

Kite Pharma (KITE : US\$58.72)

Kite Pharma decreases 3% in 2015

Kite Pharma Inc., NASDAQ's 3rd largest Healthcare-Products company by market cap, decreased US\$1.78 (or 2.9%) year to date in 2015 to close at US\$58.72. Compared with the NASDAQ-100 Index which has risen 4.4% YTD, this is a relative price change of -7.4%. The volume YTD has been 1.5 times the average trading of 756,207 shares. In 2015 the market cap has declined US\$75.4 million.

Introduction with Trends

We are currently bearish on this stock, both in the short-term based on technical indicators, as well as in the long-term based on fundamental metrics

What makes us most bearish on the stock is the following:

- Its Moving Average Convergence Divergence indicators are falling, with its 12-day EMA lower than its 26-day EMA.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 6.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 6% of stocks by value of Q Ratio.
- Amongst stocks that are shorted, it was in the top quartile as a percentage of stock shorted, suggesting that there are many confident bears of the stock.
- The price to 200-day MAP ratio is 0.87, a bearish indicator.

However, there are some reasons why some in the market are more bullish on the stock:

- It is beating 95% of the market the past 6 months.
- "Current ratio of two or more"; current assets are 54.8 times current liabilities.

Stock Summary

Sector	Healthcare-Products
Market Cap	US\$2.5 billion
Shares Outstanding	42,356,742
ISIN	US49803L1098
Relative Strength (3 mo)	3

Financial Summary

Year ended	Dec 2014	Dec 2013	Dec 2012
Net (USD M)	(43.7)	(7.8)	(2.6)
EPS (USD)	(1.91)	(1.43)	(0.48)

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	58.7	2.5 billion

Analysis

Bearish Signals

- Falls to Rises: In the last three months the number of falls outnumbered rises 33:29 or 1.14:1.
- In the last 20 trading sessions there has been a net decline of 18.19%; the stock has retreated ten times and the biggest one day decline was 9.7% on Apr 20.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 61.25 minus the 26-day EMA of 61.63 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The Price/MAP of 0.87 for KITE is lower than the Price/MAP for the NASDAQ-100 Index of 0.9.
- The price to 200-day MAP ratio is 0.87, a bearish indicator. In the past 200 days this ratio has been under 0.87 just thrice suggesting a support level. The 200-day MAP has decreased to US\$67.18. A decrease is another bearish indicator.
- The Stochastic indicator of 80.3 has broken through the overbought line of 80.
- In the NASDAQ Short Selling market of 2397 stocks, short selling as a % of issued shares ranked 166th and within the top quartile of stocks. This means it was higher than market average of 0.34%, a bearish indicator.
- The current short volume is 2.0 times its own historical average of 0.5%. It lifted 2.2% from the previous day, soared 17.6% from a week ago and soared 20.6% from a month ago, a significant bearish indicator.

Overvaluation:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 6.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 6% of stocks by value of Q Ratio.

Other Bearish Signals:

The stock has a score of merely 1 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Improvement in current ratio from 16.6 to 54.8.

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Price to Book Value	6.9	In Bottom Quartile
Price/MAP50	0.73	In Bottom Quartile
Volatility %	14.8	In Bottom 3%
Price Change %	-9.7	In Bottom 1%

Note

Bullish Signals:

- The price is at a discount of 6.0% to the 1-month volume weighted average price of US\$62.49, which may appeal as a value proposition.
- In the NASDAQ market of 2,406 stocks and 1 unit traded today, the stock has a 6-month relative strength of 95 which means it is beating 95% of the market.

Other Bullish Signals:

Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 54.8 times current liabilities.

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Relative Strength (6M)	95	In Top 6%
Turnover in Quarter	US\$4.2 billion	In Top Quartile
MCap	US\$2.5 billion	In Top Quartile

Short Selling to MCap

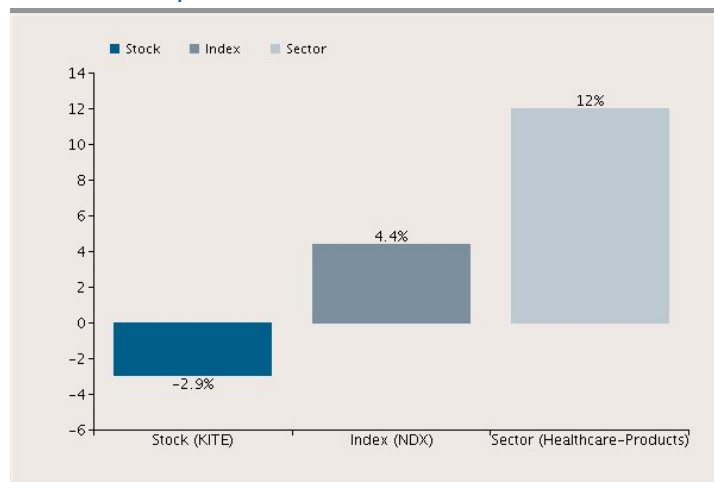


Analysis (continued)

