

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 30, 2020**

**OBALON THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001- 37897**

(Commission  
File Number)

**26-1828101**

(IRS Employer  
Identification No.)

**5421 Avenida Encinas, Suite F  
Carlsbad, California**

(Address of principal executive offices)

**92008**

(Zip Code)

**(844) 362-2566**

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001 per share	OBLN	The NASDAQ Stock Market LLC (NASDAQ Global Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company  S

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.  S

**Item 2.02. Results of Operations and Financial Condition.**

On July 30, 2020 Obalon Therapeutics, Inc. (the “Company”) reported its financial results for the three and six months ended June 30, 2020. A copy of the press release issued by the Company is furnished as Exhibit 99.1 to this report.

The information furnished with Item 2.02 of this report, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Exchange Act or under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

Exhibit Number	Description
99.1	<a href="#">Press Release dated July 30, 2020</a>

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**OBALON THERAPEUTICS, INC.**

Date: July 30, 2020

By:

/s/ Andrew Rasdal

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Andrew Rasdal

President and Chief Executive Officer

## Obalon Announces Second Quarter 2020 Financial Results

SAN DIEGO, CA July 30, 2020 (GLOBE NEWSWIRE) -- Obalon Therapeutics, Inc. (NASDAQ:OBLN), a vertically integrated medical technology company with the first and only FDA-approved swallowable, gas-filled intragastric balloon system for the treatment of obesity, today announced its financial results for the second quarter ended June 30, 2020.

### **Financial results for the second quarter of 2020**

Revenue for the second quarter of 2020 was \$0.7 million, compared to \$0.4 million for the second quarter of 2019, primarily due to reversals of revenue reserves as a result of suspending business operations at the company-branded retail treatment centers. Net loss for the second quarter of 2020 was \$4.2 million, compared to \$6.8 million for the second quarter of 2019. Net loss per share for the second quarter of 2020 was \$0.54, compared to \$2.52 for the second quarter of 2019.

Cost of revenue was \$0.4 million for the second quarter of 2020, down from \$0.7 million for the second quarter of 2019. Gross profit for the second quarter of 2020 was \$0.3 million, compared to a gross deficit of \$0.3 million for the second quarter of 2019.

Research and Development expense for the second quarter of 2020 totaled \$0.8 million, down from \$1.8 million for the second quarter of 2019. Selling, General and Administrative expense decreased to \$2.4 million for the second quarter of 2020, compared to \$4.3 million for the second quarter of 2019.

The Company recognized \$1.3 million impairment expense and other charges related to its inventory and long-lived assets during the second quarter of 2020, as a result in the Company's shift in business strategy away from the retail treatment centers to reimbursement.

Operating loss for the second quarter of 2020 was \$4.2 million, down from a loss of \$6.4 million for the second quarter of 2019.

As of June 30, 2020, the Company had cash and cash equivalents of \$6.8 million and \$0.4 million of debt related to its Payroll Protection Program loan. The Company intends to continue exploring the potential for third-party reimbursement for the Obalon Balloon System, as well as

exploring and evaluating financial alternatives to help meet its capital needs and strategic alternatives that might enhance stockholder value. There is no assurance that any financial or strategic alternative will be identified. If the Company is not able to raise additional capital to meet its needs or to identify a strategic alternative in the best interest of stockholders, it will have to discontinue all operations and may be required to declare bankruptcy or dissolve.

### **About Obalon Therapeutics, Inc.**

Obalon Therapeutics, Inc. (NASDAQ:OBLN) is a San Diego-based company focused on developing and commercializing novel technologies for weight loss.

### **Cautionary Statement Regarding Forward Looking Statements**

This press release contains forward-looking statements that are not purely historical regarding Obalon's or its management's intentions, beliefs, expectations and strategies for the future, including those related to new products and their potential benefits. All forward-looking statements and reasons why results might differ included in this press release are made as of the date of this release, based on information currently available to Obalon, deal with future events, are subject to various risks and uncertainties, and actual results could differ materially from those anticipated in those forward looking statements. The risks and uncertainties that may cause actual results to differ materially from Obalon's current expectations are more fully described in Obalon's annual report on Form 10-K for the period ended December 31, 2019, periodic reports on Form 10-Q for the period ended June 30, 2020 and March 31, 2020 and its other reports, each as filed with the Securities and Exchange Commission. Except as required by law, Obalon assumes no obligation to update any such forward-looking statement after the date of this report or to conform these forward-looking statements to actual results.

