

MARRONE BIO INNOVATIONS INC

Form 424B4

June 06, 2014

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Filed Pursuant to Rule 424(b)(4)

Registration No. 333-196058

PROSPECTUS

4,500,000 Shares

Marrone Bio Innovations, Inc.

Common Stock

We are offering 3,900,000 shares of our common stock and the selling stockholder identified in this prospectus is offering 600,000 shares of our common stock. We will not receive any proceeds from the sale of the shares by the selling stockholder. Our common stock is listed on The Nasdaq Global Market under the symbol MBII. On June 5, 2014, the last reported sale price of our common stock on The Nasdaq Global Market was \$9.60 per share.

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act and, as such, have elected to comply with certain reduced reporting requirements.

Investing in our common stock involves a high degree of risk. Please read Risk Factors beginning on page 15 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Public Offering Price	\$ 9.50	\$ 42,750,000
Underwriting Discounts and Commissions ⁽¹⁾	\$ 0.57	\$ 2,565,000
Proceeds to Marrone, before expenses	\$ 8.93	\$ 34,827,000
Proceeds to Selling Stockholder, before expenses	\$ 8.93	\$ 5,358,000

⁽¹⁾ See the section of this prospectus entitled Underwriting.

Delivery of the shares of common stock is expected to be made on or about June 11, 2014. We have granted the underwriters an option for a period of 30 days to purchase an additional 675,000 shares of our common stock. If the underwriters exercise the option in full, the total

underwriting discounts and commissions payable by us will be \$2,607,750, and the total proceeds to us, before expenses, will be \$40,854,750.

Jefferies
Stifel

Baird
Prospectus dated June 5, 2014

Piper Jaffray
Roth Capital Partners

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We and the underwriters have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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PROSPECTUS SUMMARY

This summary highlights information contained in greater detail elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our consolidated financial statements and the related notes included in this prospectus and the information set forth under the headings Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations. Unless otherwise indicated in this prospectus, MBI, our company, we, us and our refer to Marrone Bio Innovations, Inc.

Our Company

We make bio-based pest management and plant health products. Bio-based products are comprised of naturally occurring microorganisms, such as bacteria and fungi, and plant extracts. We target the major markets that use conventional chemical pesticides, including certain agricultural and water markets, where our bio-based products are used as substitutes for, or in programs with, conventional chemical pesticides. We also target new markets for which there are no available conventional chemical pesticides, the use of conventional chemical products may not be desirable or permissible because of health and environmental concerns or the development of pest resistance has reduced the efficacy of conventional chemical pesticides. All of our current products are EPA-approved and registered as biopesticides. We believe our current portfolio of products and our pipeline address the growing global demand for effective, efficient and environmentally responsible products to control pests, increase crop yields and reduce crop stress.

Our products currently target two core end markets: crop protection and water treatment. Crop protection products consist of herbicides (for weed control), fungicides (for plant disease control), nematicides (for parasitic roundworm control), insecticides (for insect and mite control) and plant growth regulators and stimulants that growers use to increase crop yields, improve plant health, manage pest resistance and reduce chemical residues. Our products can be used in both conventional and organic crop production. We currently sell our three crop protection product lines, Regalia, for plant disease control and plant health, and Grandevo and Venerate, for insect and mite control, to growers of specialty crops such as grapes, citrus, tomatoes, vegetables, nuts, leafy greens and ornamental plants. We have also had sales of Regalia for large-acre row crops such as corn and soybeans. Water treatment products target invasive water pests across a broad range of applications, including hydroelectric and thermoelectric power generation, industrial applications, drinking water, aquaculture, irrigation and recreation. Our current water treatment product line, Zequanox, which we began selling in the second half of 2012, selectively kills invasive mussels that cause significant infrastructure and ecological damage.

In addition to our current two core end markets, we are also taking steps through strategic collaborations to commercialize products for other non-crop pest management markets. These products can be different formulations of our crop protection products that are specifically targeted for industrial and institutional, turf and ornamental, home and garden and animal health uses such as controlling grubs, cockroaches, flies and mosquitoes in and around schools, parks, golf courses and other public-use areas.

The agricultural industry is increasingly dependent on effective and sustainable pest management practices to maximize yields and quality in a world of increased demand for agricultural products, rising consumer awareness of food production processes and finite land and water resources. We believe that our competitive strengths, including our commercially available products, robust pipeline of novel product candidates, proprietary technology and product development process, commercial relationships and industry experience, position us for rapid growth by providing solutions for these global trends.

