

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

BIOMARIN PHARMACEUTICAL INC

Form 8-K/A

January 15, 2002

=====

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 31, 2001

BioMarin Pharmaceutical Inc.
(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------------|--------------------------------------|
| Delaware | 000-26727 | 68-0397820 |
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|--|------------|
| 371 Bel Marin Keys Boulevard, Suite 210, Novato, California | 94949 |
| (Address of principal executive offices) | (Zip Code) |

(415) 884-6700
(Registrant's telephone number, including area code)

=====

The Registrant's Current Report on Form 8-K/A filed with the Securities and Exchange Commission (the "Commission") on November 15, 2001 is hereby amended and restated to read in its entirety as follows:

Item 2. Acquisition Or Disposition of Assets

As previously reported in the Current Report on Form 8-K filed by the Registrant with the Commission on November 2, 2001 as amended and restated by Form 8-K/A filed by the Registrant with the Commission on November 15, 2001 (the "Prior

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

Report"), the Registrant completed its previously announced acquisition of the rights to all of the pharmaceutical assets of IBEX Technologies Inc., IBEX Pharmaceuticals Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc. (collectively "IBEX") on October 31, 2001. IBEX's portfolio of enzyme therapeutics will compliment the Registrant's existing pipeline of products for serious, life-threatening diseases and conditions.

Under the terms of the two asset purchase agreements which govern the transactions, the Registrant acquired IBEX's pharmaceutical assets for approximately US\$10.5 million, with all but approximately US\$2.0 million payable in shares of the Registrant's common stock (the "Consideration"). Based on an agreed upon formula in the asset purchase agreements, the Registrant has issued 814,647 shares of its common stock to IBEX, representing the total number of shares to be issued in the transaction. The amount of the Consideration was based on a variety of factors, including the market value of IBEX's capital stock, the advice of the Registrant's financial advisors, and the value of comparable assets. The US\$2.0 million was paid out of the working capital of the Registrant. The number of shares issued by the Registrant was determined by valuing such shares equal to the weighted average trading price over the twenty trading day period ending October 8, 2001, the date prior to the date of the asset purchase agreements.

Item 7. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired:

Audited financial statements for the Therapeutic Enzymes Division of IBEX as at July 31, 2001 and for the year ended July 31, 2001. The Therapeutic Enzymes Division of IBEX is not a separate legal entity but represents the division of IBEX that housed the pharmaceutical assets of IBEX acquired by the Registrant.

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

Combined Financial Statements
July 31, 2001

Together With Auditors' Report

AUDITORS' REPORT

To the Directors of
BioMarin Pharmaceutical Inc.,

We have audited the combined balance sheet of IBEX TECHNOLOGIES INC./TECHNOLOGIES IBEX INC. -THERAPEUTIC ENZYMES DIVISION ("Division") as at July 31, 2001 and the combined statement of loss for the year then ended. These

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

financial statements are the responsibility of the Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Canada and in the United States. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Division as at July 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

As disclosed in Note 1, the Division is a segment of IBEX TECHNOLOGIES INC./TECHNOLOGIES IBEX INC. ("IBEX") and has no separate legal status or existence.

/s/ Arthur Andersen LLP

Chartered Accountants

January 14, 2002
Montreal, Canada

AUDITORS' REPORT (Continued)

Comments by Auditor on Canada - United States Reporting Difference

United States reporting standards for auditors require the addition of an explanatory paragraph when the financial statements are affected by conditions and events that cast substantial doubt on the Division's ability to continue as a going concern, such as those described in Note 1 to the combined financial statements. Although we conducted our audit in accordance with both Canadian generally accepted auditing standards and United States Standards on Auditing, our report to the Directors dated January 14, 2002 is expressed in accordance with Canadian reporting standards which do not permit a reference to such conditions and events in the auditors' report when these are adequately disclosed in the financial statements.

