

AGENUS INC
Form 10-Q
August 03, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 2015

or

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

For the transition period from _____ to _____

Commission File Number: 000-29089

Agenus Inc.

(exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

3 Forbes Road, Lexington, Massachusetts 02421

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:

(781) 674-4400

06-1562417

(I.R.S. Employer

Identification No.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations 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 No

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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(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 No

Number of shares outstanding of the issuer's Common Stock as of July 24, 2015: 84,307,520 shares

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Six Months Ended June 30, 2015
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AGENUS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

| | June 30, 2015 | December 31, 2014 |
|--|---------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$124,664,519 | \$25,714,519 |
| Short-term investments | 14,977,200 | 14,509,570 |
| Inventories | 88,200 | 95,700 |
| Accounts Receivable | 4,111,493 | 463,007 |
| Prepaid expenses | 1,823,150 | 1,247,548 |
| Other current assets | 618,880 | 639,957 |
| Total current assets | 146,283,442 | 42,670,301 |
| Plant and equipment, net of accumulated amortization and depreciation of \$28,983,407 and \$28,369,982 at June 30, 2015 and December 31, 2014, respectively | 6,952,418 | 5,996,687 |
| Goodwill | 18,774,267 | 17,869,023 |
| Acquired intangible assets, net of accumulated amortization of \$769,376 and \$462,248 at June 30, 2015 and December 31, 2014, respectively | 6,894,809 | 6,773,722 |
| Other long-term assets | 1,204,804 | 1,216,795 |
| Total assets | \$180,109,740 | \$74,526,528 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current portion, long-term debt | \$146,060 | \$1,257,178 |
| Current portion, deferred revenue | 7,776,728 | 184,421 |
| Accounts payable | 2,662,254 | 1,710,946 |
| Accrued liabilities | 8,924,746 | 5,501,527 |
| Other current liabilities | 5,810,788 | 575,351 |
| Total current liabilities | 25,320,576 | 9,229,423 |
| Long-term debt | 11,281,396 | 4,769,359 |
| Deferred revenue | 16,370,908 | 3,009,568 |
| Contingent royalty obligation | 21,647,000 | 15,279,000 |
| Contingent purchase price consideration | 10,741,000 | 16,420,300 |
| Other long-term liabilities | 7,558,579 | 2,800,491 |
| Commitments and contingencies | | |
| STOCKHOLDERS' EQUITY | | |
| Preferred stock, par value \$0.01 per share; 5,000,000 shares authorized: Series A-1 convertible preferred stock; 31,620 shares designated, issued, and outstanding at June 30, 2015 and December 31, 2014; liquidation value of \$32,113,792 at June 30, 2015 | 316 | 316 |
| Common stock, par value \$0.01 per share; 140,000,000 shares authorized; 84,257,543 and 62,720,065 shares issued at June 30, 2015 and December 31, 2014, respectively | 842,575 | 627,201 |
| Additional paid-in capital | 837,463,987 | 715,667,633 |
| Accumulated other comprehensive loss | (658,405 |) (1,970,420 |
| Accumulated deficit | (750,458,192 |) (691,306,343 |

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| | | |
|--|----------------|---------------|
| Total stockholders' equity | 87,190,281 | 23,018,387 |
| Total liabilities and stockholders' equity | \$ 180,109,740 | \$ 74,526,528 |
| See accompanying notes to unaudited condensed consolidated financial statements. | | |

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AGENUS INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
 (Unaudited)

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|---------------|---------------------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Revenue: | | | | |
| Research and development revenue | \$6,376,699 | \$3,074,088 | \$10,329,997 | \$3,794,944 |
| Total revenues | 6,376,699 | 3,074,088 | 10,329,997 | 3,794,944 |
| Operating expenses: | | | | |
| Research and development | (24,773,110) | (5,222,704) | (33,993,253) | (9,695,237) |
| General and administrative | (8,015,639) | (6,126,622) | (13,502,748) | (11,290,115) |
| Contingent purchase price consideration fair value adjustment | (6,783,000) | (224,000) | (14,320,700) | (1,133,000) |
| Operating loss | (33,195,050) | (8,499,238) | (51,486,704) | (18,323,408) |
| Other (expense) income: | | | | |
| Non-operating (expense) income | (6,649,818) | 754,363 | (6,702,763) | 10,576,829 |
| Interest expense, net | (565,519) | (296,126) | (962,382) | (651,935) |
| Net loss | (40,410,387) | (8,041,001) | (59,151,849) | (8,398,514) |
| Dividends on Series A-1 convertible preferred stock | (50,700) | (51,107) | (101,320) | (102,133) |
| Net loss attributable to common stockholders | \$(40,461,087) | \$(8,092,108) | \$(59,253,169) | \$(8,500,647) |
| Per common share data: | | | | |
| Basic and diluted net loss attributable to common stockholders | \$(0.53) | \$(0.13) | \$(0.83) | \$(0.15) |