

FIBROGEN INC
Form 10-Q
August 07, 2018

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, 2018

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: 001-36740

FIBROGEN, INC.

(Exact name of registrant as specified in its charter)

Delaware 77-0357827
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

409 Illinois Street
San Francisco, CA 94158

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(Address of Principal Executive Offices) (Zip Code)

(415) 978-1200

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth 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

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 financial 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 Exchange Act Rule 12b-2). Yes No

The number of shares of common stock outstanding as of July 31, 2018 was 84,333,402.

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PART I—FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

(Unaudited)

	June 30, 2018	December 31, 2017 (Note 1)
Assets		
Current assets:		
Cash and cash equivalents	\$ 643,803	\$ 673,658
Short-term investments	28,094	62,060
Accounts receivable (\$25,886 and \$4,004 from a related party)	30,189	8,452
Prepaid expenses and other current assets (\$15,000 and \$0 from a related party)	17,997	4,800
Total current assets	720,083	748,970
Restricted time deposits	5,181	5,181
Long-term investments	10,587	10,506
Property and equipment, net	128,829	129,476
Other assets	5,239	4,517
Total assets	\$ 869,919	\$ 898,650
Liabilities, stockholders' equity and non-controlling interests		
Current liabilities:		
Accounts payable	\$ 3,222	\$ 5,509
	49,492	63,781

Accrued liabilities
(\$327 and \$272 to a
related party)

Deferred revenue	37,845	16,670
Total current liabilities	90,559	85,960

Long-term portion of
lease financing
obligations

	97,473	97,763
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Product development
obligations

	16,981	17,244
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Deferred rent

	3,350	3,657
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Deferred revenue, net
of current

	137,436	138,241
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Other long-term
liabilities

	9,318	8,047
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Total liabilities	355,117	350,912
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Commitments and
Contingencies

Stockholders' equity:

Preferred stock, \$0.01
par value; 125,000
shares authorized; no
shares issued

and outstanding at
June 30, 2018 and
December 31, 2017

—

—

Common stock, \$0.01
par value; 225,000
shares authorized at
June 30, 2018

and December 31,
2017; 84,183 and
82,498 shares issued
and outstanding at

June 30, 2018 and
December 31, 2017

842

825

Additional paid-in
capital

1,191,524

1,160,094

Accumulated other
comprehensive loss

(2,611)

(1,795)

Accumulated deficit

(694,224)

(630,657)

Total stockholders'
equity

495,531

528,467

Non-controlling
interests

19,271

19,271

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Total equity	514,802	547,738
Total liabilities, stockholders' equity and non-controlling interests	\$ 869,919	\$ 898,650

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
	(Note 1)		(Note 1)	
Revenue:				
License revenue (includes \$14,323, \$0,				
\$14,323 and \$0 from a related party)	\$ 14,323	\$—	\$ 14,323	\$—
Development and other revenue (includes \$6,145, \$5,099,				
\$11,317 and \$9,784 from a related party)	29,629	30,268	61,553	59,710
Total revenue	43,952	30,268	75,876	59,710
Operating expenses:				
Research and development	52,138	46,981	109,112	93,713
General and administrative	15,055	13,425	30,605	24,955
Total operating expenses	67,193	60,406	139,717	118,668
Loss from operations	(23,241)	(30,138)	(63,841)	(58,958)
Interest and other, net				
Interest expense	(2,750)	(2,757)	(5,519)	(5,132)
Interest income and other, net	2,646	1,031	4,717	1,677
Total interest and other, net	(104)	(1,726)	(802)	(3,455)
Loss before income taxes	(23,345)	(31,864)	(64,643)	(62,413)
Provision for income taxes	75	48	174	109
Net loss	\$(23,420)	\$(31,912)	\$(64,817)	\$(62,522)
Net loss per share - basic and diluted	\$(0.28)	\$(0.46)	\$(0.78)	\$(0.94)
Weighted average number of common shares used to calculate				
net loss per share - basic and diluted	83,750	69,638	83,309	66,853

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
		(Note 1)		(Note 1)
Net loss	\$(23,420)	\$(31,912)	\$(64,817)	\$(62,522)
Other comprehensive income (loss):				