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Our Technology and Product Development Process

Our proprietary technology comprises a sourcing process for microorganisms and plant extracts, an extensive proprietary microorganism collection, microbial fermentation technology, screening technology and a process to identify and characterize natural compounds with pesticidal activity. Our technology enables us to isolate and screen naturally occurring microorganisms and plant extracts in an efficient manner and to identify those that may have novel, effective and safe pest management or plant health promoting characteristics. We then analyze and characterize the structures of compounds either produced by selected microorganisms or found in plant extracts to identify product candidates for further development and commercialization. As of March 31, 2014, we have screened more than 18,000 microorganisms and 350 plant extracts, and we have identified multiple product candidates that display significant levels of activity against insects, nematodes, weeds, plant diseases and invasive species such as zebra and quagga mussels, aquatic weeds and algae. We also have produced a collection of microorganisms from taxonomic groups that may enhance nutrient uptake in plants, reduce stress and otherwise increase plant growth. Our product candidates come primarily from our own discovery and development as well as in-licensed technology from universities, corporations and governmental entities.

Our proprietary product development process includes several important components. For all of our product candidates, we develop an analytical method to detect the quantity of the active natural product compounds that are produced by the microorganism or that are extracted from plants. For microbial products, we develop unique proprietary fermentation processes that increase the active natural compounds produced by the microorganisms. We also scale-up fermentation volumes to maximize yields consistently in each batch. Similarly, for our plant extract-based products, we develop a manufacturing process that increases the amount of active natural compounds extracted from plant materials. Our deep understanding of natural product chemistry allows us to develop formulations that optimize the efficacy and stability of compounds produced by microorganisms or plants. Products are not released for sale unless the quantity of the compounds meets our desired efficacy specifications. These methods allow us to produce products that are highly effective and of a consistent quality on a commercial scale.

These product formulations are tailored to meet customers' needs and display enhanced performance characteristics such as effectiveness, shelf life, compatibility with other pesticides and ease of use. Our senior management's numerous years of experience in the development of commercial products and formulations have resulted in a highly efficient product development process, which allows us to rapidly commercialize new products.

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The table below summarizes our current portfolio of biopesticide products that are commercially available or are in targeted placement with key customers.

NAME	MARKET	TARGET	USE	STAGE
Regalia	Crop Protection, Home and Garden, Turf	Plant Disease/ Plant Health	Protects against fungal and bacterial diseases and enhances yields.	Commercially Available
Grandevo	Crop Protection, Home and Garden, Turf	Insects and Mites	Kills a broad range of sucking and chewing insects through feeding.	Commercially Available
Zequanox	Water Treatment	Invasive Mussels	Kills invasive mussels that restrict water flow in industrial and power facilities and harm recreational waters.	Commercially Available for In-Pipe; Submitted for EPA Registration for Open Water
Venerate	Crop Protection, Home and Garden, Turf, Animal Health	Insects and Mites	Kills sucking and chewing insects on contact.	Commercially Available
Opportune	Crop Protection, Home and Garden, Turf	Weeds	Controls weeds pre- and post-emergence.	EPA Approved; Targeted Placement with Key Customers

In addition to the above products, our pipeline consists of product candidates in various stages of development, including biostimulant and plant health products that do not require EPA registration, products submitted to the EPA for registration, and other promising product candidates under development, which are summarized in the table below, as well as other early-stage discoveries.

NAME	MARKET	TARGET	USE	STAGE
Haven	Crop Protection, Turf, Ornamentals	Plant Health	Enhances yields and reduces plant stress.	EPA Exempt; Under Development
MBI-506, MBI-507 and MBI-508	Crop Protection, Home and Garden, Turf	Plant Health	Enhance yields and reduce crop stress.	EPA Exempt; Under Development
MBI-304 and MBI-305	Crop Protection, Home and Garden, Turf	Nematodes	Kill a broad range of nematodes.	EPA Approved; Under Development
MBI-011	Crop Protection, Home and Garden, Turf	Weeds	Controls weeds; burndown herbicide (controls weed foliage).	Submitted for EPA Registration; Under Development
MBI-302	Crop Protection, Turf	Nematodes/ Plant Health	Controls plant-parasitic nematodes and improves plant health.	Submitted for EPA Registration; Under Development

