

Kindred Biosciences, Inc.
Form 10-Q
November 09, 2015
Table of Contents

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

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: 001-36225

KINDRED BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)

Delaware 46-1160142
(State of incorporation) (I.R.S. Employer Identification No.)
1555 Bayshore Highway, Suite 200
Burlingame, California 94010
(Address of principal executive office) (Zip code)
Registrant's telephone number: (650) 701-7901

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 time 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 (Do not check if a smaller reporting company) Smaller reporting company

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

Edgar Filing: Kindred Biosciences, Inc. - Form 10-Q

As of October 30, 2015, Kindred Biosciences, Inc. had outstanding 19,809,380 shares of common stock, \$0.0001 par value.

Table of Contents

Kindred Biosciences, Inc.

TABLE OF CONTENTS

Part No.	Item No.	Description	Page No.
I		<u>FINANCIAL INFORMATION</u>	
	1	<u>Financial Statements</u>	<u>3</u>
		<u>Condensed Balance Sheets as of September 30, 2015 (unaudited) and December 31, 2014</u>	<u>3</u>
		<u>Unaudited Condensed Statements of Operations and Comprehensive Loss for the Three and Nine months Ended September 30, 2015 and 2014</u>	<u>4</u>
		<u>Unaudited Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2015 and 2014</u>	<u>5</u>
		<u>Notes to Unaudited Condensed Financial Statements</u>	<u>6</u>
	2	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>12</u>
	3	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>20</u>
	4	<u>Controls and Procedures</u>	<u>20</u>
II		<u>OTHER INFORMATION</u>	
	1	<u>Legal Proceedings</u>	<u>21</u>
	1A	<u>Risk Factors</u>	<u>21</u>
	2	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>21</u>
	3	<u>Defaults Upon Senior Securities</u>	<u>21</u>
	4	<u>Mine Safety Disclosures</u>	<u>21</u>
	5	<u>Other Information</u>	<u>21</u>
	6	<u>Exhibits</u>	<u>22</u>
		<u>Index to Exhibits</u>	<u>22</u>
		<u>Signatures</u>	<u>23</u>

Table of Contents

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Kindred Biosciences, Inc.

Condensed Balance Sheets

(In thousands, except share and per share amounts)

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$4,539	\$12,969
Short-term investments	79,047	88,058
Prepaid expenses and other	449	477
Total current assets	84,035	101,504
Property and equipment, net	608	394
Other assets	30	22
Total assets	\$84,673	\$101,920
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$285	\$420
Accrued compensation	1,568	1,457
Accrued liabilities	1,120	975
Total current liabilities	2,973	2,852
Long-term liability	46	44
Total liabilities	3,019	2,896
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 19,792,337 and 19,724,482 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively		2
Additional paid-in capital	133,830	130,521
Accumulated other comprehensive income (loss)	4	(27)
Accumulated deficit	(52,182)	(31,472)
Total stockholders' equity	81,654	99,024
Total liabilities and stockholders' equity	\$84,673	\$101,920

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

Table of Contents

Kindred Biosciences, Inc.
Condensed Statements of Operations and Comprehensive Loss
(In thousands, except per share amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Operating expenses:				
Research and development	\$5,033	\$3,755	\$14,833	\$13,892
General and administrative	2,095	2,342	5,969	6,525
Total operating expenses	7,128	6,097	20,802	20,417
Loss from operations	(7,128)	(6,097)	(20,802)	(20,417)
Interest income	33	25	92	67
Net loss	(7,095)	(6,072)	(20,710)	(20,350)
Change in unrealized gains or losses on available-for-sale securities	5	24	31	10
Comprehensive loss	\$(7,090)	\$(6,048)	\$(20,679)	\$(20,340)
Net loss per share, basic and diluted	\$(0.36)	\$(0.31)	\$(1.05)	\$(1.10)
Weighted-average number of common shares outstanding, basic and diluted	19,792	19,713	19,758	18,467

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

Table of Contents

Kindred Biosciences, Inc.
Condensed Statements of Cash Flows
(In thousands)
(Unaudited)

Nine months ended
September 30,