

MAP Pharmaceuticals, Inc.  
Form 10-Q  
November 05, 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 SEPTEMBER 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)

**(650) 386-3100**

**94043**  
(Zip code)

(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 October 31, 2010, the registrant had outstanding 30,127,041 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)**

	<b>September 30, 2010</b>	<b>December 31, 2009</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 41,816	\$ 65,776
Prepaid expenses and other current assets	464	620
Total current assets	42,280	66,396
Property and equipment, net	4,903	4,164
Other assets	455	126
Restricted investment	310	310
Total assets	\$ 47,948	\$ 70,996
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,276	\$ 2,916
Accrued liabilities	8,908	11,568
Current portion of long-term debt	7,845	7,283
Total current liabilities	19,029	21,767
Long-term debt, net of current	1,580	7,337
Other liabilities	123	90
Total liabilities	20,732	29,194
<b>Commitments and contingencies (Note 6)</b>		
Stockholders' equity:		
Common stock	261	241
Additional paid-in capital	252,571	226,452
Deficit accumulated during the development stage	(225,616)	(184,891)
Total stockholders' equity	27,216	41,802

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Total liabilities and stockholders' equity	\$	47,948	\$	70,996
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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)**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>		<b>Period from July 3, 2003 (Inception) to September 30, 2010</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	
Collaboration revenue	\$	\$ 35,273	\$	\$ 51,402	\$ 54,166
Operating expenses:					
Research and development	10,009	11,912	28,037	35,615	207,731
Sales, general and administrative	3,921	3,597	11,712	9,842	58,913
Total operating expenses	13,930	15,509	39,749	45,457	266,644
Income (loss) from operations	(13,930)	19,764	(39,749)	5,945	(212,478)
Interest income	5	7	11	118	6,379
Interest expense	(284)	(519)	(1,016)	(1,672)	(6,767)
Other income (expense), net	31	7	29	(21)	(733)
Net income (loss)	(14,178)	19,259	(40,725)	4,370	(213,599)
Cumulative stock dividend attributed to preferred stockholders					(13,925)
Net income (loss) attributed to common stockholders	\$ (14,178)	\$ 19,259	\$ (40,725)	\$ 4,370	\$ (227,524)
Net income (loss) per share attributed to common stockholders					
Basic	\$ (0.53)	\$ 0.84	\$ (1.55)	\$ 0.20	
Diluted	\$ (0.53)	\$ 0.80	\$ (1.55)	\$ 0.19	
Weighted average shares outstanding used in calculating net income (loss) per share attributed to common stockholders					
Basic	26,629,481	22,860,897	26,323,425	21,389,679	
Diluted	26,629,481	24,054,236	26,323,425	22,505,625	

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)**

	<b>Nine Months Ended September 30,</b>		<b>Cumulative Period from July 3, 2003 (Date of Inception) to September 30, 2010</b>
	<b>2010</b>	<b>2009</b>	
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ (40,725)	\$ 4,370	\$ (213,599)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	931	1,111	5,587
Accretion of investment discounts, net		(1)	(1,595)
Amortization of debt issuance costs			210
Accretion of debt payment premium	199	306	890
Change in carrying value of warrant liability			621
Issuance of common stock in exchange for services			51
Stock-based compensation	4,804	3,806	16,073
Loss on disposal of equipment and other non-cash items	306	675	1,373
Changes in operating assets and liabilities:			
Accounts receivable		(2,704)	
Prepaid expenses and other current assets	156	450	(689)
Other assets	83	(10)	97
Accounts payable	(640)	1,561	2,247
Accrued liabilities	(3,072)	(4,876)	8,418
Other liabilities	33	22	123
Net cash provided by (used in) operating activities	(37,925)	4,710	(180,193)
<b>Cash flows from investing activities:</b>			
Purchase of intangible assets and in-process research and development			(412)
Purchase of property and equipment	(1,976)	(748)	(11,417)
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	(1,976)	11,992	(10,225)