

APOGEE TECHNOLOGY INC
Form 10QSB
November 14, 2003

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-QSB

(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, 2003

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 000-30656

APOGEE TECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

04-3005815

(I.R.S. Employer
Identification No.)

129 MORGAN DRIVE, NORWOOD, MASSACHUSETTS 02062

(Address of principal executive offices)

(781) 551-9450

(Issuer's telephone number, including area code)

NOT APPLICABLE.

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

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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.

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Yes No

State the number of shares of each of the Issuer's classes of common equity, as of the latest practicable date: As of October 7, 2003, there were 5,638,610 shares of Common Stock, \$.01 par value per share, outstanding on a pre-split basis.

Transitional Small Business Disclosure Format (Check one): Yes No

APOGEE TECHNOLOGY, INC.

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QUARTER ENDED SEPTEMBER 30, 2003**

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APOGEE TECHNOLOGY, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED BALANCE SHEETS

	SEPTEMBER 30, 2003 (Unaudited)	DECEMBER 31, 2002
ASSETS		
Current assets		
Cash and cash equivalents	\$ 987,812	\$ 994,296
Accounts receivable, net of allowance for doubtful accounts of \$40,000 in 2003 and \$25,000 in 2002	4,008,450	2,030,492
Inventories	974,011	138,702
Prepaid expenses and other current assets	196,634	102,772
Total current assets	6,166,907	3,266,262
Property and equipment, net of accumulated depreciation of \$363,765 in 2003 and \$307,381 in 2002	126,172	139,332
Other assets		
Digital amplifier patents, net of accumulated amortization of \$99,303 in 2003 and \$84,005 in 2002	88,167	93,256
	\$ 6,381,246	\$ 3,498,850
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities		
Bank line of credit	\$ 400,000	\$
Accounts payable and accrued expenses	1,617,613	999,919
Current maturities of capital lease obligations	4,920	16,514
Total current liabilities	2,022,533	1,016,433
Capitalized lease obligations - net of current maturities		3,462
Total liabilities	2,022,533	1,019,895
Stockholders equity		
Common stock, \$.01 par value; 20,000,000 shares authorized, 5,577,785 and 5,370,585 issued and outstanding in 2003 and 2002, respectively	55,778	53,706
Additional paid-in capital	15,050,293	13,599,926
Accumulated deficit	(10,747,358)	(11,174,677)
Total stockholders equity	4,358,713	2,478,955
	\$ 6,381,246	\$ 3,498,850

The accompanying notes are an integral part of these condensed financial statements.

APOGEE TECHNOLOGY, INC. AND SUBSIDIARY

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2003	2002	2003	2002
Revenues				
Product sales	\$ 2,626,292	\$ 1,024,639	\$ 6,831,177	\$ 2,370,140
Royalties	488,739	492,576	1,156,073	893,510
Consulting		113,000		152,871
	3,115,031	1,630,215	7,987,250	3,416,521
Costs and expenses				
Product sales	1,858,317	720,310	4,791,244	1,638,553
Research and development	433,941	483,165	1,163,682	1,282,004
Selling, general and administrative	494,113	412,098	1,604,473	1,474,543
	2,786,371	1,615,573	7,559,399	4,395,100
Income (loss) before other income (expense)	328,660	14,642	427,851	(978,579)
Other income (expense)				
Interest expense	(7,060)	(1,131)	(8,909)	(4,846)
Interest income	3,524	5,634	8,377	23,641
	(3,536)	4,503	(532)	18,795