

Onconova Therapeutics, Inc.
Form 10-Q
September 06, 2013
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2013

Or

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

Commission file number: 001-36020

Onconova Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

22-3627252
(I.R.S. Employer

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incorporation or organization)
375 Pheasant Run, Newtown, PA
(Address of principal executive offices)

Identification No.)
18940
(Zip Code)

Registrant's telephone number, including area code: **(267) 759-3680**

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 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 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. (Check one):

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 Act). Yes No

The number of outstanding shares of the registrant's common stock, par value \$0.01 per share, as of August 30, 2013 was 21,403,655

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ONCONOVA THERAPEUTICS, INC.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements**

Onconova Therapeutics, Inc.
Condensed Consolidated Balance Sheets

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 51,181,000	\$ 81,527,000
Prepaid expenses and other current assets	5,867,000	1,725,000
Total current assets	57,048,000	83,252,000
Property and equipment, net	729,000	463,000
Restricted cash	125,000	125,000
Other non-current assets	12,000	12,000
Total assets	\$ 57,914,000	\$ 83,852,000
Liabilities, redeemable convertible preferred stock and stockholders deficit		
Current liabilities:		
Accounts payable	\$ 4,410,000	\$ 5,517,000
Accrued expenses and other current liabilities	5,338,000	3,925,000
Warrant liability	50,000	62,000
Option liability		11,967,000
Deferred revenue	3,509,000	3,907,000
Total current liabilities	13,307,000	25,378,000
Deferred revenue, non-current	14,136,000	15,421,000
Other	47,000	44,000
Total liabilities	27,490,000	40,843,000
Commitments and contingencies		
Redeemable convertible preferred stock, \$0.01 par value per share, 18,548,253 shares authorized at June 30, 2013 and December 31, 2012, 16,912,199 issued and outstanding at June 30, 2013 and December 31, 2012, liquidation preference of \$205,760,000 at June 30, 2013	203,366,000	201,315,000
Stockholders deficit:		
Common stock, \$0.01 par value, 30,145,155 authorized at June 30, 2013 and December 31, 2012, 2,609,484 and 2,606,484 shares issued and outstanding at June 30, 2013 and December 31, 2012	26,000	26,000
Additional paid in capital	22,787,000	10,021,000
Accumulated other comprehensive income	5,000	
Accumulated deficit	(195,760,000)	(168,353,000)
Total stockholders deficit	(172,942,000)	(158,306,000)
Total liabilities, redeemable convertible preferred stock and stockholders deficit	\$ 57,914,000	\$ 83,852,000

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See accompanying notes to condensed consolidated financial statements.

Table of Contents**Onconova Therapeutics, Inc.****Condensed Consolidated Statements of Operations (unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenue	\$ 591,000	\$ 220,000	\$ 1,707,000	\$ 418,000
Operating expenses:				
General and administrative	3,117,000	1,627,000	6,463,000	4,087,000
Research and development	10,047,000	6,776,000	22,803,000	15,224,000
Total operating expenses	13,164,000	8,403,000	29,266,000	19,311,000
Loss from operations	(12,573,000)	(8,183,000)	(27,559,000)	(18,893,000)
Change in fair value of warrant liability	(2,000)	999,000	12,000	390,000
Interest expense	(2,000)	(230,000)	(2,000)	(251,000)
Other income (expense), net	15,000	(2,000)	142,000	539,000
Net loss before income taxes	(12,562,000)	(7,416,000)	(27,407,000)	(18,215,000)
Income taxes				
Net loss	(12,562,000)	(7,416,000)	(27,407,000)	(18,215,000)
Accretion of redeemable convertible preferred stock	(1,032,000)	(927,000)	(2,051,000)	(2,158,000)
Net loss applicable to common stockholders	\$ (13,594,000)	\$ (8,343,000)	\$ (29,458,000)	\$ (20,373,000)
Net loss per share of common stock, basic and diluted	\$ (5.21)	\$ (3.84)	\$ (11.29)	\$ (9.37)
Basic and diluted weighted average shares outstanding	2,609,495	2,173,549	2,608,450	2,173,549

See accompanying notes to condensed consolidated financial statements.

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Onconova Therapeutics, Inc.

Condensed Consolidated Statements of Comprehensive Loss (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Net loss	\$ (12,562,000)	\$ (7,416,000)	\$ (27,407,000)	\$ (18,215,000)
Other comprehensive (loss) income, before tax:				
Foreign currency translation adjustments, net	(2,000)		5,000	
Other comprehensive (loss) income, net of tax	(2,000)		5,000	
Comprehensive loss	\$ (12,564,000)	\$ (7,416,000)	\$ (27,402,000)	\$ (18,215,000)

See accompanying notes to condensed consolidated financial statements.

Table of Contents**Onconova Therapeutics, Inc.****Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders Deficit (unaudited)**

	Redeemable Convertible Preferred Stock		Common Stock		Stockholders Deficit		Accumulated other comprehensive income (loss)	Total
	Shares	Amount	Shares	Amount	Additional Paid in Capital	Accumulated deficit		
Balance at January 1, 2013	16,912,199	\$ 201,315,000	2,606,484	\$ 26,000	\$ 10,021,000	\$ (168,353,000)	\$	\$ (158,306,000)
Net loss						(27,407,000)		(27,407,000)
Other comprehensive income							5,000	5,000
Exercise of stock options			3,000		44,000			44,000
Stock-based compensation					291,000			291,000
Accretion of preferred stock to redemption value		2,051,000			(2,051,000)			(2,051,000)
Modification of stock option awards					14,482,000			14,482,000
Balance at June 30, 2013	16,912,199	\$ 203,366,000	2,609,484	\$ 26,000	\$ 22,787,000	\$ (195,760,000)	\$ 5,000	\$ (172,942,000)
Balance at January 1, 2012	11,227,169	\$ 119,997,000	2,167,928	\$ 22,000	\$	\$ (138,441,000)	\$	\$ (138,419,000)
Net loss						(18,215,000)		(18,215,000)
Exercise of stock options			5,700		9,000			9,000
Settlement of stock option liabilities					34,000			34,000
Issuance of preferred stock upon exercise of warrants	221,399	2,802,000						
Accretion of preferred stock to redemption value								