**OBALON THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**(unaudited)**  
(in thousands, except shares and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue	\$ 703	\$ 386	\$ 1,483	\$ 2,161
Cost of revenue	423	679	964	1,911
Gross profit (deficit)	280	(293)	519	250
Operating expenses:				
Research and development	765	1,788	2,022	4,227
Selling, general and administrative	2,362	4,332	6,255	10,536
Asset impairment and other charges	1,310	—	1,310	—
Total operating expenses	4,437	6,120	9,587	14,763
Loss from operations	(4,157)	(6,413)	(9,068)	(14,513)
Interest (expense) income, net	(5)	(295)	30	(485)
Other expense, net	(26)	(59)	(411)	(59)
Net loss and comprehensive loss	\$ (4,188)	\$ (6,767)	\$ (9,449)	\$ (15,057)
Net loss per share, basic and diluted	\$ (0.54)	\$ (2.52)	\$ (1.22)	\$ (6.02)
Weighted-average common shares outstanding, basic and diluted	7,728,624	2,687,829	7,726,915	2,500,619

**OBALON THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except shares and par value data)

	<u>June 30, 2020</u>	<u>December 31, 2019</u>
	<u>(unaudited)</u>	
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,804	\$ 14,055
Accounts receivable, net	—	285
Inventory	—	1,936
Other current assets	3,971	1,959
<b>Total current assets</b>	<u>10,775</u>	<u>18,235</u>
Property and equipment, net	1,055	1,081
Lease right-of-use assets	748	1,077
Other long-term assets	1,295	—
<b>Total assets</b>	<u>\$ 13,873</u>	<u>\$ 20,393</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,054	\$ 648
Accrued compensation	240	820
Deferred revenue	123	424
Other current liabilities	3,603	1,524
Current portion of lease liabilities	579	561
<b>Total current liabilities</b>	<u>5,599</u>	<u>3,977</u>
Lease liabilities long-term	666	567
Long-term debt	430	—
<b>Total long-term liabilities</b>	<u>1,096</u>	<u>567</u>
<b>Total liabilities</b>	<u>6,695</u>	<u>4,544</u>
<b>Commitments and contingencies</b>		
<b>Stockholders' equity:</b>		
Common stock, \$0.001 par value; 100,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 7,731,633 and 7,724,100 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively	8	8
Additional paid-in capital	189,049	188,271
Accumulated deficit	(181,879)	(172,430)
<b>Total stockholders' equity</b>	<u>7,178</u>	<u>15,849</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 13,873</u>	<u>\$ 20,393</u>

**OBALON THERAPEUTICS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**  
(in thousands)

	Six Months Ended June 30,	
	2020	2019
<b>Operating activities:</b>		
Net loss	\$ (9,449)	\$ (15,057)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	187	256
Stock-based compensation	762	1,641
Loss on disposal of fixed assets	—	95
Amortization of right-of-use assets	239	186
Accretion of investment discount, net	—	(2)
Amortization of debt discount	—	70
Impairment of long-lived assets and other charges	1,257	—
Impairment of inventory	53	—
Change in operating assets and liabilities:		
Accounts receivable, net	285	423
Inventory	(524)	(157)
Other current assets	(1,845)	1,760
Accounts payable	405	(191)
Accrued compensation	(564)	(2,712)
Deferred revenue	(302)	(32)
Lease liabilities, net	(147)	(136)
Other current and long term liabilities	2,079	(142)
Net cash used in operating activities	(7,564)	(13,998)
<b>Investing activities:</b>		
Maturities of short-term investments	—	2,550
Purchase of property and equipment	(117)	(20)
Net cash (used in) provided by investing activities	(117)	2,530
<b>Financing activities:</b>		
Proceeds from long-term loan	430	10,000
Payment on long-term loan	—	(15,000)
Proceeds from issuance of common stock, net of issuance costs	—	8,793
Proceeds from sale of common stock upon exercise of stock options	—	1
Net cash provided by financing activities	430	3,794
Net decrease in cash and cash equivalents	(7,251)	(7,674)
Cash and cash equivalents at beginning of period	14,055	21,187
Cash and cash equivalents at end of period	\$ 6,804	\$ 13,513
<b>Supplemental cash flow information:</b>		
Interest paid	\$ —	\$ 563
Unpaid issuance costs	\$ —	\$ 377