

METABASIS THERAPEUTICS INC
Form 10-Q
August 16, 2004

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 June 30, 2004.

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)

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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 August 6, 2004 was 18,144,173.

METABASIS THERAPEUTICS, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2004

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Metabasis Therapeutics, Inc.

Condensed Balance Sheets

(In thousands, except share and par value data)

	June 30, 2004 (Unaudited)	December 31, 2003 (Note)
Assets		
Current assets:		
Cash and cash equivalents	\$ 40,207	\$ 11,017
Short-term investments, available-for-sale	11,225	14,240
Accounts receivable	2,080	957
Other current assets	569	466
Total current assets	54,081	26,680
Property and equipment, net	2,244	1,727
Prepaid offering costs		504
Other assets	149	199
Total assets	\$ 56,474	\$ 29,110
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 683	\$ 767
Accrued liabilities	2,477	2,502
Deferred revenue, current portion	242	458
Current portion of capital lease obligations, net of discount	710	611
Total current liabilities	4,112	4,338
Deferred rent	94	122
Other long-term liabilities	3	4
Capital lease obligations, net of current portion and discount	1,162	1,209
Stockholders equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized:		
Convertible preferred stock, \$.001 par value; 5,000,000 and 74,765,759 shares authorized at June 30, 2004 (unaudited) and December 31, 2003, respectively; 0 and 63,631,738 shares issued and outstanding at June 30, 2004 (unaudited) and December 31, 2003, respectively.		64
Common stock, \$.001 par value; 100,000,000 and 129,840,390 shares authorized at June 30, 2004 (unaudited) and December 31, 2003, respectively; 18,067,873 and 1,772,608 shares issued and outstanding at June 30, 2004 (unaudited) and December 31, 2003, respectively.	18	2
Additional paid-in capital	97,982	65,255
Deferred compensation	(6,345)	(5,485)
Accumulated deficit	(40,538)	(36,393)
Accumulated other comprehensive loss	(14)	(6)

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Total stockholders' equity	51,103	23,437
Total liabilities and stockholders' equity	\$ 56,474	\$ 29,110

See accompanying notes.

Note: The balance sheet at December 31, 2003 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements.

Metabasis Therapeutics, Inc.

Condensed Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2004	2003	2004	2003
Revenues:				
Sponsored research	\$ 344	\$	\$ 688	\$
Milestones	1,000	1,000	4,500	1,000
License fees	125	911	250	1,822
Other revenue	302	111	503	144
Total revenues	1,771	2,022	5,941	2,966
Operating expenses:				
Research and development	4,103	3,630	7,756	7,233
General and administrative	898	650	1,593	1,324