

**UNITED STATES
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): **February 14, 2023**

Sio Gene Therapies Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37418
(Commission
File Number)

85-3863315
(IRS Employer
Identification No.)

**1501 Broadway
12th Floor
New York, New York 10036**

(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code): **+1 646 677 6770**

N/A

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- 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))

Securities Registered pursuant to Section 12(b) of the Act:

| Title of each Class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, par value \$0.00001 per share | SIOX | The Nasdaq Stock Market LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter):

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.

Item 2.02 Results of Operations and Financial Condition.

On February 14, 2023, Sio Gene Therapies Inc. (the "**Registrant**") issued a press release announcing its financial results for the three and nine months ended December 31, 2022. A copy of this press release is furnished herewith as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

In accordance with General Instruction B.2. of Form 8-K, the information in this Item 2.02, and Exhibit 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any of the Registrant's filings under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any incorporation language in such a filing, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit Number | Description of Document |
|-----------------------|---|
| 99.1 | Press Release of Sio Gene Therapies Inc., dated February 14, 2023, "Sio Gene Therapies Announces Fiscal Third Quarter 2022 Financial Results" |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURE

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

SIO GENE THERAPIES INC.

Dated: February 14, 2023

By: /s/ David Nassif
Name: David Nassif
Title: Chief Executive Officer; Chief Financial Officer; Chief Accounting Officer; and General Counsel



Sio Gene Therapies Announces Fiscal Third Quarter 2022 Financial Results

- *Three-Month and Nine-Month Losses decline by 84.2% and 73.5%, respectively*
- *Operating Cash Outflows for the Nine Months Ended December 31, 2022 decreased by \$23.8 million or 56% versus the prior year period*
- *\$46.1 million of cash and cash equivalents as of December 31, 2022, a strong cash position as the Company prepares for liquidation and dissolution, subject to stockholder approval*

NEW YORK, NY, February 14, 2023 (GLOBE NEWSWIRE) – Sio Gene Therapies Inc. (NASDAQ: SIOX) today provided financial results for its fiscal third quarter ended December 31, 2022.

“Our financial results continue to show the beneficial effects on operating expenses and cash burn resulting from the termination of the licenses to our three clinical-stage programs, the significant workforce reduction initiated last year April and successful negotiations with vendors and landlords. We are now focused on taking the steps necessary to put the Company and its three subsidiaries into the liquidation and dissolution process, including a stockholder vote expected to be held in April,” said David Nassif, J.D., Chief Executive Officer of Sio Gene Therapies.

Fiscal Third Quarter Financial Summary

Research and development expenses were \$1.9 million for the three months ended December 31, 2022 and \$21.3 million for the three months ended December 31, 2021. The \$19.4 million decrease was primarily related to decreases in:

- (i) program-specific costs relating to our prior AXO-Lenti-PD and AXO-AAV-GM1 and AXO-AAV-GM2 programs, which decreased \$15.5 million as we wound down our clinical-stage programs subsequent to our termination of the Oxford Biomedica and UMass agreements; and
- (ii) unallocated internal costs, which decreased \$3.9 million primarily due to reductions in personnel-related costs after announcing the discontinuation of our clinical-stage programs and initiating a significant reduction in workforce in April 2022.

General and administrative expenses were \$2.6 million for the three months ended December 31, 2022 and \$4.1 million for the three months ended December 31, 2021. The decrease of \$1.5 million was primarily due to decreases of \$1.0 million in stock-based compensation expense, \$0.4 million of which results from prior year expense associated with Roivant Sciences Ltd. ("RSL") equity instruments held by our former Chief Executive Officer, and \$0.6 million in personnel-related expenses related to the workforce reduction that commenced in April 2022.

The net loss for the fiscal third quarter ended December 31, 2022 was \$4.0 million, or \$0.05 per share, compared to a net loss of \$25.5 million, or \$0.35 per share, in the fiscal third quarter ended December 31, 2021.

As of December 31, 2022, we had \$46.13 million of cash and cash equivalents. We hold no short-term or long-term debt on the balance sheet.

Fiscal Nine Months Financial Summary

Research and development expenses were \$7.8 million for the nine months ended December 31, 2022 and \$40.8 million for the nine months ended December 31, 2021. The \$33.0 million decrease was primarily related to decreases in:

- (i) program-specific costs relating to our prior AXO-Lenti-PD and AXO-AAV-GM1 and AXO-AAV-GM2 programs, which decreased \$24.6 million as we wound down our clinical-stage programs subsequent to our termination of the Oxford Agreement and the UMMS Agreement; and

(ii) unallocated internal costs, which decreased \$8.4 million primarily due to reductions in personnel-related costs after announcing the discontinuation of our clinical-stage programs and initiating a significant reduction in workforce in April 2022. Personnel-related costs incurred during the nine months ended December 31, 2022 included \$0.7 million of severance expense. Other costs incurred during the nine months ended December 31, 2022 included \$0.7 million related to the early termination of the laboratory space lease in Durham, North Carolina and \$0.6 million of losses on sales of equipment and furniture related to the termination of that lease. Further, stock-based compensation expense incurred during the nine months ended December 31, 2022 benefited from the reversal of \$0.4 million from prior periods resulting from the workforce reduction.

