

Celsion CORP
Form 10-Q
May 12, 2011

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 March 31, 2011

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: 001-15911

CELSION CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

52-1256615
(I.R.S. Employer
Identification Number)

10220-L Old Columbia Road
Columbia, Maryland
(Address of principal executive
offices)

21046
(Zip Code)

(410) 290-5390

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

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

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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). (The registrant is not yet required to submit Interactive Data). 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 in Rule 12b-2 of the Exchange Act). Yes No

As of May 11, 2011, the Registrant had 15,671,900 shares of Common Stock, \$.01 par value per share, outstanding.

CELSION CORPORATION
 QUARTERLY REPORT ON
 FORM 10-Q

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PART I: FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

CELSION CORPORATION
BALANCE SHEETS

	March 31, 2011 (unaudited)	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,964,538	\$ 1,138,916
Short-term investments	130,906	395,556
Prepaid expenses and other current assets	1,651,559	492,184
Total current assets	3,747,003	2,026,656
Property and equipment (at cost, less accumulated depreciation of \$1,088,128 and \$1,046,758, respectively)	337,749	378,672
Other assets:		
Deferred financing fees	605,505	–
Deposits and other assets	76,796	76,796
Patent licensing fees, net	41,250	43,125
Total other assets	723,551	119,921
Total assets	\$ 4,808,303	\$ 2,525,249
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 3,316,804	\$ 4,548,586
Other accrued liabilities	3,423,099	2,124,189
Note payable - current portion	127,568	123,465
Total current liabilities	6,867,471	6,796,240
Common stock warrant liability	79,820	248,131
Note payable – non-current portion	22,931	56,403
8% Series A Redeemable Convertible Preferred Stock, 100,000 shares authorized, 5,350 authorized, 5,000 issued and 4,490 outstanding at March 31, 2011 (aggregate liquidation preference of \$4,490,000 as of March 31, 2011) (Note 10)	2,878,525	–
Total liabilities	9,848,747	7,100,774
Stockholders' deficit:		
Common stock, \$0.01 par value; 75,000,000 shares authorized; 14,627,233 and 14,091,370 shares issued and 13,873,636 and 13,331,096 shares outstanding at March 31, 2011 and December 31, 2010, respectively	146,272	140,914
Additional paid-in capital	102,560,241	99,316,859
Accumulated other comprehensive income (loss)	18,616	(18,367)

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Accumulated deficit	(104,715,985)	(100,938,261)
Subtotal	(1,990,856)	(1,498,855)
Treasury stock, at cost (753,587 and 760,274 shares at March 31, 2011 and December 31, 2010, respectively)	(3,049,588)	(3,076,670)
Total stockholders' deficit	(5,040,444)	(4,575,525)
Total liabilities and stockholders' deficit	\$ 4,808,303	\$ 2,525,249

See accompanying notes to the financial statements.

CELSION CORPORATION
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	March 31,	
	2011	2010
Licensing revenue (Note 13)	\$ 2,000,000	\$ -
Operating expenses:		
Research and development	4,348,636	3,275,295
General and administrative	1,215,283	1,299,118
Total operating expenses	5,563,919	4,574,413
Loss from operations	(3,563,919)	(4,574,413)