

CTI BIOPHARMA CORP  
Form 10-Q  
May 03, 2017

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: March 31, 2017

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 001-12465

CTI BIOPHARMA CORP.

(Exact name of registrant as specified in its charter)

Washington 91-1533912

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

3101 Western Avenue, Suite 600

Seattle, Washington 98121

(Address of principal executive offices) (Zip Code)

(206) 282-7100

(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 (§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, or 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. (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at April 26, 2017
Common Stock, no par value	28,214,847

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CTI BIOPHARMA CORP.  
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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements.

## CTI BIOPHARMA CORP.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

	March 31, 2017	December 31, 2016
	(unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 33,283	\$ 44,002
Accounts receivable	311	378
Receivables from collaborative arrangements	120	7,778
Inventory, net	1,502	1,525
Prepaid expenses and other current assets	1,554	2,141
Total current assets	36,770	55,824
Property and equipment, net	2,830	3,023
Other assets	5,060	4,996
Total assets	\$ 44,660	\$ 63,843
<b>LIABILITIES AND SHAREHOLDERS' (DEFICIT) EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 11,878	\$ 7,227
Accrued expenses	20,903	24,765
Current portion of deferred revenue	304	103
Current portion of long-term debt	8,170	7,949
Other current liabilities	619	602
Total current liabilities	41,874	40,646
Deferred revenue, less current portion	488	514
Long-term debt, less current portion	9,193	11,311
Other liabilities	3,478	3,615
Total liabilities	55,033	56,086
Commitments and contingencies		
Shareholders' (deficit) equity:		
Common stock, no par value:		
Authorized shares - 41,500,000		
Issued and outstanding shares - 28,224,447 and 28,228,602 at March 31, 2017 and December 31, 2016, respectively	2,172,061	2,170,300
Accumulated other comprehensive loss	(6,611 )	(6,655 )
Accumulated deficit	(2,170,154)	(2,150,326)
Total CTI shareholders' (deficit) equity	(4,704 )	13,319
Noncontrolling interest	(5,669 )	(5,562 )
Total shareholders' (deficit) equity	(10,373 )	7,757
Total liabilities and shareholders' (deficit) equity	\$ 44,660	\$ 63,843

See accompanying notes.



CTI BIOPHARMA CORP.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (In thousands, except per share amounts)  
 (unaudited)

	Three Months Ended March 31,	
	2017	2016
Revenues:		
Product sales, net	\$686	\$1,223
License and contract revenue	68	35,252
Total revenues	754	36,475
Operating costs and expenses:		
Cost of product sold	133	190
Research and development	9,253	20,846
Selling, general and administrative	10,688	11,312
Total operating costs and expenses	20,074	32,348
(Loss) income from operations	(19,320)	4,127
Non-operating income (expense):		
Interest expense	(534 )	(714 )
Amortization of debt discount and issuance costs	(38 )	(101 )
Foreign exchange (loss) gain	(43 )	198
Other non-operating expense	—	(519 )
Total non-operating expense, net	(615 )	