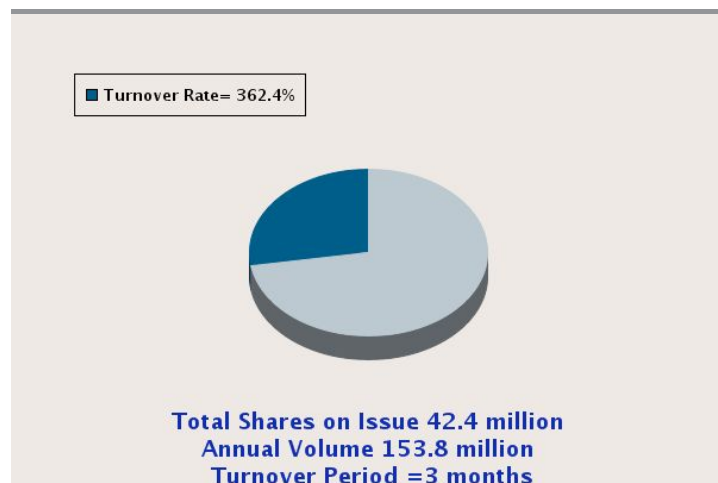
Insider Trades



YTD Comparison Stock Sector Index



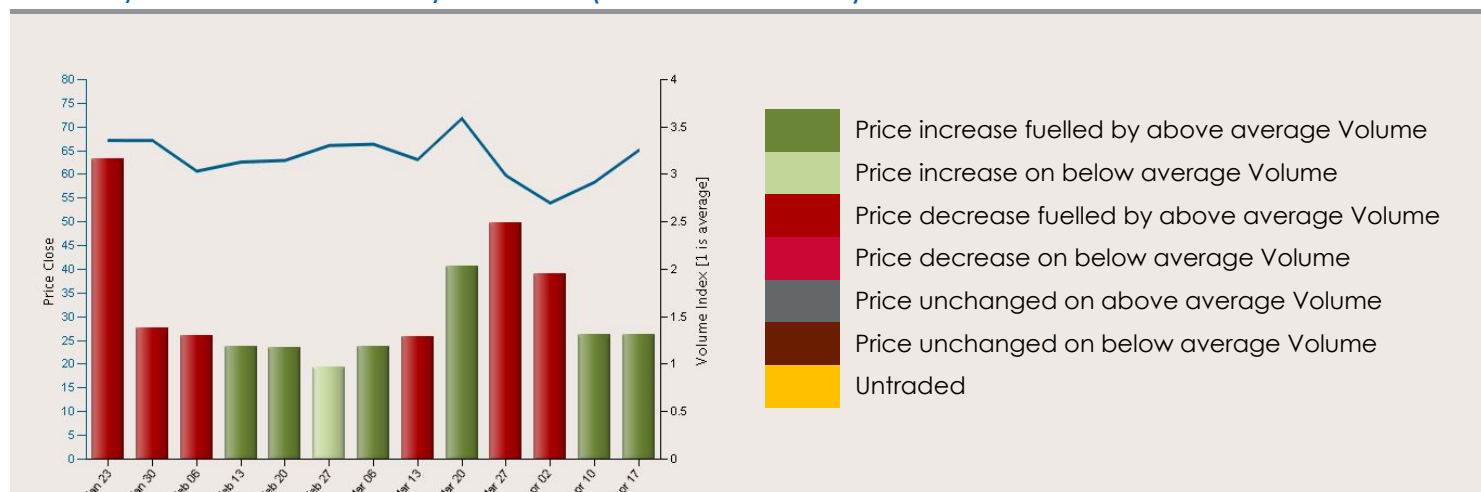
Turnover Rate & Turnover Period



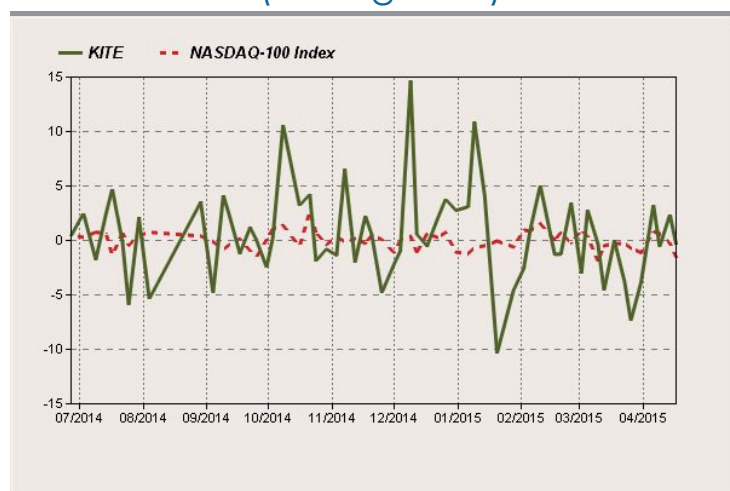
Trailing 3 months

Turnover	US\$4.2 billion
Volume	65,468,936
Volume Index (1 is avg)	1.4

Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Price/Moving Average Price [P/MAP]



Peer Group Analysis

Name	Last Price	Relative strength (6-months)	MCap (USD)	PV \$1000 (1 yr)	Revenue (USD)	Net Profit (USD)	Total Assets (USD)
Catamaran Corporation	US\$59.31	88	12.3B	1,485	14.8B	262.2M	8B
Agios Pharmaceuticals	US\$107.0	93	4B	2,729	65.4M	(53.5M)	491.9M
Kite Pharma	US\$58.72	95	2.5B	0		(43.7M)	370.8M
Ultragenyx Pharmaceutical	US\$62.59	80	2.2B	1,384		(64.6M)	198M
Cempra	US\$38.19	100	1.7B	4,274	15.2M	(61.6M)	105.3M
Radius Health	US\$41.68	99	1.6B	0		(71.5M)	108.4M
Sage Therapeutics	US\$60.53	96	1.6B	0		(36.1M)	129.7M

Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
27-Mar-2015	Credit Suisse Group AG	Set Price Target	-	Buy	-	79

Reported Selling by Directors

Director	Date	Transaction Type	No. of Shares	Price, US\$	Value, US\$
Nussbaum Ran	Mar 30, 2015	Sold	115,857	59.91	6,941,468
Nussbaum Ran	Mar 27, 2015	Sold	77,873	61.24	4,769,020

Company Overview

Activities

Kite Pharma Inc. develops and manufacturers pharmaceuticals. The Company offers and designs cancer immunotherapeutic products and therapy designed to restoring the patient's immune system to recognize and eradicate tumors.

Further details can be found at
www.kitepharma.com.

Economic Sector

Healthcare

Regulatory Announcements

