

Minerva Neurosciences, Inc.
Form 10-Q
August 03, 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

For the transition period from _____ to _____

Commission File No. 001-36517

Minerva Neurosciences, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

26-0784194
(I.R.S. Employer
Identification No.)

1601 Trapelo Road, Suite 284
Waltham, MA
(Address of Principal Executive Offices)

02451
(Zip Code)

Registrant's telephone number, including area code: (617) 600-7373

(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 any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 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

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 Act). YES NO

The number of shares of Registrant’s Common Stock, \$0.0001 par value per share, outstanding as of July 31, 2017 was 42,509,003.

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Unless the context suggests otherwise, references in this Quarterly Report on Form 10-Q, or Quarterly Report, to "Minerva," the "Company," "we," "us," and "our" refer to Minerva Neurosciences, Inc. and, where appropriate, its subsidiaries.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements reflect our plans, estimates and beliefs. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," "would" and similar expressions intended to identify forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Because of these risks and uncertainties, the forward-looking events and circumstances discussed in this report may not transpire. These risks and uncertainties include, but are not limited to, the risks included in this Quarterly Report on Form 10-Q under Part II, Item IA, "Risk Factors."

Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our estimates and assumptions only as of the date of this document. You should read this document with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise.

All trademarks, trade names and service marks appearing in this Quarterly Report on Form 10-Q are the property of their respective owners.

PART I – Financial Information

Item 1 – Financial Statements

MINERVA NEUROSCIENCES, INC.

Condensed Consolidated Balance Sheets

(Unaudited)

	June 30, 2017	December 31, 2016
Assets		
Current assets		
Cash and cash equivalents	\$50,191,362	\$82,980,609
Marketable securities	27,381,492	-
Restricted cash	80,000	80,000
Prepaid expenses and other current assets	421,693	803,241
Total current assets	78,074,547	83,863,850
Equipment, net	3,036	9,640
In-process research and development	34,200,000	34,200,000
Goodwill	14,869,399	14,869,399
Deferred public offering costs	232,980	-
Total assets	\$127,379,962	\$132,942,889
Liabilities and Stockholders' Equity		
Current liabilities		
Notes payable - current portion	\$5,066,500	\$4,853,753
Accounts payable	1,431,466	1,468,341
Accrued expenses and other current liabilities	1,443,439	815,813
Accrued collaborative expenses - related party	6,646,239	2,547,952
Total current liabilities	14,587,644	9,685,859
Notes payable - noncurrent	1,326,479	3,841,062
Deferred taxes	13,433,760	13,433,760
Total liabilities	29,347,883	26,960,681
Commitments and contingencies		
Stockholders' equity		
Preferred stock; \$0.0001 par value; 100,000,000 shares authorized; none issued		
or outstanding as of June 30, 2017 and December 31, 2016, respectively	-	-
Common stock; \$0.0001 par value; 125,000,000 shares authorized; 36,759,003 and		
35,024,002 shares issued and outstanding as of June 30, 2017 and		
December 31, 2016, respectively	3,676	3,502

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Additional paid-in capital	251,311,357	238,836,940
Accumulated deficit	(153,282,954)	(132,858,234)
Total stockholders' equity	98,032,079	105,982,208
Total liabilities and stockholders' equity	\$ 127,379,962	\$ 132,942,889

See accompanying notes to condensed consolidated financial statements

MINERVA NEUROSCIENCES, INC.

Condensed Consolidated Statements of Operations

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Expenses				
Research and development	\$7,144,133	\$2,714,298	\$14,758,464	\$8,089,162
General and administrative	2,601,408	2,250,206	5,472,150	4,632,248
Total expenses	9,745,541	4,964,504	20,230,614	12,721,410
Loss from operations	(9,745,541)	(4,964,504)	(20,230,614)	(12,721,410)
Foreign exchange losses	(20,115)	(15,462)	(36,798)	(24,974)
Investment income	155,657	34,613	214,319	66,977
Interest expense	(170,125)	(268,256)	(371,627)	(538,612)
Net loss	\$(9,780,124)	\$(5,213,609)	\$(20,424,720)	\$(13,218,019)
Net loss per share, basic and diluted	\$(0.27)	\$(0.18)	\$(0.57)	\$(0.47)
Weighted average shares outstanding, basic and diluted	36,719,541	29,122,411	36,048,300	28,162,561

See accompanying notes to condensed consolidated financial statements

MINERVA NEUROSCIENCES, INC.

Condensed Consolidated Statement of Changes in Stockholders' Equity

(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated	
	Shares	Amount		Deficit	Total
Balances at January 1, 2016	24,721,143	\$ 2,472	\$ 157,129,947	\$(101,812,862)	\$ 55,319,557
Exercise of common stock warrants	3,850,051	385	22,222,109	-	22,222,494
Issuance of common stock in a public offering, net of					
issuance costs of \$3,842,004	6,052,631	606	53,657,385		53,657,991
Issuance of common stock pursuant to a					
private					
placement	181,488	18	999,981		999,999
Stock-based compensation	-	-	1,623,003	-	1,623,003
Net loss	-	-	-	(13,218,019)	(13,218,019)
Balances at June 30, 2016	34,805,313	\$ 3,481	\$ 235,632,425	\$(115,030,881)	\$ 120,605,025
Balances at January 1, 2017	35,024,002	\$ 3,502	\$ 238,836,940	\$(132,858,234)	\$ 105,982,208
Exercise of common stock warrants	1,621,073	162	9,356,671		9,356,833
Exercise of stock options	113,928	12	576,162		576,174
Stock-based compensation	-	-	2,541,584		2,541,584
Net loss	-	-	-	(20,424,720)	(20,424,720)
Balances at June 30, 2017	36,759,003	\$ 3,676	\$ 251,311,357	\$(153,282,954)	\$ 98,032,079 &nb