CYTOKINETICS INC
Form 10-Q
August 04, 2011

Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

or

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

Commission file number: 000-50633

CYTOKINETICS, INCORPORATED

(Exact name of registrant as specified in its charter)

Delaware	**94-3291317**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
280 East Grand Avenue South San Francisco, California	**94080**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: (650) 624-3000

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 þ No o

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 þ No o

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 o	Accelerated filer þ	Non-accelerated filer o	Smaller reporting company o
		(Do not check if a 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 o No þ

Number of shares of common stock, $0.001 par value, outstanding as of July 29, 2011: 72,279,751.

CYTOKINETICS, INCORPORATED
TABLE OF CONTENTS FOR FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2011

Table of Contents

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
CONDENSED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 23,769	$ 17,514
Short-term investments	43,143	54,125
Related party accounts receivable	27	46
Prepaid and other current assets	2,865	1,813
Total current assets	69,804	73,498
Long-term investments		1,206
Property and equipment, net	1,705	2,321
Restricted cash	439	788
Other assets	209	179
Total assets	$ 72,157	$ 77,992
LIABILITIES and STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	$ 1,005	$ 1,119
Accrued liabilities	3,737	5,372
Related party payables and accrued liabilities	11	
Short-term portion of equipment financing lines	489	833
Deferred revenue	263	
Total current liabilities	5,505	7,324
Long-term portion of equipment financing lines		152
Total liabilities	5,505	7,476
Commitments and contingencies		
Stockholders equity:		
Preferred stock, $0.001 par value:		
Authorized: 10,000,000 shares at June 30, 2011 and December 31, 2010		
Issued and outstanding: Series A Convertible Preferred Stock 8,070 shares at June 30, 2011 and zero shares at December 31, 2010		
Common stock, $0.001 par value:		
Authorized: 170,000,000 shares at June 30, 2011 and December 31, 2010		
Issued and outstanding: 72,279,751 shares at June 30, 2011 and 66,907,600 shares at December 31, 2010	72	67

Additional paid-in capital	452,559	431,103
Accumulated other comprehensive income (loss)	15	(4)
Deficit accumulated during the development stage	(385,994)	(360,650)
Total stockholders equity	66,652	70,516
Total liabilities and stockholders equity	$ 72,157	$ 77,992

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

Table of Contents

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
CONDENSED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended		Period from August 5, 1997 (Date of Inception) to June 30, 2011
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	
Revenues:					
Research and development revenues from related parties	$ 654	$ 462	$ 1,043	$ 1,084	$ 50,140
Research and development, grant and other revenues	399		774		4,818
License revenues from related parties					112,935
Total revenues	1,053	462	1,817	1,084	167,893
Operating expenses:					
Research and development	10,513	10,236	19,692	19,304	434,982
General and administrative	4,187	3,380	7,524	7,217	137,886
Restructuring charges					2,450
Total operating expenses	14,700	13,616	27,216	26,521	575,318
Operating loss	(13,647)	(13,154)	(25,399)	(25,437)	(407,425)
Interest and other, net	15	10	55	104	21,405
Loss before income taxes	(13,632)	(13,144)	(25,344)	(25,333)	(386,020)
Income tax benefit					(26)
Net loss	(13,632)	(13,144)	(25,344)	(25,333)	(385,994)
Deemed dividend related to beneficial conversion feature of convertible preferred stock	(2,857)		(2,857)		(2,857)
Net loss allocable to common stockholders	$ (16,489)	$ (13,144)	$ (28,201)	$ (25,333)	$ (388,851)
Net loss per share allocable to common stockholders basic and diluted	$ (0.23)	$ (0.21)	$ (0.41)	$ (0.40)	
Weighted-average number of shares used in computing net loss per share allocable to common stockholders basic and diluted	71,151	63,815	69,043	62,910	

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

Table of Contents

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended		Period from August 5, 1997 (Date of Inception) to June 30, 2011
	June 30, 2011	June 30, 2010	
Cash flows from operating activities:			
Net loss	$ (25,344)	$ (25,333)	$ (385,994)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization of property and equipment	813	966	28,179
Loss on disposal of equipment	3		301
Non-cash impairment charges			103
Non-cash restructuring expenses, net of reversals			498
Non-cash interest expense			504
Non-cash forgiveness of loans to officers		9	434
Stock-based compensation	1,492	2,006	30,768
Non-cash warrant expense			1,626
Other non-cash expenses			141
Changes in operating assets and liabilities:			
Related party accounts receivable	19	(33)	(378)
Prepaid and other assets	(1,006)	(344)	(3,026)
Accounts payable	(41)	(440)	1,145
Accrued liabilities	(1,596)	(1,502)	3,576
Related party payables and accrued liabilities	11		11
Deferred revenue	263	(751)	263
Net cash used in operating activities	(25,386)	(25,422)	(321,849)
Cash flows from investing activities:			
Purchases of investments	(25,138)	(66,543)	(936,568)
Proceeds from sales and maturities of investments	37,346	76,073	873,499
Proceeds from sales of auction rate securities		10,425	20,025
Purchases of property and equipment	(317)	(274)	(30,910)
Proceeds from sales of property and equipment	3		141
(Increase) decrease in restricted cash	349	441	(439)
Issuance of related party notes receivable			(1,146)
Proceeds from repayments of notes receivable			859
Net cash provided by (used in) investing activities	12,243	20,122	(74,539)
Cash flows from financing activities:			
			206,871

