

ARROWHEAD RESEARCH CORP
Form 10-Q
February 09, 2016

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, 2015

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

ARROWHEAD RESEARCH CORPORATION

(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 5, 2016 was 59,627,499.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Arrowhead Research Corporation

Consolidated Balance Sheets

	(unaudited)	
	December 31, 2015	September 30, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$62,165,088	\$81,214,354
Prepaid expenses	3,783,344	3,293,285
Other current assets	1,903,884	823,620
Short term investments	14,431,498	17,539,902
TOTAL CURRENT ASSETS	82,283,814	102,871,161
Property and equipment, net	4,666,411	4,526,848
Intangible assets, net	24,385,125	24,824,116
Other assets	45,789	45,789
TOTAL ASSETS	\$111,381,139	\$132,267,914
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$5,288,922	\$5,031,706
Accrued expenses	3,920,312	5,376,119
Accrued payroll and benefits	1,419,423	3,824,062
Deferred revenue	109,375	103,125
Derivative liabilities	1,325,128	1,301,604
Capital lease obligation	218,447	217,548
Other current liabilities	46,407	46,407
TOTAL CURRENT LIABILITIES	12,328,014	15,900,571
LONG-TERM LIABILITIES		
Capital lease obligation, net of current portion	485,842	540,792
Contingent consideration obligations	5,862,464	5,862,464
Other non-current liabilities	336,427	342,453
TOTAL LONG-TERM LIABILITIES	6,684,733	6,745,709
Commitments and contingencies		