

ANTARES PHARMA, INC.  
Form 10-Q  
August 08, 2012  
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**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, 2012

Commission File Number 1-32302

**ANTARES PHARMA, INC.**

A Delaware Corporation

IRS Employer Identification No. 41-1350192

100 Princeton South, Suite 300

Ewing, New Jersey 08628

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(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 has submitted electronically and posted on its corporate Website, 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.

Large accelerated filer  Accelerated filer  Non accelerated filer  Smaller reporting company   
(do not check if a smaller reporting company)

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 1, 2012 was 109,324,556.

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	<b>June 30, 2012 (Unaudited)</b>	<b>December 31, 2011</b>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 17,973,138	\$ 19,357,932
Short-term investments	12,024,270	12,011,388
Accounts receivable, net	2,630,275	2,535,230
Inventories, net	867,378	891,765
Deferred costs	1,892,218	1,111,842
Prepaid expenses and other current assets	460,631	357,202
<b>Total current assets</b>	<b>35,847,910</b>	<b>36,265,359</b>
Equipment, molds, furniture and fixtures, net	1,482,532	591,669
Patent rights, net	1,043,506	952,386
Goodwill	1,095,355	1,095,355
Long-term investments	3,019,753	3,026,957
Other assets	58,485	31,231
<b>Total Assets</b>	<b>\$ 42,547,541</b>	<b>\$ 41,962,957</b>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 2,617,635	\$ 2,139,130
Accrued expenses and other liabilities	2,121,121	2,225,311
Deferred revenue	2,968,628	5,644,278
<b>Total current liabilities</b>	<b>7,707,384</b>	<b>10,008,719</b>
Deferred revenue - long term	471,594	810,393
<b>Total liabilities</b>	<b>8,178,978</b>	<b>10,819,112</b>
Stockholders' Equity:		
Preferred Stock: \$0.01 par, authorized 3,000,000 shares, none outstanding		
Common Stock: \$0.01 par; authorized 150,000,000 shares; 106,630,919 and 103,545,637 issued and outstanding at June 30, 2012 and December 31, 2011, respectively	1,066,309	1,035,456
Additional paid-in capital	178,246,208	172,065,429
Accumulated deficit	(144,243,181)	(141,361,715)
Accumulated other comprehensive loss	(700,773)	(595,325)
	34,368,563	31,143,845
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 42,547,541</b>	<b>\$ 41,962,957</b>

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See accompanying notes to consolidated financial statements.

**Table of Contents****ANTARES PHARMA, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS****(UNAUDITED)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2012	2011	2012	2011
<b>Revenue:</b>				
Product sales	\$ 3,211,955	\$ 2,218,536	\$ 5,706,065	\$ 3,623,662
Development revenue	737,409	716,258	3,723,485	1,772,718
Licensing revenue	109,093	118,789	734,912	485,026
Royalties	465,485	489,290	1,224,022	1,231,014
<b>Total revenue</b>	<b>4,523,942</b>	<b>3,542,873</b>	<b>11,388,484</b>	<b>7,112,420</b>
<b>Cost of revenue:</b>				
Cost of product sales	2,028,530	1,001,610	3,397,158	1,713,407
Cost of development revenue	502,581	391,679	1,124,784	1,132,723
<b>Total cost of revenue</b>	<b>2,531,111</b>	<b>1,393,289</b>	<b>4,521,942</b>	<b>2,846,130</b>
<b>Gross profit</b>	<b>1,992,831</b>	<b>2,149,584</b>	<b>6,866,542</b>	<b>4,266,290</b>
<b>Operating expenses:</b>				
Research and development	2,482,785	1,946,331	5,359,947	3,695,667
Sales, marketing and business development	419,527	523,073	855,594	811,867
General and administrative	1,881,056	1,276,575	3,538,597	2,766,681
	4,783,368	3,745,979	9,754,138	7,274,215
<b>Operating loss</b>	<b>(2,790,537)</b>	<b>(1,596,395)</b>	<b>(2,887,596)</b>	<b>(3,007,925)</b>
Other income (expense)	(16,535)	42,298	6,130	73,195
<b>Net loss</b>	<b>\$ (2,807,072)</b>	<b>\$ (1,554,097)</b>	<b>\$ (2,881,466)</b>	<b>\$ (2,934,730)</b>
<b>Basic and diluted net loss per common share</b>	<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>
<b>Basic and diluted weighted average common shares outstanding</b>	<b>104,551,742</b>	<b>95,157,098</b>	<b>104,105,156</b>	<b>90,464,458</b>

See accompanying notes to consolidated financial statements.

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**ANTARES PHARMA, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

**(UNAUDITED)**

	<b>For the Three Months Ended June 30,</b>		<b>For the Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Net loss	\$ (2,807,072)	\$ (1,554,097)	\$ (2,881,466)	\$ (2,934,730)
Foreign currency translation adjustment	(64,945)	34,229	(105,448)	26,305
<b>Comprehensive loss</b>	<b>\$ (2,872,017)</b>	<b>\$ (1,519,868)</b>	<b>\$ (2,986,914)</b>	<b>\$ (2,908,425)</b>

See accompanying notes to consolidated financial statements.

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	<b>For the Six Months Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (2,881,466)	\$ (2,934,730)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation and amortization	75,262	76,878
Gain on sale of equipment, molds, furniture and fixtures		(30,000)
Stock-based compensation expense	973,456	909,227
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(94,911)	(59,229)
Inventories	474	(149,722)
Prepaid expenses and other current assets	(74,953)	(21,321)
Deferred costs	(696,623)	246,101
Other assets	(27,318)	
Accounts payable	(163,624)	509,966
Accrued expenses and other current liabilities	(132,069)	(777,867)
Deferred revenue	(3,081,797)	(827,879)
<b>Net cash used in operating activities</b>	<b>(6,103,569)</b>	<b>(3,058,576)</b>
<b>Cash flows from investing activities:</b>		
Purchases of equipment, molds, furniture and fixtures	(310,513)	(171,745)
Additions to patent rights	(141,294)	(113,320)
Proceeds from sales of equipment, molds, furniture and fixtures		30,000
Proceeds from maturities of investment securities	6,000,000	
Purchases of investment securities	(6,034,168)	
<b>Net cash used in investing activities</b>	<b>(485,975)</b>	<b>(255,065)</b>
<b>Cash flows from financing activities:</b>		