
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported)
August 29, 2018**

Allakos Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38582
(Commission
File Number)

45-4798831
(IRS Employer
Identification No.)

**75 Shoreway Road, Suite A
San Carlos, California 94070**
(Address of principal executive offices, including zip code)

(650) 597-5002
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On August 29, 2018, Allakos Inc. (the “Company”) issued a press release announcing its financial results for the second quarter ended June 30, 2018. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02 of this Form 8-K, including the attached Exhibit 99.1, is intended to be furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	<u>Press Release dated August 29, 2018.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Allakos Inc.

Date: August 29, 2018

By: _____
/s/ Robert Alexander
Robert Alexander
President and Chief Executive Officer

Allakos Announces Second Quarter 2018 Financial Results

SAN CARLOS, Calif., August 29, 2018 – Allakos Inc. (NASDAQ:ALLK), a clinical stage biotechnology company focused on the development of antibodies for the treatment of eosinophil and mast cell related diseases, today announced financial results for the second quarter ended June 30, 2018.

Second Quarter 2018 Financial Results

Research and development expenses were \$7.1 million in the second quarter of 2018 as compared to \$3.8 million in the same period in 2017. The increase in research and development expenses was primarily related to an increase in consulting and personnel-related costs, as well as contract research and development activities related to the continued advancement of AK002, the Company's lead antibody.

General and administrative expenses were \$2.4 million in the second quarter of 2018 as compared to \$0.8 million in the same period in 2017. The increase in general and administrative expenses was primarily attributable to an increase in personnel-related costs as a result of the Company's increase in employee headcount, as well as incremental expense incurred from outside professional service providers for legal, information technology, and investor relations support in preparation for the Company's initial public offering.

Allakos reported a net loss of \$9.4 million in the second quarter of 2018 as compared to \$4.7 million in the same period in 2017, an increase of \$4.7 million. Net loss per basic and diluted share was \$4.17 for the second quarter of 2018 compared to \$3.18 in the same period in 2017. Net loss per basic and diluted share is based on a weighted-average number of shares outstanding in the period, and therefore, does not include shares sold in the Company's initial public offering and concurrent private placement on July 23, 2018.

Allakos ended the second quarter of 2018 with \$64.1 million in cash, cash equivalents and marketable securities, which does not include \$141.8 million of proceeds, net of underwriting discounts and commissions, received from the Company's initial public offering and concurrent private placement on July 23, 2018.

About Allakos

Allakos is a clinical stage company developing antibodies that target immunomodulatory receptors present on immune effector cells involved in allergic, inflammatory, and proliferative diseases. The Company's lead antibody, AK002, targets Siglec-8, an inhibitory receptor expressed on human mast cells and eosinophils. Inappropriately activated eosinophils and mast cells have been identified as key drivers in a number of severe diseases affecting the gastrointestinal tract, eyes, skin, lungs and other organs. AK002 has completed two Phase 1 trials, one in healthy volunteers and a single ascending dose trial in patients with indolent systemic mastocytosis. AK002 demonstrated pharmacodynamic activity in both trials and in the trial involving patients with indolent systemic mastocytosis, patients reported improvements in their symptoms. AK002 is being tested in a phase 2 trial for the treatment of eosinophilic gastritis with or without eosinophilic gastroenteritis. In addition, Allakos is conducting multiple dose trials with AK002 in chronic urticaria, indolent systemic mastocytosis, and severe allergic conjunctivitis. For more information, please visit the Company's website at www.allakos.com.

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ALLAKOS INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
Operating expenses				
Research and development	\$ 7,149	\$ 3,758	\$ 13,550	\$ 8,122
General and administrative	2,375	840	4,683	1,453
Total operating expenses	9,524	4,598	18,233	9,575
Loss from operations	(9,524)	(4,598)	(18,233)	(9,575)
Interest income (expense), net	292	(73)	516	(137)
Other expense, net	(145)	(21)	(145)	(36)
Net loss	(9,377)	(4,692)	(17,862)	(9,748)
Unrealized gain on marketable securities, net of tax	3	—	3	—
Comprehensive loss	\$ (9,374)	\$ (4,692)	\$ (17,859)	\$ (9,748)
Net loss per common share:				
Basic and diluted	\$ (4.17)	\$ (3.18)	\$ (8.36)	\$ (6.73)
Weighted-average number of common shares outstanding:				
Basic and diluted	2,248	1,477	2,137	1,449

ALLAKOS INC.
CONDENSED BALANCE SHEETS
(in thousands, except per share data)

	<u>June 30,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>
	<u>(unaudited)</u>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,295	\$ 85,207
Investments in marketable securities	44,851	—
Prepaid expenses and other current assets	2,987	1,037
Total current assets	67,133	86,244
Property and equipment, net	3,376	445
Other long-term assets	3,716	340
Total assets	\$ 74,225	\$ 87,029
Liabilities, Convertible Preferred Stock and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 1,928	\$ 1,703
Accrued expenses and other current liabilities	3,082	1,089
Total current liabilities	5,010	2,792
Other long-term liabilities	1,468	36
Total liabilities	6,478	2,828
Convertible preferred stock	143,019	142,969
Stockholders' deficit:		
Common stock	3	3
Additional paid-in capital	3,158	1,803
Accumulated other comprehensive income	3	—
Accumulated deficit	(78,436)	(60,574)
Total stockholders' deficit	(75,272)	(58,768)
Total liabilities, convertible preferred stock, and stockholders' deficit	\$ 74,225	\$ 87,029