

AGENUS INC
Form 10-Q
August 01, 2014
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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, 2014

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 28, 2014: 62,679,445 shares

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Agenus Inc.

Quarterly Period Ended June 30, 2014

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AGENUS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2014	December 31, 2013
ASSETS		
Cash and cash equivalents	\$48,270,380	\$27,351,969
Short-term investments	14,545,393	—
Inventories	95,700	—
Accounts receivable	—	1,200
Prepaid expenses	1,131,756	658,412
Other current assets	2,988,859	162,997
Total current assets	67,032,088	28,174,578
Plant and equipment, net of accumulated amortization and depreciation of \$27,856,858 and \$27,637,443 at June 30, 2014 and December 31, 2013, respectively	4,542,907	2,784,845
Goodwill	19,550,840	2,572,203
Acquired intangible assets, net of accumulated amortization of \$219,887 at June 30, 2014	7,811,646	—
Other long-term assets	1,250,216	1,303,855
Total assets	\$100,187,697	\$34,835,481
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current portion, long-term debt	\$7,428,701	\$3,518,550
Current portion, deferred revenue	2,528,067	1,660,679
Accounts payable	929,905	834,740
Accrued liabilities	5,657,929	4,215,221
Other current liabilities	2,024,630	66,683
Total current liabilities	18,569,232	10,295,873
Other long-term debt	—	5,347,690
Deferred revenue	3,101,680	3,193,809
Contingent royalty obligation	7,360,783	18,799,141
Contingent purchase price consideration	10,854,000	—
Other long-term liabilities	2,669,293	1,679,671
Commitments and contingencies		
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, par value \$0.01 per share; 5,000,000 shares authorized at June 30, 2014 and December 31, 2013:		
Series A-1 convertible preferred stock; 31,620 shares designated, issued, and outstanding at June 30, 2014 and December 31, 2013; liquidation value of \$32,371,737 at June 30, 2014	316	316
Series B2 convertible preferred stock; 3,105 shares designated, issued, and outstanding at June 30, 2014 and December 31, 2013	31	31
Common stock, par value \$0.01 per share; 140,000,000 and 70,000,000 shares authorized at June 30, 2014 and December 31, 2013, respectively; 62,652,214 and 36,391,191 shares issued at June 30, 2014 and December 31, 2013, respectively	626,522	363,912

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Additional paid-in capital	714,088,885	644,571,866
Treasury stock, at cost; 0 and 43,490 shares of common stock at June 30, 2014 and December 31, 2013, respectively	—	(324,792)
Accumulated other comprehensive income	135,637	—
Accumulated deficit	(657,218,682)	(649,092,036)
Total stockholders' equity (deficit)	57,632,709	(4,480,703)
Total liabilities and stockholders' equity (deficit)	\$100,187,697	\$34,835,481

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)

	Quarters Ended June 30		Six months ended June 30	
	2014	2013	2014	2013
Revenue:				
Service revenue	\$—	\$320,536	\$—	\$1,045,760
Grant revenue	29,970	—	58,738	—
Research and development revenue	3,044,118	486,860	3,736,206	870,877
Total revenues	3,074,088	807,396	3,794,944	1,916,637
Operating expenses:				
Cost of service revenue	—	(176,681)	—	(449,457)
Research and development	(5,222,704)	(3,316,763)	(9,695,237)	(5,870,885)
General and administrative	(5,847,356)	(4,642,238)	(11,290,115)	(7,533,779)
Contingent purchase price consideration fair value adjustment	(224,000)	—	(1,133,000)	—
Operating loss	(8,219,972)	(7,328,286)	(18,323,408)	(11,937,484)
Other income (expense):				
Non-operating income (expense)	754,363	(3,322,657)	10,576,829	(3,319,777)
Interest expense, net	(296,126)	(490,684)	(651,935)	(1,719,387)
Net loss	(7,761,735)	(11,141,627)	(8,398,514)	(16,976,648)
Dividends on Series A and A-1 convertible preferred stock	(51,107)	(50,785)	(102,133)	(3,057,971)
Net loss attributable to common stockholders				\$ (7,812,842)