

Corvus Pharmaceuticals, Inc.
Form 10-Q
May 05, 2016
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 March 31, 2016

OR

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

Corvus Pharmaceuticals, Inc.

Edgar Filing: Corvus Pharmaceuticals, Inc. - Form 10-Q

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37719
(Commission
File Number)

46-4670809
(IRS Employer
Identification Number)

863 Mitten Road, Suite 102
Burlingame, CA 94010
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code: **(650) 900-4520**

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 website, 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. (Check one)

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

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, 2016, 20,406,856 shares of the registrant's common stock, \$0.0001 par value per share, were outstanding.

Table of Contents

CORVUS PHARMACEUTICALS, INC.

QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2016

TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements (unaudited)</u>	3
	<u>Condensed Balance Sheets</u>	3
	<u>Condensed Statements of Operations and Comprehensive Loss</u>	4
	<u>Condensed Statements of Cash Flows</u>	5
	<u>Notes to Condensed Financial Statements</u>	6
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	27
<u>Item 4</u>	<u>Controls and Procedures</u>	28

PART II OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	28
<u>Item 1A.</u>	<u>Risk Factors</u>	28
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	65
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	66
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	66
<u>Item 5.</u>	<u>Other Information</u>	66
<u>Item 6.</u>	<u>Exhibits</u>	66
<u>SIGNATURES</u>		67
<u>EXHIBITS INDEX</u>		68

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Unaudited Condensed Financial Statements****CORVUS PHARMACEUTICALS, INC.****CONDENSED BALANCE SHEETS**

(in thousands, except share and per share data)

(unaudited)

	March 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,065	\$ 4,105
Marketable securities	148,235	90,281
Prepaid and other current assets	1,772	1,277
Total current assets	154,072	95,663
Property and equipment, net	2,552	1,845
Deferred offering costs		951
Other assets	600	
Total assets	\$ 157,224	\$ 98,459
Liabilities, Convertible Preferred Stock, and Stockholders Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 1,577	\$ 1,575
Accrued and other liabilities	1,806	1,495
Total current liabilities	3,383	3,070
Other liabilities	1,291	710
Total liabilities	4,674	3,780
Commitments and contingencies (<i>Note 13</i>)		
Convertible preferred stock: \$0.0001 par value; 0 and 14,274,741 shares authorized at March 31, 2016 and December 31, 2015, respectively; 0 and 14,274,741 issued and outstanding at March 31, 2016 and December 31, 2015, respectively (liquidation preference of \$0 and \$108,500 at March 31, 2016 and December 31, 2015, respectively)		125,780
Stockholders equity (deficit) :		
Preferred stock: \$0.0001 par value; 10,000,000 and 0 authorized at March 31, 2016 and December 31, 2015, respectively; no shares issued and outstanding at March 31, 2016 and		

Edgar Filing: Corvus Pharmaceuticals, Inc. - Form 10-Q

December 31, 2015

Common stock: \$0.0001 par value; 290,000,000 and 20,000,000 shares authorized at March 31, 2016 and December 31, 2015, respectively; 20,406,856 and 1,431,615 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively

Additional paid-in capital	2	190,362	440
Accumulated other comprehensive income (loss)	29		(45)
Accumulated deficit	(37,843)		(31,496)
Total stockholders' equity (deficit)		152,550	(31,101)
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	\$	157,224	\$ 98,459

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

Table of Contents**CORVUS PHARMACEUTICALS, INC.****CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(in thousands, except share and per share data)

(unaudited)

	Three Months Ended March 31,	
	2016	2015
Operating expenses:		
Research and development	\$ 5,397	\$ 1,924
General and administrative	1,029	290
Total operating expenses	6,426	2,214
Loss from operations	(6,426)	(2,214)
Change in fair value of convertible preferred stock liability		300
Interest income	79	1
Net loss	\$ (6,347)	\$ (1,913)
Net loss per share, basic and diluted	\$ (5.39)	\$ (6.44)
Shares used to compute net loss per share, basic and diluted	1,176,546	297,123
Other comprehensive income (loss):		
Unrealized gain on marketable securities		