

vTv Therapeutics Inc.  
Form 10-Q  
August 02, 2016

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 June 30, 2016

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: 001-37524

vTv Therapeutics Inc.

(Exact name of registrant as specified in its charter)

Delaware	47-3916571
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)
4170 Mendenhall Oaks Pkwy	
High Point, NC	27265

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(Address of principal executive offices) (Zip Code)

(336) 841-0300

(Registrant's telephone number, including area code)

(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 (§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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  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

Shares Outstanding

as of

Class of Stock	August 2, 2016
Class A common stock, par value \$0.01 per share	9,690,354
Class B common stock, par value \$0.01 per share	23,122,146

vTv THERAPEUTICS INC. AND SUBSIDIARIES

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PART I – FINANCIAL INFORMATION

The financial statements and other disclosures contained in this report include those of vTv Therapeutics Inc. (“we”, the “Company” or the “Registrant”), which is the registrant, and those of vTv Therapeutics LLC (“vTv LLC”), which became the principal operating subsidiary of the Registrant in a series of reorganizational transactions that were completed (the “Reorganization Transactions”) in connection with our initial public offering (the “IPO”), which was completed on August 4, 2015. As the Reorganization Transactions are considered to be among entities under common control, the Condensed Consolidated Financial Statements for periods prior to the IPO and Reorganization Transactions have been adjusted to combine TransTech Pharma, LLC (“TTP”), which was renamed vTvx Holdings I LLC (“vTvx Holdings I”), and High Point Pharmaceuticals, LLC (“HPP”), which was renamed vTvx Holdings II LLC (“vTvx Holdings II”) (each of which was previously a separate entity), for presentation purposes. Unless the context suggests otherwise, references in this Quarterly Report on Form 10-Q to the “Company”, “we”, “us” and “our” refer (1) prior to the IPO and Reorganization Transactions, to TTP and HPP and (2) after our IPO and Reorganization Transactions, to vTv Therapeutics Inc. and its consolidated subsidiaries. For more information regarding the transactions described above, see Note 1, “Description of Business and Basis of Presentation,” to our financial statements contained in this Quarterly Report on Form 10-Q.

vTv Therapeutics Inc.

## Condensed Consolidated Balance Sheets

(in thousands, except number of shares and per share data)

	June 30, 2016 (Unaudited)	December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 63,841	\$ 88,003
Account receivable, net	—	69
Prepaid expenses and other current assets	423	1,114
Total current assets	64,264	89,186
Property and equipment, net	561	624
Employee loans receivable - related party	24	49
Other long-term assets	1,934	1,673
Total assets	\$ 66,783	\$ 91,532
<b>Liabilities, Redeemable Noncontrolling Interest and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,490	\$ 6,627
Accounts payable and accrued expenses - related party	312	880
Deferred revenue	21	219
Total current liabilities	9,823	7,726
Other liabilities	230	245
Total liabilities	10,053	7,971
Commitments and contingencies		
Redeemable noncontrolling interest	136,250	161,531
Stockholders' deficit:		
Class A Common Stock, \$0.01 par value; 100,000,000 shares authorized, 9,689,924 and 9,156,686 shares outstanding as of June 30, 2016 and December 31, 2015, respectively	97	92
Class B Common Stock, \$0.01 par value; 100,000,000 shares authorized, 23,122,576 and 23,655,814 shares outstanding as of June 30, 2016 and December 31, 2015, respectively	232	237
Additional paid-in capital	122,137	117,686
Accumulated deficit	(201,986 )	(195,985 )
Total stockholders' deficit attributable to vTv Therapeutics Inc.	(79,520 )	(77,970 )
Total liabilities, redeemable noncontrolling interest and stockholders' deficit	\$ 66,783	\$ 91,532

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.



vTv Therapeutics Inc.

Condensed Consolidated Statements of Operations - Unaudited

(in thousands, except number of shares and per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2016	2015	June 30, 2016	2015
Revenue	\$182	\$110	\$558	\$160
Operating expenses:				
Research and development	12,077	5,146	23,218	12,531
Research and development - related party	72	556	266	947
General and administrative	2,672	2,297	5,253	4,292
Total operating expenses	14,821	7,999	28,737	17,770
Operating loss	(14,639 )	(7,889 )	(28,179 )	(17,610 )
Other income (loss), net	1	(1,510 )	—	(850 )
Other expense - related party	—	(168 )	—	(336 )
Interest income (expense), net	21	(45 )	42	(90 )
Interest expense, net – related party	—	(800 )	—	(1,339 )
Loss before income taxes and noncontrolling interest	(14,617 )	(10,412 )	(28,137 )	(20,225 )
Income tax provision	—	—	—	—
Net loss before noncontrolling interest	(14,617 )	(10,412 )	(28,137 )	(20,225 )
Less: net loss attributable to noncontrolling interest	(10,160 )	—	(19,828 )	—
Net loss attributable to vTv Therapeutics Inc.	\$(4,457 )	\$(10,412 )	\$(8,309 )	\$(20,225 )
Net loss per share of vTv Therapeutics Inc. Class A Common				
Stock, basic and diluted	\$(0.47 )		\$(0.88 )	
Weighted-average number of vTv Therapeutics Inc. Class A				
Common Stock, basic and diluted	9,564,623		9,397,134	

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.



vTv Therapeutics Inc.

## Condensed Consolidated Statement of Changes in Redeemable Noncontrolling Interest and Stockholders' Deficit - Unaudited

(in thousands, except number of shares)

	Class A Common Stock		Class B Common Stock		Additional		Total	
	Redeemable Noncontrolling Interest	Shares	Amount	Shares	Amount	Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
Balances at December 31, 2015	\$ 161,531	9,156,686	\$ 92	23,655,814	\$ 237	\$ 117,686	\$(195,985 )	\$(77,970 )
Net loss	(19,828 )	—	—	—	—	—	(8,309 )	(8,309 )
Share-based compensation	—	—	—	—	—	1,306	—	1,306
Exchange of Class B Common Stock for Class A Common Stock	(3,145 )	533,238	5	(533,238 )	(5 )	3,145	—	3,145
Change in redemption value of noncontrolling interest	(2,308 )	—	—	—	—	—	2,308	2,308
Balances at June 30, 2016	\$ 136,250	9,689,924						