

ORGANOVO HOLDINGS, INC.
Form 10-Q
August 09, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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, 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 001-35996

Organovo Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

incorporation or organization)

6275 Nancy Ridge Drive, Suite 110,

San Diego, CA 92121
(Address of principal executive offices and zip code)

27-1488943
(I.R.S. Employer

Identification No.)

(858) 224-1000
(Registrant's telephone number, including area code)

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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, 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. (Check one):

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 1, 2018, a total of 113,449,349 shares of the registrant’s Common Stock, \$0.001 par value, were outstanding.

ORGANOVO HOLDINGS, INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Organovo Holdings, Inc.

Condensed Consolidated Balance Sheets

(in thousands except for share data)

	June 30, 2018 (Unaudited)	March 31, 2018 (Audited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 39,613	\$ 43,726
Accounts receivable	628	883
Grant receivable	100	145
Inventory, net	1,044	842
Prepaid expenses and other current assets	927	1,164
Total current assets	42,312	46,760
Fixed assets, net		
Restricted cash	127	127
Other assets, net	149	152
Total assets	\$ 45,092	\$ 49,827
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 396	\$ 464
Accrued expenses	1,995	3,341
Deferred revenue	628	668
Deferred rent	191	185
Total current liabilities	3,210	4,658
Deferred revenue, net of current portion	10	19
Deferred rent, net of current portion	516	564
Total liabilities	3,736	5,241
Commitments and Contingencies		
Stockholders' Equity		
Common stock, \$0.001 par value; 150,000,000 shares authorized,		
113,318,380 and 111,032,957 shares issued and outstanding at		
June 30, 2018 and March 31, 2018, respectively	113	111
Additional paid-in capital	282,779	278,595
Accumulated deficit	(241,536)	(234,120)
Total stockholders' equity	41,356	44,586

Total Liabilities and Stockholders' Equity	\$ 45,092	\$ 49,827
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The accompanying notes are an integral part of these condensed consolidated financial statements.

Organovo Holdings, Inc.

Unaudited Condensed Consolidated Statements of Operations and Other Comprehensive Loss

(in thousands except share and per share data)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017
Revenues		
Products and services	\$ 546	\$ 944
Collaborations and licenses	43	46
Grants	100	—
Total Revenues	689	990
Cost of revenues	120	301
Research and development expenses	3,379	5,033
Selling, general and administrative expenses	4,767	5,856
Total costs and expenses	8,266	11,190
Loss from Operations	(7,577) (10,200
Other Income (Expense)		
Gain (loss) on fixed asset disposals	2	—
Interest income	162	98
Total Other Income (Expense)	164	98
Income Tax Expense	(3) —
Net Loss	\$ (7,416) \$ (10,102
Currency Translation Adjustment	\$ —	\$ (11
Comprehensive Loss	\$ (7,416) \$ (10,113
Net loss per common share—basic and diluted	\$ (0.07) \$ (0.10
Weighted average shares used in computing net		
loss per common share—basic and diluted	111,458,445	104,689,391

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

Organovo Holdings, Inc.

Unaudited Condensed Consolidated Statements of Cash Flows

(in thousands)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017
Cash Flows From Operating Activities		
Net loss	\$(7,416)	\$(10,102)
Adjustments to reconcile net loss to net cash used in operating activities:		
(Gain) loss on disposal of fixed assets	(2)	—
Depreciation and amortization		