

Karyopharm Therapeutics Inc.
Form 10-Q
December 20, 2013

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, 2013

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: 001-36167

Karyopharm Therapeutics Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

26-3931704
(I.R.S. Employer
Identification Number)

2 Mercer Road
Natick, MA
(Address of principal executive offices)

01760
(Zip Code)

(508) 975-4820

(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
(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 December 16, 2013, there were 29,749,593 shares of Common Stock, \$0.0001 par value per share, outstanding.

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PART I FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements (Unaudited).****Karyopharm Therapeutics Inc.****(A Development Stage Company)****CONDENSED CONSOLIDATED BALANCE SHEETS****(unaudited)****(in thousands, except share and per share data)**

	September 30, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents (NPM restricted December 31, 2012 \$12)	\$ 52,928	\$ 391
Prepaid expenses and other current assets (NPM restricted December 31, 2012 \$485)	658	563
Total current assets	53,586	954
Property and equipment, net	246	327
Other assets	2,072	30
Total assets	\$ 55,904	\$ 1,311
Liabilities, convertible preferred stock and stockholders (deficit)		
Current liabilities:		
Accounts payable (NPM restricted December 31, 2012 \$499)	\$ 1,749	\$ 1,076
Accrued liabilities (NPM restricted December 31, 2012 \$312)	1,920	764
Deferred revenue		66
Other liabilities	327	24
Total current liabilities	3,996	1,930
Commitments and contingencies		
Preferred stock subscription		8,980
Series A convertible preferred stock, \$0.0001 par value; Authorized-20,937,500; Issued and Outstanding - 20,937,500 shares at September 30, 2013 and 18,437,500 at December 31, 2012 (aggregate liquidation preference of \$20.9 million)	20,778	18,278
Series A-2 convertible preferred stock, \$0.0001 par value; Authorized, Issued and Outstanding-6,100,000 shares at September 30, 2013 and no shares at December 31, 2012 (aggregate liquidation preference of \$7.0 million)	6,980	
	3,000	

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Series A-3 convertible preferred stock, \$0.0001 par value Authorized, Issued and Outstanding-1,764,706 shares at September 30, 2013 and no shares at December 31, 2012 (aggregate liquidation preference of \$3.0 million)		
Series A-4 convertible preferred stock, \$0.0001 par value Authorized, Issued and Outstanding-1,538,461 shares at September 30, 2013 and no shares at December 31, 2012 (aggregate liquidation preference of \$2.0 million)	2,000	
Series B convertible preferred stock, \$0.0001 par value Authorized, issued and outstanding-24,100,000 shares at September 30, 2013 and no shares at December 31, 2012 (aggregate liquidation preference of \$48.2 million)	48,057	
Series B-1 convertible preferred stock, \$0.0001 par value Authorized 8,636,400, issued and outstanding 8,636,362 shares at September 30, 2013 and no shares at December 31, 2012 (aggregate liquidation preference of \$19.0 million)	18,877	
Special participation stock, \$0.0001 par value; Authorized, issued and outstanding-no shares at September 30, 2013 and 10,000 shares at December 31, 2012	99,692	27,258
Stockholders deficit		
Common stock, \$0.0001 par value; Authorized 83,500,000 shares at September 30, 2013 and 35,000,000 shares at December 31, 2012; Issued and Outstanding 2,591,333 shares at September 30, 2013 and 2,123,388 shares at December 31, 2012		
Additional paid-in capital	2,639	745
Deficit accumulated during the development stage	(50,423)	(28,622)
Total stockholders deficit	(47,784)	(27,877)
Total liabilities, convertible preferred stock and stockholders deficit	\$ 55,904	\$ 1,311

See accompanying notes to condensed consolidated financial statements.

Karyopharm Therapeutics Inc.**(A Development Stage Company)****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited)****(in thousands, except share and per share data)**

	Three months ended, September 30,		Nine Months ended September 30,		Period from December 22, 2008 (inception) to September 30, 2013
	2013	2012	2013	2012	
Contract and grant revenue	\$	\$ 34	\$ 366	\$ 601	\$ 1,245
Operating expenses:					
Research and development		7,738	18,763	10,429	43,146
General and administrative		1,583	3,405	1,824	8,337
Total operating expenses		9,321	22,168	12,253	51,483
Loss from operations		(9,321)	(21,802)	(11,652)	(50,238)
Other income (expense):					
Interest income			1	2	3
Interest expense					(188)
Net loss	\$	(9,321)	\$ (21,801)	\$ (11,650)	\$ (50,423)
Net loss per share applicable to common stockholders basic and diluted		2,544,587	1,846,859	2,392,589	1,672,662
Weighted-average number of common shares used in net loss per share applicable to common stockholders basic and diluted	\$	(3.66)	\$		