

CURIS INC  
Form 10-Q  
November 01, 2018  
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 September 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: 000-30347

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

Delaware 04-3505116  
(State or Other Jurisdiction of (I.R.S. Employer  
Incorporation or Organization) Identification No.)

4 Maguire Road 02421  
Lexington, Massachusetts  
(Address of Principal Executive Offices) (Zip Code)  
Registrant's Telephone Number, Including Area Code: (617) 503-6500

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 every Interactive Data File required to be submitted 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 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  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.



Table of Contents

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 October 26, 2018, there were 33,113,146 shares of the registrant's common stock outstanding.

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Table of Contents

CURIS, INC. AND SUBSIDIARIES QUARTERLY REPORT ON FORM 10-Q  
INDEX

	Page Number
PART I. FINANCIAL INFORMATION	
Item 1. <u>Unaudited Financial Statements</u>	<u>3</u>
<u>Condensed Consolidated Balance Sheets as of September 30, 2018 and December 31, 2017</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss for the Three and Nine Months Ended September 30, 2018 and 2017</u>	<u>4</u>
<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2018 and 2017</u>	<u>5</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>6</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>21</u>
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>32</u>
Item 4. <u>Controls and Procedures</u>	<u>32</u>
PART II. <u>OTHER INFORMATION</u>	
Item 1A. <u>Risk Factors</u>	<u>33</u>
Item 6. <u>Exhibits</u>	<u>67</u>
<u>SIGNATURE</u>	<u>68</u>

Table of Contents

## PART I—FINANCIAL INFORMATION

## Item 1. CONDENSED FINANCIAL STATEMENTS

CURIS, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

(Unaudited)

	September 30, 2018	December 31, 2017
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 25,561	\$ 38,288
Investments	5,272	21,944
Accounts receivable	2,855	3,073
Prepaid expenses and other current assets	1,127	989
Total current assets	34,815	64,294
Property and equipment, net	312	366
Long-term investment – restricted	153	153
Goodwill	8,982	8,982
Other assets	3	3
Total assets	\$ 44,265	\$ 73,798
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 3,008	\$ 5,423
Accrued liabilities	3,300	2,793
Current portion of long-term debt, net	6,925	5,886
Total current liabilities	13,233	14,102
Long-term debt, net	30,221	35,669
Other long-term liabilities	29	34
Total liabilities	43,483	49,805
Stockholders' Equity:		
Common stock, \$0.01 par value—67,500,000 shares authorized, 33,113,146 shares issued and outstanding at September 30, 2018; 45,000,000 shares authorized, 33,075,949 shares issued and 32,831,380 shares outstanding at December 31, 2017	331	331
Additional paid-in capital	979,350	977,453
Treasury stock, at cost, 0 shares at September 30, 2018 and 244,569 shares at December 31, 2017	—	(1,524 )
Accumulated deficit	(978,899 )	(952,265 )
Accumulated other comprehensive income	—	(2 )
Total stockholders' equity	782	23,993
Total liabilities and stockholders' equity	\$ 44,265	\$ 73,798

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

Table of Contents

## CURIS, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except share and per share data)

(Unaudited)

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2018	
	2017	2018	2017	2018
Revenues:				
Royalties	\$2,781	\$2,412	\$7,649	\$6,706
Research and development, net	66	32	24	(70 )
Total revenues	2,847	2,444	7,673	6,636
Costs and expenses:				
Cost of royalty revenues	154	124	417	331
Research and development	4,983	13,382	19,700	38,177
General and administrative	4,127	3,409	11,741	10,760
Total costs and expenses	9,264	16,915	31,858	49,268
Loss from operations	(6,417 )	(14,471)	(24,185)	(42,632)
Other (expense) income:				
Other (expense) income	—	—	—	(104 )
Interest income	166	123	541	331
Interest expense	(972 )	(1,109 )	(2,990 )	(2,884 )
Total other expense, net	(806 )	(986 )	(2,449 )	(2,657 )