

SIGA TECHNOLOGIES INC
Form 10-Q
November 02, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q
(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended September 30, 2016

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 No. 0-23047

SIGA Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware 13-3864870

(State or other jurisdiction of incorporation or organization) (IRS Employer Identification. No.)

660 Madison Avenue, Suite 1700 10065
New York, NY (zip code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (212) 672-9100

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 Website, 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 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 .

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As of October 31, 2016 the registrant had outstanding 54,284,296 shares of common stock, par value \$.0001, per share

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PART I - FINANCIAL INFORMATION

Item 1 - Condensed Consolidated Financial Statements

SIGA TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, 2016	December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	\$20,492,788	\$112,711,028
Accounts receivable	38,747,077	3,676,730
Inventory	17,751,519	12,447,088
Prepaid expenses and other current assets	9,586,430	623,983
Total current assets	86,577,814	129,458,829
Property, plant and equipment, net	330,118	449,825
Deferred costs	74,388,990	52,936,428
Goodwill	898,334	898,334
Other assets	642,083	1,989,520
Total assets	\$162,837,339	\$185,732,936
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	\$2,925,464	\$3,944,476
Accrued expenses and other current liabilities	4,793,300	3,388,608
PharmAthene Liability	93,654,855	—
Warrant liabilities	6,954,154	—
Total current liabilities	108,327,773	7,333,084
Deferred revenue	367,123,574	255,258,371
Deferred income tax liability, net	281,889	265,643
Other liabilities	269,047	332,218
Liabilities subject to compromise	—	206,972,170
Total liabilities	476,002,283	470,161,486
Stockholders' Deficit		
Common stock (\$.0001 par value, 600,000,000 and 100,000,000 shares authorized, 54,284,296 and 54,114,296 issued and outstanding at September 30, 2016, and December 31, 2015, respectively)	5,411	5,411
Additional paid-in capital	177,530,037	177,008,371
Accumulated deficit	(490,700,392)	(461,442,332)
Total stockholders' deficit	(313,164,944)	(284,428,550)
Total liabilities and stockholders' deficit	\$162,837,339	\$185,732,936

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

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SIGA TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/LOSS
(UNAUDITED)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Revenues				
Research and development	\$4,658,355	\$1,327,403	\$7,829,402	\$3,986,955
Operating expenses				
Selling, general and administrative	2,855,255	2,321,236	9,276,507	7,987,498
Research and development	6,068,567	2,426,567	11,553,469	8,197,068
Patent preparation fees	230,246	194,444	689,651	762,881
Litigation accrual	—	13,553	—	40,291
Interest on PharmAthene liability	3,566,451	—	10,716,276	—
Total operating expenses	12,720,519	4,955,800	32,235,903	16,987,738
Operating loss	(8,062,164)	(3,628,397)	(24,406,501)	(13,000,783)
Interest expense	(94,776)	—	(104,991)	(266,726)
(Increase) in fair value of warrant liabilities	(1,121,530)	—	(1,121,530)	—
Other income, net	30,756	12,483	100,556	28,823
Reorganization items, net	—	(1,948,696)	(3,716,902)	(5,880,501)
Loss before income taxes	(9,247,714)	(5,564,610)	(29,249,368)	(19,119,187)
Benefit and (provision) for income taxes	4,072	(65,910)	(8,692)	(238,089)
Net and comprehensive loss	\$(9,243,642)	\$(5,630,520)		