United States reporting standards for auditors also require the addition of an explanatory paragraph when the statement of cash flows is not presented, such as described in Note 8 to the combined financial statements. Although we conducted our audit in accordance with both Canadian generally accepted Auditing Standards and United States Standards on Auditing, our report to the Directors dated January 14, 2002 is expressed in accordance with Canadian reporting standards which do not permit a reference to that matter in the auditors' report when it is adequately disclosed in the financial statements.

/s/ Arthur Andersen LLP

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

Chartered Accountants

January 14, 2002
Montreal, Canada

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

COMBINED BALANCE SHEET (See Basis of Presentation - Note 1)
July 31 2001

\$

ASSETS

CURRENT ASSETS

| | |
|------------------------------|---------|
| Cash | 14,364 |
| Accounts receivable (Note 3) | 228,469 |
| Prepaid expenses | 105,702 |
| | ----- |
| | 348,535 |

| | |
|-------------------------|-----------|
| CAPITAL ASSETS (Note 4) | 809,195 |
| | ----- |
| | 1,157,730 |

LIABILITIES AND NET INVESTMENT BY IBEX TECHNOLOGIES INC.

CURRENT LIABILITIES

| | |
|--|---------|
| Accounts payable and accrued liabilities | 697,690 |
|--|---------|

COMMITMENTS AND CONTINGENCIES (Note 6)

| | |
|------------------------|---------|
| NET INVESTMENT BY IBEX | 460,040 |
| | ----- |

1,157,730

Approved:

The accompanying notes are an integral part of these combined financial statements.

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

COMBINED STATEMENT OF LOSS (See Basis of Presentation - Note 1)
For the year ended July 31

2001

\$

EXPENSES

| | |
|--|-----------|
| Research and development expenditures, net of refundable tax credits of \$206,012 | 1,483,109 |
| General and administrative expenses | 1,275,853 |
| Amortization and write-down of capital assets | 301,415 |
| | ----- |

NET LOSS 3,060,377

The accompanying notes are an integral part of these combined financial
statements.

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

NOTES TO COMBINED FINANCIAL STATEMENTS
July 31, 2001

1. BASIS OF PRESENTATION AND NATURE OF OPERATIONS

IBEX Technologies Inc.- Therapeutic Enzymes Division ("Division") is the therapeutic business line of IBEX Technologies Inc. ("IBEX") developing enzymes for a variety of therapeutic applications, such as cardiovascular disease, wound healing and diseases of genetic origin. The combined financial statements of the Division represent the combination of accounts of the therapeutic business line from Canadian and U.S. entities (Technologies IBEX R & D Inc., IBEX Pharmaceuticals Inc., IBEX Technologies L.L.C. and IBEX Technologies Corporation).

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

Since inception, the efforts of the Division have been devoted to the development of enzymes for a variety of therapeutic applications. To date, the Division has not earned revenues and is considered to be in the development stage. The Division is subject to a number of risks associated with companies at a similar stage of development, including ability to obtain adequate funding to support its development of products and its operations, dependence on key individuals and ability to retain qualified personnel, competition and regulatory approvals.

The accompanying combined financial statements have been prepared based on Canadian generally accepted accounting principles applicable to a going concern which assumes that the Division will continue its operations for the foreseeable future and will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of operations.

The Division has relied extensively upon IBEX for ongoing financial support and accordingly, these carve-out combined financial statements are not necessarily indicative of the results of operations or financial position had the Division operated as an independent entity as at or for the date presented.

These combined financial statements represent the business operations identified as the Therapeutic Enzymes Division of IBEX Technologies Inc. The Division is a segment of IBEX Technologies Inc. and has no legal status or existence. Accordingly, there is no share capital or retained earnings in the Division's accounts. In addition some disclosures including stock options, tax loss carry forward and commitments were not considered in the accompanying financial statements. The net investment by IBEX Technologies Inc. represents the capital employed in the Division in the form of investments and advances.

The Division does not own title to the assets required to carry on the business. Assets including research and development equipment, administrative facilities and other assets to maintain operations are owned by IBEX.