Proceeds from initial public offering, sale of common stock to related party, and public offerings, net of issuance costs			
Proceeds from draw down of committed equity financing and at-the-market facility, net of issuance costs	(76)	8,930	52,778
Proceeds from other issuances of common stock and warrants, net of issuance costs	10,641	219	18,060
Proceeds from issuance of preferred stock, net of issuance costs	9,329		142,501
Repurchase of common stock			(68)
Proceeds from loan with UBS			12,441
Repayment of loan with UBS		(10,201)	(12,441)
Proceeds from equipment financing lines			23,696
Repayment of equipment financing lines	(496)	(844)	(23,681)
Net cash provided by (used in) financing activities	19,398	(1,896)	420,157
Net increase (decrease) in cash and cash equivalents	6,255	(7,196)	23,769
Cash and cash equivalents, beginning of period	17,514	25,561	
Cash and cash equivalents, end of period	$ 23,769	$ 18,365	$ 23,769

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

Table of Contents

CYTOKINETICS, INCORPORATED
(A Development Stage Enterprise)
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

Overview

Cytokinetics, Incorporated (the Company , we or our) was incorporated under the laws of the state of Delaware on August 5, 1997. The Company is a clinical-stage biopharmaceutical company focused on the discovery and development of novel small molecule therapeutics that modulate muscle function for the potential treatment of serious diseases and medical conditions. The Company is a development stage enterprise and has been primarily engaged in conducting research, developing drug candidates and technologies, and raising capital. The Company has never generated revenues from commercial sales of its drugs and it may not have drugs to market for at least several years, if ever.

The Company s registration statement for its initial public offering (IPO) was declared effective by the Securities and Exchange Commission (SEC) on April 29, 2004. The Company s common stock commenced trading on the NASDAQ National Market, now the NASDAQ Global Market, on April 29, 2004 under the trading symbol CYTK .

The Company s financial statements contemplate the conduct of the Company s operations in the normal course of business. The Company has incurred an accumulated deficit since inception and there can be no assurance that the Company will attain profitability. The Company had a net loss of $25.3 million and net cash used in operations of $25.4 million for the six months ended June 30, 2011, and an accumulated deficit of $386.0 million as of June 30, 2011. Cash, cash equivalents and investments decreased to $66.9 million at June 30, 2011 from $72.8 million at December 31, 2010. The Company anticipates that it will continue to have operating losses and net cash outflows in future periods. If sufficient additional capital is not available on terms acceptable to the Company, its liquidity will be impaired.

The Company has funded its operations primarily through sales of equity securities, contract payments under its collaboration agreements, debt financing arrangements, government grants and interest income. Until it achieves profitable operations, the Company intends to continue to fund operations through payments from strategic collaborations, additional sales of equity securities, government grants and debt financings. Based on the current status of its development plans, the Company believes that its existing cash, cash equivalents and investments at June 30, 2011 will be sufficient to fund its cash requirements for at least the next 12 months. If, at any time, the Company s prospects for financing its research and development programs decline, the Company may decide to reduce research and development expenses by delaying, discontinuing or reducing its funding of one or more of its research or development programs. Alternatively, the Company might raise funds through strategic collaborations, public or private financings or other arrangements. Such funding, if needed, may not be available on favorable terms, or at all.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. The financial statements include all adjustments (consisting only of normal recurring adjustments) that management believes are necessary for the fair statement of the balances and results for the periods presented. These interim financial statement results are not necessarily indicative of results to be expected for the full fiscal year or any future interim period.

The balance sheet at December 31, 2010 has been derived from the audited financial statements at that date. The financial statements and related disclosures have been prepared with the presumption that users of the interim financial statements have read or have access to the audited financial statements for the preceding fiscal year. Accordingly, these financial statements should be read in conjunction with the audited financial statements and notes thereto contained in the Company s Form 10-K for the year ended December 31, 2010, as filed with the SEC on March 11, 2011.

Table of Contents

Comprehensive Loss

Comprehensive loss consists of net loss and other comprehensive income (loss). Other comprehensive income (loss) includes certain changes in stockholders equity that are excluded from net loss. Comprehensive loss and its components for the three and six months ended June 30, 2011 and 2010 were as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net loss	$ (13,632)	$ (13,144)	$ (25,344)	$ (25,333)
Change in unrealized gain on investments	6	10	19	2
Comprehensive loss	$ (13,626)	$ (13,134)	$ (25,325)	$ (25,331)

Restricted Cash

In accordance with the terms of the Company s line of credit agreements with General Electric Capital Corporation (GE Capital), the Company is obligated to maintain a certificate of deposit with the lender. In January 2011, GE Capital reduced the amount of the Company s certificate of deposit. The balance of the certificate of deposit, which the Company classifies as restricted cash, was as follows (in thousands):

	June 30, 2011	December 31, 2010
Certificate of deposit classified as restricted cash	$ 439	$ 788

Note 2. Net Loss Per Share

Basic net loss per share allocable to common stockholders is computed by dividing the net loss allocable to common stockholders by the weighted average number of vested common shares outstanding during the period. Diluted net loss per share allocable to common stockholders is computed by giving effect to all potentially dilutive common shares, including outstanding stock options, unvested restricted stock, warrants, convertible preferred stock and shares issuable under the Company s Employee Stock Purchase Plan (ESPP), by applying the treasury stock method. Following is the calculation of basic and diluted net loss per share allocable to common stockholders (in thousands, except per share data):

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Net loss	$ (13,632)	$ (13,144)	$ (25,344)	$ (25,333)
Deemed dividend related to beneficial conversion feature of convertible preferred stock	(2,857)		(2,857)	
Net loss allocable to common stockholders	$ (16,489)	$ (13,144)	$ (28,201)	$ (25,333)
Weighted-average common shares outstanding	71,151	63,996	69,043	63,095
Unvested restricted stock		(181)		(185)
Weighted-average number of shares used in computing net loss per share allocable to common stockholders basic and diluted	71,151	63,815	69,043	62,910

Net loss per share allocable to common stockholders basic and diluted	$ (0.23)	$ (0.21)	$ (0.41)	$ (0.40)

