

SIGA TECHNOLOGIES INC  
Form 10-Q  
November 04, 2014  
Table of Contents

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 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 No. 0-23047

SIGA Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

13-3864870

(State or other jurisdiction of  
incorporation or organization)

(IRS Employer Identification. No.)

660 Madison Avenue, Suite 1700

10065

New York, NY

(zip code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (212) 672-9100

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

Title of each class

Name of each exchange on which registered

common stock, \$.0001 par value

Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act:

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 Website, 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 Exchange Act)  
Yes  No .

As of October 27, 2014 the registrant had outstanding 53,504,296 shares of common stock.

---

Table of Contents

SIGA TECHNOLOGIES, INC.  
FORM 10-Q

Table of Contents

	Page No.
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	<u>Condensed Consolidated Financial Statements (Unaudited)</u> <u>2</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> <u>16</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u> <u>21</u>
<u>Item 4.</u>	<u>Controls and Procedures</u> <u>21</u>
<u>PART II - OTHER INFORMATION</u>	
<u>Item 1.</u>	<u>Legal Proceedings</u> <u>22</u>
<u>Item 1A.</u>	<u>Risk Factors</u> <u>24</u>
<u>Item 2.</u>	<u>Unregistered Sale of Equity Securities and Use of Proceeds</u> <u>25</u>
<u>Item 3.</u>	<u>Defaults upon Senior Securities</u> <u>25</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u> <u>25</u>
<u>Item 5.</u>	<u>Other Information</u> <u>25</u>
<u>Item 6.</u>	<u>Exhibits</u> <u>26</u>
<u>SIGNATURES</u>	<u>27</u>

---

Table of Contents

## PART I - FINANCIAL INFORMATION

## Item 1 - Condensed Consolidated Financial Statements

SIGA TECHNOLOGIES, INC.  
(DEBTOR-IN-POSSESSION)  
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, 2014	December 31, 2013
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 104,682,642	\$ 91,309,754
Accounts receivable	569,061	982,023
Inventory	18,126,911	20,515,349
Prepaid expenses and other current assets	724,174	750,808
Deferred tax assets	—	10,383,908
Total current assets	124,102,788	123,941,842
Restricted cash	4,000,000	—
Property, plant and equipment, net	913,309	1,382,073
Deferred costs	32,809,441	22,583,202
Goodwill	898,334	898,334
Other assets	1,991,512	2,078,159
Deferred tax assets, net	—	42,940,624
Total assets	\$ 164,715,384	\$ 193,824,234
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities		
Accounts payable	\$ 680,930	\$ 5,064,380
Accrued expenses and other current liabilities	1,925,696	4,842,393
Common stock warrants	—	313,425
Current portion of long term debt	1,984,550	1,968,826
Total current liabilities	4,591,176	12,189,024
Deferred revenue	—	162,222,189
Long term debt	499,536	1,989,948
Deferred income tax liability	240,973	—
Other liabilities	415,895	447,605
Liabilities subject to compromise	386,944,313	—
Total liabilities	392,691,893	176,848,766
Commitments and contingencies (Note 14)		
Stockholders' equity (deficit)		
Common stock (\$.0001 par value, 100,000,000 shares authorized, 53,504,296 and 53,108,844 issued and outstanding at September 30, 2014, and December 31, 2013, 5,351 respectively)		5,310
Additional paid-in capital	174,952,893	173,498,028
Accumulated deficit	(402,934,753 )	(156,527,870 )
Total stockholders' equity (deficit)	(227,976,509 )	16,975,468
Total liabilities and stockholders' equity (deficit)	\$ 164,715,384	\$ 193,824,234

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

2

---

Table of Contents

SIGA TECHNOLOGIES, INC.  
 (DEBTOR-IN-POSSESSION)  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/LOSS  
 (UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues				
Research and development	\$ 1,099,429	\$ 2,292,143	\$ 2,299,456	\$ 4,585,174
Operating expenses				
Selling, general and administrative	4,313,540	3,215,197	10,101,130	9,316,565
Research and development	2,742,329	4,260,970	7,927,655	11,037,140
Patent preparation fees	306,009	329,054	817,944	1,087,791
Litigation accrual	175,465,718	50,538	175,565,839	146,668
Total operating expenses	182,827,596	7,855,759	194,412,568	21,588,164
Operating loss	(181,728,167)	(5,563,616 )	(192,113,112)	(17,002,990 )
Decrease (increase) in fair value of common stock warrants	11,532	(734,955 )	313,425	(728,865 )
Interest expense	(105,149 )	(293,438 )	(369,587 )	(1,043,316 )
Other income, net	5	5	1,061	1,489
Reorganization items	(301,937 )	—	(301,937 )	—
Loss before income taxes	(182,123,716)	(6,592,004 )	(192,470,150)	(18,773,682 )
Benefit from (provision for) income taxes	(57,953,045 )			