The Management of IBEX has allocated research and development expenditures and general and administrative expenses to the Division based on specific allocations, the level of activity and the space occupied by the Division. Management believes this to be reasonable.

The Division is presently performing research and development activities with respect to three main projects, Neutralase, Phenylase and Extravase, as well as several other projects in its efforts to develop enzymes for a variety of therapeutic applications.

Neutralase

Neutralase is intended for the safe restoration of coagulation after the administration of heparin or low molecular weight heparins. The lead clinical application for Neutralase is bypass surgery, where a high dose of heparin is routinely given and is always reversed. The Division has completed the dose ranging portion of a 90 patient trial. It has also performed a trial with respect to the uses of Neutralase in angioplasty.

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

NOTES TO COMBINED FINANCIAL STATEMENTS
July 31, 2001

1. BASIS OF PRESENTATION (Continued)

Phenylase

In the area of genetic disease, the Division is developing Phenylase for the treatment of the genetic disease phenylketonuria, also known as PKU. Patients with this condition lack the ability to digest the amino acid phenylalanine, which builds toxic levels in the blood. This project is in the pre-clinical stage.

Extravase

Extravase is being developed for a number of medical applications which include protection against reperfusion injury following ischemia, reduction of restenosis following angioplasty and acceleration of wound healing in patients with venous ulcers. This project is in the pre-clinical stage.

The cost incurred for projects under development are as follows:

| | 2001 |
|---|-----------|
| | \$ |
| Neutralase | |
| Research costs expensed during the year | 720,332 |
| Capital assets | |
| Balance, beginning and end of year | 859,745 |
| Total cost for Neutralase for the year | 720,332 |
| Phenylase | |
| Research costs expensed during the year | 612,097 |
| Capital assets | |
| Balance, beginning of year | 63,747 |
| Additions | 31,651 |
| Balance, end of year | 95,398 |
| Total cost for Phenylase for the year | 643,748 |
| Extravase | |
| Research costs expensed during the year | 231,324 |
| Capital assets | |
| Balance, beginning and end of year | 1,888,463 |
| Total cost for Extravase for the year | 231,324 |

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

NOTES TO COMBINED FINANCIAL STATEMENTS
July 31, 2001

2. SIGNIFICANT ACCOUNTING POLICIES

These combined financial statements have been prepared based on IBEX Management's assumptions in accordance with Canadian generally accepted accounting principles consistently applied within the framework of the accounting policies described below.

Use of estimates

The presentation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Division's cash and cash equivalents consist of cash on hand.

Foreign exchange

Monetary assets and liabilities expressed in foreign currencies are translated at year-end rates and non-monetary assets and liabilities are translated at historical exchange rates. Revenues and expenses expressed in foreign currencies are translated at the monthly average rate throughout the year. Resulting gains and losses are included in losses for the year.

Currency risk

The Division is exposed to foreign exchange risk by virtue of the fact that a portion of the Division's expenses are denominated in U.S. dollars. Any fluctuations in the U.S. dollars could have an impact on the financial results of the Division.

Capital assets

Capital assets are accounted for at cost.

Amortization is based on their estimated useful life using the following methods and rates:

| | Methods | Rates |
|-------------------------|---------------------|----------------------------|
| Machinery and equipment | Diminishing balance | Varying from 20% to 30% |
| Furniture and fixtures | Diminishing balance | 20% |
| Patents and licences | Straight-line | 17 years |

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

NOTES TO COMBINED FINANCIAL STATEMENTS
July 31, 2001

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value of financial instruments

The Division has evaluated the fair value of its financial instruments based on current interest rate environment, related market values and current pricing of financial instruments with comparable terms. The carrying value of its financial instruments is considered to approximate fair value.

Research and development

Research and development costs are expensed as incurred unless the development cost meet the generally accepted criteria for deferral. As at July 31, 2001, no such costs have been deferred in the accounts of the Division.

