

LA JOLLA PHARMACEUTICAL CO

Form 10-Q

November 06, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 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: 1-36282

LA JOLLA PHARMACEUTICAL COMPANY

(Exact name of registrant as specified in its charter)

California

33-0361285

(State or other jurisdiction of incorporation or
organization)

(I.R.S. Employer Identification No.)

10182 Telesis Court, 6th Floor

92121

San Diego, CA

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (858) 207-4264

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 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 31, 2015, La Jolla Pharmaceutical Company had 18,241,509 shares of common stock, \$0.0001 par value per share, outstanding.

LA JOLLA PHARMACEUTICAL COMPANY
FORM 10-Q
QUARTERLY REPORT

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PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

LA JOLLA PHARMACEUTICAL COMPANY

Condensed Consolidated Balance Sheets

(in thousands, except share and par value amounts)

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$135,055	\$48,555
Restricted cash	237	37
Prepaid clinical expenses	360	1,528
Prepaid expenses and other current assets	484	137
Total current assets	136,136	50,257
Property and equipment, net	1,751	279
Other assets	57	—
Total assets	\$137,944	\$50,536
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$2,567	\$730
Accrued expenses	1,145	926
Accrued payroll and related expenses	629	424
Total current liabilities	4,341	2,080
Shareholders' equity:		
Common Stock, \$0.0001 par value; 100,000,000 shares authorized, 18,241,509 and 15,225,980 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	2	2
Series C-1 ² Convertible Preferred Stock, \$0.0001 par value; 11,000 shares authorized, 3,906 and 3,917 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	3,906	3,917
Series F Convertible Preferred Stock, \$0.0001 par value; 10,000 shares authorized, 2,737 and 2,798 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively	2,737	2,798
Additional paid-in capital	643,651	528,353
Accumulated deficit	(516,693)	(486,614)
Total shareholders' equity	133,603	48,456
Total liabilities and shareholders' equity	\$137,944	\$50,536

See accompanying notes to the condensed consolidated financial statements.

LA JOLLA PHARMACEUTICAL COMPANY

Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss

(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,		
	2015	2014	2015	2014	
Revenue					
Contract revenue - related party	\$647	\$—	\$647	\$—	
Total revenue	647	—	647	—	
Expenses					
Research and development	7,781	2,625	19,637	6,218	
General and administrative	3,353	2,436	11,122	8,259	
Total expenses	11,134	5,061	30,759	14,477	
Loss from operations	(10,487) (5,061) (30,112) (14,477)
Other income, net	13	9	33	13	
Net loss and comprehensive loss	\$(10,474) \$(5,052) \$(30,079) \$(14,464)
Basic and diluted net loss per share	\$(0.70) \$(0.37) \$(1.99) \$(1.58)
Shares used in computing basic and diluted net loss per share	14,899	13,646	15,129	9,131	

See accompanying notes to the condensed consolidated financial statements.

LA JOLLA PHARMACEUTICAL COMPANY
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Nine Months Ended September 30,	
	2015	2014
Operating activities		
Net loss	\$(30,079) \$