Loss

(Unaudited)

(In thousands, except share and per share amounts)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Expenses:				
Research and development	\$8,113	\$4,241	\$20,887	\$9,332
Research and development costs paid to				
Amgen	—	—	—	1,066
In-process research and development license				
acquired from MSK	—	—	4,500	—
General and administrative	4,146	1,708	11,291	7,162
Total operating expenses	12,259	5,949	36,678	17,560
Loss from operations	(12,259)	(5,949)	(36,678)	(17,560)
Interest and other income	380	30	696	59
Loss before provision for income taxes	(11,879)	(5,919)	(35,982)	(17,501)
Provision (benefit) for income taxes	(11)	—	(9)	(22)
Net loss	\$(11,868)	\$(5,919)	\$(35,973)	\$(17,479)

Other comprehensive gain (loss), net of tax: