

NANOGEN INC
Form 8-K/A
August 13, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): August 3, 2004

NANOGEN, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

10398 Pacific Center Court, San Diego, California
(Address of Principal Executive Offices)

000-23541
(Commission

File Number)

33-0489621
(IRS Employer

Identification No.)

92121
(Zip Code)

Registrant's telephone number, including area code: (858) 410-4600

Item 12. Results of Operations and Financial Condition.

This Amendment No. 1 amends the Current Report on Form 8-K filed on August 3, 2004 by Nanogen, Inc. (the "Company") to correct an inadvertent error stemming from a non-routine, non-cash entry to record the purchase price allocation related to the acquisition of SynX Pharma Inc. which was included in the preliminary financial statements contained in the Company's earnings release. The Company's press release dated August 3, 2004 which was attached as an exhibit to the Current Report stated that research and development expenses for the three months ended June 30, 2004 were \$3.5 million, but should have stated that research and development expenses for the three months ended June 30, 2004 were \$4.0 million. As a result of this correction, the Company's total costs and expenses, loss from operations, net loss and accumulated deficit have each been increased by \$545,000, and the net loss per share has been increased by \$0.01 and \$0.02 per share for the three and six months ended June 30, 2004, respectively. In addition, the June 30, 2004 balances in goodwill, acquired technology rights and additional paid-in capital were reported as \$13.1 million, \$2.3 million and \$274.0 million, respectively, but should have been reported as \$13.0 million, \$2.0 million and \$274.2 million, respectively. The Company's revised financial statements are set forth below. No other changes are being made to the financial information reported by the Company on August 3, 2004, and the Company reiterates its financial guidance issued on that date.

NANOGEN, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

| | June 30, 2004 | December 31, 2003 |
|---|------------------|----------------------|
| | (unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 8,543 | \$ 8,550 |
| Short-term investments | 51,777 | 20,564 |
| Receivables, net | 1,860 | 1,415 |
| Inventories, net | 2,706 | 4,774 |
| Other current assets | 1,673 | 1,590 |
| Total current assets | 66,559 | 36,893 |
| Property and equipment, net | 7,372 | 4,277 |
| Acquired technology rights, net | 1,983 | 2,508 |
| Restricted cash | 753 | 14 |
| Other assets, net | 796 | 157 |
| Goodwill | 13,001 | |
| | \$ 90,464 | \$ 43,849 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,889 | \$ 290 |
| Accrued liabilities | 3,240 | 4,519 |
| Deferred revenue | 404 | 469 |
| Current portion of capital lease obligations | 552 | 743 |
| Total current liabilities | 6,085 | 6,021 |
| Capital lease obligations, less current portion | 545 | 586 |
| Other long-term liabilities | 5,451 | 4,419 |
| Total long-term liabilities | 5,996 | 5,005 |
| Stockholders' equity: | | |
| Convertible preferred stock, \$0.001 par value, 5,000,000 shares authorized; no shares issued and outstanding at June 30, 2004 (unaudited) and December 31, 2003 | | |
| Common stock, \$0.001 par value, 50,000,000 shares authorized; 33,846,250 and 24,867,325 shares issued and outstanding at June 30, 2004 (unaudited) and December 31, 2003, respectively | 34 | 25 |
| Additional paid-in capital | 274,184 | 209,014 |
| Accumulated other comprehensive income | (226) | 1,136 |
| Deferred compensation | (170) | (175) |
| Accumulated deficit | (194,517) | (176,255) |
| Treasury stock, at cost, 500,189 shares at June 30, 2004 (unaudited) and December 31, 2003 | (922) | (922) |
| Total stockholders' equity | 78,383 | 32,823 |

\$ 90,464

\$ 43,849

NANOGEN, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(in thousands, except per share data)

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|-------------------|---------------------------|--------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Revenues: | | | | |
| Product sales | \$ 477 | \$ 662 | \$ 1,609 | \$ 890 |
| License | 38 | | 190 | |
| Sponsored research | 125 | 375 | 500 | 750 |
| Contracts and grant | 478 | 657 | 978 | 1,254 |
| Total revenues | 1,118 | 1,694 | 3,277 | 2,894 |
| Costs and expenses: | | | | |
| Cost of product sales | 1,940 | 524 | 2,854 | 798 |
| Research and development | 4,040 | 4,483 | 8,388 | 9,193 |
| Selling, general and administrative | 4,234 | 4,130 | 7,809 | 8,196 |
| Charge for acquired in-process research and development | 3,758 | | 3,758 | |
| Total costs and expenses | 13,972 | 9,137 | 22,809 | 18,187 |
| Loss from operations | (12,854) | (7,443) | (19,532) | (15,293) |
| Interest income, net | 129 | 113 | 231 | 308 |
| Other income (loss) | (100) | 11 | (120) | 43 |
| Gain/(loss) on sale of investments | (6) | 32 | (6) | (3,568) |
| Gain/(loss) on foreign currency translations | (17) | (11) | 1,204 | (16) |
| Loss on sale of fixed assets | (41) | (153) | (41) | (153) |
| Minority interest in loss of consolidated subsidiary | | 558 | | 1,106 |
| Net loss | \$ (12,889) | \$ (6,893) | \$ (18,264) | \$ (17,573) |
| Net loss per share basic and diluted | \$ (0.39) | \$ (0.32) | \$ (0.61) | \$ (0.82) |
| Number of shares used in computing net loss per share basic and diluted | 32,798 | 21,543 | 29,870 | 21,492 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NANOGEN, INC.

Dated: August 13, 2004

By: /s/ Nicholas J. Venuto

Nicholas J. Venuto,
Senior Director, Finance