

ARROWHEAD PHARMACEUTICALS, INC.
Form 10-Q
February 07, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31, 2018

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 001-38042

ARROWHEAD PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware 46-0408024
(State of incorporation) (I.R.S. Employer Identification No.)
225 S. Lake Avenue, Suite 1050

Pasadena, California 91101

(626) 304-3400

(Address and telephone number of principal executive offices)

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

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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.

Large accelerated

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

The number of shares of the registrant’s common stock outstanding as of February 6, 2019 was 94,207,393.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Arrowhead Pharmaceuticals, Inc.

Consolidated Balance Sheets

| | (unaudited) | |
|---|-----------------------|-----------------------|
| | December 31, 2018 | September 30, 2018 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 189,772,981 | \$ 30,133,213 |
| Accounts receivable | 3,168,578 | 327,375 |
| Prepaid expenses | 1,550,437 | 1,267,717 |
| Other current assets | 478,310 | 640,117 |
| Short term investments | 53,980,307 | 46,400,176 |
| TOTAL CURRENT ASSETS | 248,950,613 | 78,768,598 |
| Property and equipment, net | 13,920,667 | 13,935,425 |
| Intangible assets, net | 18,338,903 | 18,764,010 |
| Long term investments | 59,595,287 | - |
| Other assets | 141,918 | 141,918 |
| TOTAL ASSETS | \$ 340,947,388 | \$ 111,609,951 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 3,936,590 | \$ 2,806,098 |
| Accrued expenses | 3,907,515 | 5,043,087 |
| Accrued payroll and benefits | 1,629,871 | 3,937,605 |
| Deferred rent | 212,159 | 307,334 |
| Deferred revenue | 124,925,638 | 600 |
| Note Payable | - | 223,820 |
| Other current liabilities | - | 46,407 |
| TOTAL CURRENT LIABILITIES | 134,611,773 | 12,364,951 |
| LONG-TERM LIABILITIES | | |
| Deferred rent, net of current portion | 1,664,182 | 1,702,801 |
| Deferred revenue, net of current portion | 33,171,402 | - |
| Note Payable, net of current portion | - | - |