POLARITYTE, INC.
Form 10-Q
March 19, 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 January 31, 2018

Commission File No. 000-51128

POLARITYTE, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**06-1529524**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1960 S 4250 W

Salt Lake City, UT 84104

(Address of principal executive offices)

Registrant's Telephone Number, Including Area Code: **(732) 225-8910**

(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 [X] 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 (232.4.05 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 [X] 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 definition 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 smaller reporting company)	Smaller reporting company	[X]
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 [X]

As of March 14, 2018, there were 16,457,664 shares of the Registrant's common stock outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

POLARITYTE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

	January 31, 2018 **(Unaudited)**	October 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$9,990	$17,667
Prepaid expenses and other current assets	626	237
Receivable from Zift	60	60
Total current assets	10,676	17,964
Non-current assets:		
Property and equipment, net	4,452	2,173
Security desposits – non-current	111	-
Receivable from Zift, non-current	-	15
Total non-current assets	4,563	2,188
TOTAL ASSETS	$15,239	$20,152
LIABILITIES AND STOCKHOLDERS’ EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$3,312	$1,939
Warrant liability and embedded derivative	10,128	13,502
Total current liabilities	13,440	15,441
Total liabilities	13,440	15,441
Commitments and Contingencies		
Redeemable convertible preferred stock - Series F - 6,455 shares authorized, issued and outstanding at January 31, 2018 and October 31, 2017; liquidation preference - $17,750.	5,414	4,541
STOCKHOLDERS’ EQUITY (DEFICIT):		

Convertible preferred stock - 9,993,545 shares authorized, 1,656,838 and 3,230,655 shares issued and outstanding at January 31, 2018 and October 31, 2017, aggregate liquidation preference $1,089 and $2,140, respectively	109,104	109,995
Common stock - $.001 par value; 250,000,000 shares authorized; 7,094,544 and 6,515,524 shares issued and outstanding at January 31, 2018 and October 31, 2017, respectively	7	7
Additional paid-in capital	160,368	149,173
Accumulated deficit	(273,094)	(259,005)
Total stockholders’ equity (deficit)	(3,615)	170
TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY (DEFICIT)	$15,239	$20,152

See accompanying notes to condensed consolidated financial statements.

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POLARITYTE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited, in thousands, except share and per share amounts)

	For the three months ended January 31,	
	2018	2017
Net revenues	$13	$-
Cost of sales	1	-
Gross profit	12	-
Operating costs and expenses		
Research and development	6,602	-
General and administrative	10,898	5,225
	17,500	5,225
Operating loss	(17,488)	(5,225)
Other (expenses) income		
Interest income	25	4
Change in fair value of derivative liabilities	3,374	(8)
Net loss from continuing operations	(14,089)	(5,229)
Loss from discontinued operations	-	(432)
Net loss	(14,089)	(5,661)
Deemed dividend – accretion of discount on Series F preferred stock	(904)	-
Cumulative dividends on Series F preferred stock	(275)	-
Net loss attributable to common shareholders	$(15,268)	$(5,661)
Net loss per share, basic and diluted:		
Loss from continuing operations	$(2.13)	$(1.56)
Loss from discontinued operations	-	(0.13)
Deemed dividend – accretion of discount on preferred stock	(0.14)	-
Cumulative dividends on Series F preferred stock	(0.04)	-
Net loss attributable to common shareholders	$(2.31)	$(1.69)
Weighted average shares outstanding, basic and diluted	6,615,350	3,346,788

See accompanying notes to condensed consolidated financial statements.

POLARITYTE, INC.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

(Unaudited, in thousands, except share and per share amounts)

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Number	Amount	Number	Amount	Capital	Deficit	Equity (Deficit)
Balance as of October 31, 2017	3,230,655	$ 109,995	6,515,524	$ 7	$ 149,173	$ (259,005)	$ 170
Issuance of common stock in connection with:							
Conversion of Series A preferred stock to common stock	(1,544,572)	(378)	350,000	-	378	-	-
Conversion of Series C preferred stock to common stock	(2,578)	(201)	59,950	-	201	-	-
Conversion of Series D preferred stock to common stock	(26,667)	(312)	44,445	-	312	-	-
Proceeds from option exercises	-	-	10,417	-	45	-	45
Stock-based compensation expense	-	-	102,500	-	11,132	-	11,132
Deemed dividend – accretion of discount on Series F preferred stock	-	-	-	-	(904)	-	(904)
Cumulative dividends on Series F preferred stock	-	-	-	-	(275)	-	(275)
Series F preferred stock dividends paid in common stock	-	-	11,708	-	306	-	306
Net loss	-	-	-	-	-	(14,089)	(14,089)
Balance as of January 31, 2018	1,656,838	$ 109,104	7,094,544	$ 7	$ 160,368	$ (273,094)	$ (3,615)

See accompanying notes to condensed consolidated financial statements.

