

ALIMERA SCIENCES INC
Form 10-Q
November 13, 2013

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, 2013

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: 001-34703

Alimera Sciences, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) 6120 Windward Parkway, Suite 290 Alpharetta, GA (Address of principal executive offices) (678) 990-5740 (Registrant's telephone number, including area code)	20-0028718 (I.R.S. Employer Identification No.) 30005 (Zip Code)
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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 Smaller reporting company

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

As of November 8, 2013, there were 31,610,991 shares of the registrant's common stock issued and outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. Interim Condensed Consolidated Financial Statements (unaudited)

ALIMERA SCIENCES, INC.

CONSOLIDATED BALANCE SHEETS

	September 30, 2013	December 31, 2012
	(In thousands, except share and per share data)	
CURRENT ASSETS:		
Cash and cash equivalents	\$ 23,104	\$ 49,564
Accounts receivable	464	—
Prepaid expenses and other current assets	3,220	2,029
Inventory (Note 5)	3,030	719
Deferred financing costs	286	95
Total current assets	30,104	52,407
PROPERTY AND EQUIPMENT — at cost less accumulated depreciation	432	114
TOTAL ASSETS	\$ 30,536	\$ 52,521
CURRENT LIABILITIES:		
Accounts payable	\$ 2,746	\$ 1,973
Accrued expenses (Note 6)	1,667	1,179
Outsourced services payable	1,364	2,616
Notes payable (Note 8)	1,528	2,273
Capital lease obligations	9	6
Total current liabilities	7,314	8,047
NON-CURRENT LIABILITIES:		
Derivative warrant liability	10,525	4,418
Notes payable — less current portion (Note 8)	3,472	703
Other non-current liabilities	27	209
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.01 par value — 10,000,000 shares authorized at September 30, 2013 and December 31, 2012:		
Series A Convertible Preferred Stock, 1,300,000 authorized and 1,000,000 issued and outstanding at September 30, 2013 and at December 31, 2012; liquidation preference of \$40,000 at September 30, 2013 and at December 31, 2012	32,045	32,045
Common stock, \$.01 par value — 100,000,000 shares authorized, 31,591,289 shares issued and outstanding at September 30, 2013 and 31,541,286 shares issued and outstanding at December 31, 2012	316	315
Additional paid-in capital	239,218	237,485
Common stock warrants	417	415
Accumulated deficit	(262,573)	(231,116)
Accumulated other comprehensive loss	(225)	—
TOTAL STOCKHOLDERS' EQUITY	9,198	39,144
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 30,536	\$ 52,521
See Notes to Consolidated Financial Statements.		

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ALIMERA SCIENCES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(In thousands, except share and per share data)			
REVENUE	\$758	\$—	\$937	\$—
COST OF GOODS SOLD	(57) —	(68) —
GROSS MARGIN	701	—	869	—
RESEARCH AND DEVELOPMENT EXPENSES	1,780	2,199	5,983	5,636
GENERAL AND ADMINISTRATIVE EXPENSES	2,113	1,506	7,252	4,488
SALES AND MARKETING EXPENSES	4,524	1,503	12,985	3,704
OPERATING EXPENSES	8,417	5,208	26,220	13,828
INTEREST EXPENSE AND OTHER	(134) (186) (397) (629
UNREALIZED FOREIGN CURRENCY GAIN, NET	508	—	552	—
CHANGE IN FAIR VALUE OF DERIVATIVE WARRANT LIABILITY	6,229	—	(6,107) —
LOSS ON EARLY EXTINGUISHMENT OF DEBT	—	—	(153) —
NET LOSS	\$(1,113) \$(5,394) \$(31,456) \$(14,457
ACCRETION OF PREFERRED STOCK BENEFICIAL CONVERSION FEATURE	—	—	(4,950)