

NETLIST INC
Form 10-Q
August 14, 2018
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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 June 30, 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 001-33170

NETLIST, INC.

(Exact name of registrant as specified in its charter)

Delaware
State or other jurisdiction of incorporation or organization

95-4812784
(I.R.S. Employer Identification No.)

175 Technology Drive, Suite 150

Irvine, CA 92618

(Address of principal executive offices) (Zip Code)

(949) 435-0025

(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 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 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 filer (Do not check if a smaller reporting company)	Smaller reporting company Emerging growth company
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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 August 10, 2018, there were 111,311,243 shares of the registrant's common stock outstanding.

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NETLIST, INC. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

NETLIST, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in thousands, except par value)

	June 30, 2018 (unaudited)	December 30, 2017 (audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 6,981	\$ 6,720
Restricted cash	1,100	2,800
Accounts receivable, net of reserves of \$41 (2018) and \$44 (2017)	2,831	2,997
Inventories	3,465	4,105
Prepaid expenses and other current assets	581	303
Total current assets	14,958	16,925
Property and equipment, net	364	459
Other assets	1,396	1,406
Total assets	\$ 16,718	\$ 18,790
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	\$ 6,805	\$ 6,120
Revolving line of credit	2,133	2,024
Accrued payroll and related liabilities	595	807
Accrued expenses and other current liabilities	356	338
Note payable	115	-
Total current liabilities	10,004	9,289
Convertible promissory note and accrued interest, net of debt discount	15,022	14,766
Long-term warranty liability	70	61
Total liabilities	25,096	24,116
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, \$0.001 par value - 10,000 shares authorized: Series A preferred stock, \$0.001 par value; 1,000 shares authorized; none issued and outstanding	-	-
	102	80

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Common stock, \$0.001 par value - 150,000 shares authorized; 102,333 (2018) and 79,314 (2017) shares issued and outstanding

Additional paid-in capital

157,656

152,640

Accumulated deficit

(166,136)