POLARITYTE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, in thousands)

	For the three months ended January 31, 2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(14,089)	$(5,661)
Loss from discontinued operations	-	432
Loss from continuing operations	(14,089)	(5,229)
Adjustments to reconcile net loss from continuing operations to net cash used in continuing operating activities:		
Depreciation and amortization	256	-
Stock based compensation expense	11,132	3,975
Change in fair value of warrant liability and embedded derivative	(3,374)	8
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	46	(204)
Security deposits – non-current	(111)	-
Accounts payable and accrued expenses	1,067	694
Net cash used in continuing operating activities	(5,073)	(756)
Net cash provided by discontinued operating activities	-	395
Net cash used in operating activities	(5,073)	(361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,664)	(1,538)
Net cash used in continuing investing activities	(2,664)	(1,538)
Net cash provided by discontinued investing activities	15	-
Net cash used in investing activities	(2,649)	(1,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock options exercised	45	-
Proceeds from the sale of common stock	-	2,278
Net cash provided by financing activities	45	2,278
Net decrease in cash and cash equivalents	(7,677)	379
Cash and cash equivalents - beginning of period	17,667	6,523
Cash and cash equivalents - end of period	$9,990	$6,902
Supplemental schedule of non-cash investing and financing activities:		
Conversion of Series A preferred stock to common stock	$378	$297

Conversion of Series B preferred stock to common stock	$-	$513
Conversion of Series C preferred stock to common stock	$201	$90
Conversion of Series D preferred stock to common stock	$312	$721
Unpaid liability for acquisition of property and equipment	$360	$54
Warrant exchange for common stock shares	$-	$78
Deemed dividend – accretion of discount on preferred stock	$904	$-
Cumulative dividends on Series F preferred stock	$275	$-
Series F preferred stock dividends paid in common stock	$306	$-

See accompanying notes to condensed consolidated financial statements.

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POLARITYTE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. PRINCIPAL BUSINESS ACTIVITY AND BASIS OF PRESENTATION

PolarityTE, Inc. is a commercial-stage biotechnology and regenerative biomaterials company focused on transforming the lives of patients by discovering, designing and developing a range of regenerative tissue products and biomaterials for the fields of medicine, biomedical engineering and material sciences.

Discontinued Operations. On June 23, 2017, the Company sold Majesco Entertainment Company, a Nevada corporation and wholly-owned subsidiary of the Company ("Majesco Sub") to Zift Interactive LLC, a Nevada limited liability company pursuant to a purchase agreement. Pursuant to the terms of the agreement, the Company sold 100% of the issued and outstanding shares of common stock of Majesco to Zift, including all of the right, title and interest in and to Majesco Sub's business of developing, publishing and distributing video game products through mobile and online digital downloading. Pursuant to the terms of the agreement, the Company will receive total cash consideration of approximately $100,000 ($5,000 upon signing the agreement and 19 additional monthly payments of $5,000) plus contingent consideration based on net revenues valued at $0. As of January 31, 2018, the Company received $40,000 in cash consideration and $60,000 remains receivable.

Segments. With the sale of Majesco Sub on June 23, 2017, the Company now solely operates in its Regenerative Medicine segment.

The accompanying interim condensed consolidated financial statements of the Company are unaudited, but in the opinion of management, reflect all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the results for the interim period. Accordingly, they do not include all information and notes required by generally accepted accounting principles for complete financial statements. The Company's financial results are impacted by the seasonality of the retail selling season and the timing of the release of new titles. The results of operations for interim periods are not necessarily indicative of results to be expected for the entire fiscal year. The balance sheet at October 31, 2017 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended October 31, 2017 filed with the Securities and Exchange Commission on Form 10-K on January 30, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation. The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Polarity NV and Majesco Sub (through the date sold). Majesco Sub was sold on June 23, 2017. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents. Cash equivalents consist of highly liquid investments with original maturities of three months or less at the date of purchase. At various times, the Company has deposits in excess of the Federal Deposit Insurance Corporation limit. The Company has not experienced any losses on these accounts.

