

ANTARES PHARMA INC
Form 10-Q
August 13, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 2007

Commission File Number 1-32302

ANTARES PHARMA, INC.

A Delaware Corporation
250 Phillips Blvd, Suite 290

IRS Employer ID No. 41-1350192

Ewing, New Jersey

08618

(609) 359-3020

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 a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares outstanding of the Registrant's Common Stock, \$.01 par value, as of August 10, 2007, was 65,529,666.

ANTARES PHARMA, INC.

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ANTARES PHARMA, INC.

CONSOLIDATED BALANCE SHEETS

	June 30, 2007 (Unaudited)	December 31, 2006
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,762,668	\$ 2,706,047
Short-term investments	9,545,569	4,953,421
Accounts receivable, less allowance for doubtful accounts of \$10,000	716,402	855,866
Other receivables	112,213	55,794
Inventories	58,977	84,779
Prepaid expenses and other current assets	404,442	221,669
Total current assets	13,600,271	8,877,576
Equipment, furniture and fixtures, net	439,947	382,096
Patent rights, net	804,517	813,592
Goodwill	1,095,355	1,095,355
Other assets	573,923	365,864
Total Assets	\$ 16,514,013	\$ 11,534,483
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 1,030,284	\$ 813,014
Accrued expenses and other liabilities	1,158,351	1,071,086
Notes payable and capital lease – current, net of discount of \$168,655	707,012	-
Deferred revenue	763,688	1,014,337
Total current liabilities	3,659,335	2,898,437
Notes payable and capital lease – long term, net of discount of \$171,754	4,065,449	-
Deferred revenue – long term	3,113,836	3,555,601
Total liabilities	10,838,620	6,454,038
Stockholders' Equity:		
Common Stock: \$0.01 par; authorized 100,000,000 shares; 55,529,666 and 53,319,622 issued and outstanding at June 30, 2007 and December 31, 2006, respectively	555,296	533,196
Additional paid-in capital	110,003,149	106,792,974
Prepaid license discount	(2,207,804)	(2,305,929)
Accumulated deficit	(102,049,072)	(99,322,453)
Accumulated other comprehensive loss	(626,176)	(617,343)
	5,675,393	5,080,445
Total Liabilities and Stockholders' Equity	\$ 16,514,013	\$ 11,534,483

See accompanying notes to consolidated financial statements.

ANTARES PHARMA, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
Revenue:				
Product sales	\$ 1,068,723	\$ 603,027	\$ 1,694,810	\$ 998,111
Development revenue	460,358	199,717	791,054	361,411
Licensing fees	145,913	20,463	1,994,081	76,282
Royalties	131,281	35,888	170,068	59,951
Total revenue	1,806,275	859,095	4,650,013	1,495,755
Cost of revenue:				
Cost of product sales	503,475	338,050	864,524	598,462
Cost of development revenue	64,256	93,174	170,759	154,250
Total cost of revenue	567,731	431,224	1,035,283	752,712
Gross profit	1,238,544	427,871	3,614,730	743,043
Operating expenses:				
Research and development	1,521,657	1,039,607	2,345,252	1,969,062
Sales, marketing and business development	430,461	347,962	816,334	708,309
General and administrative	1,484,882	1,608,084	3,115,689	2,959,688
	3,437,000	2,995,653	6,277,275	5,637,059
Operating loss	(2,198,456)	(2,567,782)	(2,662,545)	(4,894,016)
Other income (expense):				
Interest income	152,330	111,212	264,517	153,419
Interest expense	(230,260)		(310,838)	(1,730)
Foreign exchange losses	(12,736)	2,918	(28,847)	(258)
Other, net				