Government assistance relating to research and development activities is reflected as a reduction of research and development expenses in these combined financial statements when it is earned and collectability is reasonably assured.

Income taxes

The Division uses the liability method of accounting for income taxes. Future income taxes are provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes, computed based on rates and provisions of enacted or substantially enacted tax laws that are expected to be in effect in the year in which the differences are expected to be recovered or settled. The Division reviews the valuation of its future income tax assets and liabilities and records adjustments, if necessary, to reflect their realizable amount.

ACCOUNTS RECEIVABLE

| | 2001 |
|-----------------------------------|---------------------------|
| | ----- \$ |
| Refundable investment tax credits | 206,012 |
| Other | 22,457 |
| | ----- 228,469 ----- |

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

NOTES TO COMBINED FINANCIAL STATEMENTS

July 31, 2001

CAPITAL ASSETS

| | 2001 | | |
|-------------------------|-----------|-----------------------------|-------------------|
| | Cost | Accumulated Amortization | Net Book Value |
| | \$ | \$ | \$ |
| Machinery and equipment | 3,505,628 | 3,115,750 | 389,878 |
| Furniture and fixtures | 525,930 | 489,202 | 36,728 |
| Patents and licenses | 540,938 | 158,349 | 382,589 |
| | 4,572,496 | 3,763,301 | 809,195 |

INCOME TAXES

The Division is not a separate legal entity for purposes of remitting taxes and filing income tax returns. Income taxes for the Division are included in IBEX's income tax returns and paid by IBEX. Consequently, the benefits of income tax losses incurred by the IBEX Division have not been disclosed in these financial statements since they would be available only to IBEX. For the same reason, the research and development expenditures incurred by the Division but not deducted for tax purposes and the non-refundable unclaimed investment tax credits have not been disclosed.

The refundable tax credits have been accounted for based on the assumption that the Division was not controlled by non-residents.

COMMITMENTS AND CONTINGENCIES

IBEX entered into an agreement with BASF Bioresearch Corporation ("BBC") whereby IBEX has committed to pay to BBC an amount totaling US\$1,050,000 if and when IBEX obtains approval for the marketing and sale of the Heparinase I drug (Neutralase) from the Food and Drug Administration ("FDA"). This agreement is transferred to BioMarin Enzymes Inc. following the acquisition (See Note 7).

Pursuant to employment contracts entered into by IBEX with certain of its key employees, the Division will be committed to payments as follows:

| | 2001 |
|------|---------|
| | ----- |
| | \$ |
| 2002 | 340,166 |
| 2003 | 86,500 |

IBEX Technologies Inc./Technologies IBEX inc. -
Therapeutic Enzymes Division

NOTES TO COMBINED FINANCIAL STATEMENTS
July 31, 2001

3. SUBSEQUENT EVENT

On October 31, 2001, BioMarin Pharmaceutical Inc. and its subsidiaries, BioMarin Pharmaceutical Nova Scotia Company and BioMarin Enzymes Inc. ("BioMarin"), acquired the rights to the IBEX division of therapeutic enzymes.

Under the terms of the agreement, BioMarin acquired from IBEX the intellectual property and other assets associated with the IBEX therapeutic enzyme product candidates, including Neutralase, Phenylase and Extravase. In exchange, IBEX received 814,647 common shares of BioMarin, \$3.2 million in cash and in addition, up to a maximum of \$14.6 million in cash upon FDA approval of its lead drugs, Neutralase (\$9.1 million) and Phenylase (\$5.5 million), provided approval occurs within five years from the acquisition date.

IBEX retained the diagnostic rights to its high-margin enzymes business plus certain therapeutics rights with respect to its oral protein protective technology in areas that are non-competitive with BioMarin. IBEX will continue to maintain its pilot microbial fermentation facility, and its laboratories and office facilities in Montreal. IBEX will also provide certain facilities and laboratories and fermentation services to BioMarin.

