

TherapeuticsMD, Inc.  
Form 10-Q  
November 05, 2013

**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, 2013

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. **000-16731**

**THERAPEUTICSMD, INC.**

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(Exact Name of Registrant as Specified in Its Charter)

**Nevada**  
(State or Other Jurisdiction of Incorporation or Organization)

**87-0233535**  
(I.R.S. Employer Identification No.)

**6800 Broken Sound Parkway NW, Third Floor, Boca Raton, FL 33487**  
(Address of Principal Executive Offices)

**(561) 961-1900**  
(Issuer's Telephone Number)

**N/A**  
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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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 S 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 S 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 <input type="checkbox"/>	Accelerated filer S
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

(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 S

The number of shares outstanding of the registrant's common stock, par value \$0.001 per share, as of November 4, 2013 was 144,968,007.

**THERAPEUTICSMD, INC. AND SUBSIDIARIES  
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THERAPEUTICSMD, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (Unaudited)	December 31, 2012
<b>ASSETS</b>		
Current Assets:		
Cash	\$59,572,347	\$1,553,474
Accounts receivable, net of allowances of \$90,403 and \$42,048, respectively	1,793,719	606,641
Inventory	1,147,586	1,615,210
Other current assets	3,419,704	751,938
Total current assets	65,933,356	4,527,263
Fixed assets, net	47,392	65,673
Other Assets:		
Prepaid expense	1,870,003	953,655
Intangible assets	488,274	239,555
Security deposit	138,307	31,949
Total other assets	2,496,584	1,225,159
Total assets	\$68,477,332	\$5,818,095
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current Liabilities:		
Accounts payable	\$2,471,951	\$1,641,366
Deferred revenue	1,852,272	1,144,752
Other current liabilities	2,066,116	725,870
Total current liabilities	6,390,339	3,511,988
Long-Term Liabilities:		
Notes payable, net of debt discount of \$0 and \$1,102,680, respectively	—	3,589,167
Accrued interest	—	150,068
Total long-term liabilities	—	3,739,235
Total liabilities	6,390,339	7,251,223
Commitments and Contingencies		
Stockholders' Equity (Deficit):		
Preferred stock - par value \$0.001; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock - par value \$0.001; 250,000,000 shares authorized; 144,962,706 and 99,784,982 issued and outstanding, respectively	144,963	99,785
Additional paid-in capital	134,095,517	50,580,400
Accumulated deficit	(72,153,487 )	(52,113,313)
Total stockholder' equity (deficit)	62,086,993	(1,433,128 )
Total liabilities and stockholders' equity (deficit)	\$68,477,332	\$5,818,095

See accompanying Notes to Condensed

Consolidated Financial Statements.

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THERAPEUTICSMMD, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues, net	\$2,294,720	\$1,036,456	\$5,912,800	\$2,577,298
Cost of goods sold	648,403	306,843	1,492,355	1,015,337
Gross profit	1,646,317	729,613	4,420,445	1,561,961
Operating expenses:				
Sales, general, and administration	4,752,062	2,923,242	14,455,839	9,139,894
Research and development	4,098,903	1,702,120	7,710,546	3,131,306
Depreciation and amortization	32,356	14,839	50,949	43,952
Total operating expense	8,883,321	4,640,201	22,217,334	12,315,152
Operating loss	(7,237,004 )	(3,910,588 )	(17,796,889 )	(10,753,191 )
Other income (expense):				
Miscellaneous income	11,965	932	15,444	2,486
Interest income	—	—	18,133	—
Interest expense	—	(134,475 )	(1,165,981 )	(1,385,209 )
Financing costs	(447,969 )	—	(1,107,937 )	—
Loan guaranty costs	—	(11,745 )	(2,944 )	(35,235 )
Beneficial conversion feature	—	—	—	(6,716,504 )
Loss on extinguishment of debt	—	(197,383 )	—	(10,505,247 )
Total other income (expense)	(436,004 )	(342,671 )	(2,243,285 )	(18,639,709 )
Loss before taxes	(7,673,008 )	(4,253,259 )	(20,040,174 )	(29,392,900 )
Provision for income taxes	—	—	—	—
Net loss	\$(7,673,008 )	\$(4,253,259 )	\$(20,040,174 )	\$(29,392,900 )
Loss per share, basic and diluted:				
Net loss per share, basic and diluted	\$(0.06 )	\$(0.04 )	\$(0.16 )	\$(0.33 )
Weighted average number of common shares outstanding	131,212,706	95,895,677	121,701,292	88,892,757

See accompanying Notes to Condensed

Consolidated Financial Statements.

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**THERAPEUTICSMD, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Nine Months Ended September 30,	
	2013	2012
	(Unaudited)	(Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$(20,040,174)	\$(29,392,900)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation	41,186	21,241
Amortization of intangible assets	9,764	22,711
Provision for doubtful accounts	48,355	33,213
Amortization of debt discount	1,102,680	1,159,375
Stock based compensation	1,926,992	1,031,685
Amortization of deferred financing costs	1,055,948	—
Stock based expense for services	804,878	233,093
Loan guaranty costs	2,944	35,235
Loss on debt extinguishment	—	10,505,247
Beneficial conversion feature	—	6,716,504
Changes in operating assets and liabilities:		
Accounts receivable	(1,235,433 )	(276,755 )
Inventory	467,624	(367,056 )
Other current assets	(1,927,156 )	(28,925 )
Other assets	(878,616 )	—
Accounts payable	830,585	724,542
Accrued interest	(150,068 )	216,281
Other current liabilities	1,340,246	(66,087 )
Deferred revenue	707,520	701,929
Net cash flows used in operating activities	(15,892,725)	(8,730,667 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Patent costs	(257,633 )	(88,223 )
Payment of security deposit	(106,358 )	—
Purchase of property and equipment	(23,755 )	(68,904 )
Net cash flows used in investing activities	(387,746 )	