

EAGLE PHARMACEUTICALS, INC.  
Form 10-Q  
August 11, 2014

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 June 30, 2014  
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 001-36306

Eagle Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	2834	20-8179278
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

50 Tice Boulevard, Suite 315  
Woodcliff Lake, NJ 07677  
(201) 326-5300

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's  
Principal Executive Offices)

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

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
		(Do not check if a 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

The number of shares outstanding of the registrant's common stock as of August 8, 2014: 14,020,133 shares.

Eagle Pharmaceuticals, Inc.

**NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains forward-looking statements, that involve risk and uncertainties. The words “may,” “will,” “plan,” “believe,” “expect,” “intend,” “anticipate,” “potential,” “should,” “estimate,” “predict,” “project,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those projected in the forward-looking statements.

These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- the success, cost and timing of our product development activities and clinical trials;
- our ability to obtain and maintain regulatory approval of our product candidates, and any related restrictions, limitations, and/or warnings in the label of an approved product candidate;
- our ability to obtain funding for our operations;
- our plans to research, develop and commercialize our product candidates;
- our ability to attract collaborators with development, regulatory and commercialization expertise;
- the size and growth potential of the markets for our product candidates, and our ability to serve those markets;
- our ability to successfully commercialize our product candidates;
- the rate and degree of market acceptance of our product candidates;
- our ability to develop sales and marketing capabilities, whether alone or with potential future collaborators;
- regulatory developments in the United States and foreign countries;
- the performance of our third-party suppliers and manufacturers;
- the success of competing drugs that are or become available;
- the loss of key scientific or management personnel;
- our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”);
- our use of the proceeds from the recent offering;
- the accuracy of our estimates regarding expenses, future revenues, capital requirements and needs for additional financing;
- our expectations regarding our ability to obtain and maintain intellectual property protection for our product candidates; and
- our ability to prevent or minimize the effects of paragraph IV patent litigation.

In some cases, you can identify these statements by terms such as “anticipate,” “believe,” “could,” “estimate,” “expects,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or the negative of those terms, and similar expressions.

These forward-looking statements reflect our management’s beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this Form 10Q and are subject to risks and uncertainties. We discuss many of these risks in greater detail under the heading “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

**NOTE REGARDING COMPANY REFERENCES**

Throughout this report, “Eagle Pharmaceuticals,” the “Company,” “we,” “us” and “our” refer to Eagle Pharmaceuticals, Inc.

NOTE REGARDING TRADEMARKS

All trademarks, trade names and service marks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners.

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CONDENSED BALANCE SHEETS

	June 30, 2014 (unaudited)	September 30, 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$49,790,920	\$10,455,565
Accounts receivable	6,712,244	5,124,182
Inventories	329,034	—
Prepaid expenses and other current assets	922,930	1,902,660
Total current assets	57,755,128	17,482,407
Property and equipment, net	359,509	402,286
Other assets	45,000	46,320
Deferred initial public offering costs	—	171,607
Total assets	\$58,159,637	\$18,102,620
<b>LIABILITIES, SHARES SUBJECT TO REDEMPTION AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Accounts payable	\$2,520,523	\$1,192,600
Accrued expenses	7,468,794	3,129,552
Deferred revenue	6,259,653	10,019,653
Total current liabilities	16,248,970	14,341,805
Redeemable Series C Preferred Stock warrants	—	1,706,829
Shares subject to redemption:		
Series A Convertible Preferred Stock, \$0.001 par value; no shares and, 14,948,506 shares authorized at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 14,948,506 shares issued and outstanding as of September 30, 2013	—	20,056,790
Series B Convertible Preferred Stock, \$0.001 par value; no shares and 12,694,561 shares authorized, at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 12,694,561 shares issued and outstanding as of September 30, 2013	—	30,089,853
Series B-1 Convertible Preferred Stock, \$0.001 par value; no shares and 9,331,374 shares authorized at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 9,331,374 shares issued and outstanding as of September 30, 2013	—	19,374,285
Series C Convertible Preferred Stock, \$0.001 par value; no shares and 11,901,336 shares authorized at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 11,023,232 shares issued and outstanding as of September 30, 2013	—	20,462,072
Commitments and contingencies		
Stockholders' Equity (Deficit):		
Preferred stock, 1,500,000 shares authorized and no shares issued or outstanding as of June 30, 2014; no shares authorized, issued or outstanding as of September 30, 2013	—	—
Common stock, \$0.001 par value; 50,000,000 and 80,000,000 shares authorized as of June 30, 2014 and September 30, 2013, respectively; 14,020,133 and 3,048,131 issued and outstanding as of June 30, 2014 and	14,020	3,048

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September 30, 2013, respectively

Additional paid in capital	136,970,460	14,203,995	
Accumulated deficit	(95,073,813	) (102,136,057	)
Total stockholders' equity (deficit)	41,910,667	(87,929,014	)
Total liabilities, shares subject to redemption and stockholders' equity (deficit)	\$58,159,637	\$18,102,620	

See accompanying notes to condensed financial statements.

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CONDENSED STATEMENTS OF OPERATIONS  
(unaudited)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Revenue:				
Product sales	\$350,350	\$2,489,310	\$3,748,800	\$3,689,640
Royalty income	1,941,526	2,585,719	8,774,407	5,349,289
Other income	3,500,000	—	3,765,000	—
Total revenue	5,791,876	5,075,029	16,288,207	9,038,929
Operating expenses:				
Cost of revenue	1,555,711	2,925,046	9,539,436	4,449,337
Research and development	4,545,158	1,632,280	10,927,912	6,375,896
Selling, general and administrative	2,673,405	1,251,051	5,471,727	6,130,634
Professional fee benefit	—	—	—	—