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Resonant Inc  
Form 10-Q  
May 10, 2018  
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 March 31, 2018

or

Transition Report Pursuant Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 001-36467

RESONANT INC.

(Exact name of registrant as specified in its charter)

Delaware 45-4320930

(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

110 Castilian Drive, Suite 100

Goleta, California 93117

(Address of principal executive offices, zip code)

(805) 308-9803

(Registrant's telephone number, including area code)

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

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 the 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 smaller reporting company) Smaller reporting company

Emerging growth company

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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 13(a) of the Exchange 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 May 9, 2018, the issuer had 26,650,166 shares of common stock issued and outstanding.

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RESONANT INC.

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## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements

## RESONANT INC.

Condensed Consolidated Balance Sheets  
(Unaudited)

	December 31, 2017	March 31, 2018
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 19,524,000	\$ 7,767,000
Accounts receivable	50,000	145,000
Prepaid expenses and other current assets	536,000	523,000
Restricted cash	100,000	—
Investments held-to-maturity	—	25,085,000
<b>TOTAL CURRENT ASSETS</b>	<b>20,210,000</b>	<b>33,520,000</b>
<b>PROPERTY AND EQUIPMENT</b>		
Property and equipment	3,212,000	3,399,000
Less: Accumulated depreciation and amortization	(1,858,000 )	(2,019,000 )
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>1,354,000</b>	<b>1,380,000</b>
<b>NONCURRENT ASSETS</b>		
Intangible assets, net	1,353,000	1,381,000
Goodwill	824,000	842,000
Deferred income taxes	—	3,000
Other assets	19,000	19,000
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<b>2,196,000</b>	<b>2,245,000</b>
<b>TOTAL ASSETS</b>	<b>\$23,760,000</b>	<b>\$37,145,000</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 708,000	\$ 900,000
Accrued expenses	314,000	140,000
Accrued salaries and payroll related expenses	1,936,000	1,265,000
Customer deposits	—	130,000
Deferred revenue, current	143,000	148,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,101,000</b>	<b>2,583,000</b>
<b>LONG-TERM LIABILITIES</b>		
Deferred rent	10,000	13,000
Deferred income taxes	1,000	—
<b>TOTAL LIABILITIES</b>	<b>3,112,000</b>	<b>2,596,000</b>
Commitments and contingencies (Note 9)	0	0
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$0.001 par value, 47,000,000 authorized and 19,511,276 outstanding as of December 31, 2017, and 25,668,293 outstanding as of March 31, 2018	20,000	26,000

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Preferred stock, \$0.001 par value, 3,000,000 authorized and none outstanding as of December 31, 2017 and March 31, 2018	—	—
Additional paid-in capital	88,447,000	107,973,000
Accumulated other comprehensive income (loss)	(7,000	) 14,000
Accumulated deficit	(67,812,000	) (73,464,000 )
TOTAL STOCKHOLDERS' EQUITY	20,648,000	34,549,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$23,760,000	\$37,145,000

See Accompanying Notes to Condensed Consolidated Financial Statements

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RESONANT INC.  
Condensed Consolidated Statements of Comprehensive Loss  
(Unaudited)

	Three Months Ended	
	March 31,	
	2017	2018
REVENUES	\$ 156,000	\$ 157,000
OPERATING EXPENSES		
Research and development	2,240,000	3,254,000
General and administrative	2,844,000	2,665,000
TOTAL OPERATING EXPENSES	5,084,000	5,919,000
NET OPERATING LOSS	(4,928,000 )	(5,762,000 )
OTHER INCOME, NET		
Interest and investment income	9,000	48,000
Other expense	—	(2,000 )
TOTAL OTHER INCOME, NET	9,000	46,000
LOSS BEFORE INCOME TAXES	(4,919,000 )	(5,716,000 )
Benefit from income taxes	(25,000 )	—
NET LOSS	\$(4,894,000)	\$(5,716,000)
Foreign currency translation adjustment, net of tax	18,000	(21,000 )
COMPREHENSIVE LOSS	\$(4,876,000)	\$(5,737,000)
NET LOSS PER SHARE - BASIC AND DILUTED	\$(0.37 )	\$(0.28 )
Weighted average shares outstanding — basic and diluted	13,393,190	20,176,372

See Accompanying Notes to Condensed Consolidated Financial Statements

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## RESONANT INC.

## Condensed Consolidated Statements of Stockholders' Equity

For the Three Months Ended March 31, 2018

(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance, January 1, 2018	19,511,276	\$20,000	\$88,447,000	\$(67,812,000)	\$ (7,000 )	\$20,648,000
Cumulative effect due to adoption of new accounting standard, net of taxes	—	—	—	64,000	—	64,000
Vesting of restricted stock units	184,818	—	—	—	—	—
Stock-based compensation	—	—	1,108,000	—	—	1,108,000
Sales of common stock, net of offering costs	5,714,286	6,000	18,375,000	—	—	18,381,000
Exercise of warrants	15,000	—	43,000	—	—	43,000
Common stock issued in exchange for warrants	242,913	—	—	—	—	—
Net loss	—	—	—	(5,716,000 )	—	(5,716,000 )
Foreign currency translation adjustments, net of tax	—	—	—	—	21,000	21,000
Balance, March 31, 2018	25,668,293	\$26,000	\$107,973,000	\$(73,464,000)	\$ 14,000	\$34,549,000

See Accompanying Notes to Condensed Consolidated Financial Statements

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RESONANT INC.  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	Three months ended March	
	31,	
	2017	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Loss	\$(4,894,000)	\$(5,716,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	188,000	195,000
Deferred tax benefit	(26,000)	)
Stock-based compensation	693,000	963,000
Non-cash patent write-off	—	8,000
Changes in assets and liabilities:		
Accounts receivable	11,000	(95,000)
Prepays and other current assets	(63,000)	) 80,000
Restricted cash	—	(100,000)
Other assets	(14,000)	)
Accounts payable	123,000	403,000
Accrued expenses	43,000	(79,000)
Accrued salaries and payroll related expenses	(8,000)	) (526,000)
Customer deposits	—	130,000
Deferred revenue	(36,000)	)
Deferred taxes	(7,000)	) 3,000
Deferred rent	—	(3,000)
Net cash used in operating activities	(3,990,000)	) (4,737,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(233,000)	) (519,000)
Expenditures for patents and domain names	(125,000)	) (43,000)
Redemption of investments held-to-maturity	4,747,000	—
Purchase of investments held-to-maturity	—	(24,985,000)
Net cash provided by (used in) investing activities	4,389,000	(25,547,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from the sale of common stock from private placement offering	7,471,000	—
Net proceeds from the sale of common stock from underwritten public offering	—	18,381,000
Proceeds from exercise of warrants	—	43,000
Net cash provided by financing activities	7,471,000	18,424,000
Effects of exchange rates on cash, cash equivalents and restricted cash	3,000	3,000
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,873,000</b>	<b>(11,857,000)</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH — Beginning of period</b>	<b>5,184,000</b>	<b>19,624,000</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH — End of period</b>	<b>\$ 13,057,000</b>	<b>\$ 7,767,000</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Taxes Paid	\$ 1,000	\$ 3,000
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</b>		
Issuance of common stock in settlement of liability	\$ 119,000	