April 10: Kite Pharma to Present at the 2015 Jefferies Immuno-Oncology Summit in Boston

[News Story]

SANTA MONICA, Calif., April 10, 2015 -- Kite Pharma, Inc., (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT(TradeMark)) products for the treatment of cancer, today announced that Arie Belldegrun, M.D., FACS, Chairman, President and Chief Executive Officer, will present a company overview at the 2015 Jefferies Immuno-Oncology Summit in Boston.

[For more details click here.](#)

April 06: Kite Pharma Announces Publication in Science of Cancer Immunotherapy Articles Authored by Lead Collaborators at the National Cancer Institute and the Netherlands Cancer Institute

[News Story]

Kite Pharma, Inc. (Kite) (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT(TradeMark)) products for the treatment of cancer, today announced articles being published in the current issue of Science, one article by the Company's Cooperative Research and Development Agreement (CRADA) collaborators at the National Cancer Institute (NCI) and the second article by the Netherlands Cancer Institute (NKI).

[For more details click here.](#)

March 26: Kite Pharma Reports Full Year and Fourth Quarter 2014 Financial Results

[News Story] Kite Pharma, Inc. (Kite) (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT(TradeMark)) products for the treatment of cancer, today reported full-year and fourth quarter 2014 financial results for the period ended December 31, 2014.

"2014 was a transformative year for Kite, marked by achieving several key corporate and clinical milestones," said Arie Belldegrun, M.D., FACS, Chairman, President and Chief Executive Officer.

