

POLARITYTE, INC.  
Form 10-Q  
March 16, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2017

Commission File No. 000-51128

POLARITYTE, INC.  
(Exact name of registrant as specified in its charter)

DELAWARE 06-1529524  
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

404I-T Hadley Road  
S. Plainfield, New Jersey 07080  
(Address of principal executive offices)

Registrant's Telephone Number, Including Area Code: (732) 225-8910

(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 (232.4.05 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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company  
(Do not check if a smaller reporting company)

Edgar Filing: POLARITYTE, INC. - Form 10-Q

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 March 8, 2017, there were 4,501,768 shares of the Registrant's common stock outstanding.



INDEX

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements:</u>	
<u>Condensed Consolidated Balance Sheets as of January 31, 2017 (unaudited) and October 31, 2016</u>	1
<u>Condensed Consolidated Statements of Operations for the three months ended January 31, 2017 and 2016 (unaudited)</u>	2
<u>Condensed Consolidated Statement of Changes in Stockholders' Equity for the three months ended January 31, 2017 (unaudited)</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the three months ended January 31, 2017 and 2016 (unaudited)</u>	4
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	5
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	26
<u>Item 4. Controls and Procedures</u>	27
<u>PART II - OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	27
<u>Item 1A. Risk Factors</u>	28
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
<u>Item 3. Defaults Upon Senior Securities</u>	28
<u>Item 4. Mine Safety Disclosures</u>	28
<u>Item 5. Other Information</u>	28
<u>Item 6. Exhibits</u>	28
<u>SIGNATURES</u>	29



Table of Contents

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

POLARITYTE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

	January 31, October 31,	
	2017	2016
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$6,902	\$6,523
Accounts receivable	101	113
Capitalized software development costs and license fees	50	50
Prepaid expenses and other current assets	251	47
Total current assets	7,304	6,733
Property and equipment, net	1,473	18
<b>TOTAL ASSETS</b>	<b>\$8,777</b>	<b>\$6,751</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$2,268	\$1,284
Warrant liability	-	70
Total current liabilities	2,268	1,354
Total liabilities	2,268	1,354
Commitments and Contingencies		
<b>STOCKHOLDERS' EQUITY:</b>		
Convertible preferred stock – 10,000,000 shares authorized, 6,091,697 and 7,374,454 shares issued and outstanding at January 31, 2017 and October 31, 2016, aggregate liquidation preference \$4,029 and \$4,854, respectively	8,532	10,153
Common stock — \$.001 par value; 250,000,000 shares authorized; 4,307,317 and 2,782,963 shares issued and outstanding at January 31, 2017 and October 31, 2016, respectively	4	3
Additional paid-in capital	131,810	123,417

Edgar Filing: POLARITYTE, INC. - Form 10-Q

Accumulated deficit	(133,837)	(128,176)
Total stockholders' equity	6,509	5,397
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$8,777	\$6,751

See accompanying notes to condensed consolidated financial statements.

-1-





Table of Contents

POLARITYTE, INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited, in thousands, except share and per share amounts)

	For the three months ended	
	January 31,	
	2017	2016
Net revenues	\$156	\$591
Cost of sales		
Software development costs and license fees	-	58
Gross profit	156	533
Operating costs and expenses		
Product research and development	20	35
Selling and marketing	31	23
General and administrative	5,679	1,122
Depreciation and amortization	83	7
	5,813	1,187
Operating loss	(5,657)	(654)
Other expenses (income)		
Interest income	(4)	(7)
Change in fair value of warrant liability	8	-
Net loss	(5,661)	(647)
Special cash dividend attributable to preferred stockholders	-	(6,002)
Net loss attributable to common stockholders	\$(5,661)	\$(6,649)
Net loss per share, basic and diluted:	\$(1.69)	\$(3.97)
Weighted average shares outstanding, basic and diluted:	3,346,788	1,673,021

See accompanying notes to condensed consolidated financial statements.



Table of Contents

POLARITYTE, INC.  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
(Unaudited, in thousands, except share and per share amounts)