

LEXICON PHARMACEUTICALS, INC.

Form 10-K/A

June 14, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark

One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2015

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 Number: 000-30111

Lexicon Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

76-0474169

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification Number)

8800 Technology Forest Place

(281) 863-3000

The Woodlands, Texas 77381

(Registrant's Telephone Number,

(Address of Principal Executive Offices and Zip Code) Including Area Code)

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

| Title of Each Class                       | Name of Each Exchange on which Registered |
|---|---|
| Common Stock, par value \$0.001 per share | Nasdaq Global Select Market               |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes  No

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934. (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 Securities Exchange Act of 1934). Yes  No

The aggregate market value of voting stock held by non-affiliates of the registrant as of the last day of the registrant's most recently completed second quarter was approximately \$335.0 million, based on the closing price of the common stock on the Nasdaq Global Select Market on June 30, 2015 of \$8.05 per share. For purposes of the preceding sentence only, our directors, executive officers and controlling stockholders are assumed to be affiliates. As of June 13, 2016, 103,846,457 shares of common stock were outstanding.

Documents Incorporated by Reference

No documents are incorporated by reference into this Form 10-K/A.

EXPLANATORY NOTE

We are filing this amendment to our Annual Report on Form 10-K for the year ended December 31, 2015, originally filed with the Securities and Exchange Commission on March 11, 2016, solely for the purpose of filing a revised version of Exhibit 10.14 to disclose certain information for which confidential treatment had been initially requested. Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, we are including Part IV, Item 15 below. Except as specifically indicated herein, no other information included in our Annual Report on Form 10-K for the year ended December 31, 2015 is amended by this Form 10-K/A.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as a part of this report:

1. Consolidated Financial Statements

|  | Page |
|--|------|
| <u>Report of Independent Registered Public Accounting Firm</u> | F-1  |
| <u>Report of Independent Registered Public Accounting Firm</u> | F-2  |
| <u>Consolidated Balance Sheets</u>                             | F-3  |
| <u>Consolidated Statements of Comprehensive Loss</u>           | F-4  |
| <u>Consolidated Statements of Stockholders' Equity</u>         | F-5  |
| <u>Consolidated Statements of Cash Flows</u>                   | F-6  |
| <u>Notes to Consolidated Financial Statements</u>              | F-7  |

2. Financial Statement Schedules

All other financial statement schedules are omitted because they are not applicable or not required, or because the required information is included in the financial statements or notes thereto.

3. Exhibits

| Exhibit No. | Description   |
|-------------|---|
| 3.1         | Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated April 26, 2012 and incorporated by reference herein).   |
| 3.2         | Certificate of Amendment to Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated May 20, 2015 and incorporated by reference herein).                                 |
| 3.3         | Second Amended and Restated Bylaws (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K dated April 26, 2012 and incorporated by reference herein).  |
| 4.1         | Securities Purchase Agreement, dated June 17, 2007, with Invus, L.P. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 17, 2007 and incorporated by reference herein).  |
| 4.2         | Amendment, dated October 7, 2009, to Securities Purchase Agreement, dated June 17, 2007, with Invus, L.P. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 7, 2009 and incorporated by reference herein). |
| 4.3         | Registration Rights Agreement, dated June 17, 2007, with Invus, L.P. (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated June 17, 2007 and incorporated by reference herein).  |
| 4.4         | Stockholders' Agreement, dated June 17, 2007, with Invus, L.P. (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated June 17, 2007 and incorporated by reference herein).  |

4.5 Supplement to Transaction Agreements, dated March 15, 2010, with Invus, L.P. and Invus C.V. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated March 15, 2010 and incorporated by reference herein).