[For more details click here.](#)

Financial Results

March 26: Kite Pharma to Report Fourth Quarter and Full Year 2014 Financial Results on March 26th, 2015

[News Story] SANTA MONICA, Calif., March 25, 2015 (GLOBE NEWSWIRE) -- Kite Pharma, Inc., (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT(TradeMark)) products based on chimeric antigen receptor (CAR) and T cell receptor (TCR) gene therapy for the treatment of cancer, today announced that it will issue a press release with its financial results and company highlights for the fourth quarter and year ended December 31, 2014, on Thursday, March 26, 2015.

About Kite Pharma

Kite Pharma, Inc., is a clinical-stage biopharmaceutical company engaged in the development of novel cancer immunotherapy products, with a primary focus on eACT(TradeMark) designed to restore the immune system's ability to recognize and eradicate tumors.

[For more details click here.](#)

Acquisition

March 17: Kite Pharma Strengthens Its T Cell Receptor (TCR) Cancer Gene Therapy Platform Through Acquisition of T-Cell Factory B.V. (TCF(TM))

[News Story] SANTA MONICA, Calif., March 17, 2015 Kite Pharma, Inc., (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT(TradeMark)) products based on CAR and TCR gene therapy platforms for the treatment of cancer, today announced that it has further strengthened its TCR product platform and established a European presence through the acquisition of T-Cell Factory B.V.

[For more details click here.](#)

Company Overview (continued)

Conferences/Exhibitions

March 09: Events Calendar: Kite Pharma to Present at the 2015 Barclays Global Healthcare Conference

SANTA MONICA, Calif., March 6, 2015 (GLOBE NEWSWIRE) -- Kite Pharma, Inc., (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT(TradeMark)) products for the treatment of cancer, today announced that David Chang, M.D., Ph.D., Kite's Executive Vice President, Research and Development, and Chief Medical Officer, will present a company overview at the Barclays Global Healthcare Conference at the Loews Miami Beach Hotel.

[For more details click here.](#)

Key Developments

March 02: Kite Pharma Expands Its Research and Development Collaboration With the National Cancer Institute to Develop a Next Generation of Cancer Immunotherapy Products for Solid Tumors

[News Story] SANTA MONICA, Calif., Feb. 27, 2015 Kite Pharma, Inc., (Nasdaq:KITE), a clinical-stage biopharmaceutical company focused on developing engineered autologous T cell therapy (eACT(TradeMark)) products for the treatment of cancer, today announced that the Company has amended its Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI).

[For more details click here.](#)

8-K other news

March 26: Kite Pharma: Results of Operations and Financial Condition

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312515105985_0001193125-15-105985.txt

Source: 8-K United States Securities and Exchange Commission

March 17: Kite Pharma: Entry into a Material Definitive Agreement

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312515095342_0001193125-15-095342.txt

Source: 8-K United States Securities and Exchange Commission

March 02: Kite Pharma: Entry into a Material Definitive Agreement

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312515071784_0001193125-15-071784.txt

Source: 8-K United States Securities and Exchange Commission

February 19: Kite Pharma: Entry into a Material Definitive Agreement

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312515053477_0001193125-15-053477.txt

Source: 8-K United States Securities and Exchange Commission

January 30: Kite Pharma: Entry into a Material Definitive Agreement

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312515027681_0001193125-15-027681.txt

Source: 8-K United States Securities and Exchange Commission

January 07: Kite Pharma: Entry into a Material Definitive Agreement

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312515003917_0001193125-15-003917.txt

Source: 8-K United States Securities and Exchange Commission

January 05: Kite Pharma: Entry into a Material Definitive Agreement

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312515001731_0001193125-15-001731.txt

Source: 8-K United States Securities and Exchange Commission

November 14: Kite Pharma: Results of Operations and Financial Condition

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312514413107_0001193125-14-413107.txt

Source: 8-K United States Securities and Exchange Commission

October 14: Kite Pharma: Changes in Registrant's Certifying Accountant

[News Story]
http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312514370879_0001193125-14-370879.txt

Source: 8-K United States Securities and Exchange Commission

Company Overview (continued)

August 15: Kite Pharma: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1510580_000119312514310452_0001193125-14-310452.txt

