

REGENXBIO Inc.
Form 10-Q
August 08, 2018
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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, 2018

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 001-37553

REGENXBIO Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	47-1851754
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
9600 Blackwell Road, Suite 210	20850

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Rockville, MD
(Address of principal executive offices) (Zip Code)

(240) 552-8181

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 3, 2018, there were 32,308,644 outstanding shares of the registrant's common stock, par value \$0.0001 per share.

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REGENXBIO INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2018

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INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These statements express a belief, expectation or intention and are generally accompanied by words that convey projected future events or outcomes such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “design,” “intend,” “expect,” “could,” “plan,” “potential,” “predict,” “seek,” “should,” “would” or by variations of these words or by similar expressions. We have based these forward-looking statements on our current expectations and assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks, uncertainties, assumptions and other important factors, including, but not limited to:

- the timing of enrollment, commencement and completion and the success of clinical trials conducted by us, our licensees and our partners;
- the timing of commencement and completion and the success of preclinical studies conducted by us and our development partners;
- the timely development and launch of new products;
- the ability to obtain and maintain regulatory approval of our product candidates, and the labeling for any approved products;
- the scope, progress, expansion and costs of developing and commercializing our product candidates;
- our ability to obtain and maintain intellectual property protection for our product candidates and technology;
- our anticipated growth strategies;
- our expectations regarding competition;
- the anticipated trends and challenges in our business and the market in which we operate;
- our ability to attract or retain key personnel;
- the size and growth of the potential markets for our product candidates and the ability to serve those markets;
- the rate and degree of market acceptance of any of our product candidates;
- our ability to establish and maintain development partnerships;
- our expectations regarding our expenses and revenue;
- our expectations regarding regulatory developments in the United States and foreign countries; and
- the use or sufficiency of our cash and cash equivalents and needs for additional financing.

You should carefully read the factors discussed in the sections titled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2017 and in our other filings with the U.S. Securities and Exchange Commission (the SEC) for additional discussion of the risks, uncertainties, assumptions and other important factors that could cause our actual results or developments to differ materially and adversely from those projected in the forward-looking statements. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on us or our businesses or operations. Such statements are not guarantees of future performance and actual results or developments may differ materially and adversely from those projected in the forward-looking statements. These forward-looking statements speak only as of the date of this report. Except as required by law and the rules of the SEC, we do not undertake any obligation, and specifically decline any obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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Available Information

We file annual, quarterly, and current reports, proxy statements, and other documents with the SEC under the Exchange Act. The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1 800 SEC 0330. Also, you may obtain any reports, proxy and information statements, and other information that we file electronically with the SEC at www.sec.gov.

The public also may view and download copies of our SEC filings free of charge at our website, www.regenxbio.com. The information contained on, or that can be accessed through, our website will not be deemed to be incorporated by reference in, and are not considered part of, this Quarterly Report on Form 10-Q. Investors should also note that we use our website, as well as SEC filings, press releases, public conference calls and webcasts, to announce financial information and other material developments regarding our business. We use these channels, as well as any social media channels listed on our website, to communicate with investors and members of the public about our company. It is possible that the information that we post on our social media channels could be deemed material information. Therefore, we encourage investors, the media and others interested in our company to review the information that we post on our social media channels.

As used in this Quarterly Report on Form 10-Q, the terms "REGENXBIO," "we," "us," "our" or the "Company" mean REGENXBIO Inc. and its subsidiaries, on a consolidated basis, unless the context indicates otherwise.

NAV, REGENXBIO and the REGENXBIO logos are our registered trademarks. Any other trademarks appearing in this Quarterly Report on Form 10-Q are the property of their respective holders.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

REGENXBIO INC.

CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands, except per share data)

	June 30, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$106,889	\$46,656
Marketable securities	179,605	114,122
Accounts receivable	739	473
Prepaid expenses	3,690	5,334
Other current assets	2,347	1,412
Total current assets	293,270	167,997
Marketable securities	19,795	15,616
Accounts receivable	4,485	—
Property and equipment, net	16,698	13,977
Restricted cash	225	225
Other assets	1,514	862
Total assets	\$335,987	\$198,677
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$4,230	\$4,832
Accrued expenses and other current liabilities	12,023	9,605
Deferred revenue	600	—
Total current liabilities	16,853	14,437
Deferred rent, net of current portion	1,192	1,211
Other liabilities	720	—
Total liabilities	18,765	15,648
Commitments and contingencies (Note 6)		
Stockholders' equity		
Preferred stock; \$0.0001 par value; 10,000 shares authorized, and no shares issued		
and outstanding at June 30, 2018 and December 31, 2017	—	—
Common stock; \$0.0001 par value; 100,000 shares authorized at June 30, 2018	3	3
and December 31, 2017; 32,275 and 31,295 shares issued and outstanding at		

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June 30, 2018 and December 31, 2017, respectively		
Additional paid-in capital	386,110	371,497
Accumulated other comprehensive loss	(771)	(715)
Accumulated deficit	(68,120)	(187,756)
Total stockholders' equity	317,222	183,029
Total liabilities and stockholders' equity	\$335,987	\$198,677

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

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REGENXBIO INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(unaudited)

(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenues				
License revenue	\$40,031	\$6,555	\$172,422	\$7,010
Other revenues	—	7	—	7
Total revenues	40,031	6,562	172,422	7,017
Expenses				
Costs of revenues				
Licensing costs	3,872	1,311	6,280	1,402
Other	—	6	—	—