General and administrative expenses were \$8.5 million for the nine months ended December 31, 2022 and \$17.7 million for the nine months ended December 31, 2021. The decrease of \$9.2 million was primarily due to a decrease of \$8.3 million in stock-based compensation expense, \$6.3 million of which results from prior year expense associated with RSL equity instruments held by our former Chief Executive Officer, and a decrease of \$1.7 million in personnel-related expenses.

The net loss for the nine months ended December 31, 2022 was \$15.5 million, or \$0.21 per share, compared to a net loss of \$58.6 million, or \$0.80 per share, for the nine months ended December 31, 2021.

Forward-Looking Statements

This press release contains forward-looking statements for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995 and other federal securities laws. The use of words such as "expect," "estimate," "may" and other similar expressions are intended to identify forward-looking statements. For example, all statements Sio makes regarding the proposed dissolution and its timing, including for holding a special stockholder meeting to approve the dissolution, cash position to support the dissolution, costs associated with its operating activities, potential cost savings and other benefits from cost reduction activities, and funding requirements and/or cash burn runway are forward-looking. All forward-looking statements are based on estimates and assumptions by Sio's management that, although Sio believes to be reasonable, are inherently uncertain. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those that Sio expected. Such risks and uncertainties include, among others, the availability, timing and amount of liquidating distributions; the amounts that will need to be set aside by Sio; the adequacy of such reserves to satisfy Sio's obligations; potential unknown contingencies or liabilities, including tax claims, and Sio's ability to favorably resolve them or at all; the amount of proceeds that might be realized from the sale or other disposition of any remaining assets; the application of, and any changes in, applicable tax laws, regulations, administrative practices, principles and interpretations; the incurrence by Sio of expenses relating to the dissolution; the ability of the board of directors to abandon, modify or delay implementation of the dissolution, even after stockholder approval; the uncertain macroeconomic environment; continuing impact of the COVID-19 pandemic on Sio's operations; the actual funds required for planned operating activities; costs, risks and timing related to headcount reductions and capital conservation plans; and the outcome of interactions with regulatory agencies. These statements are also subject to a number of material risks and uncertainties that are described in Sio's most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 14, 2023, as updated by its subsequent filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it was made. Sio undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT

In connection with the proposed dissolution, the Company has filed with the SEC a preliminary proxy statement and other relevant materials and will file a definitive proxy statement. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT, ANY AMENDMENTS OR SUPPLEMENTS THERETO, ANY OTHER SOLICITING MATERIALS AND ANY OTHER DOCUMENTS TO BE FILED WITH THE SEC IN CONNECTION WITH THE PLAN OF DISSOLUTION AND RELATED MATTERS OR INCORPORATED BY REFERENCE IN THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION ABOUT SIO GENE THERAPIES, INC., THE PROPOSED DISSOLUTION AND RELATED MATTERS. Stockholders may obtain a free copy of the proxy statement and the other relevant materials (when they become available), and any other documents filed by the Company with the SEC, at the SEC's website at <http://www.sec.gov> or on the "Investors" section of Sio's website at www.sioctx.com.

Participants in the Solicitation

Sio and its executive officer and directors may be deemed to be participants in the solicitation of proxies from its stockholders with respect to the proposed dissolution and related matters and any other matters to be voted on at the special meeting of stockholders. Information regarding the names, affiliations and interests of such directors and executive officer will be included in the proxy statement (when available). Additional information regarding such directors and executive officer is included in Sio's Annual Report on Form 10-K for the fiscal year ended March 31, 2022, which was filed with the SEC on June 14, 2022.

Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies of Sio's shareholders in connection with the dissolution and related matters and any other matters to be voted upon at the special meeting will be set forth in the proxy statement (when available). These documents are available free of charge as described in the preceding section.

Contacts:

Media, Investors and Analysts

David W. Nassif
Sio Gene Therapies Inc.
Chief Executive Officer, Chief Financial Officer and General Counsel
david.nassif@siogtx.com