Source: 8-K United States Securities and Exchange Commission

Issued Capital

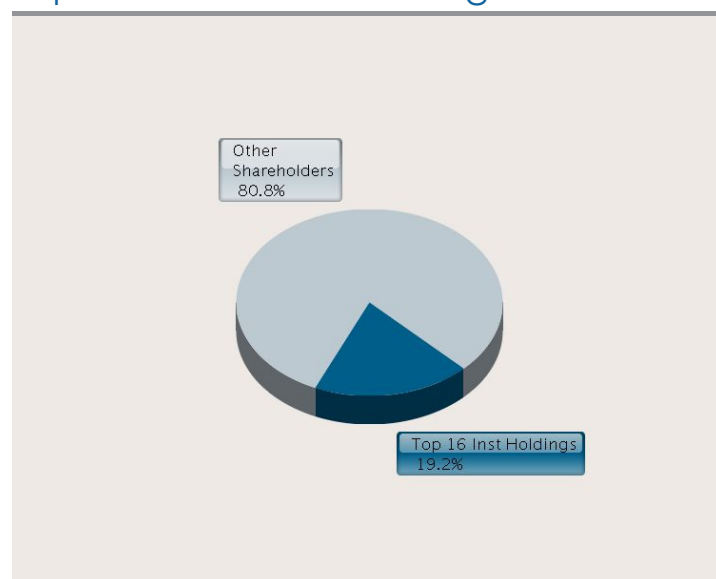
Based on 42,356,742 issued equity shares the market capitalisation is US\$2.5 billion.

The top sixteen shareholders hold 19.2% of the issued capital leaving a float of 80.8%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Wildcat Capital Management Llc	2,358,084	5.57
Jpmorgan Chase & Co	826,566	1.95
First Republic Investment Management Inc.	729,265	1.72
Capital International Investors	724,700	1.71
Soros Fund Management Llc	680,148	1.61
Silver Rock Financial Llc	476,563	1.13
Franklin Resources Inc	437,644	1.03
Lamond Capital Partners Llc	365,900	0.86
Artal Group S.A.	350,000	0.83
Frontier Capital Management Co Llc	262,249	0.62
Total	7,211,119	17.02

Top 16 Institutional Holdings



Board and Management

Arie Beldegrun
CEO & President &
Chairman & Director



Dr. Beldegrun has been closely involved with the founding and advancement of several successful private and public biopharmaceutical companies. In 1996 he founded Agensys, Inc., a biotechnology company, and served as its founding Chairman of the board of directors and as a board member until 2007, when it was acquired by Astellas Pharma Inc. Dr. Beldegrun was also the founding Vice-Chairman of the board of directors and Chairman of the scientific advisory board of Cougar Biotechnology, Inc., a biotechnology company, from 2003 to 2009 when it was acquired by Johnson & Johnson. He currently serves as Chairman of Arno Therapeutics, Inc., Two River Group, and TheraCoat Ltd., and as a board member of SonaCare Medical, LLC and Teva Pharmaceutical Industries Ltd. Dr. Beldegrun is Professor of Urology, holds the Roy and Carol Doumani Chair in Urologic Oncology, and Director of the UCLA Institute of Urologic Oncology at the David Geffen School of Medicine at UCLA. Prior to joining UCLA, he was at the National Cancer Institute/NIH, as a research fellow in surgical oncology and immunotherapy under Dr. Steven A. Rosenberg. Dr. Beldegrun completed his M.D. at the Hebrew University Hadassah Medical School in Jerusalem, his post graduate studies in Immunology at the Weizmann Institute of Science, and his residency in Urologic Surgery at Harvard Medical School. He has authored several books in Oncology and more than 400 scientific and medical papers related to urological cancers, immunotherapy, gene therapy, and cancer vaccines. He is certified by the American Board of Urology, and is a Fellow of the American College of Surgeons and the American Association of Genitourinary Surgeons (AAGUS).

Cynthia M. Butitta
CFO & Chief Operating
Officer



Ms. Butitta has over 20 years of leadership experience in both the biotechnology and high-technology industries. She was most recently Senior Vice-President and Chief Financial Officer of NextWave Pharmaceuticals, Inc., which was recently acquired by Pfizer in 2012 for \$700 million. Prior to NextWave, Ms. Butitta served as Chief Operating Officer from 2001 to 2010 and Chief Financial Officer from 1998 to 2010 of Telik Inc., a public biotechnology company focused on the development of small molecule drugs for the treatment of cancer. While at Telik, Ms. Butitta was responsible for securing over \$450 million through an IPO and subsequent follow-on offerings. In addition to capital raising, she also was responsible for SEC Reporting, financial controls, investor relations, information technology, manufacturing, quality, project management and commercial operations. Ms. Butitta also served as Vice President of Finance and Administration and Chief Financial Officer from 1995 to 1997 for Connetics, Inc., a public biotechnology company. Ms. Butitta received a B.S. degree with honors in Business and Accounting from Edgewood College in Madison, Wisconsin and a MBA degree in Finance from the University of Wisconsin, Madison.

