

MARRONE BIO INNOVATIONS INC
Form 10-Q
November 14, 2017

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, 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 Number: 001-36030

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Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a 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

Class	Shares Outstanding at November 14, 2017
Common Stock, \$0.00001 par value	31,350,877

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)****MARRONE BIO INNOVATIONS, INC.****Condensed Consolidated Balance Sheets****(In Thousands, Except Par Value)**

	SEPTEMBER 30, 2017 (Unaudited)	DECEMBER 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$3,737	\$ 9,609
Restricted cash, current portion	933	1,444
Accounts receivable	1,869	3,592
Inventories, net	9,333	8,482
Deferred cost of product revenues	2,943	2,688
Prepaid expenses and other current assets	641	1,060
Total current assets	19,456	26,875
Property, plant and equipment, net	16,155	17,343
Restricted cash, less current portion	1,560	1,560
Other assets	224	205
Total assets	\$37,395	\$ 45,983
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	\$2,692	\$ 1,385
Accrued liabilities	8,296	5,508
Accrued interest due to related parties	815	1,618
Deferred revenue, current portion	5,698	5,647
Capital lease obligations, current portion	—	839
Debt due to related parties, current portion	8,882	—
Debt, current portion	1,692	252
Total current liabilities	28,075	15,249
Deferred revenue, less current portion	2,077	1,787
Debt, less current portion	21,004	21,083
Debt due to related parties, less current portion	28,649	36,667
Other liabilities	1,250	1,381
Total liabilities	81,055	76,167
Commitments and contingencies (Note 9)		
Stockholders' deficit:		

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Preferred stock: \$0.00001 par value; 20,000 shares authorized and no shares issued or outstanding at September 30, 2017 and December 31, 2016	—	—
Common stock: \$0.00001 par value; 250,000 shares authorized, 31,351 shares issued and outstanding as of September 30, 2017 and 24,661 as of December 31, 2016	—	—
Additional paid in capital	214,531	204,463
Accumulated deficit	(258,191)	(234,647)
Total stockholders' deficit	(43,660)	(30,184)
Total liabilities and stockholders' deficit	\$37,395	\$ 45,983

See accompanying notes.

MARRONE BIO INNOVATIONS, INC.**Condensed Consolidated Statements of Operations**

(In Thousands, Except Per Share Amounts)

(Unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30,		SEPTEMBER 30,	
	2017	2016	2017	2016
Revenues:				
Product	\$4,161	\$3,549	\$14,675	\$11,083
License	58	85	174	269
Total revenues	4,219	3,634	14,849	11,352
Cost of product revenues	2,492	2,493	8,737	7,880
Gross profit	1,727	1,141	6,112	3,472
Operating Expenses:				
Research, development and patent	3,152	2,662	8,449	7,297
Selling, general and administrative	5,174	3,754	15,590	13,796
Total operating expenses	8,326	6,416	24,039	21,093
Loss from operations	(6,599)	(5,275)	(17,927)	(17,621)
Other income (expense):				
Interest income	—	8	1	33
Interest expense	(804)	(755)	(2,309)	(2,264)
Interest expense to related parties	(1,098)	(1,099)	(3,257)	(3,265)
Other income (expense), net	(29)	(81)	(52)	(144)
Total other expense, net	(1,931)	(1,927)	(5,617)	(5,640)
Loss before income taxes	(8,530)	(7,202)	(23,544)	(23,261)
Income taxes	—	—	—	—