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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 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, a smaller reporting company, or an emerging growth company. See 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 (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 7(a)(2)(B) of the Securities Act .

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

As of August 14, 2018, 932,158 shares of the Company’s common stock, \$0.01 par value, were outstanding.

DELCATH SYSTEMS, INC.

Table of Contents

	Page
<u>PART I—FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017</u>	3
<u>Condensed Consolidated Statements of Operations and Comprehensive Loss for the three and six months ended June 30, 2018 and 2017</u>	4
<u>Condensed Consolidated Statement of Stockholders' Deficit for the six months ended June 30, 2018</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2018 and 2017</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	15
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	35
Item 4. <u>Controls and Procedure</u>	36
<u>PART II—OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	37
Item 1A. <u>Risk Factors</u>	37
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
Item 3. <u>Defaults upon Senior Securities</u>	37
Item 4. <u>Mine Safety Disclosure</u>	37
Item 5. <u>Other Information</u>	37
Item 6. <u>Exhibits</u>	38
<u>SIGNATURES</u>	40

DELCATH SYSTEMS, INC.

Condensed Consolidated Balance Sheets

(in thousands, except share and per share data)

	June 30, 2018 (Unaudited)	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 1,283	\$ 3,999
Restricted cash	1,062	1,325
Accounts receivables, net	397	317
Inventories	1,250	1,248
Prepaid expenses and other current assets	382	700
Total current assets	4,374	7,589
Property, plant and equipment, net	1,099	1,298
Total assets	\$ 5,473	\$ 8,887
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	\$ 5,607	\$ 3,846
Accrued expenses	5,220	3,408
Current portion of convertible notes payable, net of discount	387	—
Warrant liability	6,883	560
Total current liabilities	18,097	7,814
Convertible notes payable, net of current portion and debt discount	27	—
Other non-current liabilities	439	395
Total liabilities	18,563	8,209
Commitments and Contingencies	—	—
Stockholders' equity (deficit)		
Preferred stock, \$.01 par value; 10,000,000 shares authorized; no shares		
issued and outstanding at June 30, 2018 and December 31, 2017,		
respectively	—	—
Common stock, \$.01 par value; 1,000,000,000 shares authorized; 932,159 and		
263,305 shares issued and 932,158 and 263,304 shares outstanding		
at June 30, 2018 and December 31, 2017, respectively*	9	3
Additional paid-in capital	311,293	325,516
Accumulated deficit	(324,305)	(324,832)
Treasury stock, at cost; 1 share at June 30, 2018 and December 31, 2017,		
respectively*	(51)	(51)

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Accumulated other comprehensive (loss) income	(36)	42
Total stockholders' (deficit) equity	(13,090)	678
Total liabilities and stockholders' equity	\$ 5,473	\$ 8,887

*reflects a one-for-three hundred and fifty (1:350) reverse stock split effected on November 6, 2017 and a one-for-five hundred (1:500) reverse stock split effected on May 2, 2018.

See accompanying Notes to Condensed Consolidated Financial Statements.

DELCATH SYSTEMS, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

(in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Revenue	\$858	\$584	\$1,560	\$1,327
Cost of goods sold	220	135	367	354
Gross profit	638	449	1,193	973
Operating expenses:				
Selling, general and administrative	2,641	2,532	5,007	4,947
Research and development	4,089	2,518	9,781	4,840
Total operating expenses	6,730	5,050	14,788	9,787
Operating loss	(6,092)	(4,601)	(13,595)	(8,814)
Change in fair value of the warrant liability, net	2,513	(38)	17,209	1,200
Gain on warrant extinguishment	—	9,613	—	9,613
Loss on issuance of financial instrument	(2,826)	—	(2,826)	—
Interest expense	(248)	(6,916)	(251)	(15,282)
Other (expense) income	(5)	(1)	(10)	7
Net income (loss)	\$(6,658)	\$(1,943)	\$527	\$(13,276)
Other comprehensive loss:				
Foreign currency translation adjustments	(36)	(30)	(78)	(8)
Comprehensive loss	\$(6,694)	\$(1,973)	\$449	\$(13,284)
Common share data:				
Basic loss per common share*	\$(7.26)	\$(1,373)	\$0.67	\$(15,656)
Diluted loss per common share*	\$(7.26)	\$(1,373)	\$(0.12)	\$(15,656)
Weighted average number of basic shares outstanding*	916,706	1,416	788,512	848
Weighted average number of diluted shares outstanding*	916,706	1,416	799,430	848

*reflects a one-for-three hundred and fifty (1:350) reverse stock split effected on November 6, 2017 and a one-for-five hundred (1:500) reverse stock split effected on May 2, 2018.

See accompanying Notes to Condensed Consolidated Financial Statements.

DELCATH SYSTEMS, INC.

Condensed Consolidated Statements of Stockholders' Deficit

(Unaudited)

(in thousands, except share data)

	Common Stock Issued \$0.01 Par Value		Treasury Stock		Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
	No. of Shares	Amount	No. of Shares	Amount				
Balance at January 1, 2018	263,305	\$ 3	(1)	\$ (51)	\$ 325,516	\$ (324,832)	\$ 42	\$ 678
Compensation income for								
issuance of stock options	—	—	—	—	(40)	—	—	(40)
Compensation income for								
issuance of restricted stock	—	—	—	—	(81)	—	—	(81)
Sale of common stock, net of expenses	668,854	6	—	—	4,204	—	—	4,210
Fair value of warrants issued	—	—	—	—	(18,306)	—	—	(18,306)
Net income	—	—	—	—	—	527	—	527
Total comprehensive loss	—	—	—	—	—	—	(78)	(78)
Balance at June 30, 2018	932,159	\$ 9	(1)	\$ (51)	\$ 311,293	\$ (324,305)	\$ (36)	\$ (13,090)

See accompanying Notes to Condensed Consolidated Financial Statements.

DELCATH SYSTEMS, INC.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(in thousands)

	Six months ended	
	2018	2017
Cash flows from operating activities:		
Net income (loss)	\$527	\$(13,276)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock option compensation (income) expense	(40)	46
Restricted stock compensation (income) expense		