Accounts Payable and Accrued Expenses. The carrying amounts of accounts payable and accrued expenses approximate fair value as these accounts are largely current and short term in nature.

Property and Equipment. Property and equipment is stated at cost. Depreciation and amortization is being provided for by the straight-line method over the estimated useful lives of the assets, generally five years. Amortization of leasehold improvements is provided for over the shorter of the term of the lease or the life of the asset.

Income Taxes. The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company evaluates the potential for realization of deferred tax assets at each quarterly balance sheet date and records a valuation allowance for assets for which realization is not more likely than not.

Stock Based Compensation. The Company measures all stock-based compensation to employees using a fair value method and records such expense in general and administrative and research and development expenses. Compensation expense for stock options with cliff vesting is recognized on a straight-line basis over the vesting period of the award, based on the fair value of the option on the date of grant. For stock options with graded vesting, the Company recognizes compensation expense over the service period for each separately vesting tranche of the award as though the award were in substance, multiple awards.

POLARITYTE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The fair value for options issued is estimated at the date of grant using a Black-Scholes option-pricing model. The risk-free rate is derived from the U.S. Treasury yield curve in effect at the time of the grant. The volatility factor is determined based on the Company's historical stock prices.

The value of restricted stock and restricted stock unit grants is measured based on the fair market value of the Company's common stock on the date of grant and amortized over the vesting period of, generally, six months to three years.

Loss Per Share. Basic loss per share of common stock is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted loss per share excludes the potential impact of common stock options, unvested shares of restricted stock and outstanding common stock purchase warrants because their effect would be anti-dilutive due to our net loss.

Commitments and Contingencies. We are subject to claims and litigation in the ordinary course of our business. We record a liability for contingencies when the amount is both probable and reasonably estimable. We record associated legal fees as incurred.

Accounting for Warrants. The Company accounts for the issuance of common stock purchase warrants issued in connection with the equity offerings in accordance with the provisions of ASC 815, Derivatives and Hedging ("ASC 815"). The Company classifies as equity any contracts that (i) require physical settlement or net-share settlement or (ii) gives the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net-cash settle the contract if an event occurs and if that event is outside the control of the Company) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). In addition, under ASC 815, registered common stock warrants that require the issuance of registered shares upon exercise and do not expressly preclude an implied right to cash settlement are accounted for as derivative liabilities. The Company classifies these derivative warrant liabilities on the condensed consolidated balance sheet as a current liability.

Change in Fair Value of Derivatives. The Company assessed the classification of common stock purchase warrants as of the date of each offering and determined that certain instruments met the criteria for liability classification.

Accordingly, the Company classified the warrants as a liability at their fair value and adjusts the instruments to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until the warrants are exercised or expired, and any change in fair value is recognized as "change in fair value of warrant liability" in the consolidated statements of operations. The fair value of the warrants has as well as other derivatives have been estimated using a Monte-Carlo or Black-Scholes valuation model.

Revenue Recognition. The Company recognizes revenue upon the shipment of products when each of the following four criteria is met: (i) persuasive evidence of an arrangement exists; (ii) products are delivered; (iii) the sales price is fixed or determinable; and (iv) collectability is reasonably assured.

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities or the disclosure of gain or loss contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Among the more significant estimates included in these financial statements are the valuation of warrant liability, valuation of derivative liability, stock-based compensation and the valuation allowances for deferred tax benefits. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In April 2016, the FASB issued ASU No. 2016-09, *Share-Based Payment: Simplifying the Accounting for Share-Based Payments*. The standard addresses several aspects of the accounting for employee share-based payment transactions, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. The Company adopted ASU 2016-09 during the first quarter of 2018 and the Company elected to account for forfeitures as they occur. The amendment was applied using a modified retrospective transition method. The provisions of ASU 2016-09 had no impact on the Company's consolidated financial statements.

Recent Accounting Pronouncements.

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842),* which supersedes FASB ASC Topic 840, *Leases (Topic 840)* and provides principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than twelve months regardless of classification. Leases with a term of twelve months or less will be accounted for similar to existing guidance for operating leases. The standard is effective for annual and interim periods beginning after December 15, 2018, with early adoption permitted upon issuance. When adopted, the Company expects this guidance to have a material impact on the Company’s balance sheet.