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| Exhibit No. | Description  |
|-------------|--|
| 4.6         | Supplement No. 2 to Transaction Agreements, dated February 23, 2012, with Invus, L.P. and Invus C.V. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 23, 2012 and incorporated by reference herein).   |
| 4.7         | Amended and Restated Purchase Option Agreement, dated July 30, 2010, with Symphony Icon Holdings LLC and Symphony Icon, Inc. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 30, 2010 and incorporated by reference herein).                                 |
| 4.8         | Amended and Restated Registration Rights Agreement, dated July 30, 2010, with Symphony Icon Holdings LLC (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 30, 2010 and incorporated by reference herein).   |
| 4.9         | Indenture related to the 5.25% Convertible Senior Notes due 2021, dated as of November 26, 2014, with Wells Fargo Bank, N.A. (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 26, 2014 and incorporated by reference herein).                              |
| 4.10        | Form of 5.25% Convertible Senior Notes due 2021 (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 26, 2014 and incorporated by reference herein).   |
| 10.1        | Offer Letter, dated July 1, 2014, with Lonnel Coats (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated July 7, 2014 and incorporated by reference herein).   |
| 10.2        | Offer Letter, dated March 10, 2011, with Pablo Lapuerta, M.D. (filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K for the period ended December 31, 2011 and incorporated by reference herein).   |
| 10.3        | Employment Agreement with Alan Main, Ph.D. (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2001 and incorporated by reference herein).  |
| 10.4        | Employment Agreement with Jeffrey L. Wade, J.D. (filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1 (Registration No. 333-96469) and incorporated by reference herein).   |
| 10.5        | Consulting Agreement with Alan S. Nies, M.D. dated February 19, 2003, as amended (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2010 and incorporated by reference herein).  |
| 10.6        | Consulting Agreement with Robert J. Lefkowitz, M.D. dated March 31, 2003 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2003 and incorporated by reference herein).  |
| 10.7        | Form of Indemnification Agreement with Officers and Directors (filed as Exhibit 10.7 to the Company's Registration Statement on Form S-1 (Registration No. 333-96469) and incorporated by reference herein).   |
| **10.8      | Summary of Non-Employee Director Compensation.   |
| **10.9      | Equity Incentive Plan.   |
| **10.10     | Non-Employee Directors' Equity Incentive Plan.   |
| 10.11       | Form of Stock Option Agreement with Officers under the Equity Incentive Plan (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the period ended December 31, 2011 and incorporated by reference herein).   |
| 10.12       | Form of Restricted Stock Unit Agreement with Officers under the Equity Incentive Plan (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the period ended December 31, 2012 and incorporated by reference herein).  |
| **10.13     | Form of Notice of Stock Option Grant to Directors under the Non-Employee Directors' Equity Incentive Plan.   |
| *†10.14     | Collaboration and License Agreement, dated November 5, 2015, with Sanofi.  |
| †10.15      | License and Collaboration Agreement, dated October 21, 2014, with Ipsen Pharma SAS (filed as Exhibit 10.1 to the amendment to the Company's Quarterly Report on Form 10-Q/A for the period ended September 30, 2014, as filed on December 23, 2014, and incorporated by reference herein). |
| †10.16      | —  |

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First Amendment, dated March 17, 2015, to License and Collaboration Agreement, dated October 21, 2014, with Ipsen Pharma SAS (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2015 and incorporated by reference herein).

†10.17 Collaboration and License Agreement, dated December 17, 2003, with Bristol-Myers Squibb Company (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2015 and incorporated by reference herein).

