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INCARA PHARMACEUTICALS CORP
Form 8-K
August 30, 2001

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 30, 2001

INCARA PHARMACEUTICALS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-27410

(Commission File Number)

56-1924222

(IRS Employer ID Number)

P.O. Box 14287
79 T. W. Alexander Drive
4401 Research Commons, Suite 200
Research Triangle Park, North Carolina 27709

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (919) 558-8688

Item 5. Other Events

On August 30, 2001, Incara Pharmaceuticals Corporation ("Incara") terminated its continuous public offering of common stock and warrants to purchase common stock after receiving approximately \$6,978,000 and \$6,487,000 of gross and net proceeds, respectively. The offering began on July 10, 2001. In the offering, Incara sold an aggregate of 4,323,044 shares of its common stock and warrants to purchase an aggregate of 1,037,531 shares of its common stock with an exercise price at a premium of 25% over the stock purchase price. Incara also issued a warrant to purchase 48,902 shares of its common stock, with an

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exercise price of \$2.025, to Petkevich & Partners, LLC, the placement agent that assisted Incara in the stock sale.

Item 7. Financial Statements and Exhibits

(a) Unaudited pro forma balance sheets as of June 30, 2001

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INCARA PHARMACEUTICALS CORPORATION

PRO FORMA CONSOLIDATED BALANCE SHEETS

June 30, 2001

(Dollars in thousands, except per share data)

(Unaudited)

| | Consolidated Actual ----- |
|---|---------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 1,948 |
| Accounts receivable from Incara Development | 877 |
| Other accounts receivable | 20 |
| Prepays and other current assets | 566 |
| | ----- |
| Total current assets | 3,411 |
| Property and equipment, net | 807 |
| Other assets | 356 |
| | ----- |
| | \$ 4,574 ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | |
| Current liabilities: | |
| Accounts payable | \$ 1,175 |
| Accrued expenses | 397 |
| Accumulated losses of Incara Development in excess of investment | 724 |
| Current portion of capital lease obligations | 24 |
| | ----- |
| Total current liabilities | 2,320 |
| Long-term portion of capital lease obligations | 24 |
| Stockholders' equity: | |
| Preferred stock, \$.01 par value per share, 3,000,000 shares authorized | |
| Series C convertible exchangeable preferred stock, 20,000 shares authorized; 12,015 shares issued and outstanding (liquidation value of \$18,031) | 1 |
| Series B convertible preferred stock, 600,000 shares authorized; 28,457 shares issued and outstanding | 1 |
| Common stock, \$.001 par value per share, 40,000,000 shares authorized; 8,382,195 and 12,705,239 shares issued and outstanding on an actual and pro forma basis, respectively | 8 |
| Additional paid-in capital | 99,341 |
| Restricted stock | (141) |

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| | |
|----------------------------|----------|
| Accumulated deficit | (96,980) |
| | ----- |
| Total stockholders' equity | 2,230 |
| | ----- |
| | \$ 4,574 |
| | ===== |

The pro forma adjustments to the balance sheet reflect the net proceeds of approximately \$6,452,000 (net of approximately \$526,000 of issuance costs) from the sale of common stock and warrants to purchase common stock by Incara in August 2001 as if the proceeds from the sale of common stock and warrants had been received as of June 30, 2001.

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SIGNATURE

Pursuant to the requirements 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.

INCARA PHARMACEUTICALS CORPORATION

Date: August 30, 2001

/s/ RICHARD W. REICHOW

Richard W. Reichow, Executive Vice President
and Chief Financial Officer

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