The following instruments were excluded from the computation of diluted net loss per share allocable to common stockholders for the periods presented because their effect would have been antidilutive (in thousands):

	Three and Six Months Ended	
	June 30, 2011	**June 30, 2010**
Options to purchase common stock	9,978	8,250
Unvested restricted common stock		175
Warrants to purchase common stock	10,238	4,027
Series A convertible preferred stock (as converted to common stock)	8,070	
Shares issuable related to the ESPP	54	45
Total shares	28,340	12,497

Table of Contents

Note 3. Supplemental Cash Flow Data

Supplemental cash flow data was as follows (in thousands):

	Six Months Ended		Period from August 5, 1997 (date of inception) to June 30, 2011
	June 30, 2011	June 30, 2010	
Significant non-cash investing and financing activities:			
Deferred stock-based compensation	$	$	$ 6,940
Purchases of property and equipment through accounts payable	39	58	39
Purchases of property and equipment through trade in value of disposed property and equipment			258
Penalty on restructuring of equipment financing lines			475
Conversion of convertible preferred stock to common stock			133,172
Warrants issued in equity financing			1,585

Note 4. Related Party Research and Development Arrangements

Amgen Inc. (Amgen)

Pursuant to its collaboration and option agreement with Amgen (the Amgen Agreement), the Company has recognized research and development revenue from Amgen for reimbursements of its costs of full-time employee equivalents (FTEs) supporting the research and development program for omecamtiv mecarbil and related compounds, and for reimbursements of other costs related to that program. These reimbursements were recorded as research and development revenues from related parties. Revenue from Amgen was as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
FTE reimbursements	$ 637	$ 321	$ 1,001	$ 737
Reimbursements of other costs	17	141	42	347
Total research and development revenues from Amgen	654	462	1,043	1,084
Total revenue from Amgen	$ 654	$ 462	$ 1,043	$ 1,084

Deferred revenue and related party accounts receivable related to Amgen were as follows (in thousands):

	June 30, 2011	December 31, 2010
Deferred revenue Amgen	$ 263	$
Related party accounts receivable Amgen	$ 27	$ 41

GlaxoSmithKline (GSK)

There were no related party accounts receivables due from GSK at June 30, 2011 or December 31, 2010. Related party payables and accrued liabilities due to GSK were as follows (in thousands):

		June 30, 2011	December 31, 2010
Related party payables and accrued liabilities	GSK	$ 11	$

Note 5. Grant Arrangement

In July 2010, the National Institute of Neurological Disorders and Stroke (NINDS) awarded to the Company a $2.8 million grant to support for three years its research and development of CK-2017357 directed to the potential treatment for myasthenia gravis. We have determined that the Company is the principal participant in the grant arrangement and, accordingly, the

Table of Contents

Company records amounts earned under the arrangement as revenue. The Company recognized grant revenue under this grant arrangement as follows (in thousands):

	Three Months Ended		Six Months Ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
NINDS myasthenia gravis	$ 399	$	$ 774	$

Note 6. Cash Equivalents and Investments

Cash Equivalents and Available for Sale Investments

The amortized cost and fair value of cash equivalents and available for sale investments at June 30, 2011 and December 31, 2010 were as follows (in thousands):

	June 30, 2011				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Maturity Dates
Cash equivalents money market funds	$ 22,996	$	$	$ 22,996	
Short-term investments U.S. Treasury securities	$ 43,128	$ 15	$	$ 43,143	7/2011-4/2012

	December 31, 2010				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Maturity Dates
Cash equivalents money market funds	$ 16,966			$ 16,966	
Short-term investments U.S. Treasury securities	$ 54,129	$ 4	$ (8)	$ 54,125	1/2011- 12/2011
Long-term investments U.S. Treasury securities	$ 1,207		$ (1)	$ 1,206	1/2012

As of June 30, 2011, the Company s cash equivalents and short-term investments had no unrealized losses. As of December 31, 2010, the Company s cash equivalents had no unrealized losses, and its U.S. Treasury securities classified as short- and long-term investments had unrealized losses of approximately $9,000. The unrealized losses primarily were caused by slight increases in short-term interest rates subsequent to the purchase date of the related securities. The Company collected the contractual cash flows on its U.S. Treasury securities that matured from January through July 2011, and expects to be able to collect all contractual cash flows on the remaining maturities of its U.S. Treasury securities.

Interest income was as follows (in thousands):

	Three Months Ended	Six Months Ended	Period from August 5, 1997 (date of inception)

	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	to June 30, 2011
Interest income	$ 27	$ 63	$ 78	$ 227	$ 28,471

Investments in Auction Rate Securities and Investment Put Option Related to Auction Rate Securities Rights

On June 30, 2010, the Company exercised its Series C-2 Auction Rate Securities Rights issued to the Company by UBS AG (the ARS Rights), which required that UBS AG purchase the Company s remaining outstanding auction rate securities (ARS) at par value. Accordingly, on the settlement date of July 1, 2010, UBS AG deposited the proceeds of $7.5 million into the Company s money market account. The Company recorded the ARS Rights as an investment put option, which was extinguished at the time that the ARS Rights were exercised.

The Company recognized changes in the fair value of the ARS, excluding the sale of ARS, and changes in the fair value of the ARS Rights in current period earnings in Interest and other, net. Unrealized gains (losses) on the ARS and ARS Rights recognized in Interest and other, net, for the three and six months ended June 30, 2010 are set forth in Note 10. Interest and Other, Net.

Table of Contents

Note 7. Fair Value Measurements

The Company follows the fair value accounting guidance to value its financial assets and liabilities. Fair value is defined as the price that would be received for assets when sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that the Company believes market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best information reasonably available. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers the security issuers and the third-party insurers credit risk in its assessment of fair value.

