

Invitae Corp
Form 10-Q
August 08, 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 June 30, 2016

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

For the transition period from _____ to _____

Commission File No. 001-36847

Invitae Corporation

(Exact name of the registrant as specified in its charter)

Edgar Filing: Invitae Corp - Form 10-Q

Delaware
(State or other jurisdiction of
incorporation or organization)

27-1701898
(I.R.S. Employer
Identification No.)

458 Brannan Street, San Francisco, California 94107

(Address of principal executive offices, Zip Code)

(415) 374-7782

(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 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

The number of shares of the registrant's Common Stock outstanding as of July 29, 2016 was 32,265,451.

Table of Contents

TABLE OF CONTENTS

Item No.		Page No.
<u>PART I: Financial Information</u>		
<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>	
	<u>Condensed Consolidated Balance Sheets</u>	1
	<u>Condensed Consolidated Statements of Operations</u>	2
	<u>Condensed Consolidated Statements of Comprehensive Loss</u>	3
	<u>Condensed Consolidated Statements of Cash Flows</u>	4
	<u>Notes to Condensed Consolidated Financial Statements</u>	5
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3.</u>	<u>Qualitative and Quantitative Disclosures About Market Risk</u>	28
<u>Item 4.</u>	<u>Controls and Procedures</u>	28
<u>PART II: Other Information</u>		
<u>Item 1.</u>	<u>Legal Proceedings</u>	29
<u>Item 1A.</u>	<u>Risk Factors</u>	29
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	47
<u>Item 6.</u>	<u>Exhibits</u>	47
<u>SIGNATURES</u>		48

Table of Contents**PART I Financial Information****ITEM 1. Financial Statements.****INVITAE CORPORATION****Condensed Consolidated Balance Sheets****(In thousands, except share and per share amounts)**

	June 30, 2016 (Unaudited)	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 31,587	\$ 73,238
Marketable securities	53,699	53,780
Prepaid expenses and other current assets	11,465	4,292
Total current assets	96,751	131,310
Property and equipment, net	18,708	18,709
Restricted cash	4,872	4,831
Other assets	862	1,826
Total assets	\$ 121,193	\$ 156,676
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,899	\$ 3,500
Accrued liabilities	4,187	4,253
Capital lease obligation, current portion	1,456	1,588
Debt, current portion	2,725	1,536
Total current liabilities	12,267	10,877
Capital lease obligation, net of current portion	913	1,576
Debt, net of current portion	8,400	5,504
Other long-term liabilities	6,920	343
Total liabilities	28,500	18,300
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value: Authorized: 20,000,000 shares; Issued and outstanding: no shares as of June 30, 2016 and December 31, 2015		
Common stock, \$0.0001 par value: Authorized: 400,000,000 shares; Issued and outstanding: 32,264,451 and 31,935,121 shares as of June 30, 2016 and December 31, 2015, respectively		
	4	4
Accumulated other comprehensive income (loss)	32	(15)
Additional paid-in capital	318,056	313,349
Accumulated deficit	(225,399)	(174,962)
Total stockholders' equity	92,693	138,376
Total liabilities and stockholders' equity	\$ 121,193	\$ 156,676

Edgar Filing: Invitae Corp - Form 10-Q

See accompanying notes to unaudited condensed consolidated financial statements.

Table of Contents**INVITAE CORPORATION****Condensed Consolidated Statements of Operations****(In thousands, except share and per share amounts)****(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ 5,581	\$ 1,801	\$ 9,536	\$ 3,030
Costs and operating expenses:				
Cost of revenue	6,476	3,866	12,463	7,065
Research and development	10,713	11,837	21,373	20,292
Selling and marketing	6,843	6,189	13,886	10,929
General and administrative	5,637	4,034	11,206	7,474
Total costs and operating expenses	29,669	25,926	58,928	45,760
Loss from operations	(24,088)	(24,125)	(49,392)	(42,730)
Other income (expense), net	(659)	(98)	(861)	(102)
Interest expense	(100)	(35)	(184)	(63)
Net loss	\$ (24,847)	\$ (24,258)	\$ (50,437)	\$ (42,895)
Net loss per share, basic and diluted	\$ (0.77)	\$ (0.76)	\$ (1.57)	\$ (1.75)
Shares used in computing net loss per share, basic and diluted	32,154,982			