

Ignyta, Inc.  
Form 10-Q  
November 07, 2014  
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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 September 30, 2014**

**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: 001-36344**

**Ignyta, Inc.**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction of**  
**incorporation or organization)**

**45-3174872**  
**(I.R.S. Employer**  
**Identification No.)**

**11095 Flintkote Avenue, Suite D, San Diego, CA**  
**(Address of principal executive offices)**  
**(858) 255-5959**

**92121**  
**(Zip Code)**

**(Registrant's telephone number, including area code)**

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 definition 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   
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 \$0.0001 per share, as of November 1, 2014 was 19,580,769.

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**IGNYTA, INC.**  
**FORM 10-Q QUARTERLY REPORT**  
**FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2014**  
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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****Ignyta, Inc.****(A Development Stage Company)****Condensed Balance Sheets**

	<b>September 30, 2014</b>	<b>December 31, 2013</b>
	(Unaudited)	(Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 21,529,992	\$ 51,803,716
Short term investments	54,663,003	
Prepaid expenses and other current assets	1,125,822	671,373
Total current assets	77,318,817	52,475,089
<b>Fixed Assets - Net</b>	2,838,183	830,706
<b>Long term investments</b>	18,480,924	
<b>Other Assets</b>	736,477	13,045
	\$ 99,374,401	\$ 53,318,840
<b>Liabilities and Stockholders Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 797,928	\$ 811,600
Accrued expenses and other liabilities	2,632,983	590,235
Lease payable, current portion	53,311	
Warrant liability	155,500	129,400
Total current liabilities	3,639,722	1,531,235
Note payable, net of current portion and discount	20,161,600	8,950,000
Lease payable, net of current portion	116,689	
Other liabilities	630,000	1,050,000
Total liabilities	24,548,011	11,531,235
<b>Commitments and Contingencies (Note 11)</b>		
<b>Stockholders Equity</b>		

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Preferred Stock, \$.0001 par value; 10,000,000 shares authorized; no shares issued or outstanding		
Common Stock, \$.0001 par value; 150,000,000 shares authorized; 19,579,588 and 13,934,876 shares issued and outstanding, respectively	1,958	1,393
Additional paid-in capital	110,670,365	57,359,152
Deficit accumulated during the development stage	(35,805,507)	(15,572,940)
Accumulated other comprehensive loss	(40,426)	
<b>Total stockholders equity</b>	<b>74,826,390</b>	<b>41,787,605</b>
	<b>\$ 99,374,401</b>	<b>\$ 53,318,840</b>

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

Table of Contents**Ignyta, Inc.****(A Development Stage Company)****Unaudited Condensed Statements of Operations and Comprehensive Loss**

	<b>Three Months Ended September 30, 2014</b>	<b>Three Months Ended September 30, 2013</b>	<b>Nine Months Ended September 30, 2014</b>	<b>Nine Months Ended September 30, 2013</b>	<b>Period from August 29, 2011 (Inception) through September 30, 2014</b>
<b>Revenue</b>	\$	\$	\$ 150,000	\$	\$ 150,000
<b>Expenses</b>					
Research and development	8,622,547	724,153	14,380,914	1,944,818	25,299,693
General and administrative	2,223,311	485,407	6,018,276	1,389,102	10,336,673
<b>Loss from Operations</b>	(10,845,858)	(1,209,560)	(20,249,190)	(3,333,920)	(35,486,366)
<b>Other Income (Expense)</b>					
Other income (expense)	30,778	100	(21,880)	5,800	(127,832)
Interest income (expense)	111,827	(30,108)	43,807	(65,583)	(182,601)
<b>Total Other Income (Expense)</b>	142,605	(30,008)	21,927	(59,783)	(310,433)
<b>Loss Before Income Taxes</b>	(10,703,253)	(1,239,568)	(20,227,263)	(3,393,703)	(35,796,799)
Income tax provision			5,304	2,095	8,708
<b>Net Loss</b>	\$ (10,703,253)	\$ (1,239,568)	\$ (20,232,567)	\$ (3,395,798)	\$ (35,805,507)
<b>Basic and diluted loss per share</b>	\$ (0.55)	\$ (0.55)	\$ (1.13)	\$ (1.58)	\$
<b>Weighted average shares</b>	19,579,588	2,272,832	17,905,134	2,153,735	
<b>Comprehensive Loss</b>					
Net loss	\$ (10,703,253)	\$ (1,239,568)	\$ (20,232,567)	\$ (3,395,798)	\$ (35,805,507)
Unrealized loss on available for sale securities	(45,988)		(40,426)		(40,426)
<b>Comprehensive loss</b>	\$ (10,749,241)	\$ (1,239,568)	\$ (20,272,993)	\$ (3,395,798)	\$ (35,845,933)

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



Table of Contents**Ignyta, Inc.****(A Development Stage Company)****Condensed Statements of Stockholders Equity**

	Convertible Preferred Stock Series A		Convertible Preferred Stock Series B		Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
<b>Balance at August 29, 2011</b>		\$		\$		\$	\$	\$	\$	\$
Issuance of Restricted Stock					666,668	66	1,934			2,000
Issuance of Series A Preferred Stock net \$29,221 in offering costs	416,667	42					220,736			220,778
Stock-based compensation expense							781			781
Net loss								(79,445)		(79,445)
<b>Balance at December 31, 2011 (Audited)</b>	416,667	42			666,668	66	223,451	(79,445)		144,114
Repurchase of Common Stock					(13,334)	(1)	(39)			(40)
Issuance of Series A Preferred Stock net \$858 in offering costs	416,667	42					249,100			249,142
Issuance of Series B Preferred Stock net of \$80,969 in			1,835,000	183			5,423,848			5,424,031



Offering costs									
Stock-based compensation expense							23,373		23,373
Net loss								(1,279,852)	(1,279,852)
<b>Balance at December 31, 2012 (Audited)</b>	833,334	84	1,835,000	183	653,334	65	5,919,733	(1,359,297)	4,560,768
Issuance of Common Stock due to stock options exercised					12,290	1	2,999		3,000
Issuance of Restricted Stock due to Actogene merger					1,583,336	158	5,542		5,700
Conversion of Common Stock due to reverse merger	(833,334)	(84)	(1,835,000)	(183)	2,675,678	267			
Issuance of Common Stock net of \$3,047,687 in offering costs					9,010,238	902	51,012,839		51,013,741
Stock-based compensation expense							370,439		370,439
Issuance of Warrant							47,600		47,600
Net loss								(14,213,643)	(14,213,643)
<b>Balance at December 31, 2013 (Audited)</b>					13,934,876	1,393	57,359,152	(15,572,940)	41,787,605
Issuance of Common Stock due to stock options exercised					12,962	2	5,470		5,472
Repurchase of Restricted Stock									