The Company classifies the determined fair value based on the observability of those inputs. Fair value accounting guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three defined levels of the fair value hierarchy are as follows:

Level 1 Observable inputs, such as quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs, other than the quoted prices in active markets, that are observable either directly or through corroboration with observable market data; and

Level 3 Unobservable inputs, for which there is little or no market data for the assets or liabilities, such as internally-developed valuation models.

Financial assets measured at fair value on a recurring basis as of June 30, 2011 and December 31, 2010 were classified in one of the three categories described above as follows (in thousands):

	June 30, 2011			
	Fair Value Measurements Using			Assets At Fair Value
	Level 1	Level 2	Level 3	
Money market funds	$ 22,996	$	$	$ 22,996
U.S. Treasury securities	43,143			43,143
Total	$ 66,139	$	$	$ 66,139
Amounts included in:				
Cash and cash equivalents	$ 22,996	$	$	$ 22,996
Short-term investments	43,143			43,143
Total	$ 66,139	$	$	$ 66,139

	December 31, 2010			
	Fair Value Measurements Using			Assets At Fair Value
	Level 1	Level 2	Level 3	
Money market funds	$ 16,966	$	$	$ 16,966
U.S. Treasury securities	55,331			55,331
Total	$ 72,297	$	$	$ 72,297

Amounts included in:				
Cash and cash equivalents	$ 16,966	$	$	16,966
Short-term investments	54,125			54,125
Long-term investments	1,206	$	$	1,206
Total	$ 72,297	$	$	72,297

The valuation technique used to measure fair value for the Company s Level 1 assets is a market approach, using prices and other relevant information generated by market transactions involving identical assets.

As of June 30, 2011, the Company had no financial assets measured at fair value on a recurring basis using significant Level 3 inputs. The following table provides a rollforward of all assets measured at fair value using significant Level 3 inputs for the three and six months ended June 30, 2010 (in thousands):

Table of Contents

	ARS	Investment Put Option Related to ARS Rights
Balance as of December 31, 2009	$ 15,542	$ 2,358
Unrealized gain on ARS, included in Interest and other, net	19	
Unrealized loss on the investment put option related to ARS Rights, included in Interest and other, net		(19)
Sale of ARS	(250)	
Balance as of March 31, 2010	15,311	2,339
Unrealized gain on ARS, included in Interest and other, net	1,562	
Unrealized loss on the investment put option related to ARS Rights, included in Interest and other, net		(1,562)
Sale of ARS	(10,175)	
Balance as of June 30, 2010	$ 6,698	$ 777

The Company recognized the unrealized gains or losses resulting from changes in the fair value of the ARS, excluding the sale of ARS, and the changes in the fair value of the ARS Rights in current period earnings in Interest and other, net.

The Company s equipment financing line debt is not recorded at fair value, but the Company is required to disclose its fair value. The Company determined the fair value of the equipment financing line debt using a discounted cash flow model. The major inputs to the model are expected cash flows, which equal the contractual payments, and borrowing rates available to the Company for similar debt as of the applicable balance sheet dates. The fair value and the carrying value of the equipment financing line debt were as follows (in thousands):

	June 30, 2011	December 31, 2010
Carrying value equipment financing line	$ 489	$ 985
Fair value equipment financing line	$ 472	$ 947

The carrying amount of the Company s cash, accounts receivable and accounts payable approximates fair value due to the short-term nature of these instruments.

Note 8. Loan with UBS

In connection with the settlement with UBS AG relating to the Company s ARS, in October 2008, the Company entered into a loan agreement with UBS Bank USA and UBS Financial Services Inc. On January 5, 2009, the Company borrowed approximately $12.4 million under the loan agreement, with its ARS held in accounts with UBS Financial Services Inc. as collateral. Proceeds from sales of the ARS were first applied as repayments of the loan balance. The Company repaid the remaining balance of the loan in full during the second quarter of 2010.

Activity related to this loan during the three and six months ended June 30, 2010 was as follows (in thousands):

Balance as of December 31, 2009	$ 10,201
Interest expense incurred	29
Interest income from ARS applied to loan balance	(107)

Proceeds from sales of ARS applied to loan balance	(250)
Balance as of March 31, 2010	9,873
Interest expense incurred	27
Interest income from ARS applied to loan balance	(33)
Proceeds from sales of ARS applied to loan balance	(9,867)
Balance as of June 30, 2010	$

Table of Contents

Note 9. Stockholders Equity

Increase in Authorized Shares

On May 18, 2011, the stockholders approved an increase in the number of authorized shares of common stock from 170,000,000 to 245,000,000. This increase became effective in August, 2011, when the Company filed the Certificate of Amendment of Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware.

2007 Committed Equity Facility

The 2007 committed equity financing facility with Kingsbridge Capital Limited expired on March 31, 2011, and no further shares are available to the Company for sale under the facility. The warrants associated with this facility expired in April 2011.

Deerfield

On April 18, 2011, the Company entered into a securities purchase agreement (the Deerfield Agreement) with Deerfield Private Design Fund II, L.P., Deerfield Private Design International II, L.P., Deerfield Special Situations Fund, L.P., and Deerfield Special Situations Fund International Limited (collectively, Deerfield). On April 20, 2011, pursuant to the Deerfield Agreement, the Company issued to Deerfield (i) 5,300,000 shares of common stock for a purchase price of $1.50 per share, (ii) 8,070 shares of Series A convertible preferred stock (the Series A Preferred Stock) for a purchase price of $1,500.00 per share, and (iii) warrants to purchase 6,685,000 shares of the Company s common stock at an initial exercise price of $1.65 per share, for aggregate gross proceeds of approximately $20.1 million. After issuance costs of approximately $0.2 million, the net proceeds were approximately $19.9 million.