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NAME	MARKET	TARGET	USE	STAGE
MBI-601	Crop Protection, Home and Garden, Industrial	Plant Disease/Nematodes/ Insects	Biofumigant; controls post-harvest and soil-borne pests and diseases.	Submitted for EPA Registration; Under Development
MBI-010	Crop Protection, Turf, Home and Garden	Weeds	Controls weeds; non-selective systematic herbicide.	Under Development
MBI-110	Crop Protection, Home and Garden	Plant Disease/Plant Health	Protects against fungal diseases and improves plant growth.	Under Development
MBI-303	Crop Protection, Turf	Nematodes/Plant Health	Controls plant-parasitic nematodes and improves plant health.	Under Development

The Value Proposition of Our Pest Management and Plant Health Products

Our products are highly effective and generally designed to be compatible with existing equipment and infrastructure. This allows them to be used as substitutes for, or in connection with, conventional chemical pesticides and other products, as well as in markets for which there are no available conventional chemical pesticides or the use of conventional chemical products may not be desirable or permissible because of health and environmental concerns. We believe that compared with conventional chemical pesticides, our products:

- n Are competitive in both price and efficacy;
- n Provide viable alternatives where conventional chemical pesticides and genetically modified crops are subject to regulatory restrictions;
- n Comply with market-imposed requirements for pest management programs by food processors and retailers;
- n Are environmentally friendly;
- n Meet stringent organic farming requirements;
- n Improve worker productivity by shortening field re-entry times after spraying and allowing spraying up to the time of harvest;
- n Are exempt from residue restrictions applicable to conventional chemical pesticides in both the agriculture and water markets; and
- n Are less likely to result in the development of pest resistance.

In addition, our experience has shown that when our products are used in connection with conventional chemical pesticides, they can:

- n Increase the effectiveness of conventional chemical pesticides while reducing their required application levels;

- n Increase levels of pest control and consistency of control;

- n Increase crop yields;

- n Increase crop quality, including producing crops with higher levels of protein, better taste and color and more attractive flowers; and

- n Delay the development of pest resistance to conventional chemical pesticides.

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Our Sales and Distribution Platform

We currently sell our crop protection product lines, Regalia, Grandevo and Venerate, through leading agricultural distributors such as Crop Production Services, Simplot and members of the Integrated Agribusiness Professionals group. These are the same distribution partners that all major agrichemical companies use for delivering solutions to growers across the country.

With respect to sales outside of the United States, we have signed exclusive international distribution agreements for Regalia with FMC (for markets in Latin America), Syngenta (for markets in Africa, Europe and the Middle East) and Engage Agro (for markets in Canada and professional turf and ornamental plants in the United States). We have also entered into initial Memorandums of Understanding for Grandevo and Venerate with DeSangosse (for markets in France), with CBC/Intrachem (for markets in Italy), with Koppert (for indoor crops markets globally except the United States, Canada and France) and with Nufarm (for markets in Australia and New Zealand).

For our water treatment product line, Zequanox, we are in the process of staffing our own sales organization to manage demand creation at the end user level. Zequanox is currently being marketed and sold directly to U.S. power and industrial companies. We are also in discussions with several leaders in water treatment technology and applications regarding potential arrangements to distribute Zequanox in international markets.

In addition, we have signed a technology evaluation and development agreement with Scotts Miracle-Gro under which we have granted Scotts Miracle-Gro first rights to negotiate for exclusive worldwide distribution rights with respect to bio-based pest management and plant health products we jointly develop for the consumer lawn and garden market.

Our Competitive Strengths

Commercially Available Products. We have four commercially available product lines: Regalia, Grandevo, Zequanox and Venerate. We believe these product lines, along with our other EPA-approved and EPA-submitted products and other pipeline of product candidates, provide us the foundation for continuing to build one of the leading portfolios of bio-based pest management products.

Robust Pipeline of Novel Product Candidates. Our pipeline of early-stage discoveries and new product candidates extends across a variety of product types for different end markets, including herbicides, fungicides, nematocides, insecticides, algaecides (for algae control), molluscicides (for mussel and snail control) and plant growth and plant stress regulators. Our product candidates are developed both internally and sourced from third parties.

