

TREVENA INC
Form 10-Q
May 03, 2018
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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 March 31, 2018

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 001-36193

Trevena, Inc.

(Exact Name of Registrant as Specified in Its Charter)

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Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

26-1469215
(I.R.S. Employer
Identification No.)

955 Chesterbrook Boulevard, Suite 200
Chesterbrook, PA 19087
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (610) 354-8840

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, 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

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date.

Common Stock, \$0.001 par value Shares outstanding as of April 27, 2018: 67,968,713

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.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this “Quarterly Report”) contains forward-looking statements that involve substantial risks and uncertainties. The forward-looking statements are contained principally in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” but also are contained elsewhere in this Quarterly Report, as well as in sections such as “Risk Factors” that are incorporated by reference into this Quarterly Report from our most recent Annual Report on Form 10-K (the “Annual Report”). In some cases, you can identify forward-looking statements by the words “may,” “might,” “will,” “could,” “would,” “should,” “expect,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue” and “ongoing,” or the negative of those terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain. Forward-looking statements include statements about:

- our plans to develop and potentially commercialize our product candidates;
- our ability to fund future operating expenses and capital expenditures with our current cash resources or to secure additional funding in the future;
- our planned preclinical studies and clinical trials for our product candidates;
- the timing and likelihood of obtaining and maintaining regulatory approvals for our product candidates;
- the extent of clinical trials potentially required by the FDA for our product candidates;
- the clinical utility and market acceptance of our product candidates, particularly in light of existing and future competition;
- our sales, marketing, and manufacturing capabilities and strategy;
- our intellectual property position; and
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our ability to identify additional product candidates with significant commercial potential that are consistent with our commercial objectives.

You should refer to the “Risk Factors” section of the Annual Report for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Quarterly Report will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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PART I

ITEM 1. FINANCIAL STATEMENTS

TREVENA, INC.

Balance Sheets

(in thousands, except share and per share data)

	March 31, 2018 (unaudited)	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 18,146	\$ 16,557
Marketable securities	43,445	49,543
Prepaid expenses and other current assets	1,847	1,393
Total current assets	63,438	67,493
Restricted cash	1,413	1,413
Property and equipment, net	3,779	3,805
Intangible asset, net	11	11
Total assets	\$ 68,641	\$ 72,722
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,387	\$ 1,424
Accrued expenses and other current liabilities	1,519	4,303
Current portion of loans payable, net	12,460	12,425
Deferred rent	63	61
Total current liabilities	15,429	18,213
Loans payable, net	12,595	15,725
Capital leases, net of current portion	28	31
Deferred rent, net of current portion	2,992	3,006
Warrant liability	10	10
Other long term liabilities	1,270	1,104
Total liabilities	32,324	38,089
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock—\$0.001 par value; 100,000,000 shares authorized, 67,603,736 and 62,310,795 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	68	62
Preferred stock—\$0.001 par value; 5,000,000 shares authorized, none issued or outstanding at March 31, 2018 and December 31, 2017	—	—
Additional paid-in capital	402,806	392,103
Accumulated deficit	(366,511)	(357,490)
Accumulated other comprehensive loss	(46)	(42)
Total stockholders' equity	36,317	34,633
Total liabilities and stockholders' equity	\$ 68,641	\$ 72,722

See accompanying notes to financial statements.

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TREVENA, INC.

Statements of Operations and Comprehensive Loss (Unaudited)

(in thousands, except share and per share data)

	Three Months Ended	
	March 31,	
	2018	2017
Revenue:		
Revenue	\$ —	\$ —
Operating expenses:		
General and administrative	5,072	4,879
Research and development	4,598	16,096
Restructuring charges	23	—
Total operating expenses	9,693	20,975
Loss from operations	(9,693)	(20,975)
Other income (expense):		
Change in fair value of warrant liability	—	35
Net gain on asset disposals	223	—
Miscellaneous income	928	628
Interest income	199	174
Interest expense	(678)	(576)
Total other income	672	261
Net loss attributable to common stockholders	\$ (9,021)	\$ (20,714)
Other comprehensive loss, net:		
Unrealized loss on marketable securities	(4)	(51)
Other comprehensive loss	(4)	(51)
Comprehensive loss	\$ (9,025)	\$ (20,765)
Per share information:		
Net loss per share of common stock, basic and diluted	\$ (0.14)	\$ (0.36)
Weighted average common shares outstanding, basic and diluted	64,562,236	56,894,672

See accompanying notes to financial statements.

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TREVENA, INC.

Statement of Stockholders' Equity (Unaudited)

For the period from January 1, 2018 to March 31, 2018

(in thousands, except share data)

Stockholders' Equity					Accumulated	
Common Stock					Other	Total
Number	0.001	Additional		Accumulated	Comprehensive	Stockholders'
of	Par	Paid-in			Income	
Shares	Value					