The warrants issued to Deerfield will become exercisable on October 20, 2011 and will remain exercisable until April 20, 2015. The warrant holders are prohibited from exercising the warrants and obtaining shares of common stock if, as a result of such exercise, the holder and its affiliates would own more than 9.98% of the total number of shares of the Company s common stock then issued and outstanding. The Company valued the warrants as of the date of issuance at $5.8 million using the Black-Scholes option pricing model and the following assumptions: a contractual term of four years, a risk-free interest rate of 1.66%, volatility of 80%, and the fair value of the Company s common stock on the issuance date of $1.52. As of June 30, 2011, none of the warrants were vested or exercisable.

Each share of Series A Preferred Stock is convertible into 1,000 shares of common stock at any time at the holder s option. However, the holder is prohibited from converting the Series A Preferred Stock into shares of common stock if, as a result of such conversion, the holder and its affiliates would own more than 9.98% of the total number of shares of common stock then issued and outstanding. In the event of the Company s liquidation, dissolution, or winding up, holders of Series A Preferred Stock will receive a payment equal to $0.001 per share before any proceeds are distributed to the common stockholders. Shares of Series A Preferred Stock generally have no voting rights, except as required by law and except that the consent of holders of a majority of the outstanding Series A Preferred Stock is required to amend the terms of the Series A Preferred Stock. Holders of Series A Preferred Stock are not entitled to receive any dividends, unless and until specifically declared by the Company s board of directors. The Series A Preferred Stock ranks senior to the Company s common stock as to distributions of assets upon the Company s liquidation, dissolution or winding up, whether voluntarily or involuntarily. The Series A Preferred Stock may rank senior to, on parity with or junior to any class or series of the Company s capital stock created in the future depending upon the specific terms of such future stock issuance.

The offering was made pursuant to a shelf registration statement that the Company filed with the SEC on November 10, 2008, which became effective on November 19, 2008 (File No. 333-155259). The closing of the offering took place on April 20, 2011.

In accordance with the accounting guidance for valuing stock and warrants when preferred stock, common stock and warrants are issued in a single transaction and all are to be accounted for as equity, the Company allocated the gross purchase proceeds using the relative fair value method. The fair value of the common stock issued to Deerfield was calculated based on the closing price of the stock on the commitment date as quoted on The NASDAQ Global Market. The Series A Preferred Stock was valued based on the fair value of the Company s common stock on the commitment date times the conversion ratio of one share of preferred to one thousand shares of common stock. The fair value of the Series A Preferred Stock was determined to be essentially equivalent to the fair value of the common

stock into which it is convertible, based on the preferred holders ability to immediately convert the Series A Preferred Stock to common stock and the fact that the liquidation preference of the Series A Preferred Stock is only $0.001 per share. The fair value of the warrants was determined using the Black-Scholes pricing model, as discussed above. The relative fair value ratio of each of the instruments issued was than applied to the total gross proceeds of $20.1 million, resulting in allocated purchase prices of $6.2 million for the common stock, $9.4 million for the Series A Preferred Stock, and $4.5 million for the warrants.

Table of Contents

The fair value of the common stock into which the Series A Preferred Stock is convertible exceeded the allocated purchase price of the Series A Preferred Stock by $2.9 million on the date of issuance, resulting in a beneficial conversion feature. The Company recognized the beneficial conversion feature as a one-time, non-cash deemed dividend to the holders of Series A Preferred Stock on the date of issuance, which is the date the stock first became convertible.

MLV

On June 10, 2011, the Company entered into an At-The-Market Issuance Sales Agreement (the MLV Agreement) with McNicoll, Lewis & Vlak LLC (MLV), pursuant to which the Company may issue and sell shares of common stock having an aggregate offering price of up to $20.0 million or 14,383,670 shares, whichever occurs first, from time to time through MLV as its sales agent. The issuance and sale of these shares by the Company under the MLV Agreement, if any, are subject to the continued effectiveness of its registration statement on Form S-3, which was declared effective by the SEC on June 23, 2011 (File No. 333-174869).

Sales of the Company s common stock through MLV, if any, will be made on The NASDAQ Global Market by means of ordinary brokers transactions at market prices or as otherwise agreed to by the Company and MLV. Subject to the terms and conditions of the MLV Agreement, MLV will use commercially reasonable efforts to sell the Company s common stock from time to time, based upon our instructions (including any price, time or size limits or other customary parameters or conditions we may impose). The Company is not obligated to make any sales of common stock under the MLV Agreement. The offering of shares of common stock pursuant to the MLV Agreement will terminate upon the earlier of (1) the sale of all common stock subject to the MLV Agreement or (2) termination of the MLV Agreement. The MLV Agreement may be terminated by MLV or the Company at any time upon ten days notice to the other party, or by MLV at any time in certain circumstances, including the occurrence of a material adverse change in the Company s business. The Company will pay MLV a commission rate equal to 3.0% of the gross proceeds of the sales price per share of any common stock sold through MLV under the MLV Agreement. The Company has also provided MLV with customary indemnification and contribution rights. The Company incurred approximately $0.1 million of issuance costs associated with this offering. As of June 30, 2011, no shares have been issued to MLV under the MLV Agreement.

