

MAP Pharmaceuticals, Inc.
Form 10-Q
August 06, 2010
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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 JUNE 30, 2010

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 001-33719

MAP PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

20-0507047
(I.R.S. Employer
Identification No.)

2400 Bayshore Parkway, Suite 200

Mountain View, California
(Address of principal executive offices)

94043
(Zip code)

(650) 386-3100
(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 by Rule 12b-2 of the Exchange Act). Yes No

As of July 31, 2010, the registrant had outstanding 26,603,932 shares of Common Stock.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1 Financial Statements****MAP PHARMACEUTICALS, INC.****(a development stage enterprise)****CONDENSED CONSOLIDATED BALANCE SHEETS****(In thousands)****(Unaudited)**

	June 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 55,330	\$ 65,776
Prepaid expenses and other current assets	455	620
Total current assets	55,785	66,396
Property and equipment, net	4,536	4,164
Other assets	41	126
Restricted investment	310	310
Total assets	\$ 60,672	\$ 70,996
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 1,407	\$ 2,916
Accrued liabilities	8,432	11,568
Current portion of long-term debt	7,653	7,283
Total current liabilities	17,492	21,767
Long-term debt, net of current	3,558	7,337
Other liabilities	129	90
Total liabilities	21,179	29,194
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock	260	241
Additional paid-in capital	250,671	226,452
Deficit accumulated during the development stage	(211,438)	(184,891)
Total stockholders' equity	39,493	41,802
Total liabilities and stockholders' equity	\$ 60,672	\$ 70,996

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

Table of Contents**MAP PHARMACEUTICALS, INC.****(a development stage enterprise)****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(In thousands, except share and per share amounts)****(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,		Period from July 3, 2003
	2010	2009	2010	2009	(Inception) to June 30, 2010
Collaboration revenue	\$	\$ 8,645	\$	\$ 16,129	\$ 54,166
Operating expenses:					
Research and development	8,242	9,628	18,028	23,703	197,722
Sales, general and administrative	3,910	3,437	7,791	6,245	54,992
Total operating expenses	12,152	13,065	25,819	29,948	252,714
Loss from operations	(12,152)	(4,420)	(25,819)	(13,819)	(198,548)
Interest income	2	26	6	111	6,374
Interest expense	(339)	(551)	(732)	(1,153)	(6,483)
Other expense, net		(24)	(2)	(28)	(764)
Net loss	(12,489)	(4,969)	(26,547)	(14,889)	(199,421)
Cumulative stock dividend attributed to preferred stockholders					(13,925)
Net loss attributed to common stockholders	\$ (12,489)	\$ (4,969)	\$ (26,547)	\$ (14,889)	\$ (213,346)
Net loss per share attributed to common stockholders basic and diluted	\$ (0.47)	\$ (0.24)	\$ (1.01)	\$ (0.72)	
Weighted average shares outstanding used in calculating net loss per share attributed to common stockholders basic and diluted	26,480,166	20,699,343	26,167,861	20,641,878	

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

Table of Contents**MAP PHARMACEUTICALS, INC.****(a development stage enterprise)****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(In thousands)****(Unaudited)**

	Six Months Ended June 30,		Cumulative Period from July 3, 2003 (Date of Inception) to June 30, 2010
	2010	2009	
Cash flows from operating activities:			
Net loss	\$ (26,547)	\$ (14,889)	\$ (199,421)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	641	751	5,297
Accretion of investment discounts, net		(1)	(1,595)
Amortization of debt issuance costs			210
Accretion of debt payment premium	142	212	833
Change in carrying value of warrant liability			621
Issuance of common stock in exchange for services			51
Stock-based compensation	3,094	2,563	14,363
Loss on disposal of equipment and other non-cash items	306	79	1,373
Changes in operating assets and liabilities:			
Accounts receivable		(5,174)	
Prepaid expenses and other current assets	165	433	(680)
Other assets	85		99
Accounts payable	(1,509)	1,233	1,378
Accrued liabilities	(3,136)	(5,600)	8,354
Deferred revenue		33,104	
Other liabilities	39	14	129
Net cash provided by (used in) operating activities	(26,720)	12,725	(168,988)
Cash flows from investing activities:			
Purchase of intangible assets and in-process research and development			(412)
Purchase of property and equipment	(1,319)	(280)	(10,760)
Purchase of short-term investments			(169,497)
Sales and maturities of short-term investments		12,740	171,411
Purchase of restricted investment			(310)
Net cash provided by (used in) investing activities	(1,319)	12,460	(9,568)
Cash flows from financing activities:			
Proceeds from issuance of convertible notes payable			4,300
Proceeds from issuance of debt			31,006
Adjustment to issuance cost related to IPO			(9)
Proceeds from sales of shares through equity plans	1,479	516	3,428
Repayment of debt	(3,551)	(2,874)	(20,728)
Proceeds from issuance of common stock resulting from drawdown of equity line of credit, net of issuance costs	19,665		19,665
Proceeds from issuance of common stock in IPO, net of issuance costs			