Rapid and Efficient Development Process. We believe we can develop and commercialize novel and effective products faster and at a lower cost than many other developers of pest management products. For example, we have moved each of Regalia, Grandevo and Zequanox through development, EPA approval and U.S. market launch in approximately four years at a cost of \$6.0 million or less. In comparison, a report from Phillips McDougall, an independent market research firm, shows that the average cost for major agrichemical companies to bring a new crop protection product to market is over \$250.0 million, and these products have historically taken an average of nearly ten years to move through development, regulatory approval and market launch.

Proprietary Discovery Process. Our discovery process allows us to efficiently discover microorganisms and plant extracts that produce or contain compounds that display a high level of pesticidal activity against various pests. We then use various analytical chemistry techniques to identify and characterize the natural product chemistry of the compounds, which we optimize and patent. Five of our product candidates, one of which is EPA-approved and one of which has been submitted to the EPA, are what we believe to be newly identified microorganism species. We believe that three of our product candidates produce novel compounds that we identified, and four of our product candidates have been found to have, or produce compounds with, a novel

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mode of action. Our proprietary discovery process is protected by patents on the microorganisms, their natural product compounds and their uses for pest management, as well as a patent application we have filed on a screening process to identify enzyme-inhibiting herbicides. We also maintain trade secrets related to the discovery, formulation, process development and manufacturing capabilities.

Sourcing and Commercialization Expertise. We use our technical and commercial development expertise to evaluate early-stage discoveries by third parties to determine commercial viability, secure promising technologies through in-licensing and add considerable value to these in-licensed product candidates. Our efficient development process and significant experience in applying natural product chemistry has led universities, corporations and government entities to collaborate with us to develop or commercialize a number of their early-stage discoveries. As with our internally discovered products, early-stage products we source and commercialize are subject to our own patents and trade secrets related to our added value in characterizing, formulating, developing and manufacturing marketable products.

Existing Agreements with Global Market Leaders. We have strategic agreements with global market leaders across agricultural and consumer retail markets. We have signed exclusive international distribution agreements for Regalia with Syngenta in Africa, Europe and the Middle East and with FMC in Latin America. We also have a technology evaluation and development agreement with Scotts Miracle-Gro, which grants it a right of first access to the active ingredients in our full portfolio of bio-based pest management and plant health products for use in its consumer lawn and garden products.

Management Team with Significant Industry Experience. Our management team has deep experience in bio-based pest management products and the broader agriculture industry. Our chief executive officer, chief operating officer and other key employees average over 25 years of experience and include individuals who have led agrichemical sales and marketing organizations, top scientists and industry experts, some of whom have served in leadership roles at large multinational corporations and governmental agencies, commercialized multiple products, brought multiple products through EPA, state and foreign regulatory processes, filed patent applications and received patents, led groundbreaking research studies and published numerous scientific articles.

Our Growth Strategy

Continue to Develop and Commercialize New Products in Both Existing and New Markets. Our goal is to rapidly and efficiently develop, register and commercialize new products each year, with the goal of developing a full suite of pest management and plant health products. For example, while our current crop protection products address plant diseases and insects, we are developing products that can also control nematodes and weeds as well as products for improving fertilizer efficiency and reducing drought and salt stress. We are also currently screening for water treatment products that control algae and aquatic weeds to complement Zequanox, our invasive mussel control product line.

Expand Applications of Our Existing Product Lines. We have identified opportunities to broaden the commercial applications and expand the use of our existing products lines into several key end markets, including large-acre row crop applications, seed treatment, irrigation, aquaculture and animal health. In addition, we recently expanded sales of Regalia in large-acre row crops. We believe these opportunities could help to drive significant growth for our company.

Accelerate Adoption of New Products, Product Applications and Product Lines. Our goal is to provide growers with complete and effective solutions to a broad range of pest management and plant health needs that can be used individually, together and in connection with conventional chemical pesticides to maximize yield and quality. We believe we will be able to leverage relationships with existing distributors as well as growers' positive experiences using our Regalia and Grandevo product lines to accelerate adoption of new products, product applications and product lines. We will also continue to target early adopters of new pest management and plant health technologies with controlled product launches and to educate growers and water resource

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managers about the benefits of bio-based pest management products through on-farm and in-facility demonstrations to accelerate commercial adoption of our products.

