

Sorrento Therapeutics, Inc.
Form 10-Q
May 10, 2016

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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, 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 number 001-36150

SORRENTO THERAPEUTICS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware 33-0344842
(State or Other Jurisdiction of (I.R.S. Employer

Incorporation or Organization) Identification Number)

9380 Judicial Drive,

San Diego, California 92121

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(Address of Principal Executive Offices)

(858) 210-3700

(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, 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 ☐

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 of the issuer's common stock, par value \$0.0001 per share, outstanding as of May 3, 2016 was 40,212,795.

Sorrento Therapeutics, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.
SORRENTO THERAPEUTICS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except for share amounts)

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 20,813	\$39,038
Marketable securities	46,183	97,366
Grants and accounts receivables, net	1,146	903
Income tax receivable	1,715	1,715
Prepaid expenses and other, net	1,875	1,996
Total current assets	71,732	141,018
Property and equipment, net	7,436	7,246
Intangibles, net	3,801	3,912
Goodwill	20,626	20,626
Investments in common stock	112,008	112,008
Equity method investments	57,620	58,119
Other, net	556	590
Total assets	\$ 273,779	\$343,519
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,139	\$1,339
Accrued payroll and related	1,040	2,361
Current portion of deferred compensation	917	891
Accrued expenses	6,382	3,927
Acquisition consideration payable	12,000	