CASH FLOWS

No statement of cash flows were prepared since the information is not readily available.

(b) Pro Forma Financial Information

Unaudited pro forma financial statements showing the combination of the Registrant with the Therapeutic Enzymes Division of IBEX as at September 30, 2001, for the year ended December 31, 2000, and for the nine month period ended September 30, 2001. The registrant did not acquire all of the assets and liabilities of the Therapeutic Enzymes Division. Those assets and liabilities not acquired have been excluded from the pro forma financial statements.

BioMarin Pharmaceutical Inc. and Subsidiaries
(a development-stage company)

Pro Forma Consolidated Financial Statements
As of and for the nine-months ended September 30, 2001
and for the year ended December 31, 2000
(Unaudited)

The accompanying unaudited consolidated balance sheet of BioMarin Pharmaceutical Inc. as of September 30, 2001 is presented as if the acquisition of certain

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

assets of IBEX Technologies occurred effective September 30, 2001. The accompanying unaudited consolidated statements of operations for the year ended December 31, 2000 and the nine-month period ended September 30, 2001 were prepared assuming that the acquisition occurred effective January 1, 2000. The IBEX numbers have been converted into U.S. dollars. using then prevailing rates.

In the opinion of management, all significant adjustments necessary to reflect the effects of the acquisition have been made.

BioMarin Pharmaceutical Inc. and Subsidiaries
(a development-stage company)

Pro Forma Consolidated Balance Sheet as of
September 30, 2001
(In Thousands)

| | BIOMARIN | IBEX |
|--|-------------|-------------|
| | (unaudited) | (unaudited) |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 7,230 | - |
| Short-term investments | 36,675 | - |
| Accounts receivable, net | 996 | - |
| Due from BioMarin/Genzyme LLC | 3,855 | - |
| Inventories | 525 | - |
| Prepaid expenses | 1,361 | 25 |
| | 50,642 | 25 |
| Property, plant and equipment, net | 27,996 | 31 |
| Goodwill and other intangibles, net | 8,314 | - |
| Investment in BioMarin/Genzyme LLC | 2,164 | - |
| Note receivable from officer | 878 | - |
| Deposits and other | 408 | - |
| | \$ 90,402 | 56 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 3,923 | - |
| Accrued liabilities | 2,072 | - |
| Current portion of capital lease obligations | 65 | - |
| Notes payable - short-term | 30 | - |
| | 6,090 | - |
| Long-term portion of notes payable | 32 | - |
| Advance from parent | - | - |
| Long-term portion of capital lease obligations | 114 | - |
| | 114 | - |

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

| | | |
|---|-----------|-------|
| Total liabilities | 6,236 | - |
| ----- | | |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value: 75,000,000 shares authorized. 42,253,611 and 43,068,258 shares issued and outstanding actual and pro forma, respectively, at September 30, 2001 | 42 | - |
| Additional paid in capital | 195,104 | - |
| Common stock warrants | 5,134 | - |
| Deferred compensation | (903) | - |
| Notes from stockholders | (2,014) | - |
| Divisional equity | - | 56 |
| Deficit accumulated during development stage | (113,197) | - |
| | ----- | ----- |
| Total stockholders' equity | 84,166 | - |
| | ----- | ----- |
| Total liabilities and stockholders' equity | \$ 90,402 | |
| | ===== | ===== |

The accompanying notes are an integral part of these statements.

