

MARINUS PHARMACEUTICALS INC

Form 10-Q

November 08, 2016

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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 SEPTEMBER 30, 2016

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 or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting 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

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 November 7, 2016 was: 19,705,495.

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

MARINUS PHARMACEUTICALS, INC.

BALANCE SHEETS

(in thousands, except share and per share amounts)

(unaudited)

	September 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 32,895	\$ 51,722
Short-term investments	3,675	4,474
Prepaid expenses and other current assets	553	1,571
Total current assets	37,123	57,767
Property and equipment, net	1,016	31
Investments	496	1,488
Other assets	—	362
Total assets	\$ 38,635	\$ 59,648
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of notes payable	\$ 3,500	\$ 2,128
Accounts payable	3,845	3,146
Accrued expenses	1,836	2,161
Total current liabilities	9,181	7,435
Notes payable	2,616	5,236
Other long-term liabilities	145	56
Total liabilities	11,942	12,727
Stockholders' equity:		

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Preferred stock, \$0.001 par value; 25,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized, 19,734,726 issued and 19,705,495 outstanding at September 30, 2016 and 19,420,086 issued and 19,390,855 outstanding at December 31, 2015	20	19
Additional paid-in capital	146,487	144,088
Treasury stock at cost, 29,231 shares at September 30, 2016 and December 31, 2015	—	—
Accumulated deficit	(119,814)	(97,186)
Total stockholders' equity	26,693	46,921
Total liabilities and stockholders' equity	\$ 38,635	\$ 59,648

See accompanying notes to financial statements.

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MARINUS PHARMACEUTICALS, INC.

STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Expenses:				
Research and development	\$ 4,840	\$ 3,472	\$ 17,593	\$ 12,856
General and administrative	1,529	1,378	4,719	4,074
Loss from operations	(6,369)	(4,850)	(22,312)	(16,930)
Interest income	36	15	93	44
Interest expense	(118)	(121)	(365)	(353)
Other income (expense)	(13)	(7)	(44)	2
Net loss	\$ (6,464)	\$ (4,963)	\$ (22,628)	\$ (17,237)
Per share information:				
Net loss per share of common stock—basic and diluted	\$ (0.33)	\$ (0.35)	\$ (1.16)	\$ (1.21)
Basic and diluted weighted average shares outstanding	19,509,220	12,289,939	19,494,424	14,194,793

See accompanying notes to financial statements.

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MARINUS PHARMACEUTICALS, INC.

STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

	Nine Months Ended September 30,	
	2016	2015
Cash flows from operating activities		
Net loss	\$ (22,628)	\$ (17,237)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	16	8
Stock-based compensation expense	2,276	1,368
Amortization of debt issuance costs	5	5
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	1,054	(1,260)
Accounts payable and accrued expenses	556	2,036
Net cash used in operating activities	(18,721)	(15,080)
Cash flows from investing activities		
Purchases of investments	(2,434)	(6,961)
Maturities of short-term investments	4,225	498
Purchases of equipment	(643)	(352)
Net cash provided by (used in) investing activities		