Stock Option Plans

Stock option activity for the six months ended June 30, 2011 under the Company s 2004 Equity Incentive Plan, as amended, and the Company s 1997 Stock Option/Stock Issuance Plan was as follows:

	Shares Available for Grant of Options or Awards	Stock Options Outstanding	Weighted Average Exercise Price per Share of Stock Options
Balance at December 31, 2010	5,127,695	8,096,476	$ 4.32
Increase in authorized shares	3,000,000		
Options granted	(2,525,256)	2,525,256	$ 1.60
Options exercised		(16,000)	$ 1.09
Options forfeited/expired	627,739	(627,739)	$ 4.33
Balance at June 30, 2011	6,230,178	9,977,993	$ 3.63

Note 10. Interest and Other, Net

Components of Interest and other, net were as follows (in thousands):

	Period from

	Three Months Ended		Six Months Ended		August 5, 1997 (date of inception)
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	to June 30, 2011
Unrealized gain on ARS (Note 6 and 7)	$	$ 1,562	$	$ 1,581	$
Unrealized loss on investment put option related to ARS Rights (Note 6 and 7)		(1,562)		(1,581)	
Warrant expense					(1,585)
Interest income and other income	29	71	83	234	28,952
Interest expense and other expense	(14)	(61)	(28)	(130)	(5,962)
Interest and other, net	$ 15	$ 10	$ 55	$ 104	$ 21,405

Table of Contents

Investments that the Company designates as trading securities are reported at fair value, with gains or losses resulting from changes in fair value recognized in earnings and included in Interest and other, net. The Company sold its remaining outstanding ARS on June 30, 2010.

The Company elected to measure the investment put option related to the ARS Rights at fair value to mitigate volatility in reported earnings due to its linkage to the ARS. Changes in the fair value of the ARS Rights are recognized in current period earnings in Interest and other, net. The investment put option related to the ARS rights was extinguished on July 1, 2010, the settlement date of the sale of the remaining ARS.

Warrant expense for the period from inception to June 30, 2011 was related to the change in the fair value of the warrant liability that was recorded in connection with the Company s registered direct equity offering in May 2009.

Interest income and other income primarily consisted of interest income generated from the Company s cash, cash equivalents and investments. Interest expense and other expense primarily consisted of interest expense on borrowings under the Company s equipment financing lines and, through June 30, 2010, on its loan agreement with UBS Bank USA and UBS Financial Services Inc.

Note 11. Income Taxes

The Company follows the accounting guidance established by the Financial Accounting Standards Board (FASB) which defines the threshold for recognizing the benefits of tax return positions in the financial statements as more-likely-than-not to be sustained by the taxing authorities based solely on the technical merits of the position. If the recognition threshold is met, the tax benefit is measured and recognized as the largest amount of tax benefit that, in the Company s judgment, is greater than 50% likely to be realized.

The Company files income tax returns with the United States Internal Revenue Service (IRS) and the state of California. For jurisdictions in which tax filings are made, the Company is subject to income tax examination for all fiscal years since inception. The tax year 2009 is currently under a limited scope examination by the IRS s Large Business and International Division. The Company believes that it maintains adequate reserves for uncertain tax positions.

Note 12. Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In October 2009, the FASB issued new accounting guidance for recognizing revenue for multiple-deliverable revenue arrangements. The new guidance amends the existing guidance for separately accounting for individual deliverables in a revenue arrangement with multiple deliverables, and removes the criterion that an entity must use objective and reliable evidence of fair value to separately account for the deliverables. The new guidance also establishes a hierarchy for determining the value of each deliverable and establishes the relative selling price method for allocating consideration when vendor-specific objective evidence or third party evidence of value does not exist. The Company s adoption of the new guidance prospectively for new revenue arrangements entered into or materially modified beginning on January 1, 2011 did not have a material impact on its financial position or results of operations.

In January 2010, the FASB issued new accounting guidance for improving disclosures about fair value measurements, which requires a gross presentation of Level 3 fair value rollforwards. The Company s adoption of the guidance on January 1, 2011 did not have a material impact on its financial position or results of operations.

In April 2010, the FASB issued new accounting guidance on the milestone method of revenue recognition. The new guidance codifies the milestone method as an acceptable revenue recognition model when a milestone is deemed to be substantive. The Company s adoption of the guidance effective for milestones achieved beginning on January 1, 2011 did not have a material impact on its financial position or results of operations.

Table of Contents

Accounting Pronouncements Not Yet Adopted

In June 2011, the FASB issued new accounting guidance that revises the manner in which entities present comprehensive income in their financial statements. The new guidance requires entities to present comprehensive income either in a continuous statement of comprehensive income, which replaces the statement of operations, or in two separate, consecutive statements. The new guidance does not change the items that must be reported in other comprehensive income, nor does it require new disclosures. The new guidance is effective for the Company beginning in the first quarter of 2012. The Company expects that the new guidance will affect the presentation of comprehensive income in its financial statements, but has not yet decided which presentation method it will adopt.

Note 13. Subsequent Events

In July 2011, GE Capital reduced the Company s certificate of deposit, which the Company classifies as restricted cash, by $0.2 million.

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis should be read in conjunction with our financial statements and accompanying notes included elsewhere in this report. Operating results are not necessarily indicative of results that may occur in future periods.

This report contains forward-looking statements that are based upon current expectations within the meaning of the Private Securities Litigation Reform Act of 1995. We intend that such statements be protected by the safe harbor created thereby. Forward-looking statements involve risks and uncertainties and our actual results and the timing of events may differ significantly from the results discussed in the forward-looking statements. Examples of such forward-looking statements include, but are not limited to, statements about or relating to:

