

METABASIS THERAPEUTICS INC
Form 10-Q
May 16, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

ý **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2005.

OR

o **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 000-50785

METABASIS THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

**9390 Towne Centre Drive,
Building 300, San Diego, CA**
(Address of principal executive offices)

33-0753322

(I.R.S. Employer
Identification No.)

92121
(Zip code)

(858) 587-2770

(Registrant's telephone number, including area code)

Edgar Filing: METABASIS THERAPEUTICS INC - Form 10-Q

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 is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes No

The number of outstanding shares of the registrant's common stock, par value \$0.001 per share, as of May 10, 2005 was 18,183,283.

METABASIS THERAPEUTICS, INC.

**FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2005**

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Balance Sheets at March 31, 2005 (Unaudited) and December 31, 2004

Condensed Statements of Operations for the Three Months Ended March 31, 2005 and 2004 (Unaudited)

Condensed Statements of Cash Flows for the Three Months Ended March 31, 2005 and 2004 (Unaudited)

Notes to Condensed Financial Statements (Unaudited)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Item 4. Controls and Procedures

PART II - OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Item 6. Exhibits

SIGNATURES

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Metabasis Therapeutics, Inc.
Condensed Balance Sheets
(In thousands, except par value data)

	March 31, 2005 (Unaudited)	December 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,242	\$ 10,921
Securities available-for-sale	29,936	32,934
Accounts receivable	320	525
Other current assets	1,114	1,126
Total current assets	39,612	45,506
Property and equipment, net	2,257	2,354
Other assets	153	
Total assets	\$ 42,022	\$ 47,860
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 644	\$ 864
Accrued liabilities	2,887	2,835
Deferred rent	42	67
Deferred revenue, current portion	377	
Current portion of capital lease obligations, net of discount	784	834
Total current liabilities	4,734	4,600
Other long-term liabilities	4	4
Capital lease obligations, net of current portion and discount	1,203	1,392
Stockholders equity:		
Preferred stock, \$0.001 par value; 5,000 shares authorized at March 31, 2005 (unaudited) and December 31, 2004, no shares issued or outstanding		
Common stock, \$.001 par value; 100,000 shares authorized at March 31, 2005 (unaudited) and December 31, 2004; 18,183 and 18,169 shares issued and outstanding at March 31, 2005 (unaudited) and December 31, 2004, respectively	18	18
Additional paid-in capital	98,518	98,602
Deferred compensation	(4,764)	(5,337)
Accumulated deficit	(57,600)	(51,365)
Accumulated other comprehensive loss	(91)	(54)
Total stockholders equity	36,081	41,864
Total liabilities and stockholders equity	\$ 42,022	\$ 47,860

See accompanying notes.

Metabasis Therapeutics, Inc.

Condensed Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Three months ended March 31,	
	2005	2004
Revenues:		
Sponsored research	\$ 344	\$ 344
Milestones		3,500
License fees		125
Other revenue	53	201
Total revenues	397	4,170
Operating expenses:		
Research and development	5,097	3,653
General and administrative	1,311	695
Amortization of employee stock-based compensation	429	343
Total operating expenses	6,837	4,691
Loss from operations	(6,440)	(521)
Other income (expense):		
Interest income	259	63
Interest expense	(54)	(54)
Total interest and other income (expense)		