

ARRAY BIOPHARMA INC
Form 10-Q
February 04, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 December 31, 2014

or

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-16633

Array BioPharma Inc.
(Exact Name of Registrant as Specified in Its Charter)
Delaware
(State or Other Jurisdiction of Incorporation or
Organization)

84-1460811
(I.R.S. Employer Identification No.)

3200 Walnut Street, Boulder, CO
(Address of Principal Executive Offices)

80301
(Zip Code)

(303) 381-6600
(Registrant's Telephone Number, Including Area Code)

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 the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐

Accelerated Filer ☒

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Non-Accelerated Filer ☐

Smaller Reporting Company ☐

(do not check if 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 January 30, 2015, the registrant had 139,696,856 shares of common stock outstanding.

ARRAY BIOPHARMA INC.
 QUARTERLY REPORT ON FORM 10-Q
 FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2014
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ARRAY BIOPHARMA INC.

Balance Sheets

(In thousands, except share and per share data)

(Unaudited)

	December 31, 2014	June 30, 2014
Assets		
Current assets		
Cash and cash equivalents	\$68,145	\$68,591
Marketable securities	73,416	42,407
Accounts receivable	4,878	5,429
Prepaid expenses and other current assets	4,315	5,249
Total current assets	150,754	121,676
Long-term assets		
Marketable securities	873	640
Property and equipment, net	8,072	8,157
Other long-term assets	3,949	8,580
Total long-term assets	12,894	17,377
Total assets	\$163,648	\$139,053
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	\$9,264	\$6,953
Accrued outsourcing costs	14,188	10,040
Accrued compensation and benefits	4,910	8,209
Other accrued expenses	2,709	1,444
Co-development liability	25,019	16,155
Deferred rent	3,800	3,739
Deferred revenue	8,049	6,193
Total current liabilities	67,939	52,733
Long-term liabilities		
Deferred rent	2,156	4,096
Deferred revenue	—	3,353
Long-term debt, net	106,607	103,952
Other long-term liabilities	873	640
Total long-term liabilities	109,636	112,041
Total liabilities	177,575	164,774
Commitments and contingencies		
Stockholders' deficit		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized, no shares issued and outstanding	—	—

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Common stock, \$0.001 par value; 220,000,000 shares authorized; 138,696,623 and 131,817,422 shares issued and outstanding as of December 31, 2014 and June 30, 2014, respectively	139	132	
Additional paid-in capital	687,226	652,696	
Warrants	39,385	39,385	
Accumulated other comprehensive income	13,463	2	
Accumulated deficit	(754,140)	(717,936))
Total stockholders' deficit	(13,927)	(25,721))
Total liabilities and stockholders' deficit	\$ 163,648	\$ 139,053	

The accompanying notes are an integral part of these unaudited financial statements.

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ARRAY BIOPHARMA INC.

Statements of Operations and Comprehensive Loss

(In thousands, except per share data)

(Unaudited)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2014	2013	2014	2013
Revenue				
License and milestone revenue	\$20,099	\$9,287	\$20,268	\$19,352
Collaboration revenue	6,820	4,779	12,720	8,942
Total revenue	26,919	14,066	32,988	28,294
Operating expenses				
Cost of partnered programs	13,098	13,110	25,275	23,768
Research and development for proprietary programs	11,817	9,487	24,007	21,191
General and administrative	8,078	5,472	14,877	10,651
Total operating expenses	32,993	28,069	64,159	55,610
Loss from operations	(6,074) (14,003)	