

Mirati Therapeutics, Inc.
Form 10-Q
November 01, 2017
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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 September 30, 2017

or

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

Commission File Number: 001-35921

MIRATI THERAPEUTICS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware 46-2693615
(State of Incorporation) (I.R.S. Employer Identification No.)

9393 Towne Centre Drive, Suite 200
San Diego, California 92121
(Address of Principal Executive Offices) (Zip Code)
(858) 332-3410
(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 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 Securities Exchange Act of 1934.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller 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 financing 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

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Total shares of common stock outstanding as of the close of business on October 30, 2017:

Class	Number of Shares Outstanding
Common Stock, \$0.001 par value	25,301,341

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

MIRATI THERAPEUTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except for share and per share amounts)

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 20,784	\$22,383
Short-term investments	54,178	34,351
Other current assets	4,439	2,821
Total current assets	79,401	59,555
Property and equipment, net	571	629
Other long-term assets	2,089	3,260
Total assets	\$ 82,061	\$ 63,444
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,580	\$ 15,002
Total current liabilities	13,580	15,002
Other liabilities	329	133
Total liabilities	13,909	15,135
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized; none issued and outstanding at both September 30, 2017 and December 31, 2016	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized; 24,977,720 and 19,937,095 issued and outstanding at September 30, 2017 and December 31, 2016, respectively	25	20
Additional paid-in capital	501,346	428,507
Accumulated other comprehensive income	9,514	9,533
Accumulated deficit	(442,733)	(389,751)
Total stockholders' equity	68,152	48,309
Total liabilities and stockholders' equity	\$ 82,061	\$ 63,444

See accompanying notes

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MIRATI THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited, in thousands, except for share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Expenses				
Research and development	\$ 13,482	\$ 16,106	\$ 42,841	\$ 52,535
General and administrative	3,119	3,475	10,467	11,391
Total operating expenses	16,601	19,581	53,308	63,926
Loss from operations	(16,601)	(19,581)	(53,308)	(63,926)
Other income, net	251	160	773	530
Net loss	\$(16,350)	\$(19,421)	\$(52,535)	\$(63,396)
Unrealized gain (loss) on available-for-sale investments	13	(34)	(19)	26
Comprehensive loss	\$(16,337)	\$(19,455)	\$(52,554)	\$(63,370)
Basic and diluted net loss per share	\$(0.65)	\$(0.97)	\$(2.12)	\$(3.21)
Weighted average number of shares used in computing net loss per share, basic and diluted	24,970,905	19,924,005	24,770,436	19,739,935

See accompanying notes

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MIRATI THERAPEUTICS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (Unaudited, in thousands)

	Nine Months Ended September 30,	
	2017	2016
Operating activities:		
Net loss	\$(52,535)	\$(63,396)
Non-cash adjustments reconciling net loss to operating cash flows:		
Depreciation of property and equipment	138	139
Amortization of discount or premium on short-term investments	(232)) 6
Share-based compensation expense	5,468	8,086
Changes in operating assets and liabilities:		