Leverage Existing Distribution Arrangements and Develop New Relationships. To expand the availability of our products, we intend to continue to use relationships with conventional chemical pesticide distributors in the United States and leverage the international distribution capabilities under our existing strategic collaboration and distribution agreements. We also continue to form new strategic relationships with other market-leading companies in our target markets and regions to expand the supply of our products globally. For example, we have engaged distributors to help develop Grandevo and Venerate for key countries in Europe and Latin America and sell Regalia in Canada for specialty crops, in the United States for turf and ornamental plants and in parts of the Midwest United States for row crops. We have also engaged a distributor that launched Grandevo in the United States for turf and ornamental plants.

Develop and Expand Manufacturing Capabilities. We currently use third-party manufacturers to produce our products on a commercial scale. These arrangements have historically allowed us to focus our time and direct our capital towards discovering and commercializing new product candidates. We are repurposing a manufacturing facility that we purchased in July 2012 and plan to further expand capacity at this facility. We believe that greater control of our own manufacturing capacity will allow us to scale-up processes and institute process changes more quickly and efficiently while lowering manufacturing costs over time to achieve the desired margins and protecting the proprietary position of our products.

Pursue Strategic Collaborations and Acquisitions. We intend to continue collaborating with chemical manufacturers to develop products that combine our bio-based pest management and plant health products with their technologies, delivering more compelling product solutions to growers. We also may pursue acquisition and in-licensing opportunities to gain access to later-stage products and technologies that we believe would be a good strategic fit for our business and would create additional value for our stockholders.

Industry Overview

Pest management is an important global industry. Most of the markets we currently target or plan to target primarily rely on conventional chemical pesticides, supplemented in certain agricultural markets by the use of genetically modified crops. Conventional chemical pesticides are generally synthetic materials that directly kill or inactivate pests. Phillips McDougall estimates the 2013 agrichemical market at \$59.2 billion (including non-crop pesticides), up from 2012 by 10%. Agranova, an independent market research firm, estimated that global agrichemical sales for the crop protection market were \$50.0 billion in 2012, which represented an increase of 8.2% from 2011. The market for treatment of fruits and vegetables, the largest current users of bio-based pest management and plant health products, accounted for \$16.2 billion of this total. Other agricultural applications, notably crops such as corn, soybeans, rice, cotton and cereals, which we expect will become increasingly important users of bio-based products, accounted for \$24.7 billion of the total.

While conventional chemical pesticides are often effective in controlling pests, some of these chemicals are acutely toxic, some are suspected carcinogens and some can have other harmful effects on the environment and other animals. Health and environmental concerns have prompted stricter legislation around the use of conventional chemical pesticides, particularly in Europe, where the use of some highly toxic or endocrine-disrupting chemical pesticides is banned or severely limited and the importation of produce is subject to strict regulatory standards on pesticide residues. In addition, the European Union has passed the Sustainable Use Directive, which requires EU-member countries to reduce the use of conventional chemical pesticides and to use alternative pest management methods, including bio-based pest management products. Over the past two decades, U.S. regulatory agencies have also developed stricter standards and regulations. Furthermore, a growing shift in consumer preference towards organic and sustainable food production has led many large, global food retailers to require their supply chains to implement these practices, including the use of bio-based pest management and fertilizer solutions, water and energy efficiency practices, and localized

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food product sourcing. For example, in 2010, Wal-Mart announced its global sustainable agriculture goals to require sustainable best practices throughout its global food supply chain.

Aside from the health and environmental concerns, conventional chemical pesticide users face additional challenges such as pest resistance and reduced worker productivity, as workers may not return to the fields for a certain period of time after treatment. Similar risks and hazards are also prevalent in the water treatment market, as chlorine and other chemicals used to control invasive water pests contaminate and endanger natural waterways. Costs of using conventional chemical pesticides are also increasing due to a number of factors, including raw materials costs such as rising costs of petroleum, stringent regulatory requirements and pest resistance to conventional chemical pesticides, which requires increasing application rates or the use of more expensive substitute products.

As the cost of conventional chemical pesticides increases and the use of conventional chemical pesticides and genetically modified crops meets increased opposition from government agencies and consumers, and the efficacy of bio-based pest management products becomes more widely recognized among growers, bio-based pest management products are gaining popularity and represent a strong growth sector within the market for pest management technologies. Bio-based pest management products include biopesticides, which the EPA registers in two major categories: (1) microbial pesticides, which contain a microorganism such as a bacterium or fungus as the active ingredient; and (2) biochemical pesticides, which are naturally occurring substances with a non-toxic mode of action such as insect sex pheromones, certain plant extracts and fatty acids.

