

NovaBay Pharmaceuticals, Inc.
Form 10-Q
August 13, 2015
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

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

For the transition period from _____ to _____

Commission file number 001-33678

NOVABAY PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

68-0454536
(I.R.S. Employer Identification No.)

5980 Horton Street, Suite 550, Emeryville CA 94608

(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (510) 899-8800

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, 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)

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

As of August 3, 2015, there were 73,755,112 shares of the registrant's common stock outstanding.

NOVABAY PHARMACEUTICALS, INC.

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Unless the context requires otherwise, all references in this report to “we,” “our,” “us,” the “Company” and “NovaBay” refer to NovaBay Pharmaceuticals, Inc. and its subsidiaries.

NovaBay[®], NovaBay Pharma[®], Avenova[™], NeutroPhase[®], CellerRx[®], intelli-Case[™], AgaNa[®]Aganocide[®], AgaDerm[®], Neutrox[™] and Going Beyond Antibiotics[™] are trademarks of NovaBay Pharmaceuticals, Inc. All other trademarks and trade names are the property of their respective owners.

PART I**FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****NOVABAY PHARMACEUTICALS, INC.****CONSOLIDATED BALANCE SHEETS**

	June 30, 2015	December 31, 2014
	(unaudited)	(Note 2)
(in thousands, except per share data)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,208	\$ 5,429
Accounts receivable	389	273
Inventory	1,452	521
Prepaid expenses and other current assets	597	729
Total current assets	9,646	6,952
Property and equipment, net	375	436
Other assets	153	149
TOTAL ASSETS	\$ 10,174	\$ 7,537
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 1,777	\$ 1,865
Accrued liabilities	764	1,055
Deferred revenue	220	425
Total current liabilities	2,761	3,345
Deferred revenues - non-current	2,189	2,000
Deferred rent	181	171
Warrant liability	139	173
Total liabilities	5,270	5,689
Stockholders' equity:		
Preferred stock, \$0.01 par value; 5,000 shares authorized; none outstanding at June 30, 2015 and December 31, 2014	—	—
Common stock, \$0.01 par value; 120,000 shares authorized at June 30, 2015 and 65,000 shares and December 31, 2014; 73,642 and 51,640 issued and outstanding at June 30, 2015 and December 31, 2014, respectively	736	516
Additional paid-in capital	85,242	72,879

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Accumulated deficit	(81,074)	(71,547)
Total stockholders' equity	4,904	1,848
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 10,174	\$ 7,537

The accompanying notes are an integral part of these consolidated financial statements.

NOVABAY PHARMACEUTICALS, INC.**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS****(unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands, except per share data)	2015	2014	2015	2014
Sales:				
Product Revenue	\$931	\$21	\$1,423	\$209
Other Revenue	77	102	123	202
Total Net Sales	1,008	123	1,546	411
Product Cost of Goods Sold	253	18	401	148
Gross Profit	755	105	1,145	263
Operating Expenses:				
Research & development	1,245	2,238	2,886	4,766
Sales, general & administrative	4,369	1,653	7,779	