

ONCOGENEX PHARMACEUTICALS, INC.

FORM 8-K (Current report filing)

Filed 11/10/16 for the Period Ending 11/10/16

Address	19820 NORTH CREEK PARKWAY SUITE 201 BOTHELL, WA 98011
Telephone	425-686-1500
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SIC Code	2835 - In Vitro and In Vivo Diagnostic Substances
Industry	Biotechnology & Medical Research
Sector	Healthcare
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 10, 2016

ONCOGENEX PHARMACEUTICALS, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

033-80623
(Commission File Number)

95-4343413
(IRS Employer
Identification No.)

19820 North Creek Parkway
Bothell, Washington
(Address of Principal Executive Offices)

98011
(Zip Code)

Registrant's Telephone Number, Including Area Code: (425) 686-1500

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On November 10, 2016, OncoGenex Pharmaceuticals, Inc. (the “Company”) issued a press release announcing its financial results for the third quarter of 2016. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release of OncoGenex Pharmaceuticals, Inc. dated November 10, 2016

The information in Item 2.02 of this Form 8-K and Exhibit 99.1 attached hereto is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ONCOGENEX PHARMACEUTICALS, INC.

Date: **November 10, 2016**

/s/ John Bencich
John Bencich
Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release of OncoGenex Pharmaceuticals, Inc. dated November 10, 2016

OncoGenex Pharmaceuticals, Inc. Reports Financial Results for Third Quarter 2016

BOTHELL, WA, and VANCOUVER, British Columbia, Nov. 10, 2016 – OncoGenex Pharmaceuticals, Inc. (NASDAQ: OGXI) today announced its third quarter 2016 financial results.

Recent Events

- In November 2016, the company announced positive survival results from the final analysis of the Phase 2 Borealis-2™ trial of apatorsen in combination with docetaxel treatment that enrolled 200 patients with metastatic bladder cancer whose disease had progressed following first-line platinum-based chemotherapy. The company does not currently intend to fund further development of apatorsen in bladder cancer without a collaboration partner.
- Also in November 2016, OncoGenex discontinued the development of its custirsen program after the AFFINITY and ENSPIRIT Phase 3 clinical trials failed to meet their primary endpoints.

Financial Results

As of September 30, 2016, the company's cash, cash equivalents, and short-term investments were \$32.5 million compared with \$55.2 million as of December 31, 2015. Based on current expectations, OncoGenex believes that its cash, cash equivalents, and short-term investments will be sufficient to fund its currently planned operations for at least the next 12 months.

Revenue for the three and nine months ended September 30, 2016 decreased to zero and \$5.1 million, respectively, from \$6.7 million and \$12.1 million for the three and nine months ended September 30, 2015, respectively. The advanced reimbursement payment made by Teva, as part of the Termination Agreement, was deferred and recognized as collaboration revenue on a dollar for dollar basis as costs were incurred as part of the continuing research and development activities related to custirsen. The decrease in collaboration revenue in 2016 as compared to 2015 was due to the full recognition of the remaining amounts of deferred revenue in 2016.

Total operating expenses for the three and nine months ended September 30, 2016 were \$4.4 million and \$20.2 million, respectively, compared to \$11.4 million and \$27.4 million for the three and nine months ended September 30, 2015, respectively.

Net loss for the three and nine months ended September 30, 2016 was \$3.7 million and \$14.3 million, respectively, compared to \$4.6 million and \$15.1 million for the three and nine months ended September 30, 2015, respectively.

As of November 10, 2016 OncoGenex had 30,020,294 shares outstanding.

OncoGenex is continuing work with MTS Health Partners in the exploration of strategic alternatives as announced in mid-August.

About OncoGenex and Apatorsen

OncoGenex is a biopharmaceutical company committed to the development and commercialization of new therapies that address treatment resistance in cancer patients. The company's lead compound,

apatorsen (OGX-427), is designed to inhibit production of Hsp27, disable cancer cells' defenses and overcome treatment resistance. Hsp27 is an intracellular protein that protects cancer cells by helping them survive, leading to resistance and more aggressive cancer phenotypes. Both the potential single-agent activity and synergistic activity of apatorsen with cancer treatments may increase the overall benefit of existing therapies and augment the durability of treatment outcomes, which could lead to increased patient survival. More information is available at www.OncoGenex.com and at the company's Twitter account: https://twitter.com/OncoGenex_IR.

OncoGenex' Forward Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding the potential benefits and potential development of our product candidates, clinical development plans and business strategies. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. Such forward-looking statements are subject to risks and uncertainties, including, among others, the risk of failure or delays in our ongoing and future clinical trials, the risk that any of our product candidates will receive regulatory approval or will be successfully commercialized, the risk that new developments in the rapidly evolving cancer therapy landscape require changes in our business strategy or clinical trial plans, or limit the potential benefits of our product candidates, the risk that we are unable to raise on acceptable terms the capital needed to complete our clinical trials, the risk that our product candidates do not demonstrate the hypothesized or expected benefits and the other factors described in our risk factors set forth in our filings with the Securities and Exchange Commission from time to time, including the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company undertakes no obligation to update the forward-looking statements contained herein or to reflect events or circumstances occurring after the date hereof, other than as may be required by applicable law.

Borealis-2™ is a registered trademark of OncoGenex Pharmaceuticals, Inc.

OncoGenex Contact:

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(425) 686-1514

Consolidated Statements of Loss
(In thousands, except per share and share data)
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Collaboration revenue	\$ -	\$ 6,737	\$ 5,062	\$ 12,136
Operating expenses:				
Research and development	3,782	8,303	13,086	18,520
General and administrative	1,864	3,125	6,638	8,890
Restructuring costs (recovery)	(31)	-	392	-
Recovery of lease termination loss	(1,250)	-	(1,250)	-
Litigation settlement loss	-	-	1,375	-
Total operating expenses	<u>4,365</u>	<u>11,428</u>	<u>20,241</u>	<u>27,410</u>
Loss from operations	(4,365)	(4,691)	(15,179)	(15,274)
Other income (expense)	675	141	893	197
Net loss	<u>\$ (3,690)</u>	<u>\$ (4,550)</u>	<u>\$ (14,286)</u>	<u>\$ (15,077)</u>
Basic and diluted net loss per share	<u>\$ (0.12)</u>	<u>\$ (0.16)</u>	<u>\$ (0.48)</u>	<u>\$ (0.60)</u>
Weighted average number of basic and diluted common shares	<u>30,013,928</u>	<u>28,538,918</u>	<u>29,925,219</u>	<u>24,914,844</u>

Consolidated Balance Sheets
(In thousands)

	September 30,	December 31,
	2016	2015
	(unaudited)	
Assets:		
Cash, cash equivalents, short term investments and restricted cash	\$ 32,727	\$ 55,458
Interest receivable	36	111
Prepaid expenses and other current assets	1,805	2,001
Property, equipment and other assets	506	639
Total assets	<u>\$ 35,074</u>	<u>\$ 58,209</u>
Liabilities and stockholders' equity:		
Accounts payable and accrued liabilities	\$ 10,181	\$ 13,217
Current portion of long-term obligations	57	52
Warrant liability	350	1,105
Lease termination liability	-	1,250
Deferred collaboration revenue	-	5,040
Long term liabilities	67	105
Stockholders' equity	24,419	37,440
Total liabilities and stockholders' equity	<u>\$ 35,074</u>	<u>\$ 58,209</u>