

FATE THERAPEUTICS INC
Form 10-Q
May 07, 2015
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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 March 31, 2015

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934

From the transition period from to .

Commission File Number 001-36076

FATE THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction)

65-1311552
(IRS Employer

of incorporation or organization)

Identification No.)

3535 General Atomics Court, Suite 200, San Diego, CA
(Address of principal executive offices)

92121
(Zip Code)

(858) 875-1800

(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 (§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, 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:

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

As of May 5, 2015, 20,683,345 shares of the registrant's common stock, par value \$0.001 per share, were issued and outstanding.

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FATE THERAPEUTICS, INC.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****Fate Therapeutics, Inc.****Condensed Consolidated Balance Sheets**

(in thousands, except share and per share data)

	March 31, 2015 (unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 42,349	\$ 49,101
Prepaid expenses and other current assets	443	771
Total current assets	42,792	49,872
Property and equipment, net	1,544	1,200
Restricted cash	122	122
Other assets	32	10
Total assets	\$ 44,490	\$ 51,204
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,271	\$ 645
Accrued expenses	1,827	2,260
Current portion of deferred rent	26	85
Repurchase liability for unvested equity awards	33	45
Long-term debt, current portion	3,256	1,546
Total current liabilities	6,413	4,581
Deferred rent	100	51
Accrued expenses	312	149
Long-term debt, net of current portion	16,414	18,083
Commitments and contingencies (Note 4)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; authorized shares 5,000,000 at March 31, 2015 and December 31, 2014; no shares issued or outstanding		
Common stock, \$0.001 par value; authorized shares 150,000,000 at March 31, 2015 and December 31, 2014; issued and outstanding shares 20,637,217 at March 31, 2015 and 20,569,399 at December 31, 2014	21	21
Additional paid-in capital	141,503	140,711
Accumulated deficit	(120,273)	(112,392)
Total stockholders' equity	21,251	28,340
Total liabilities and stockholders' equity	\$ 44,490	\$ 51,204

See accompanying notes.

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Fate Therapeutics, Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2015	2014
	(unaudited)	
Operating expenses:		
Research and development	\$ 4,568	\$ 4,522
General and administrative	2,756	2,415
Total operating expenses	7,324	6,937
Loss from operations	(7,324)	(6,937)
Other income (expense):		
Interest income	1	
Interest expense	(558)	(43)
Total other expense, net	(557)	(43)
Net loss and comprehensive loss	\$ (7,881)	\$ (6,980)
Net loss per common share, basic and diluted	\$ (0.38)	\$ (0.34)
Weighted-average common shares used to compute basic and diluted net loss per share	20,554,478	20,346,856

See accompanying notes.

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Fate Therapeutics, Inc.

Condensed Consolidated Statements of Cash Flows

(in thousands)

	Three Months Ended March	
	2015	2014
	31,	
	(unaudited)	
Operating activities		
Net loss	\$ (7,881)	\$ (6,980)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization		