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): May 10, 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. ☒

26901/00500/FW/9469874.3

Item 2.02. Results of Operations and Financial Condition.

On May 10, 2017, Obalon Therapeutics, Inc. (the "Company") reported its financial results for the quarter ended March 31, 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 May 10, 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: May 10, 2017	By:	/s/ William Plovanic
		William Plovanic
		Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated May 10, 2017.

Exhibit 99.1

Obalon Announces First Quarter 2017 Financial Results

SAN DIEGO, CA, May 10, 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 financial results for the first quarter ended March 31, 2017.

The Company reported total revenues of $1.5 million for the first quarter of 2017, compared to $1.1 million for the first quarter of 2016. All revenues in the first quarter 2017 were realized from sale of the Obalon balloon system in the United States, compared to all revenues in the first quarter of 2016 which were from sales to our distributor in the Middle East. Net loss was reported at $7.7 million compared to a net loss of $3.6 million in the first quarter of 2016 and net loss per share for the quarter was $0.47 as compared to net loss per share of $6.22 in the first quarter of 2016.

Cost of goods sold was $0.8 million during the three months ended March 31, 2017, up from $0.6 million for the prior year period. Gross profit for the first quarter of 2017 was $0.6 million, resulting in a gross margin of 44%, compared to a gross profit of $0.4 million and gross margin of 42% for the first quarter of 2016.

Research and Development expense for the first quarter of 2017 totaled $2.4 million, down from $2.5 million in the first quarter of 2016, and Selling, General and Administrative expense increased to $5.9 million for the first quarter, compared to $1.4 million in the first quarter 2016.

Operating loss for the first quarter of 2017 was $7.7 million, compared to an operating loss of $3.4 million for the first quarter of 2016.

At March 31, 2017, cash, cash equivalents and short-term investments were $66.7 million and long-term debt was $10.0 million.

Call Information

A conference call to discuss first quarter 2017 financial results is scheduled for today, May 10, 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 10811814. 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/8wft6fu5. A replay of the call will be available through May 17, 11:30 AM EST by calling (855) 859-2056 (U.S.) or (404) 537-3406 (international), using passcode 10811814. 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 March 31, 2017	Three Months Ended March 31, 2016
	(Unaudited)	
Revenue:		
Revenue	$ 1,472	$ —
Revenue, related party	—	1,069
Total revenue	1,472	1,069
Cost of revenue	823	622
Gross profit	649	447
Operating expenses:		
Research and development	2,400	2,512
Selling, general and administrative	5,940	1,379
Total operating expenses	8,340	3,891
Loss from operations	(7,691)	(3,444)
Interest expense, net	(54)	(147)
Gain from change in fair value of warrant liability	—	23
Other expense, net	—	(13)
Net loss	(7,745)	(3,581)
Other comprehensive loss	(18)	(2)
Net loss and comprehensive loss	$ (7,763)	$ (3,583)
Net loss per share, basic and diluted	$ (0.47)	$ (6.22)
Weighted-average common shares outstanding, basic and diluted	16,562,030	575,855

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

	March 31, 2017	December 31, 2016
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 41,712	$ 72,975
Short-term investments	25,008	2,500
Accounts receivable	1,035	—
Accounts receivable, related party	—	515
Inventory	928	827
Other current assets	1,004	1,244
Total current assets	69,687	78,061
Property and equipment, net	903	717
Total assets	70,590	78,778
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 823	$ 595
Accrued compensation	1,555	2,497
Accrued clinical expenses	122	101
Deferred revenue	171	121
Other current liabilities	960	1,278
Total current liabilities	3,631	4,592
Long-term loan, excluding current portion	9,891	9,881
Total liabilities	13,522	14,473
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.001 par value; 300,000,000 shares authorized as of March 31, 2017 and December 31, 2016; 16,773,302 and 16,773,205 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively	17	17
Additional paid-in capital	141,424	140,898
Accumulated other comprehensive loss	(19)	(1)
Accumulated deficit	(84,354)	(76,609)
Total stockholders' equity	57,068	64,305
Total liabilities and stockholders' equity	$ 70,590	$ 78,778

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

	Three Months Ended March 31,	
	2017	2016
	(Unaudited)	
Operating activities:		
Net loss	$ (7,745)	$ (3,581)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	66	45
Stock-based compensation	463	50
Loss on disposal of fixed assets	—	13
Change in fair value of warrant liability	—	(23)
Amortization of investment premium, net	3	25
Amortization of debt discount	10	21
Change in operating assets and liabilities:		
Accounts receivable	(1,035)	—
Accounts receivable from related party	515	(258)
Inventory	(101)	(191)
Other current assets	240	(14)
Accounts payable and accrued expenses	217	174
Accrued compensation	(942)	(1,000)
Accrued clinical expenses	21	(241)
Deferred revenue	50	—
Other current liabilities	(115)	(2)
Net cash used in operating activities	(8,353)	(4,982)
Investing activities:		
Purchases of short-term investments	(25,029)	(2,008)
Maturities of short-term investments	2,500	5,800
Purchase of property and equipment	(381)	(45)
Net cash (used in) provided by investing activities	(22,910)	3,747
Financing activities:		
Sale of common stock	—	2
Net cash provided by financing activities	—	2
Net decrease in cash and cash equivalents	(31,263)	(1,233)
Cash and cash equivalents at beginning of period	72,975	3,356
Cash and cash equivalents at end of period	$ 41,712	$ 2,123
Supplemental cash flow information:		
Interest paid	$ 130	$ 132
Non-cash investing and financing activities:		
Property and equipment in accounts payable	$ 129	$ —