Steven Ruchefsky
Director

Mr. Ruchefsky is President of Commercial Street Capital LLC, a private investment company and significant stockholder in Kite Pharma. For the last decade, Mr. Ruchefsky has been working as a private investment manager for the founder and CEO of a multi-billion dollar hedge fund. Mr. Ruchefsky began his career at a prominent New York City law firm where he became a partner, member of management and chair of a specialized litigation group. Upon leaving his law firm and prior to his current employment, Mr. Ruchefsky was a principal of an early stage venture capital operation. Mr. Ruchefsky currently sits on the boards of several public and private companies, including Arno Therapeutics Inc., MD Solar Sciences and Energy Pioneer Solutions. Mr. Ruchefsky is a graduate of The George Washington University Law School.

Board and Management (continued)

Roy Doumani Director

Roy Doumani is Executive Director of the Business of Science Center and a professor at the David Geffen School of Medicine at UCLA teaching "The Business of Science", "Advancing Bioengineering Innovations", and "Healthcare Technology" to graduate students. He currently serves as Co-Chairman of the Zhejiang California NanoSystems Institute in the People's Republic of China.

With a background in international finance and banking, Roy holds an equity position in and served as Vice Chairman of the first joint venture bank in the PRC, Xiamen International Bank and has been involved with numerous financial institutions: Founder and Director of First Los Angeles Bank; Chairman of First Interstate Bank of Hawaii; Director of HonFed Bank; one of the Founders of Agensys, Inc.; Investor and Board Member of Kite Pharma; Chairman of World Trade Bank in Los Angeles. Roy has served as a board member and advisor to companies in the United States, Asia, Europe and the Middle East.

Roy is a member of RAND's Center for Asia Pacific Policy's advisory board and Chairman of the Pacific Pension Institute's advisory board. He has established endowed chairs at UCLA, in the Departments of Medical and Molecular Pharmacology and Urological Oncology. Roy is also a Trustee at the Norton Simon Museum.

Roy Doumani graduated from the University of California at Los Angeles (UCLA) with a degree in Business and Finance and received a law degree from the University of Southern California.

Ran Nussbaum Director

Ran Nussbaum is a managing partner and the co-founder of The Pontifax Group, who has established three funds with over \$220M under management and over 30 portfolio companies. Over the past ten years, Mr. Nussbaum has been managing the group's activity alongside Mr. Tomer Kariv. He also served as CEO of Biomedix and Spearhead Ltd. as well as Ocon chairman of the board. Mr. Nussbaum's real life experience in the life sciences arena coupled with a 10-year experience in the business intelligence field create a unique blend of skills, enabling him to support companies from inception to commercialization. His work revolves around constant and active involvement in companies, providing them with strategic and business development oversight. Mr. Nussbaum serves as a board member of many of the group's portfolio companies including, c-CAM, Insuline (public co.), Eloxx, Bioblast, TheraCoat, CollPlant (public), Protab, Quiet, Fusimab Ltd and Ocon.

David Bonderman Director

David Bonderman is a founding partner of TPG, one of the world's largest private equity investment firms. TPG generally makes significant investments in operating companies through acquisitions and restructurings across a broad range of industries throughout the United States, Europe and Asia.

Prior to forming TPG in 1992, Mr. Bonderman was Chief Operating Officer of the Robert M. Bass Group, Inc. (now doing business as Keystone Group, L.P.) in Fort Worth, Texas. Prior to joining RMBG in 1983, Mr. Bonderman was a partner in the law firm of Arnold & Porter in Washington, D.C., where he specialized in corporate, securities, bankruptcy and antitrust litigation. From 1969 to 1970, Mr. Bonderman was a Fellow in Foreign and Comparative Law in conjunction with Harvard University, and from 1968 to 1969, he was Special Assistant to the U.S. Attorney General in the Civil Rights Division. From 1967 to 1968, Mr. Bonderman was Assistant Professor at Tulane University School of Law in New Orleans. Mr. Bonderman graduated magna cum laude from Harvard Law School in 1966. He was a member of the Harvard Law Review and a Sheldon Fellow. He is a 1963 graduate of the University of Washington in Seattle. In addition to serving on the board of directors of several private and public companies, Mr. Bonderman also serves on the boards of The Wilderness Society, the Grand Canyon Trust, The University of Washington Foundation and the American Himalayan Foundation.