- guidance concerning revenues, research and development expenses and general and administrative expenses for 2011;
- the sufficiency of existing resources to fund our operations for at least the next 12 months;
- our capital requirements and needs for additional financing;
- the initiation, design, progress, timing and scope of clinical trials and development activities for our drug candidates and potential drug candidates conducted by ourselves or our partners, such as Amgen, including the anticipated timing for initiation of clinical trials and anticipated dates of data becoming available or being announced from clinical trials;
- the results from the clinical trials and non-clinical and preclinical studies of our drug candidates and other compounds, and the significance and utility of such results;
- our and our partners , such as Amgen s, plans or ability to conduct the continued research and development of our drug candidates and other compounds;
- our expected roles in research, development or commercialization under our strategic alliances, such as with Amgen;
- the properties and potential benefits of, and the potential market opportunities for, our drug candidates and other compounds, including the potential indications for which they may be developed;
- the sufficiency of the clinical trials conducted with our drug candidates to demonstrate that they are safe and efficacious;
- our receipt of milestone payments, royalties, reimbursements and other funds from current or future partners under strategic alliances, such as with Amgen;
- our plans to seek strategic alternatives for our mitotic kinesin inhibitor drug candidates with third parties;
- our ability to continue to identify additional potential drug candidates that may be suitable for clinical development;
- our plans or ability to commercialize drugs with or without a partner, including our intention to develop sales and marketing capabilities;

Table of Contents

the focus, scope and size of our research and development activities and programs;
the utility of our focus on the cytoskeleton and our ability to leverage our experience in muscle contractility to other muscle functions;
our ability to protect our intellectual property and to avoid infringing the intellectual property rights of others;
expected future sources of revenue and capital;
losses, costs, expenses and expenditures;
future payments under loan and lease obligations and equipment financing lines;
potential competitors and competitive products;
retaining key personnel and recruiting additional key personnel;
expected future amortization of employee stock-based compensation; and
the potential impact of recent accounting pronouncements on our financial position or results of operations.

Such forward-looking statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to:

Amgen s decisions with respect to the timing, design and conduct of development activities for omecamtiv mecarbil, including decisions to postpone or discontinue research or development activities relating to omecamtiv mecarbil;
our ability to obtain additional financing;
our receipt of funds and access to other resources under our current or future strategic alliances;
difficulties or delays in the development, testing, production or commercialization of our drug candidates;
difficulties or delays in or slower than anticipated patient enrollment in our or our partners clinical trials;
adverse side effects, including potential drug-drug interactions, or inadequate therapeutic efficacy of our drug candidates that could slow or prevent product approval (including the risk that current and past results of preclinical research or non-clinical or clinical development may not be indicative of future clinical trials results);
results from non-clinical studies that may adversely impact the timing or the further development of our drug candidates and potential drug candidates;
the possibility that the U.S. Food and Drug Administration (the FDA) or foreign regulatory agencies may delay or limit our or our partners ability to conduct clinical trials or may delay or withhold approvals for the manufacture and sale of our products;
activities and decisions of, and market conditions affecting, current and future strategic partners;
our ability to enter into partnership agreements for any of our programs on acceptable terms and conditions or in accordance with our planned timelines;
the availability of funds under our grant from the National Institute of Neurological Disorders and Stroke in future periods;
changing standards of care and the introduction of products by competitors or alternative therapies for the treatment of indications we target that may make our drug candidates commercially unviable;
changes in laws and regulations applicable to drug development, commercialization or reimbursement;

Table of Contents

the uncertainty of protection for our intellectual property, whether in the form of patents, trade secrets or otherwise; and

potential infringement or misuse by us of the intellectual property rights of third parties.

In addition such statements are subject to the risks and uncertainties discussed in the Risk Factors section and elsewhere in this document. Operating results reported are not necessarily indicative of results that may occur in future periods.

When used in this report, unless otherwise indicated, Cytokinetics, the Company, we, our and us refers to Cytokinetics, Incorporated.

CYTOKINETICS, and our logo used alone and with the mark CYTOKINETICS, are registered service marks and trademarks of Cytokinetics. Other service marks, trademarks and trade names referred to in this report are the property of their respective owners.

Overview

We are a clinical-stage biopharmaceutical company focused on the discovery and development of novel small molecule therapeutics that modulate muscle function for the potential treatment of serious diseases and medical conditions. Our research and development activities relating to the biology of muscle function have evolved from our knowledge and expertise regarding the cytoskeleton, a complex biological infrastructure that plays a fundamental role within every human cell. Our current research and development programs relating to the biology of muscle function are directed to small molecule modulators of the contractility of cardiac, skeletal and smooth muscle. We have leveraged, and intend to continue to leverage, our experience in muscle contractility in order to expand our current pipeline into new therapeutic areas, and expect to continue to be able to identify additional potential drug candidates that may be suitable for clinical development. To date, five drug candidates arising from our research activities have been progressed into clinical development. We are also advancing other research programs directed to muscle contractility, growth, energetics and metabolism.

Our drug candidates currently in clinical development include omecamtiv mecarbil for the potential treatment of heart failure and CK-2017357 for the potential treatment of diseases or medical conditions associated with skeletal muscle weakness or wasting. We are also advancing back-up and follow-on skeletal sarcomere activators, each with different physiochemical and pharmacokinetic properties, intended to supplement our ongoing development activities. We have identified two potential drug candidates that we are progressing in non-clinical research and development activities. CK-2017357 and both these potential drug candidates selectively activate the fast skeletal muscle troponin complex, which is a set of regulatory proteins that modulates the contractility of the fast skeletal muscle sarcomere. We are also conducting preclinical research on compounds that inhibit smooth muscle contractility. These compounds may be useful as potential treatments for diseases and conditions complicated by bronchoconstriction, such as asthma and chronic obstructive pulmonary disease. In addition, we are evaluating strategic alternatives for the further clinical development of the three drug candidates from our discontinued oncology program: ispinesib, SB-743921 and GSK-923295.