We believe many bio-based pest management products perform as well as or better than conventional chemical pesticides. When used in alternation or in spray tank mixtures with conventional chemical pesticides, bio-based pest management products can increase crop yields and quality over chemical-only programs. Agricultural industry reports, as well as our own research, indicate that bio-based pest management products can affect plant physiology and morphology in ways that may improve crop yield and can increase the efficacy of conventional chemical pesticides. In addition, pests rarely develop resistance to bio-based pest management products due to their complex modes of action. Likewise, bio-based pest management products have been shown to extend the product life of conventional chemical pesticides and limit the development of pest resistance, a key issue facing users of conventional chemical pesticides, by eliminating pests that survive conventional chemical pesticide treatments. Most bio-based pest management products are listed for use in organic farming, providing those growers with compelling pest control options to protect yields and quality. Given their generally lower toxicity compared with many conventional chemical pesticides, bio-based pest management products can add flexibility to harvest timing and worker re-entry times and can improve worker safety. Many bio-based pest management products are also exempt from conventional chemical residue tolerances, which are permissible levels of chemical residue at the time of harvest set by governmental agencies. Bio-based pest management products may not be subject to restrictions by food retailers and governmental agencies limiting chemical residues on produce, which enables growers to export to wider markets.

In addition to performance attributes, bio-based pest management products registered with the EPA as biopesticides can offer other advantages over conventional chemical pesticides. From an environmental perspective, biopesticides have low toxicity, posing low risk to most non-target organisms, including humans, other mammals, birds, fish and beneficial insects. Biopesticides are biodegradable, resulting in less risk to surface water and groundwater and generally have low air-polluting volatile organic compounds content. Because biopesticides tend to pose fewer risks than conventional pesticides, the EPA offers a more streamlined registration process for these products, which generally requires significantly less toxicological and environmental data and a lower registration fee. As a result, both the time and money required to bring a new product to market are reduced.

Summary of Risk Factors

Our business is subject to numerous risks, which are described in the section entitled **Risk Factors** immediately following this prospectus summary on page 15. You should carefully consider these risks before

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making an investment. In particular, the following considerations, among others, may offset our competitive strengths or have a negative effect on our growth strategy, which could cause a decline in the price of our common stock and result in a loss of all or a portion of your investment:

- n We have a limited operating history and number of commercialized products, have incurred significant losses to date and anticipate continuing to incur losses in the future, and we may not achieve or maintain profitability.
- n Our products are in the early stages of commercialization, and our business may fail if we are not able to successfully generate significant revenues from these products.
- n Adverse weather conditions and other natural conditions can reduce acreage planted or incidence of crop disease or pest infestations, which can adversely affect our results of operations.
- n If our ongoing or future field trials are unsuccessful, we may be unable to obtain regulatory approval of, or commercialize, our products on a timely basis.
- n Our inability to obtain regulatory approvals, or to comply with ongoing and changing regulatory requirements, could delay or prevent sales of the products we are developing and commercializing.
- n Customers may not adopt our bio-based pest management and plant health products as quickly as we are projecting.
- n The high level of competition in the market for pest management products may result in pricing pressure, reduced margins or the inability of our products to achieve market acceptance.
- n Our product sales are expected to be seasonal and subject to weather conditions and other factors beyond our control, which may cause our operating results to fluctuate significantly quarterly and annually.
- n We rely on third parties for the production of our products. If these parties do not produce our products at a satisfactory quality, in a timely manner, in sufficient quantities or at an acceptable cost, our development and commercialization efforts could be delayed or otherwise negatively impacted.
- n We rely on a single supplier based in China for a key ingredient of Regalia.
- n If we are unable to maintain and further establish successful relations with the third-party distributors that are our principal customers, or they do not focus adequate resources on selling our products or are unsuccessful in selling them to end users, sales of our products would decline.
- n Our intellectual property is integral to our business. If we are unable to protect our patents and proprietary rights in the United States and foreign countries, our business could be adversely affected.

Corporate Information

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We were originally incorporated in the State of Delaware in June 2006 as Marrone Organic Innovations, Inc. Our principal executive offices are located at 2121 Second St. Suite A-107, Davis, CA 95618. Our telephone number is (530) 750-2800. Our website address is www.marronebioinnovations.com. The information that can be accessed through our website is not part of this prospectus, and investors should not rely on any such information in deciding whether to purchase our common stock.