SIO GENE THERAPIES INC.
Condensed Consolidated Statements of Operations
(Unaudited, in thousands, except share and per share amounts)

| | Three Months Ended December 31, | | Nine Months Ended December 31, | |
|---|---------------------------------|-------------|--------------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating expenses: | | | | |
| Research and development expenses | | | | |
| (includes stock-based compensation expense (benefit) of \$0 and \$130 for the three months ended December 31, 2022 and 2021 and \$(409) and \$1,051 for the nine months ended December 31, 2022 and 2021, respectively) | \$ 1,883 | \$ 21,287 | \$ 7,761 | \$ 40,793 |
| General and administrative expenses | | | | |
| (includes stock-based compensation expense of \$227 and \$1,268 for the three months ended December 31, 2022 and 2021 and \$692 and \$8,966 for the nine months ended December 31, 2022 and 2021, respectively) | 2,600 | 4,086 | 8,533 | 17,693 |
| Total operating expenses | 4,483 | 25,373 | 16,294 | 58,486 |
| Other (income) expenses: | | | | |
| Other (income) expense, net | (464) | 83 | (785) | 105 |
| Loss before income tax benefit | (4,019) | (25,456) | (15,509) | (58,591) |
| Income tax benefit | — | — | (4) | (28) |
| Net loss | \$ (4,019) | \$ (25,456) | \$ (15,505) | \$ (58,563) |
| Net loss per share of common stock — basic and diluted | \$ (0.05) | \$ (0.35) | \$ (0.21) | \$ (0.80) |
| Weighted-average shares of common stock outstanding — basic and diluted | 73,975,196 | 73,335,279 | 73,905,737 | 73,046,889 |

SIO GENE THERAPIES INC.
Condensed Consolidated Balance Sheets
(Unaudited, in thousands, except share and per share amounts)

| | December 31, 2022 | March 31, 2022 |
|--|-------------------|----------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 46,127 | \$ 63,729 |
| Restricted cash | — | 1,184 |
| Prepaid expenses and other current assets | 789 | 5,214 |
| Income tax receivable | 356 | 1,609 |
| Total current assets | 47,272 | 71,736 |
| Operating lease right-of-use assets | — | 2,444 |
| Property and equipment, net | — | 900 |
| Total assets | \$ 47,272 | \$ 75,080 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 201 | \$ 3,984 |
| Accrued expenses | 1,951 | 8,232 |
| Current portion of operating lease liabilities | — | 786 |
| Total current liabilities | 2,152 | 13,002 |
| Operating lease liabilities, net of current portion | — | 1,730 |
| Total liabilities | 2,152 | 14,732 |
| Stockholders' equity: | | |
| Common stock, par value \$0.00001 per share, 1,000,000,000 shares authorized, 73,975,196 and 73,739,378 issued and outstanding at December 31, 2022 and March 31, 2022, respectively | 1 | 1 |
| Additional paid-in capital | 923,249 | 922,966 |
| Accumulated deficit | (878,461) | (862,956) |
| Accumulated other comprehensive income | 331 | 337 |
| Total stockholders' equity | 45,120 | 60,348 |
| Total liabilities and stockholders' equity | \$ 47,272 | \$ 75,080 |

SIO GENE THERAPIES INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

| | Nine Months Ended December 31, | |
|--|--------------------------------|-------------------|
| | 2022 | 2021 |
| Cash flows from operating activities: | | |
| Net loss | \$ (15,505) | \$ (58,563) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Non-cash lease expenses | 2,444 | 229 |
| Stock-based compensation expense | 283 | 10,017 |
| Depreciation and non-cash amortization | 137 | 187 |
| Change in operating lease liabilities | (2,516) | (265) |
| Other | 857 | 7 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | 4,425 | 2,104 |
| Income tax receivable | 1,253 | (76) |
| Accounts payable | (3,783) | 5,270 |
| Accrued expenses | (6,281) | (1,434) |
| Net cash used in operating activities | <u>(18,686)</u> | <u>(42,524)</u> |
| Cash flows from investing activities: | | |
| Cash proceeds from sale of long-term investment | — | 4,343 |
| Cash proceeds from sale of property and equipment | 190 | — |
| Purchases of property and equipment | (290) | (336) |
| Net cash (used in) provided by investing activities | <u>(100)</u> | <u>4,007</u> |
| Cash flows from financing activities: | | |
| Cash proceeds from issuance of shares of common stock, net of issuance costs | — | 1,441 |
| Net cash provided by financing activities | <u>—</u> | <u>1,441</u> |
| Net change in cash and cash equivalents, restricted cash and long-term restricted cash | (18,786) | (37,076) |
| Total cash and cash equivalents, restricted cash and long-term restricted cash—beginning of period | 64,913 | 120,170 |
| Total cash and cash equivalents, restricted cash and long-term restricted cash—end of period | <u>\$ 46,127</u> | <u>\$ 83,094</u> |
| Cash and cash equivalents —beginning of period | 63,729 | 118,986 |
| Restricted cash included in current assets—beginning of period | 1,184 | — |
| Restricted cash included in long-term assets—beginning of period | — | 1,184 |
| Total cash and cash equivalents, restricted cash and long-term restricted cash—beginning of period | <u>\$ 64,913</u> | <u>\$ 120,170</u> |
| Cash and cash equivalents—end of period | 46,127 | 81,910 |
| Restricted cash included in current assets—end of period | — | 1,184 |
| Total cash and cash equivalents and restricted cash—end of period | <u>\$ 46,127</u> | <u>\$ 83,094</u> |