

Xenon Pharmaceuticals Inc.
Form 10-Q
August 07, 2018

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: 001-36687

XENON PHARMACEUTICALS INC.

(Exact name of Registrant as Specified in its Charter)

Canada	98-0661854
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
200-3650 Gilmore Way	

Burnaby, British Columbia, Canada	V5G 4W8
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (604) 484-3300

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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, or a non-accelerated filer, 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, the registrant had 19,261,889 common shares, without par value, outstanding.

XENON PHARMACEUTICALS INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED JUNE 30, 2018

TABLE OF CONTENTS

	Page
<u>PART I. FINANCIAL INFORMATION</u>	1
<u>Item 1. Financial Statements</u>	1
<u>Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017</u>	1
<u>Consolidated Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2018 and 2017</u>	2
<u>Consolidated Statement of Shareholders' Equity for the six months ended June 30, 2018</u>	3
<u>Consolidated Statements of Cash Flows for the six months ended June 30, 2018 and 2017</u>	4
<u>Notes to Consolidated Financial Statements</u>	5
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	13
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	24
<u>Item 4. Controls and Procedures</u>	25
<u>PART II. OTHER INFORMATION</u>	25
<u>Item 1. Legal Proceedings</u>	25
	25

Item 1A. Risk Factors

Item 6. Exhibits

58

SIGNATURES

59

In this Quarterly Report on Form 10-Q, “we,” “our,” “us,” “Xenon,” and “the Company” refer to Xenon Pharmaceuticals Inc. and its subsidiary. “Xenon” and the Xenon logo are the property of Xenon Pharmaceuticals Inc. and are registered in the United States and used or registered in various other jurisdictions. This report contains references to our trademarks and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this report may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies’ trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

XENON PHARMACEUTICALS INC.

Consolidated Balance Sheets

(Unaudited)

(Expressed in thousands of U.S. dollars except share amounts)

	June 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$47,435	\$ 20,486
Marketable securities	15,835	23,181
Accounts receivable	171	438
Prepaid expenses and other current assets	909	716
	64,350	44,821
Prepaid expenses, long term	—	230
Property, plant and equipment, net	1,086	1,070
Total assets	\$65,436	\$ 46,121
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable and accrued expenses (note 7)	3,094	3,383
Loan payable, current portion (note 8)	—	700
	3,094	4,083
Loan payable, long-term (note 8)	11,721	6,104
	\$14,815	\$ 10,187
Shareholders' equity:		
Preferred shares, without par value; unlimited shares authorized; issued and		
outstanding: 2,868,000 (December 31, 2017 - nil) (note 9b)	21,825	—
Common shares, without par value; unlimited shares authorized; issued and		
outstanding: 17,640,951 (December 31, 2017 - 17,998,420) (note 9)	177,012	173,841
Additional paid-in capital	37,718	36,471