Board and Management (continued)

Jon Peacock Director

Jon Peacock was chief financial officer of Amgen from 2010 to 2014. In this role, he was responsible for finance, investor relations, strategy, corporate development and procurement.

Prior to Amgen Mr. Peacock served as chief financial and administration officer for Novartis Pharmaceutical AG since 2005. He was responsible for Finance, strategic planning, mergers and acquisitions, IT and procurement. In addition, Mr. Peacock was responsible for Novartis' malaria program, a corporate citizenship initiative in conjunction with the major donor organizations, to supply the company's malaria medicine at cost to countries throughout Africa.

Previously, Mr. Peacock was a partner at McKinsey and Company, working for the consulting firm's Amsterdam, Zurich and London offices. He also was a partner at Price Waterhouse in New York and London. He has an MA degree in Economics from the University of St. Andrews in Scotland and is a chartered accountant.

Farah Champsi Director

Farah Champsi is a Managing Director at Alta Partners. She also currently serves on the board of directors of Chimerix, Trevena and Allakos. Prior to joining Alta in 2000, Ms. Champsi was an investment banker at Robertson Stephens & Company where she focused on biotechnology and other life sciences companies. She was elected a General Partner in 1992 and head of the global life sciences investment banking group in 1995. During that time, she was responsible for building one of the most successful life sciences investment banking franchises on Wall Street. She holds a Master of Business Administration from Stanford University and a Bachelor of Arts in Economics from Smith College.

Joshua Kazam Director

Joshua Kazam is a director and co-founder of Kite, which was incorporated in 2009 by Two River, a New York merchant bank that focuses on the life science sector. Mr. Kazam is a co-founder and managing member of Two River. Prior to Two River, Mr. Kazam served as the Director of Investment Management for the Orion Biomedical Fund, a New York based private equity fund focused on biotechnology investments. Mr. Kazam is a member of the Board of Directors of Capricor Therapeutics (NASDAQ:CAPR), Tranzutary Holdings LLC and also serves as an Officer and Director of Riverbank Capital Securities, Inc., a FINRA member broker dealer. Mr. Kazam holds a BsC in Economics from Wharton School of the University of Pennsylvania, and currently resides in New York City.

Financial Results (Annual)

31 December, 2014

Annual Report for the year ended December 31, 2014

year-on-year comparisons with previous corresponding period

Favourable Changes

- Working capital to total assets up 5.6% to 97.5%.

Unfavourable Changes

- EPS deterioration of 33.6% to -191.0 U.S. cents
- Losses in all of the last 3 years
- Operating cash flow is negative.

Major Common Size Ratios

- Total current assets to total assets up from 98.3% to 99.4%
- Cash to total assets down from 97.3% to 56.5%
- Fixed assets to total assets down from 1.2% to 0.6%.

INCOME STATEMENT

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Operating expenses:			
Research and development	23,089	5,088	Up 353.8
General and administrative	13,569	1,339	Up 913.4
Total operating expenses	36,658	6,427	Up 470.4
Loss from operations	-36,658	-6,427	Deterioration 470.4
Other income (expense):			
Interest income	371	52	Up 613.5
Interest expense	6,269	4	Up 156,625.0
Other income (expense)	-13	13	Deterioration
Total other income (expense)	-5,911	61	Deterioration
Net loss	-42,569	-6,366	Deterioration 568.7
Series A preferred stock dividend	-1,089	-1,435	Reduced 24.1
Net loss attributable to common stockholders	-43,658	-7,801	Deterioration 459.6
Net loss per share, basic and diluted	-191.0c	-143.0c	Deterioration 33.6
Weighted-average shares outstanding, basic and diluted	22,822,204	5,473,384	Up 317.0

BALANCE SHEET

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
ASSETS			

Financial Results (Annual) (continued)

31 December, 2014

Current assets

Cash and cash equivalents	209,298	22,357	Up 836.2
Marketable securities	157,742		
Prepaid expenses and other current assets	1,330	241	Up 451.9
Total current assets	368,370	22,598	Up 1,530.1
Property and equipment, net	2,093	274	Up 663.9
Other assets	290	110	Up 163.6
Total assets	370,753	22,982	Up 1,513.2