Emerging Growth Company Status

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act, which we refer to as the JOBS Act. For as long as we are an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding advisory say-on-pay votes on executive compensation and shareholder advisory votes on golden parachute compensation.

Under the JOBS Act, we will remain an emerging growth company until the earliest of:

- n the last day of the fiscal year during which we have total annual gross revenues of \$1 billion or more;

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- n the last day of the fiscal year following the fifth anniversary of the completion of the initial public offering in August 2013;
- n the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt; and
- n the date on which we are deemed to be a large accelerated filer under the Securities Exchange Act of 1934, or the Exchange Act (we will qualify as a large accelerated filer as of the first day of the first fiscal year after we have (i) more than \$700 million in outstanding common equity held by our non-affiliates and (ii) been public for at least 12 months; the value of our outstanding common equity will be measured each year on the last day of our second fiscal quarter).

The JOBS Act also provides that an emerging growth company can utilize the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, or the Securities Act, for complying with new or revised accounting standards. However, we have elected to opt out of such extended transition period, and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for companies that are not emerging growth companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Trade Names

Except as context otherwise requires, references in this prospectus to our product lines, such as Regalia, refer collectively to all formulations of the respective product line, such as Regalia Maxx or Regalia SC, and all trade names under which our distributors sell such product lines internationally, such as Sakalia.

Our logos, Grandev®, Haven™, Opportune™, Regalia Venera™, Zequan® and other trade names, trademarks or service marks of Marrone Bio Innovations, Inc. appearing in this prospectus are the property of Marrone Bio Innovations, Inc. This prospectus contains additional trade names, trademarks and service marks of other companies. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply relationships with, or endorsement or sponsorship of us by, these other companies.

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The Offering

Common stock offered by us	3,900,000 shares
Common stock offered by the selling stockholder	600,000 shares
Option to purchase additional shares	We have granted the underwriters an option for a period of 30 days to purchase up to 675,000 additional shares of our common stock.
Common stock to be outstanding after this offering	23,607,001 shares (or 24,282,001 shares if the underwriters exercise their option to purchase additional shares in full)
Use of proceeds	We intend to use the net proceeds we receive from this offering primarily for working capital required to accelerate growth, capital expenditures and other general corporate purposes. We will not receive any proceeds from the sale of common stock by the selling stockholder in this offering. See Use of Proceeds.
Risk factors	See Risk Factors and the other information included in this prospectus for a discussion of the factors you should consider carefully before deciding to invest in our common stock.

Nasdaq Global Market symbol

MBII

The number of shares of our common stock to be outstanding after this offering is based on 19,707,001 shares outstanding as of March 31, 2014, and excludes:

- n 2,974,054 shares of common stock issuable upon the exercise of options outstanding as of March 31, 2014 with a weighted-average exercise price of \$10.95 per share;
- n 144,646 shares of common stock issuable upon the exercise of warrants outstanding as of March 31, 2014, with a weighted-average exercise price of \$8.40 per share; and
- n 1,127,624 shares of common stock that will be available for future grant under our 2013 Stock Incentive Plan as of March 31, 2014, and additional shares of common stock that will be available for future grant under the automatic increase provisions of our 2013 Stock Incentive Plan (see Executive Compensation Employee Benefit and Stock Plans 2013 Stock Incentive Plan).

Except as otherwise indicated, all information in this prospectus assumes:

- n no other exercise of options or warrants subsequent to March 31, 2014; and

n no exercise of the underwriters' option to purchase additional shares of our common stock.

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Summary Financial Data

The following tables summarize the financial data for our business. You should read this summary financial data in connection with Management's Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements and related notes, all included elsewhere in this prospectus.

We have derived the consolidated statements of operations data for each of the fiscal years ended December 31, 2013, 2012 and 2011 from our audited consolidated financial statements and related notes included elsewhere in this prospectus. We have derived the consolidated statements of operations data for the three months ended March 31, 2014 and 2013 and the consolidated balance sheet data as of March 31, 2014 from our unaudited interim condensed consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future.

Table of Contents**Statements of Operations Data:**

	YEAR ENDED DECEMBER			THREE MONTHS	
	31,	31,		31,	
	2013	2012	2011	2014	2013
	(In thousands, except per share data)				
Revenues:					
Product	\$ 12,657	\$ 6,777	\$ 5,044	\$ 2,097	\$ 2,373
License ⁽¹⁾	193	179	57	45	