

Kindred Biosciences, Inc.  
Form 10-Q  
May 03, 2017  
Table of Contents

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

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FORM 10-Q

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(Mark One)

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

For the quarterly period ended March 31, 2017

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-36225

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

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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

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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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

As of April 28, 2017, Kindred Biosciences, Inc. had outstanding 23,310,559 shares of common stock, \$0.0001 par value.

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Table of Contents



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 Consolidated Balance Sheets as of March 31, 2017 (unaudited) and December 31, 2016</u>	<u>3</u>
		<u>Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three Months Ended March 31, 2017 and 2016</u>	<u>4</u>
		<u>Unaudited Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2017 and 2016</u>	<u>5</u>
		<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>6</u>
	2	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>13</u>
	3	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>22</u>
	4	<u>Controls and Procedures</u>	<u>22</u>
II		<u>OTHER INFORMATION</u>	
	1	<u>Legal Proceedings</u>	<u>23</u>
	1A	<u>Risk Factors</u>	<u>23</u>
	2	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>23</u>
	3	<u>Defaults Upon Senior Securities</u>	<u>23</u>
	4	<u>Mine Safety Disclosures</u>	<u>23</u>
	5	<u>Other Information</u>	<u>23</u>
	6	<u>Exhibits</u>	<u>24</u>
		<u>Index to Exhibits</u>	<u>24</u>
		<u>Signatures</u>	<u>25</u>

Table of Contents

## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Kindred Biosciences, Inc.

Condensed Consolidated Balance Sheets

(In thousands, except share and per share amounts)

	March 31, 2017 (Unaudited)	December 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 19,866	\$ 6,687
Short-term investments	45,272	50,068
Other receivables	2,118	—
Prepaid expenses and other	1,156	1,282
Total current assets	68,412	58,037
Property and equipment, net	2,585	2,441
Long-term investments	3,005	1,052
Other assets	46	46
Total assets	\$ 74,048	\$ 61,576
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 994	\$ 410
Accrued compensation	903	1,807
Accrued liabilities	950	1,650
Total current liabilities	2,847	3,867
Long-term liability	61	29
Total liabilities	2,908	3,896
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 23,179,228 and 19,916,290 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively	2	2
Additional paid-in capital	158,763	138,810
Accumulated other comprehensive loss	(32	) (31
Accumulated deficit	(87,593	) (81,101
Total stockholders' equity	71,140	57,680
Total liabilities and stockholders' equity	\$ 74,048	\$ 61,576

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



Table of Contents

Kindred Biosciences, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(In thousands, except per share amounts)

(Unaudited)

	Three months ended March 31,	
	2017	2016
Operating expenses:		
Research and development	\$3,780	\$3,437
General and administrative	2,843	2,020
Restructuring costs	—	655
Total operating expenses	6,623	6,112
Loss from operations	(6,623 )	(6,112 )
Interest and other income, net	131	52
Net loss	(6,492 )	(6,060 )
Change in unrealized gains (losses) on available-for-sale securities	(1 )	68
Comprehensive loss	\$(6,493)	\$(5,992)
Net loss per share, basic and diluted	\$(0.30 )	\$(0.31 )
Weighted-average number of common shares outstanding, basic and diluted	21,516	19,836

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

Table of Contents

Kindred Biosciences, Inc.

Condensed Consolidated Statements of Cash Flows

(In thousands)

(Unaudited)

	Three months ended March 31,	
	2017	2016
Cash Flows from Operating Activities		
Net loss	\$(6,492)	\$(6,060)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	1,241	762
Depreciation and amortization expense	46	38
Amortization of premium on marketable securities	88	77
Changes in operating assets and liabilities:		
Prepaid expenses and other	98	(150 )
Accounts payable	726	117
Accrued liabilities and accrued compensation	(1,572 )	(1,268 )