

ARROWHEAD PHARMACEUTICALS, INC.

Form 10-Q

February 06, 2017

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, 2016

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission file number 000-21898

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, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting 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

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 3, 2017 was 74,569,706.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Arrowhead Pharmaceuticals, Inc.

## Consolidated Balance Sheets

	(unaudited)	
	December 31, 2016	September 30, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 102,105,569	\$ 85,366,448
Trade receivables	60,000	75,000
Prepaid expenses	569,415	1,289,923
Other current assets	3,495,369	3,771,172
<b>TOTAL CURRENT ASSETS</b>	<b>106,230,353</b>	<b>90,502,543</b>
Property and equipment, net	16,165,659	15,386,761
Intangible assets, net	21,739,761	22,164,868
Other assets	122,333	122,333
<b>TOTAL ASSETS</b>	<b>\$ 144,258,106</b>	<b>\$ 128,176,505</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,698,297	\$ 12,232,906
Accrued expenses	4,762,105	4,587,467
Accrued payroll and benefits	2,150,014	3,969,706
Deferred rent	440,580	440,580
Deferred revenue	25,584,181	2,569,792
Derivative liabilities	118,795	1,602,626
Note Payable	197,713	194,310
Other current liabilities	46,407	46,407
<b>TOTAL CURRENT LIABILITIES</b>	<b>36,998,092</b>	<b>25,643,794</b>
<b>LONG-TERM LIABILITIES</b>		
Deferred rent, net of current portion	2,188,703	2,274,997
Deferred revenue, net of current portion	5,180,115	2,500,000
Note Payable, net of current portion	2,482,775	2,533,455
Other non-current liabilities	200,000	