

Resonant Inc
Form 10-Q
August 10, 2016
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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 June 30, 2016

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, 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 (Do not check if smaller reporting company) Smaller reporting company

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 9, 2016, the issuer had 9,590,626 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, 2015	June 30, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,501,000	\$ 1,488,000
Prepaid expenses and other current assets	138,000	43,000
Investments held-to-maturity	3,006,000	4,250,000
TOTAL CURRENT ASSETS	5,645,000	5,781,000
PROPERTY AND EQUIPMENT		
Property and equipment, gross	1,664,000	1,900,000
Less: Accumulated depreciation and amortization	(672,000)	(954,000)
PROPERTY AND EQUIPMENT, NET	992,000	946,000
NONCURRENT ASSETS		
Patents and domain names, net	815,000	887,000
Restricted cash	100,000	100,000
Other assets	15,000	15,000
TOTAL NONCURRENT ASSETS	930,000	1,002,000
TOTAL ASSETS	\$ 7,567,000	\$ 7,729,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 518,000	\$ 700,000
Accrued expenses	60,000	110,000
Accrued salaries and payroll related expenses	467,000	371,000
Deferred rent, current portion	34,000	34,000
TOTAL CURRENT LIABILITIES	1,079,000	1,215,000
LONG-TERM LIABILITIES		
Deferred rent	20,000	3,000
TOTAL LIABILITIES	1,099,000	1,218,000
Commitments and contingencies (Note 6)	0	0
STOCKHOLDERS' EQUITY		
Common stock, \$0.001 par value, 47,000,000 authorized and 7,241,949 outstanding as of December 31, 2015, and 9,443,461 outstanding as of June 30, 2016	7,000	9,000
	—	—

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Preferred stock, \$0.001 par value, 3,000,000 authorized and none outstanding as of
December 31, 2015 and June 30, 2016

Additional paid-in capital	37,373,000	43,478,000
Accumulated deficit	(30,912,000)	(36,976,000)
TOTAL STOCKHOLDERS' EQUITY	6,468,000	6,511,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 7,567,000	\$ 7,729,000

See Accompanying Notes to Condensed Consolidated Financial Statements

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RESONANT INC.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
REVENUES	\$—	\$63,000	\$—	\$90,000
OPERATING EXPENSES				
Research and development	901,000	1,138,000	1,646,000	2,181,000
General and administrative	803,000	1,319,000	1,673,000	2,879,000
Stock compensation	333,000	440,000	842,000	798,000
Depreciation and amortization	116,000	156,000	227,000	301,000
TOTAL OPERATING EXPENSES	2,153,000	3,053,000	4,388,000	6,159,000
OPERATING LOSS	(2,153,000)	(2,990,000)	(4,388,000)	(6,069,000)
OTHER INCOME				
Interest and investment income	8,000	2,000	16,000	6,000
TOTAL OTHER INCOME	8,000	2,000	16,000	6,000
LOSS BEFORE PROVISION FOR INCOME TAXES	(2,145,000)	(2,988,000)	(4,372,000)	(6,063,000)
Provision for income taxes	—	—	(1,000)	(1,000)
NET LOSS	\$(2,145,000)	\$(2,988,000)	\$(4,373,000)	\$(6,064,000)
NET LOSS PER SHARE - BASIC AND DILUTED	\$(0.31)	\$(0.34)	\$(0.63)	\$(0.75)
Weighted average shares outstanding — basic and diluted	7,160,890	8,870,245	7,119,569	8,103,908

See Accompanying Notes to Condensed Consolidated Financial Statements

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RESONANT INC.

Condensed Consolidated Statements of Stockholders' Equity

For The Six Months Ended June 30, 2016

(Unaudited)

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Equity
Balance, December 31, 2015	7,241,949	\$ 7,000	\$37,373,000	\$(30,912,000)	\$6,468,000
Issuance of common stock for compensation	176,390	—	—	—	—
Stock issued to consultants for services	8,549	—	17,000	—	17,000
Stock-based compensation	—	—	913,000	—	913,000
Sale of common stock in private placement offering, net of offering costs	1,996,880	2,000	5,175,000	—	5,177,000
Exercise of warrants, cashless	19,693	—	—	—	—
Net loss	—	—	—	(6,064,000)	(6,064,000)
Balance, June 30, 2016	9,443,461	\$ 9,000	\$43,478,000	\$(36,976,000)	\$6,511,000

See Accompanying Notes to Condensed Consolidated Financial Statements

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

	Six Months Ended June 30,	
	2015	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$(4,373,000)	\$(6,064,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	227,000	301,000
Stock-based compensation	680,000	798,000
Non-cash investment income	(11,000)	(1,000)
Non-cash patent write-off	—	14,000
Changes in assets and liabilities:		
Prepays and other current assets	(115,000)	95,000
Accounts payable	45,000	182,000
Accrued expenses	(98,000)	50,000
Accrued salaries and payroll related expenses	109,000	36,000
Deferred rent	(18,000)	(17,000)
Net cash used in operating activities	(3,554,000)	(4,606,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(168,000)	(236,000)
Expenditures for patents and domain names	(165,000)	(105,000)
Purchase of restricted cash investment	(100,000)	—
Redemption of investments held-to-maturity	10,000,000	3,006,000
Purchase of investments held-to-maturity	(9,989,000)	(4,249,000)
Net cash used in investing activities	(422,000)	(1,584,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from the sale of common stock from private placement offering	—	5,177,000
Payment of tax withholdings on net issuance of common stock for compensation	(45,000)	—
Net cash provided by (used in) financing activities	(45,000)	5,177,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,021,000)	(1,013,000)
CASH AND CASH EQUIVALENTS — Beginning of period	5,803,000	2,501,000
CASH AND CASH EQUIVALENTS — End of period	\$1,782,000	\$1,488,000
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest	\$—	\$—
Taxes Paid	\$1,000	\$1,000
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Issuance of common stock in settlement of liability	\$—	\$110,000

See Accompanying Notes to Condensed Consolidated Financial Statements

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Notes to Condensed Consolidated Financial Statements