

ConforMIS Inc  
Form 10-Q  
May 04, 2018

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

For the quarterly period ended March 31, 2018

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: 001-37474

Conformis, Inc.  
(Exact name of registrant as specified in its charter)

Delaware 56-2463152  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification Number)  
600 Technology Park Drive 01821  
Billerica, MA  
(Address of principal executive offices) (Zip Code)

(781) 345-9001  
(Registrant's telephone number, including area code)

ConforMIS, Inc.  
(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 (§232.405 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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "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 a smaller reporting company) Smaller reporting company

Emerging growth company

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 April 30, 2018, there were 60,910,197 shares of Common Stock, \$0.00001 par value per share, outstanding.

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Conformis, Inc.

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## PART I - FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS  
CONFORMIS, INC. AND SUBSIDIARIESConsolidated Balance Sheets  
(in thousands, except share and per share data)

	March 31, 2018 (unaudited)	December 31, 2017
Assets		
Current Assets		
Cash and cash equivalents	\$ 38,078	\$ 18,348
Investments	19,204	26,880
Accounts receivable, net	12,089	13,200
Inventories	8,179	9,184
Prepaid expenses and other current assets	2,231	2,246
Total current assets	79,781	69,858
Property and equipment, net	16,890	16,514
Other Assets		
Restricted cash	462	462
Intangible assets, net	185	210
Goodwill	6,731	6,731
Other long-term assets	23	23
Total assets	\$ 104,072	\$ 93,798
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 4,391	\$ 4,891
Accrued expenses	9,022	7,720
Deferred revenue	—	305
Total current liabilities	13,413	12,916
Other long-term liabilities	648	651
Deferred tax liabilities	20	37
Deferred revenue	—	4,014
Long-term debt, less debt issuance costs	29,694	29,667
Total liabilities	43,775	47,285
Commitments and contingencies	—	—
Stockholders' equity		
Preferred stock, \$0.00001 par value:		
Authorized: 5,000,000 shares authorized at March 31, 2018 and December 31, 2017; no shares issued and outstanding as of March 31, 2018 and December 31, 2017	—	—
Common stock, \$0.00001 par value:		
Authorized: 200,000,000 shares authorized at March 31, 2018 and December 31, 2017; 60,838,526 and 45,528,519 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	—	—
Additional paid-in capital	508,767	486,570
Accumulated deficit	(444,303 )	(436,821 )
Accumulated other comprehensive (loss) income	(4,168 )	(3,236 )
Total stockholders' equity	60,297	46,513

Total liabilities and stockholders' equity

\$ 104,072    \$ 93,798

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

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## CONFORMIS, INC. AND SUBSIDIARIES

## Consolidated Statements of Operations

(unaudited)

(in thousands, except share and per share data)

	Three Months Ended March 31,	
	2018	2017
Revenue		
Product	\$19,483	\$20,379
Royalty	173	76
Total revenue	19,656	20,455
Cost of revenue	10,869	13,960
Gross profit	8,787	6,495
Operating expenses		
Sales and marketing	10,411	10,816
Research and development	4,694	4,560
General and administrative	6,140	8,458
Total operating expenses	21,245	23,834
Loss from operations	(12,458 )	(17,339 )
Other income and expenses		
Interest income	140	103
Interest expense	(735 )	(307 )
Foreign currency exchange transaction income	1,085	390
Total other income (expenses), net	490	186
Loss before income taxes	(11,968 )	(17,153 )
Income tax provision	33	7
Net loss	\$(12,001)	\$(17,160)
Net loss per share - basic and diluted	\$(0.22 )	\$(0.40 )
Weighted average common shares outstanding - basic and diluted	54,741,828	