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| Exhibit No. | Description   |
|-------------|---|
| †10.18      | <del>First Amendment, dated May 30, 2006, to Collaboration and License Agreement, dated December 17, 2003, with Bristol-Myers Squibb Company (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2015 and incorporated by reference herein).</del> |
| †10.19      | <del>Second Amended and Restated Collaboration and License Agreement, dated November 30, 2005, with Genentech, Inc. (filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K for the period ended December 31, 2005 and incorporated by reference herein).</del>                         |
| 10.20       | <del>Amendment, dated June 8, 2009, to Second Amended and Restated Collaboration and License Agreement, dated November 30, 2005, with Genentech, Inc. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K/A dated June 8, 2009 and incorporated by reference herein).</del>          |
| 10.21       | <del>Economic Development Agreement dated July 15, 2005, with the State of Texas and the Texas A&amp;M University System (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2005 and incorporated by reference herein).</del>                 |
| 10.22       | <del>Amendment, dated April 30, 2008, to Economic Development Agreement, dated July 15, 2005, with the State of Texas and the Texas A&amp;M University System (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 30, 2008 and incorporated by reference herein).</del>  |
| 10.23       | <del>Loan and Security Agreement, dated April 21, 2004, between Lex-Gen Woodlands, L.P. and iStar Financial Inc., as amended (filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for the period ended December 31, 2014 and incorporated by reference herein).</del>                |
| 10.24       | <del>Real Estate Purchase and Sale Agreement, dated January 21, 2016, between Lex-Gen Woodlands, L.P. and TC Houston Office Development, Inc. (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated January 22, 2016 and incorporated by reference herein).</del>                |
| 21.1        | <del>Subsidiaries (filed as Exhibit 21.1 to the Company's Annual Report on Form 10-K for the period ended December 31, 2010 and incorporated by reference herein).</del>  |
| **23.1      | <del>Consent of Independent Registered Public Accounting Firm.</del>  |
| **24.1      | <del>Power of Attorney (contained in signature page).</del>   |
| *31.1       | <del>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</del>  |
| *31.2       | <del>Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</del>  |
| *32.1       | <del>Certification of Principal Executive and Principal Financial Officers Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</del>   |
| **101.INS   | <del>XBRL Instance Document.</del>  |
| **101.SCH   | <del>XBRL Taxonomy Extension Schema Document.</del>   |
| **101.CAL   | <del>XBRL Taxonomy Extension Calculation Linkbase Document.</del>   |
| **101.DEF   | <del>XBRL Taxonomy Extension Definition Linkbase Document.</del>  |
| **101.LAB   | <del>XBRL Taxonomy Extension Label Linkbase Document.</del>   |
| **101.PRE   | <del>XBRL Taxonomy Extension Presentation Linkbase Document.</del>  |

\* Filed herewith.

\*\* Previously filed.

† Confidential treatment has been requested for a portion of this exhibit. The confidential portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Lexicon Pharmaceuticals, Inc.

Date: June 14, 2016 By: \*

Lonnel Coats  
President and Chief Executive Officer

Date: June 14, 2016 By: \*

Jeffrey L. Wade  
Executive Vice President, Corporate and Administrative Affairs and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

| Signature                         | Title  | Date             |
|-----------------------------------|--|------------------|
| *<br>Lonnel Coats                 | President, Chief Executive Officer and Director<br>(Principal Executive Officer)   | June 14,<br>2016 |
| *<br>Jeffrey L. Wade              | Executive Vice President, Corporate and Administrative Affairs and Chief Financial Officer (Principal Financial Officer) | June 14,<br>2016 |
| *<br>James F. Tessmer             | Vice President, Finance and Accounting<br>(Principal Accounting Officer)   | June 14,<br>2016 |
| *<br>Raymond Debbane              | Chairman of the Board of Directors   | June 14,<br>2016 |
| *<br>Philippe J. Amouyal          | Director   | June 14,<br>2016 |
| *<br>Samuel L. Barker,<br>Ph.D.   | Director   | June 14,<br>2016 |
| *<br>Robert J. Lefkowitz,<br>M.D. | Director   | June 14,<br>2016 |
| *<br>                             | Director   | June 14,<br>2016 |



Alan S. Nies, M.D.

\* Director

June 14,  
2016

Frank P. Palantoni

\* Director

June 14,  
2016

Christopher J.  
Sobecki

\* Director

June 14,  
2016

Judith L. Swain,  
M.D.

/s/ Jeffrey L. Wade\*  
Jeffrey L. Wade

\*Pursuant to powers of attorney filed on March 11, 2016 with the  
Annual Report on Form 10-K for the year ended December 31, 2015.