

Atara Biotherapeutics, Inc.
Form 10-Q
August 01, 2018

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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 June 30, 2018

OR

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

For the transition period from to

Commission file number 001-36548

ATARA BIOTHERAPEUTICS, INC.

(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of incorporation or organization)

46-0920988
(I.R.S. Employer Identification No.)
94080

611 Gateway Blvd., Suite 900

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South San Francisco, CA

(Address of principal executive offices)

(Zip Code)

(Registrant's telephone number, including area code: (650) 278-8930

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if a small reporting company)

Smaller reporting company

Emerging growth company

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

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

The number of outstanding shares of the Registrant's Common Stock as of July 27, 2018 was 45,342,653 shares.

ATARA BIOTHERAPEUTICS, INC.

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Atara Biotherapeutics, Inc.

Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands, except per share amounts)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 103,203	\$ 79,223
Short-term investments	313,812	86,873
Restricted cash - short-term	194	194
Prepaid expenses and other current assets	7,861	5,900
Total current assets	425,070	172,190
Property and equipment, net	66,075	44,129
Restricted cash - long-term	1,200	1,200
Other assets	362	260
Total assets	\$ 492,707	\$ 217,779
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 6,545	\$ 14,711
Accrued compensation	5,276	5,664
Accrued research and development expenses	6,661	4,006
Other current liabilities	8,752	3,265
Total current liabilities	27,234	27,646
Long-term liabilities	12,974	12,269
Total liabilities	40,208	39,915
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock—\$0.0001 par value, 500,000 shares authorized as of		
	June 30, 2018	and December 31, 2017;
	45,334	and 30,730 shares
	issued and outstanding as of June 30, 2018 and December 31, 2017,	
	respectively	
Additional paid-in capital	5	3
Accumulated other comprehensive loss	841,975	474,662
Accumulated deficit	(505)	(151)
Total stockholders' equity	(388,976)	(296,650)
	452,499	177,864

Total liabilities and stockholders' equity	\$492,707	\$217,779
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See accompanying notes.

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Atara Biotherapeutics, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Operating expenses:				
Research and development	\$ 33,387	\$ 18,296	\$ 61,847	\$ 35,837
General and administrative	19,236	9,613	33,228	18,233
Total operating expenses	52,623	27,909	95,075	54,070
Loss from operations	(52,623)	(27,909)	(95,075)	(54,070)
Interest and other income, net	1,743	481	2,752	990
Loss before provision for income taxes	(50,880)	(27,428)	(92,323)	(53,080)
Provision for income taxes	3	—	3	2
Net loss	\$ (50,883)	\$ (27,428)	\$ (92,326)	\$ (53,082)
Other comprehensive loss:				
Unrealized gain (loss) on available-for-sale securities	19	38	(354)	69
Comprehensive loss	\$ (50,864)	\$ (27,390)	\$ (92,680)	\$ (53,013)
Net loss per common share:				
Basic and diluted net loss per common share	\$ (1.15)	\$ (0.94)	\$ (2.20)	\$ (1.82)
Weighted-average shares outstanding used				
to calculate basic and diluted net loss per common share	44,379	29,247	42,001	29,152

See accompanying notes.

Atara Biotherapeutics, Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In thousands)

	Six months ended June 30,	
	2018	2017
Operating activities		
Net loss	\$(92,326)	\$(53,082)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	15,013	11,003
Amortization of investment premiums and discounts	(756)	459
Depreciation and amortization expense	1,064	428
Non-cash interest expense	125	—
Asset retirement obligation accretion expense	16	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,961)	(725)
Other assets	(102)	(74)
Accounts payable	(207)	253
Accrued compensation	(388)	(483)
Accrued research and development expenses	2,655	(337)
Other current liabilities	2,545	160
Long-term liabilities	66	63
Net cash used in operating activities	(74,256)	(42,335)
Investing activities		
Purchases of short-term investments	(357,647)	(112,395)
Maturities of short-term investments	51,984	115,349
Sales of short-term investments	79,126	51,711
Purchases of property and equipment	(27,257)	(4,341)
Net cash (used in) provided by investing activities	(253,794)	50,324
Financing activities		
Proceeds from sale of common stock in underwritten offerings, net	293,290	