Muscle Contractility Programs

Cardiac Muscle Contractility

Our lead drug candidate from this program is omecamtiv mecarbil, a novel cardiac muscle myosin activator. In December 2006, we entered into a collaboration and option agreement with Amgen to discover, develop and commercialize novel small molecule therapeutics that activate cardiac muscle contractility for potential applications in the treatment of heart failure, including omecamtiv mecarbil. In May 2009, Amgen exercised its option under this agreement to obtain an exclusive license worldwide, except Japan, to develop and commercialize omecamtiv mecarbil and other drug candidates arising from the collaboration, and subsequently paid us an option exercise fee of $50.0 million. As a result, Amgen is now responsible for the development and commercialization of omecamtiv mecarbil and related compounds, at its expense worldwide, except Japan, subject to our development and commercialization participation rights. Under the agreement, Amgen will reimburse us for agreed research and development activities we perform. The agreement provides for potential pre-commercialization and commercialization milestone payments of up to $600.0 million in the aggregate on omecamtiv mecarbil and other potential products arising from research under the collaboration, and royalties that escalate based on increasing levels of annual net sales of products commercialized

under the agreement. The agreement also provides for us to receive increased royalties by co-funding Phase III development costs of drug candidates under the collaboration. If we elect to co-fund such costs, we would be entitled to co-promote omecamtiv mecarbil in North America and participate in agreed commercialization activities in institutional care settings, at Amgen s expense.

Table of Contents

We expect omecamtiv mecarbil to be developed as a potential treatment across the continuum of care for heart failure both as an intravenous formulation for the treatment of patients hospitalized with acutely decompensated heart failure and as an oral formulation for chronic administration. We are also conducting joint research activities with Amgen under an agreed research plan directed to potential next-generation compounds in our cardiac muscle contractility program.

In May 2011, dosing was initiated in an international, randomized, double-blind, placebo-controlled Phase IIb clinical trial of an intravenous formulation of omecamtiv mecarbil in patients with left ventricular systolic dysfunction hospitalized with acutely decompensated heart failure. This trial is currently open for enrollment in the United States, Canada, European Union and Australia. This trial is being conducted by Amgen in collaboration with Cytokinetics.

We and Amgen are discussing plans for the initiation of additional studies designed to assess the safety, tolerability and pharmacokinetics of multiple oral formulations of omecamtiv mecarbil, to occur first in healthy volunteers and then in stable heart failure patients.

The clinical trials program for omecamtiv mecarbil may proceed for several years, and we will not be in a position to generate any revenues or material net cash flows from sales of this drug candidate until the program is successfully completed, regulatory approval is achieved, and the drug is commercialized. Omecamtiv mecarbil is at too early a stage of development for us to predict if or when this may occur. We funded all research and development costs associated with this program prior to Amgen s option exercise in May 2009. We recorded research and development expenses for activities relating to our cardiac muscle contractility program of approximately $1.1 million and $1.2 million in the first half of 2011 and 2010, respectively. We recognized research and development revenue from Amgen of $1.0 million and $1.1 million in the first half of 2011 and 2010, respectively, consisting of reimbursements of full-time employee equivalent (FTE) and other expenses.

We anticipate that our expenditures relating to the research and development of compounds in our cardiac muscle contractility program will increase if we participate in the future advancement of omecamtiv mecarbil through clinical development. Our expenditures will also increase if Amgen terminates development of omecamtiv mecarbil or related compounds and we elect to develop them independently, or if we elect to co-fund later-stage development of omecamtiv mecarbil or other compounds in our cardiac muscle contractility program under our collaboration and option agreement with Amgen.

Skeletal Muscle Contractility

CK-2017357 is the lead drug candidate from this program. We are also advancing back-up and follow-on skeletal sarcomere activators, each with different physiochemical and pharmacokinetic properties, intended to supplement our ongoing development activities. We have identified two potential drug candidates that we are progressing in non-clinical research and development activities. CK-2017357 and these potential drug candidates are structurally distinct and selective small molecule activators of the fast skeletal sarcomere. These compounds act on fast skeletal muscle troponin. Activation of troponin increases its sensitivity to calcium, leading to an increase in skeletal muscle contractility. We are evaluating the potential indications for which CK-2017357 and these potential drug candidates may be useful.

Each of CK-2017357 and our potential drug candidates has demonstrated encouraging pharmacological activity in preclinical models and, with respect to CK-2017357, in healthy volunteers in patients with amyotrophic lateral sclerosis (ALS), and in patients with peripheral artery disease and claudication, which is pain or cramping in the leg muscles due to inadequate blood flow during exercise. In two recent Phase IIa clinical trials of CK-2017357, evidence of potentially clinically relevant pharmacodynamic effects was observed in patients with ALS and in patients with peripheral artery disease and claudication, respectively. CK-2017357 has received an orphan drug designation from the FDA for the potential treatment of ALS. In July 2010, we were awarded a grant in the amount of $2.8 million by the National Institute of Neurological Disorders and Stroke, which is intended to support for three years our research and development of CK-2017357 for the potential treatment of myasthenia gravis. The grant was awarded under the American Recovery and Reinvestment Act of 2009. We recognized revenue of $0.8 million under this grant arrangement in the first half of 2011, which we recorded as research and development, grant and other revenues.

We have initiated three evidence of effect Phase IIa clinical trials of CK-2017357. Two of these trials have been completed, one in patients with ALS and one in patients with symptoms of claudication associated with peripheral

artery disease (PAD). A trial in patients with generalized myasthenia gravis is ongoing. Our evidence of effect clinical trials are randomized, double-blind, placebo-controlled, three-period cross-over studies of single doses of CK-2017357 administered to patients with impaired muscle function. These studies are intended to translate the mechanism of action of CK-2017357 into statistically significant and

Table of Contents

potentially clinically relevant pharmacodynamic effects (as we did in healthy volunteers), which may then form the basis for larger clinical trials designed to demonstrate proof of concept and possibly even to support registration.

ALS. In April 2011, we presented additional analyses of data from our Phase IIa evidence of effect clinical trial of CK-2017357 in ALS patients during a Clinical Trials Session at the 63rd Annual Meeting of the American Academy of Neurology.