BioMarin Pharmaceutical Inc. and Subsidiaries
(a development-stage company)
Pro Forma Consolidated Statement of Operations
For the Nine Month Period Ended September 30, 2001
(In Thousands, except per share data, Unaudited)

| | BIOMARIN | IBEX | ADJUSTMENT | PRO FORMA |
|--|-------------|-------------|-------------|-------------|
| | (Unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Revenues: | | | | |
| Revenues - products | \$1,760 | \$ - | | \$ 1,760 |
| Revenues - services | 245 | - | | 245 |
| Revenues from BioMarin /Genzyme LLC | 8,621 | - | | 8,621 |
| Revenues - other | 182 | - | | 182 |
| | ----- | ----- | | ----- |
| Total revenues | 10,808 | - | | 10,808 |
| | ----- | ----- | | ----- |
| Operating Costs and Expenses: | | | | |
| Cost of products | 719 | - | | 719 |
| Cost of services | 141 | - | | 141 |
| Research and development | 31,842 | 656 | | 32,498 |
| Selling, general and administrative | 7,505 | 667 | | 8,172 |
| Carson Street closure | - | - | | - |
| | ----- | ----- | | ----- |
| Total operating costs and expenses | 40,207 | - | | 41,530 |
| | ----- | ----- | | ----- |

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

| | | | |
|---|-------------|-------|-------------|
| Loss from operations | (29,399) | - | (30,722) |
| Interest income | 1,434 | - | 1,434 |
| Interest expense | (11) | - | (11) |
| Loss from BioMarin/ Genzyme LLC | (4,708) | - | (4,708) |
| | ----- | ----- | ----- |
| Net loss | \$ (32,684) | \$ - | \$ (34,007) |
| | ===== | ===== | ===== |
| Net loss per share, basic and diluted | \$ (0.83) | | \$ (0.84) |
| | ===== | | ===== |
| Weighted average common shares outstanding, basic and diluted | 39,601 | 815^ | 40,416 |
| | ===== | | ===== |

The accompanying notes are an integral part of these statements.

BioMarin Pharmaceutical Inc. and Subsidiaries
(a development-stage company)
Pro Forma Consolidated Statement of Operations
For the Year Period Ended December 31, 2001
(In Thousands, except per share data, Unaudited)

| | BIOMARIN | IBEX | ADJUSTMENT | PRO FORMA |
|--|-------------|-------------|-------------|-------------|
| | (Unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Revenues: | | | | |
| Revenues - products | \$2,345 | \$ - | | \$ 2,345 |
| Revenues - services | 250 | - | | 250 |
| Revenues from BioMarin /Genzyme LLC | 9,731 | - | | 9,731 |
| Revenues - other | - | - | | - |
| | ----- | ----- | | ----- |
| Total revenues | 12,326 | - | | 12,326 |
| | ----- | ----- | | ----- |
| Operating Costs and Expenses: | | | | |
| Cost of products | 635 | - | | 635 |
| Cost of services | 84 | - | | 84 |
| Research and development | 35,794 | 1,125 | 11,112^ | 48,031 |
| Selling, general and administrative | 8,814 | 820 | | 9,634 |
| Carson Street closure | 4,423 | - | | 4,423 |
| | ----- | ----- | | ----- |
| Total operating costs and expenses | 49,750 | 1,944 | | 62,806 |
| | ----- | ----- | | ----- |

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

| | | | |
|---|-------------|------------|-------------|
| Loss from operations | (37,424) | - | (50,480) |
| Interest income | 2,979 | - | 2,979 |
| Interest expense | (7) | - | (7) |
| Loss from BioMarin/ Genzyme LLC | (2,912) | - | (2,912) |
| | ----- | ----- | ----- |
| Net loss | \$ (37,364) | \$ (1,944) | \$ (50,420) |
| | ===== | ===== | ===== |
| Net loss per share, basic and diluted | \$ (1.04) | | \$ (1.37) |
| | ===== | | ===== |
| Weighted average common shares outstanding, basic and diluted | 35,859 | 815^ | 36,674 |
| | ===== | | ===== |

The accompanying notes are an integral part of these statements.

