

MARINUS PHARMACEUTICALS INC

Form 10-Q

August 01, 2017

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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, 2017

OR

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

COMMISSION FILE NUMBER 001-36576

MARINUS PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware	20-0198082
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

170 N. Radnor Chester Rd, Suite 250

Radnor, PA 19087

(Address of registrant's principal executive offices)

Registrant's telephone number, including area code: (484) 801-4670

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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No.

The number of outstanding shares of the registrant's common stock, par value \$0.001 per share, as of July 27, 2017 was: 26,075,491.

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MARINUS PHARMACEUTICALS, INC. AND SUBSIDIARY

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

MARINUS PHARMACEUTICALS, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(unaudited)

	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,531	\$ 26,178
Short-term investments	744	3,922
Prepaid expenses and other current assets	684	199
Total current assets	20,959	30,299
Property and equipment, net	1,136	1,148
Total assets	\$ 22,095	\$ 31,447
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of notes payable	\$ 3,497	\$ 3,500
Accounts payable	1,161	2,809
Accrued expenses	1,016	1,775
Total current liabilities	5,674	8,084
Notes payable	—	1,743
Other long-term liabilities	132	141
Total liabilities	5,806	9,968
Stockholders' equity:		
Preferred stock, \$0.001 par value; 25,000,000 shares authorized, no shares issued and outstanding	—	—

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Common stock, \$0.001 par value; 100,000,000 shares authorized, 22,448,735 issued and 22,419,504 outstanding at June 30, 2017 and 19,734,351 issued and 19,705,120 outstanding at December 31, 2016	23	20
Additional paid-in capital	152,085	147,288
Treasury stock at cost, 29,231 shares at June 30, 2017 and December 31, 2016	—	—
Accumulated deficit	(135,819)	(125,829)
Total stockholders' equity	16,289	21,479
Total liabilities and stockholders' equity	\$ 22,095	\$ 31,447

See accompanying notes to consolidated financial statements.

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MARINUS PHARMACEUTICALS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Expenses:				
Research and development	\$ 2,817	\$ 7,258	\$ 6,390	\$ 12,752
General and administrative	1,691	1,586	3,503	3,190
Loss from operations	(4,508)	(8,844)	(9,893)	(15,942)
Interest income	31	34	71	56
Interest expense	(72)	(124)	(156)	(248)
Other expense	(3)	(15)	(12)	(31)
Net loss	\$ (4,552)	\$ (8,949)	\$ (9,990)	\$ (16,165)
Per share information:				
Net loss per share of common stock—basic and diluted	\$ (0.21)	\$ (0.46)	\$ (0.47)	\$ (0.83)
Basic and diluted weighted average shares outstanding	21,985,213	19,509,220	21,288,545	19,486,944

See accompanying notes to consolidated financial statements.

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MARINUS PHARMACEUTICALS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

	Six Months Ended June 30,	
	2017	2016
Cash flows from operating activities		
Net loss	\$ (9,990)	\$ (16,165)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	22	9
Stock-based compensation expense	1,519	1,476
Amortization of debt issuance costs	4	4
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(484)	1,186
Accounts payable and accrued expenses	(2,284)	1,228
Net cash used in operating activities	(11,213)	(12,262)
Cash flows from investing activities		
Purchases of investments	—	(2,434)
Maturities of short-term investments	3,178	2,735
Purchases of property and equipment	(143)	