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): August 2, 2017

OBALON THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001- 37897	**20-1828101**
(Commission File Number)	**(IRS Employer Identification No.)**
5421 Avenida Encinas, Suite F Carlsbad, California	**92008**
(Address of principal executive offices)	**(Zip Code)**

(760) 795-6558

(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))

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 ☒

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. ☒

Item 2.02. Results of Operations and Financial Condition.

On August 2, 2017, Obalon Therapeutics, Inc. (the "Company") reported its financial results for the quarter ended June 30, 2017. 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	Press Release dated August 2, 2017.

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: August 2, 2017	By:	/s/ William Plovanic
		William Plovanic
		Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated August 2, 2017.

Exhibit 99.1

Obalon Announces Second Quarter 2017 Financial Results

SAN DIEGO, CA, August 2, 2017 (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 unaudited financial results as of and for the second quarter ended June 30, 2017.

Second Quarter 2017 highlights:

- Revenue grew 33% sequentially over Q1-17 to $2.0 million
- Gross margin improved to 50%
- First commercial shipments of 6-month product to Middle East in July 2017
- First US shipments of HPMC, vegetable based capsule, in July 2017

The Company reported total revenues of $2.0 million for the second quarter of 2017, compared to $0.8 million for the second quarter of 2016. Net loss was reported at $7.7 million compared to a net loss of $4.1 million in the second quarter of 2016 and net loss per share for the quarter was $0.46 as compared to net loss per share of $7.15 in the second quarter of 2016.

Cost of goods sold was $1.0 million during the three months ended June 30, 2017, up from $0.7 million for the prior year period. Gross profit for the second quarter of 2017 was $1.0 million, resulting in a gross margin of 50%, compared to a gross profit of $0.1 million and gross margin of 14% for the second quarter of 2016.

Research and Development expense for the second quarter of 2017 totaled $2.8 million, up from $2.6 million in the second quarter of 2016, and Selling, General and Administrative expense increased to $5.9 million for the second quarter of 2017, compared to $1.6 million in the second quarter 2016.

Operating loss for the second quarter of 2017 was $7.6 million, compared to an operating loss of $4.1 million for the second quarter of 2016.

At June 30, 2017, cash, cash equivalents and short-term investments were $60.7 million and long-term debt was $10.0 million.

Call Information

A conference call to discuss second quarter 2017 financial results is scheduled for today, August 2, 2017, at 8:30 AM Eastern Time (5:30 AM Pacific Time). Interested parties may access the conference call by dialing (844) 889-7791 (U.S.) or (661) 378-9934 (international) using passcode 61524873. Media and individuals will be in a listen-only mode. Participants are asked to dial in a few minutes prior to the call to register for the event. The conference call will also be webcast live at: http://edge.media-server.com/m/p/si96igkx.

A replay of the call will be available through August 9, 2017, 11:30 AM EST by calling (855) 859-2056 (U.S.) or (404) 537-3406 (international), using passcode 61524873. An archive of the webcast will be available for twelve months following the event on the Obalon Therapeutics, Inc. website located at http://investor.obalon.com in the “News & Events” section.

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. The Obalon management team has over 150 combined years of experience in developing and commercializing novel medical technologies with a track record of financial and clinical excellence. For more information, please visit www.obalon.com.

For Obalon Therapeutics, Inc.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	(Unaudited)			
Revenue:				
Revenue	$ 1,963	$ —	$ 3,435	$ —
Revenue, related party	—	779	—	1,848
Total revenue	1,963	779	3,435	1,848
Cost of revenue	990	672	1,813	1,294
Gross profit	973	107	1,622	554
Operating expenses:				
Research and development	2,760	2,586	5,160	5,098
Selling, general and administrative	5,853	1,596	11,793	2,975
Total operating expenses	8,613	4,182	16,953	8,073
Loss from operations	(7,640)	(4,075)	(15,331)	(7,519)
Interest expense, net	(35)	(143)	(89)	(290)
Gain from change in fair value of warrant liability	—	96	—	119
Other expense, net	(55)	(9)	(55)	(22)
Net loss	(7,730)	(4,131)	(15,475)	(7,712)
Other comprehensive (loss) income	—	6	(18)	4
Net loss and comprehensive loss	$ (7,730)	$ (4,125)	$ (15,493)	$ (7,708)
Net loss per share, basic and diluted	$ (0.46)	$ (7.15)	$ (0.93)	$ (13.37)
Weighted-average common shares outstanding, basic and diluted	16,637,335	577,659	16,599,891	576,757

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

	June 30, 2017	December 31, 2016
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 5,827	$ 72,975
Short-term investments	54,898	2,500
Accounts receivable, net	1,757	—
Accounts receivable, related party	—	515
Inventory	747	827
Other current assets	705	1,244
Total current assets	63,934	78,061
Property and equipment, net	1,044	717
Total assets	$ 64,978	$ 78,778
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 697	$ 595
Accrued compensation	2,381	2,497
Accrued clinical expenses	192	101
Deferred revenue	206	121
Other current liabilities	1,341	1,278
Total current liabilities	4,817	4,592
Deferred rent	39	—
Long-term loan, excluding current portion	9,901	9,881
Total long-term liabilities	9,940	9,881
Total liabilities	14,757	14,473
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.001 par value; 300,000,000 shares authorized as of June 30, 2017 and December 31, 2016; 16,822,416 and 16,773,205 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	17	17
Additional paid-in capital	142,307	140,898
Accumulated other comprehensive loss	(19)	(1)
Accumulated deficit	(92,084)	(76,609)
Total stockholders' equity	50,221	64,305
Total liabilities and stockholders' equity	$ 64,978	$ 78,778

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

	Six Months Ended June 30,	
	2017	2016
	(Unaudited)	
Operating activities:		
Net loss	$ (15,475)	$ (7,712)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	136	90
Stock-based compensation	1,079	145
Loss on disposal of fixed assets	—	13
Change in fair value of warrant liability	—	(119)
Amortization of investment premium, net	11	55
Amortization of debt discount	20	43
Change in operating assets and liabilities:		
Accounts receivable	(1,757)	—
Accounts receivable from related party	515	51
Inventory	80	(114)
Other current assets	539	46
Accounts payable and accrued expenses	58	60
Accrued compensation	(116)	(1,014)
Accrued clinical expenses	91	(301)
Deferred revenue	85	—
Other current and long term liabilities	326	94
Net cash used in operating activities	(14,408)	(8,663)
Investing activities:		
Purchases of short-term investments	(64,928)	(14,979)
Maturities of short-term investments	12,500	10,150
Purchase of property and equipment	(559)	(63)
Net cash used in investing activities	(52,987)	(4,892)
Financing activities:		
Issuance of preferred stock for cash, net of offering costs	—	14,517
Proceeds from stock issued under employee stock purchase plan	210	—
Proceeds from sale of common stock upon exercise of stock options	37	11
Net cash provided by financing activities	247	14,528
Net (decrease) increase in cash and cash equivalents	(67,148)	973
Cash and cash equivalents at beginning of period	72,975	3,356
Cash and cash equivalents at end of period	$ 5,827	$ 4,329
Supplemental cash flow information:		
Interest paid	$ 270	$ 266
Non-cash investing and financing activities:		
Property and equipment in accounts payable	$ 96	$ 121