A These adjustments represent the purchase of certain assets of IBEX Technologies by BioMarin Pharmaceutical Inc. effective October 31, 2001. The Company has determined that the set of assets and activities acquired do not meet the definition of a business under the concepts outlined in EITF 98-3. Accordingly, the transaction was accounted for as a purchase of in process research and development and not as a business combination. As a result the Company recorded an \$11.1 million charge for in process research and development calculated as follows:

| | |
|---|---------|
| Shares of BioMarin common stock issued ('000) | 815 |
| Share price used to determine purchase price | \$10.22 |
| | ----- |
| | 8,324 |
| Cash paid ('000) | 2,044 |
| Transaction costs ('000) | 800 |
| | ----- |
| Total purchase price ('000) | 11,168 |
| | |
| Fair value of assets acquired ('000) | 56 |
| | ----- |
| In process research and development charge ('000) | 11,112 |
| | ===== |

(c) Exhibits

| | |
|-------------|-------------------------|
| EXHIBIT NO. | DESCRIPTION OF DOCUMENT |
| ----- | ----- |

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

- 2.1 Canadian Asset Purchase Agreement dated October 9, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Pharmaceutical Nova Scotia Company, IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., previously filed with the Commission on December 26, 2001 as Exhibit 10.1 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference.
- 2.2 United States Asset Purchase Agreement dated October 9, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Enzymes Inc., IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., previously filed with the Commission on November 6, 2001 as Exhibit 10.2 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference.
- 2.3 Amendment to Canadian Asset Purchase Agreement dated October 31, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Pharmaceutical Nova Scotia Company, IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., previously filed with the Commission on November 6, 2001 as Exhibit 10.3 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference.
- 2.4 Amendment to United States Asset Purchase Agreement dated October 31, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Enzymes Inc., IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., and IBEX Technologies Delaware Corp., previously filed with the Commission on November 6, 2001 as Exhibit 10.4 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference.
- 23.1 Consent of Arthur Andersen LLP.

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.

BioMarin Pharmaceutical Inc.

By: /s/ Fredric D. Price

Chairman and
Chief Executive Officer

Date: January 14, 2002

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

Exhibit Index

| EXHIBIT NO. | DESCRIPTION OF DOCUMENT |
|-------------|---|
| 2.1 | Canadian Asset Purchase Agreement dated October 9, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Pharmaceutical Nova Scotia Company, IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., previously filed with the Commission on December 26, 2001 as Exhibit 10.1 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference. |
| 2.2 | United States Asset Purchase Agreement dated October 9, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Enzymes Inc., IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., previously filed with the Commission on November 6, 2001 as Exhibit 10.2 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference. |
| 2.3 | Amendment to Canadian Asset Purchase Agreement dated October 31, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Pharmaceutical Nova Scotia Company, IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., previously filed with the Commission on November 6, 2001 as Exhibit 10.3 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference. |
| 2.4 | Amendment to United States Asset Purchase Agreement dated October 31, 2001 by and among BioMarin Pharmaceutical Inc., BioMarin Enzymes Inc., IBEX Technologies Inc., IBEX Pharmaceutical Inc., IBEX Technologies LLC, IBEX Technologies Corp. and Technologies IBEX R&D Inc., and IBEX Technologies Delaware Corp., previously filed with the Commission on November 6, 2001 as Exhibit 10.4 to the Registrant's Registration Statement on Form S-3, Registration No. 333-72866, which is incorporated herein by reference. |
| 23.1 | Consent of Arthur Andersen LLP. |

Exhibit 23.1

Consent of independent chartered accountants

As independent chartered accountants, we hereby consent to the use of our report

Edgar Filing: BIOMARIN PHARMACEUTICAL INC - Form 8-K/A

dated January 11, 2002 to the Directors of BioMarin Pharmaceutical Inc. included in the Form 8-K dated January 14, 2002 relating the BioMarin Pharmaceutical Inc.'s acquisition of the rights to the pharmaceutical assets of IBEX TECHNOLOGIES INC. and to the incorporation by reference of such report into BioMarin Pharmaceutical Inc.'s registration statements on Form S-3, File No. 333-48800, File No. 333-61322 and File No. 333-72866.

/s/Arther Andersen LLP

Chartered Accountants

January 14, 2002
Montreal, Canada