

Specialty Pharmaceuticals

Price:	\$11.10
Fair Value Estimate:	\$20.00
52-Week Range:	\$5.49 - \$16.60
Market Cap (MM):	\$155
Shr.O/S-Diluted (mm):	14.0
Average Daily Volume:	19,103
Yield:	0.0%
Cash/Share:	NA
FCF Yield:	NA
Debt/Cap:	0%

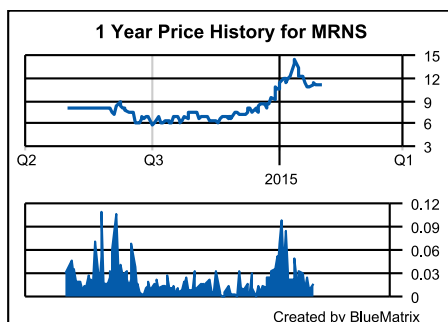
FYE: Dec	2014E	2015E
EPS:	\$(1.68)E	\$(1.95)E
Prior EPS:	NC	NC
Consensus	NM	-2.22
P/E Ratio:	NA	NA

Quarterly EPS:

Q1	\$(0.28)A	\$(0.49)E
Q2	\$(0.67)E	\$(0.49)E
Q3	\$(0.39)E	\$(0.48)E
Q4	\$(0.39)E	\$(0.48)E

Quarterly Revenue (M):

Q1	\$0A	\$0E
Q2	\$0E	\$0E
Q3	\$0E	\$0E
Q4	\$0E	\$0E
Year:	\$0E	\$0E



February 3, 2015

Marinus Pharmaceuticals, Inc (MRNS) - BUY

MRNS: Initiates Phase 2 Proof of Concept in orphan PCDH19

Flash Takeaways

MRNS announced this morning the initiation of its Phase 2 Proof of Concept (POC) trial of lead product candidate Ganaxolone in PCDH19 female pediatric epilepsy. Thus begins a busy year for MRNS as data from all three of their indications are expected throughout the year, making 2015 full of potential value driving catalysts. Results for the 10 patient Phase 2 POC is expected by year-end. Maintain Buy rating, \$20 FV.

Analysts Notes

- **What is PCDH19?** PCDH19 female pediatric epilepsy is a rare disease effecting between 15,000 to 30,000 females in the US caused by a specific gene mutation. PCDH19 manifests as cluster seizures before the age of 5 with patients experiencing multiple seizure types throughout childhood with developmental delay, intellectual disability, and behavioral problems following into adolescence and adulthood. There are no current approved treatments for PCDH19 and the condition is considered orphan due to the small patient population.
- **POC Trial Design and Endpoints:** The POC trial is small, enrolling ~10 patients between 2 and 10 years old that have confirmed PCDH19 mutation via genetic testing. Baseline seizure will be established and patients will be treated with Ganaxolone for 26 weeks. Primary endpoint is change in seizure frequency per 28 days relative to baseline.
- **Why Ganaxolone?** Ganaxolone is a small molecule synthetic analogue of allopregnanolone which is an endogenous neurosteroid that modulates GABA through the activation of GABA receptors. Because of this action, Ganaxolone could be used to increase GABAergic signaling in these patients. In fact, in an open label study Ganaxolone showed efficacy in children with multiple seizure types. Another important feature of Ganaxolone is that it does not convert back to an active steroid, which eliminates many unwanted hormonal side effects. With this particular patient population, safety is an obvious concern and we believe that Ganaxolone shows an impressive and differentiating safety profile.
- **Maintain Buy rating, \$20 FV:** Our \$20 fair value is based on a sum-of-the parts analysis with 2025 US sales of ganaxolone at \$11/share at a 3.5x multiple discounted back 25%, 2025 EU sales of ganaxolone at \$7/share at a 3.5x multiple discounted back 30% with the remaining cash (end 15) and tech value of \$2/share.

IMPORTANT DISCLOSURES

Research Analyst Certification

I, Chiara Russo, the Primarily Responsible Analyst for this research report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers. No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views I expressed in this research report.

Janney Montgomery Scott LLC ("Janney") Equity Research Disclosure Legend

Marinus Pharmaceuticals, Inc currently is, or during the past 12 months was, a Janney Montgomery Scott LLC client. Janney Montgomery Scott LLC, provided investment banking related services.

Janney Montgomery Scott LLC managed or co-managed a public offering of securities for Marinus Pharmaceuticals, Inc in the past 12 months.

Janney Montgomery Scott LLC received compensation for investment banking services from Marinus Pharmaceuticals, Inc in the past 12 months.

Janney Montgomery Scott LLC intends to seek or expects to receive compensation for investment banking services from Marinus Pharmaceuticals, Inc in the next three months.

The research analyst is compensated based on, in part, Janney Montgomery Scott's profitability, which includes its investment banking revenues.

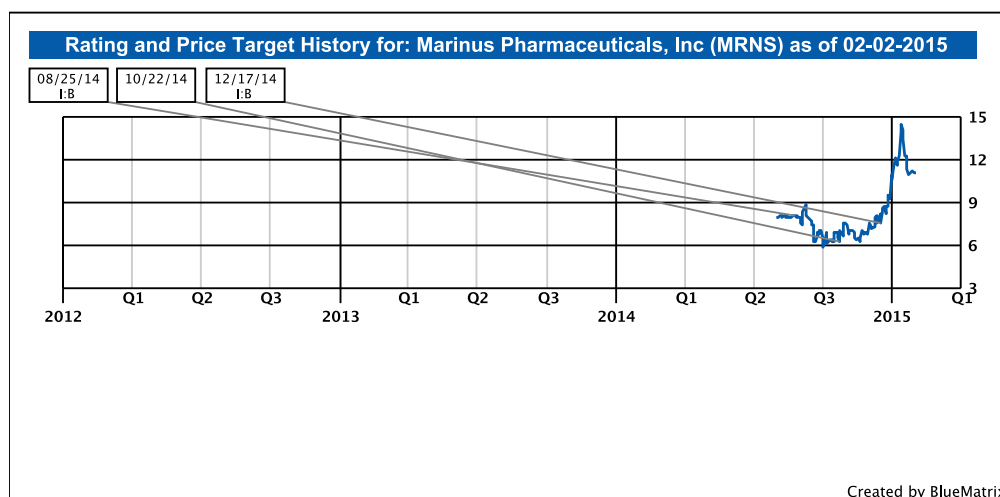
Definition of Ratings

BUY: Janney expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

NEUTRAL: Janney believes that the subject company is fairly valued and will perform in line with comparable companies within its sector. Investors may add to current positions on short-term weakness and sell on strength as the valuations or fundamentals become more or less attractive.

SELL: Janney expects that the subject company will likely decline in value and will underperform comparable companies within its sector.

Price Charts



Janney Montgomery Scott Ratings Distribution as of 12/31/14

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [B]	138	51.30	15	10.87
NEUTRAL [N]	131	48.70	5	3.82
SELL [S]	0	0.00	0	0.00

*Percentages of each rating category where Janney has performed Investment Banking services over the past 12 months.

Other Disclosures

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