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable	2,320	382	Up 507.3
Accrued expenses and other current liabilities	3,132	980	Up 219.6
Options early exercise liability	1,273		
Total current liabilities	6,725	1,362	Up 393.8
Other non-current liabilities	48		
Deferred rent	111	39	Up 184.6
Options early exercise noncurrent liability	1,280		
Total liabilities	8,164	1,401	Up 482.7

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY

Series A Preferred Stock, 0.001 par value, 0 and 20,474,452 shares authorized, 0 and 20,315,397 shares issued and outstanding (liquidation value of 0 and 39,082) as of December 31, 2014 and December 31, 2013, respectively		20	
Preferred Stock, 0.001 par value, 10,000,000 and 0 shares authorized, 0 issued and outstanding as of December 31, 2014 and December 31, 2013, respectively			
Common stock, 0.001 par value, 200,000,000 and 75,000,000 shares authorized, 41,855,304 and 5,527,816 shares issued and outstanding, excluding 2,180,129 and 0 shares subject to repurchase at December 31, 2014 and December 31, 2013, respectively	42	6	Up 600.0
Additional paid-in capital	420,848	36,990	Up 1,037.7
Accumulated other comprehensive loss	-297		
Accumulated deficit	-58,004	-15,435	Deterioration 275.8
Total stockholders' equity	362,589	21,581	Up 1,580.1
Total liabilities and stockholders' equity	370,753	22,982	Up 1,513.2

CASH FLOW

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Cash flows from operating activities			
Net loss	-42,569	-6,366	Deterioration 568.7

Financial Results (Annual) (continued)

31 December, 2014

Adjustment to reconcile net loss to net cash from operating activities			
Depreciation and amortization	262	17	Up 1,441.2
Stock-based compensation	16,145	125	Up 12,816.0
Change in fair value of derivative liability		-18	
Noncash interest expense	6,114	4	Up 152,750.0
Deferred rent	72	-1	Recovery
Loss on disposal of assets	19	5	Up 280.0
Changes in operating assets and liabilities			
Prepaid expenses and other current assets	-1,089	-47	Deterioration 2,217.0
Other assets	-180	-80	Deterioration 125.0
Accounts payable	1,937	255	Up 659.6
Accrued expenses	2,285	453	Up 404.4
Due to related party	-68	41	Deterioration
Net cash used in operating activities	-17,072	-5,612	Deterioration 204.2
Cash flows from investing activities			
Capital expenditures	-2,100		
Purchases of marketable securities	-1,194,930		
Sales and maturities of marketable securities	1,036,891		
Purchase of property and equipment		-279	
Net cash used in investing activities	-160,139	-279	Deterioration 57,297.5
Cash flows from financing activities			
Principal payments on capital lease obligations	-17		
Initial public offering costs	-23,585		
Proceeds from issuance of common stock	334,815		
Proceeds from exercise of stock options	2,939		
Proceeds from issuance of preferred stock, net		19,597	
Proceeds from issuance of convertible notes	50,000		
Net cash provided by financing activities	364,152	19,597	Up 1,758.2
Net change in cash and cash equivalents	186,941	13,706	Up 1,263.9
Cash and cash equivalents at beginning of period	22,357	8,651	Up 158.4
Cash and cash equivalents at end of period	209,298	22,357	Up 836.2

Financial Results (Annual) (continued)

31 December, 2014

PERFORMANCE RATIOS

	2014-12-31	2013-12-31	Change %
Return on Equity (%)	-12.04	-36.15	Reduced 66.7
Return on Assets (%)	-11.78	-33.94	Reduced 65.3
Total Liabilities to Operating Cash Flow	-0.48	-0.25	Deterioration 91.6
Total Liabilities/Total Assets	0.02	0.06	Down 63.9
Current Ratio	54.78	16.59	Up 230.1

PER SHARE FIGURES

	2014-12-31	2013-12-31	Change %
Cash	US\$9.17	US\$4.08	Up 124.5
Working Capital	US\$15.85	US\$3.88	
Shareholders' Funds	US\$15.89	US\$3.94	
Total Liabilities	35.77c	25.60c	Up 39.8
Total Assets	US\$16.25	US\$4.20	Up 286.9
Net Tangible Assets	US\$15.89	US\$3.94	
EPS Final	-191.0c	-143.0c	Deterioration 33.6

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