

Accelerate Diagnostics, Inc  
Form 10-Q  
November 06, 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 September 30, 2018

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

Commission file number: 001-31822

ACCELERATE DIAGNOSTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

84-1072256

(State or other jurisdiction

(I.R.S. Employer

Identification No.)

of incorporation or organization)

3950 South Country Club Road, Suite 470

Tucson, Arizona

85714

(Address of principal executive offices)

(Zip Code)

(520) 365-3100

(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 every Interactive Data File required to be submitted 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 such files).  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 file

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.

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

As of November 2, 2018, there were 54,198,743 shares of the registrant's common stock outstanding.

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

ACCELERATE DIAGNOSTICS, INC.  
 CONDENSED CONSOLIDATED  
 BALANCE SHEET  
 (in thousands, except share data)

	September 30, 2018	December 31, 2017
	Unaudited	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$61,622	\$28,513
Investments	118,982	80,648
Trade accounts receivable	1,440	1,946
Inventory	9,406	8,063
Prepaid expenses	940	850
Other current assets	494	468
Total current assets	192,884	120,488
Property and equipment, net	7,412	4,890
Intellectual property, net	119	134
Other non-current assets	241	—
Total assets	\$200,656	\$125,512
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$1,559	\$2,080
Accrued liabilities	3,518	3,636
Accrued interest	191	—
Deferred revenue and income	202	1,071
Total current liabilities	5,470	6,787
Other long term liabilities	26	21
Convertible notes	117,754	—
Total liabilities	\$123,250	\$6,808
Commitments and contingencies		
Stockholders' equity:		
Preferred shares, \$0.001 par value; 5,000,000 preferred shares authorized and none outstanding as of September 30, 2018 and December 31, 2017	—	—
Common stock, \$0.001 par value; 75,000,000 common shares authorized with 54,196,876 shares issued and outstanding on September 30, 2018 and 75,000,000 common shares authorized with 55,673,810 shares issued and outstanding on December 31, 2017	54	56
Contributed capital	430,734	360,620
Treasury Stock	(45,067 )	—
Accumulated deficit	(308,156 )	(241,972 )

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Accumulated other comprehensive loss	(159 )—
Total stockholders' equity	77,406 118,704
Total liabilities and stockholders' equity	\$200,656 \$125,512

See accompanying notes to condensed consolidated financial statements.

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ACCELERATE DIAGNOSTICS, INC.  
 CONDENSED CONSOLIDATED  
 STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

Unaudited

(in thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	30,	30,	30,	30,
	2018	2017	2018	2017
Net sales	\$1,355	\$828	\$3,848	\$2,058
Cost of sales	680	191	1,889	352
Gross profit	675	637	1,959	1,706
Costs and expenses:				
Research and development	7,891	6,351	20,734	16,166
Sales, general and administrative	12,153	11,601	41,835	33,589
Total costs and expenses	20,044	17,952	62,569	49,755
Loss from operations	(19,369 )	(17,315 )	(60,610 )	(48,049 )
Other income (expense):				
Interest expense	(3,357 )	—	(6,720 )	—
Foreign currency exchange loss	(133 )	(40 )	(331 )	(73 )
Interest income	908	323	1,983	612
Other income (expense), net	—	2	(25 )	(3 )
Total other income (expense), net	(2,582 )	285	(5,093 )	536
Net loss before income taxes	(21,951 )	(17,030 )	(65,703 )	(47,513 )
Provision for income taxes	(147 )	(45 )	(432 )	(220 )
Net loss	\$(22,098)	\$(17,075)	\$(66,135)	\$(47,733)
Basic and diluted net loss per share	\$(0.41 )	\$(0.31 )	\$(1.21 )	\$(0.89 )
Weighted average shares outstanding	54,145	55,316		