

CORCEPT THERAPEUTICS INC

Form 10-Q

August 11, 2009

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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, 2009

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:

000-50679

CORCEPT THERAPEUTICS INCORPORATED

(Exact Name of Corporation as Specified in Its Charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

77-0487658
(I.R.S. Employer
Identification No.)

149 Commonwealth Drive

Menlo Park, CA 94025

(Address of principal executive offices, including zip code)

(650) 327-3270

(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 complete if a smaller reporting company)

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

On August 7, 2009 there were 49,763,206 shares of common stock outstanding at a par value \$.001 per share.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended and should be read in conjunction with the Risk Factors section of this Form 10-Q. All statements contained in this Form 10-Q other than statements of historical fact are forward-looking statements. When used in this report or elsewhere by management from time to time, the words believe, anticipate, intend, plan, estimate, expect, may, will, should, seeks and similar expressions are forward-looking statements. Such forward-looking statements are based on current expectations, but the absence of these words does not necessarily mean that a statement is not forward-looking. Forward-looking statements may include, but are not limited to, statements about:

the progress and timing of our research, development and clinical programs and the timing of regulatory activities;

the timing of the market introduction of CORLUX® and future product candidates, including CORT 108297;

estimates of the dates by which we expect to report results of our clinical trials and the anticipated results of these trials;

our ability to market, commercialize and achieve market acceptance for CORLUX or other future product candidates;

uncertainties associated with obtaining and enforcing patents;

our estimates for future performance; and

our estimates regarding our capital requirements and our needs for, and ability to obtain, additional financing.

Forward-looking statements are not guarantees of future performance and involve risks and uncertainties. Actual events or results may differ materially from those discussed in the forward-looking statements as a result of various factors. For a more detailed discussion of such forward-looking statements and the potential risks and uncertainties that may impact upon their accuracy, see Part II, Item 1A, Risk Factors and the Overview and Liquidity and Capital Resources sections of Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Form 10-Q. These forward-looking statements reflect our view only as of the date of this report. Except as required by law, we undertake no obligations to update any forward looking statements. Accordingly, you should also carefully consider the factors set forth in other reports or documents that we file from time to time with the Securities and Exchange Commission.

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)
CORCEPT THERAPEUTICS INCORPORATED****(A DEVELOPMENT STAGE COMPANY)****CONDENSED BALANCE SHEETS**

(In thousands)

	June 30, 2009 (Unaudited)	December 31, 2008 (See Note 1)
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,447	\$ 14,716
Short-term investments		3,593
Prepaid expenses and other current assets	974	1,270
Total current assets	15,421	19,579
Property and equipment, net of accumulated depreciation	15	20
Other assets	174	176
Total assets	\$ 15,610	\$ 19,775
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 670	\$ 1,304
Accrued clinical expenses	978	989
Accrued compensation	251	243
Obligations under capital lease, short-term	11	10
Other accrued liabilities	228	316
Total current liabilities	2,138	2,862
Obligations under capital lease, long-term	1	6
Commitments		
Stockholders equity:		
Preferred stock		
Common stock	50	50
Additional paid-in capital	153,922	153,031
Notes receivable from stockholders	(101)	(6,101)
Deficit accumulated during the development stage	(140,400)	(130,072)
Accumulated other comprehensive income		(1)
Total stockholders equity	13,471	16,907

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Total liabilities and stockholders' equity	\$ 15,610	\$ 19,775
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See accompanying notes.

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CORCEPT THERAPEUTICS INCORPORATED
(A DEVELOPMENT STAGE COMPANY)
CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		Period from inception (May 13, 1998) to June 30, 2009
	2009	2008	2009	2008	2009
Collaboration revenue	\$ 6	\$	\$ 30	\$	\$ 1,014
Operating expenses:					
Research and development*	3,342	3,277	7,526	6,126	107,334
General and administrative*	1,546	1,410	2,920	2,643	37,805
Total operating expenses	4,888	4,687	10,446	8,769	145,139
Loss from operations	(4,882)	(4,687)	(10,416)	(8,769)	(144,125)
Interest and other income, net	6	298	92	455	5,317
Other expense	(2)	(7)	(4)	(11)	(1,592)
Net loss	\$ (4,878)	\$ (4,396)	\$ (10,328)	\$ (8,325)	\$ (140,400)
Basic and diluted net loss per share	\$ (0.10)	\$ (0.09)	\$ (0.21)	\$ (0.19)	
Weighted average shares outstanding used in computing basic and diluted net loss per share	49,763	48,473	49,763	44,354	

* Includes non-cash stock-based compensation consisting of the following:

Research and development	\$ 68	\$ 67	\$ 132	\$ 132	\$ 5,145
General and administrative	399	344	758	694	8,768
Total non-cash stock-based compensation	\$ 467	\$ 411	\$ 890	\$ 826	\$ 13,913

See accompanying notes.

Table of Contents**CORCEPT THERAPEUTICS INCORPORATED****(A DEVELOPMENT STAGE COMPANY)****CONDENSED STATEMENTS OF CASH FLOWS**

(Unaudited)

(In thousands)

	Six Months Ended June 30,		Period from inception (May 13, 1998) to June 30, 2009
	2009	2008	
Operating activities			
Net loss	\$ (10,328)	\$ (8,325)	\$ (140,400)
Adjustments to reconcile net loss to net cash used in operations:			
Depreciation and amortization of property and equipment	5	7	105
Expense related to stock options, net of reversals	891	822	13,555
Expense related to stock issued for services or in conjunction with license agreement		4	79
Expense related to stock issued below fair value			522
Interest accrued on convertible promissory note			104
Settlement of liquidated damages in stock			1,281
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	296	(1,348)	(974)
Other assets	2	(1)	(174)
Accounts payable	(634)	(17)	670
Accrued clinical	(11)	(465)	978
Other liabilities	(80)	(593)	479
Net cash used in operating activities	(9,859)	(9,916)	(123,775)
Investing activities			
Purchases of property and equipment			(61)
Purchases of short-term and long-term investments			(118,320)
Maturities of short-term investments	3,594	5,930	118,320
Net cash provided by (used in) investing activities	3,594	5,930	(61)
Financing activities			
Proceeds from issuance of common stock and warrants, including collection of notes receivable, net of issuance costs	6,000	18,676	96,409
Proceeds from issuance of convertible preferred stock, net of cash paid for issuance costs			40,378
Proceeds from issuance of convertible notes		6	1,543
Principal payments of obligations under capital leases	(4)	(6)	(47)
Net cash provided by financing activities	5,996	18,676	138,283
Net increase (decrease) in cash and cash equivalents	(269)	14,690	