POLARITYTE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

In May 2017, the FASB issued ASU 2017-09, Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting. ASU 2017-09 provides clarity and reduces both (1) diversity in practice and (2) cost and complexity when applying the guidance in Topic 718, to a change to the terms or conditions of a share-based payment award. The amendments in ASU 2017-09 should be applied prospectively to an award modified on or after the adoption date. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company is currently assessing the potential impact of adopting ASU 2017-09 on its consolidated financial statements and related disclosures.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815)*: *I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception,* (ASU 2017-11). Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option. Part II of this update addresses the difficulty of navigating Topic 480, Distinguishing Liabilities from Equity, because of the existence of extensive pending content in the FASB Accounting Standards Codification. This pending content is the result of the indefinite deferral of accounting requirements about mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests. The amendments in Part II of this update do not have an accounting effect. This ASU is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company is currently assessing the potential impact of adopting ASU 2017-11 on its financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments*, which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The adoption of this update is not expected to have a material impact the Company's consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)", a new accounting standard that requires recognition of revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The FASB has also issued several updates to ASU 2014-09. The new standard supersedes U.S. GAAP guidance on revenue recognition and requires the use of more estimates and judgments than the present standards. It also requires additional disclosures regarding the nature, amount, timing and uncertainty of cash flows arising from contracts with customers. Topic 606 is effective for our fiscal year 2019 beginning on November 1, 2018. We are still evaluating the overall effect that the standard will have on our consolidated financial statements and accompanying notes to the consolidated financial statements.

3. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has experienced net losses and negative cash flows from operations during each of the last two fiscal years. The Company has experienced negative cash flows from continuing operations of approximately $5.1 million for the three months ended January 31, 2018. Given these negative cash flows and forecasted increased spending, the continuation of the Company as a going concern is dependent upon continued financial support from its shareholders, potential collaborations, the ability of the Company to obtain necessary equity and/or debt financing to continue operations, and the attainment of profitable operations. The Company cannot make any assurances that additional financings will be available to it and, if available, completed on a timely basis, on acceptable terms or at all. If the Company is unable to complete a debt or equity offering, execute a collaboration arrangement or otherwise obtain sufficient financing when and if needed, it would negatively impact its business and operations and could also lead to the reduction or suspension of the Company’s operations and ultimately force the Company to cease operations. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

POLARITYTE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following (in thousands):

	January 31, 2018	October 31, 2017
Legal retainer	$ -	$ 15
Prepaid insurance	64	69
Other prepaids	88	126
Advances on equipment purchases	435	-
Other assets	39	27
Total prepaid expenses and other current assets	$ 626	$ 237

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following (in thousands):

	January 31, 2018	October 31, 2017
Medical equipment	$4,911	$2,418
Computers and software	238	211
Furniture and equipment	45	30
Total property and equipment, gross	5,194	2,659
Accumulated depreciation	(742)	(486)
Total property and equipment, net	$4,452	$2,173

Depreciation expense for the three months ended January 31, 2018 and 2017 was approximately $256,000 and $83,000, respectively.

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following (in thousands):

	January 31, 2018	October 31, 2017
Accounts payable	$ 25	$ 25
Due to Zift	-	36
Medical study and supplies	511	362
Medical equipment purchase	360	54
Salaries and other compensation	1,312	574
Legal and accounting	737	555
Other accruals	367	333
Total accounts payable and accrued expenses	$ 3,312	$ 1,939

Salaries and other compensation include accrued payroll expense and employer 401K plan contributions.

POLARITYTE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

7. PREFERRED SHARES AND COMMON SHARES

Convertible preferred stock as of January 31, 2018 consisted of the following (in thousands, except share amounts):

	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference	Common Shares Issuable Upon Conversion
Series A	8,830,000	1,602,099	$ 391	$ 1,089	363,142
Series B	54,250	47,689	4,020	-	794,816
Series C	26,000	-	-	-	-
Series D	170,000	-	-	-	-
Series E	7,050	7,050	104,693	-	7,050,000
Series F	6,455	6,455	5,414	17,750	645,455
Other authorized, unissued	906,245	-	-	-	-
Total	10,000,000	1,663,293	$ 114,518	$ 18,839	8,853,413

Convertible preferred stock as of October 31, 2017 consisted of the following (in thousands, except share amounts):

	Shares Authorized	Shares Issued and Outstanding	Net Carrying Value	Aggregate Liquidation Preference	Common Shares Issuable Upon Conversion
Series A	8,830,000	3,146,671	$ 769	$ 2,140	713,245
Series B	54,250	47,689	4,020	-	794,816
Series C	26,000	2,578	201	-	59,953
Series D	170,000	26,667	312	-	44,445
Series E					