

DELCATH SYSTEMS, INC.
Form 424B3
August 10, 2015

Filed Pursuant to Rule 424(b)(3)

Registration Statement No. 333-204979

Prospectus Supplement No. 1

(to Prospectus dated July 16, 2015)

DELCATH SYSTEMS, INC.

9,350,000 Units

Consisting of 9,350,000 Shares of Common Stock

and

7,012,500 Series A Warrants to Purchase 7,012,500 Shares

of Common Stock

and

9,350,000 Series B Warrants to Purchase 9,350,000 Shares of

Common Stock and 7,012,500 Series A Warrants

This prospectus amends and supplements the prospectus dated July 16, 2015 (the "Prospectus"), which forms a part of our Registration Statement on Form S-1 (Registration Statement No. 333-204979). This prospectus supplement is being filed to update and supplement the information included or incorporated by reference in the prospectus with the information contained in our Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on August 5, 2015 (the "Form 10-Q"). Accordingly, we have attached the Form 10-Q to this prospectus supplement.

The prospectus and this prospectus supplement relate to the issuance of shares of our common stock and Series A Warrants upon the exercise of Series A Warrants and Series B Warrants issued in connection with our offering of units consisting of common stock, Series A Warrants and Series B Warrants on July 16, 2015.

Our common stock is traded on The Nasdaq Capital Market under the symbol "DCTH". Neither series of warrants will trade on The Nasdaq Capital Market or any other securities exchange or trading market. On August 7, 2015, the closing price for a share of our common stock on The Nasdaq Capital Market was \$0.53 per share.

Investing in our Common Stock involves risks. See "Risk Factors" beginning on page 9 of the Prospectus to read about factors you should consider before you make your investment decision.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement No. 1 is August 10, 2015

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 June 30, 2015

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: 001-16133

DELCATH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware 06-1245881
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
1301 Avenue of the Americas, 43FL

(Address of principal executive offices)

(212) 489-2100

(Registrant's telephone number, including area code)

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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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting 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

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 4, 2015, 21,763,864 shares of the Company's common stock, \$0.01 par value, were outstanding.

DELCATH SYSTEMS, INC.

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DELCATH SYSTEMS, INC.

Condensed Consolidated Balance Sheets

(in thousands, except share data)

	June 30, 2015 (Unaudited)	December 31, 2014
Assets:		
Current assets		
Cash and cash equivalents	\$ 14,053	\$20,469
Accounts receivables, net	460	174
Inventories	281	349
Prepaid expenses and other current assets	1,097	974
Total current assets	15,891	21,966
Property, plant and equipment, net	1,498	1,798
Total assets	\$ 17,389	\$23,764
Liabilities and Stockholders' Equity:		
Current liabilities		
Accounts payable	\$ 528	\$748
Accrued expenses	2,060	3,603
Warrant liability	761	225
Total current liabilities	3,349	4,576
Other non-current liabilities	929	1,043
Total liabilities	4,278	5,619
Commitments and Contingencies		
Stockholders' equity		
Preferred stock, \$.01 par value; 10,000,000 shares authorized; no shares		
issued and outstanding at June 30, 2015 and December 31, 2014,		
respectively	—	—
Common stock, \$.01 par value; 170,000,000 shares authorized; 12,991,707 and		
9,740,397 shares issued and 12,385,016 and 9,708,841 shares outstanding		
at June 30, 2015 and December 31, 2014, respectively	130	97
Additional paid-in capital	266,721	264,592
Accumulated deficit	(253,702)	(246,513)
Treasury stock, at cost; 1,757 shares at June 30, 2015 and December 31,		
2014, respectively	(51)	(51)
Accumulated other comprehensive income	13	20
Total stockholders' equity	13,111	18,145

Total liabilities and stockholders' equity	\$ 17,389	\$23,764
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See accompanying Notes to Condensed Consolidated Financial Statements.

DELCATH SYSTEMS, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited)

(in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue	\$466	\$251	\$910	\$561
Cost of goods sold	137	66	\$270	160
Gross profit	329	185	640	401
Operating expenses:				
Selling, general and administrative	2,502	4,597	5,542	8,416
Research and development	1,450	1,492	2,430	2,949
Total operating expenses	3,952	6,089	7,972	11,365
Operating loss	(3,623)	(5,904)	(7,332)	(10,964)
Change in fair value of the warrant liability, net	(48)	1,297	161	1,092
Other income (expense) and interest income (expense)	(28)	7	(18)	(6)
Net loss	\$(3,699)	\$(4,600)	\$(7,189)	\$(9,878)
Other comprehensive income (loss):				
Foreign currency translation adjustments	\$7	\$(20)	\$(7)	\$(22)
Comprehensive loss	\$(3,692)	\$(4,620)	\$(7,196)	\$(9,900)
Common share data:				
Basic loss per common share	\$(0.30)	\$(0.49)	\$(0.62)	\$(1.06)
Diluted loss per common share	\$(0.30)	\$(0.52)	\$(0.62)	\$(1.08)
Weighted average number of basic common shares outstanding				
	12,241,154	9,426,169	11,552,572	9,363,123
Weighted average number of diluted common shares outstanding				
	12,241,154	9,480,933	11,552,572	9,462,717

See accompanying Notes to Condensed Consolidated Financial Statements.

DELCATH SYSTEMS, INC.

Condensed Consolidated Statements of Cash Flows

(Unaudited)

(in thousands)

	Six months ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net loss	\$(7,189)	\$(9,878)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock option compensation expense	135	257
Restricted stock compensation expense	68	60
Depreciation expense	363	499
Provision for inventory obsolescence	—	102
Loss on disposal of equipment	2	123
Warrant liability fair value adjustment	(161)	(1,092)
Non-cash interest income	(1)	-
Changes in assets and liabilities:		
Decrease (increase) in prepaid expenses and other assets	(126)	856
Decrease (increase) in accounts receivable	(285)	183
Decrease in inventories	59	15
Increase (decrease) in accounts payable and accrued expenses	(1,712)	7
Increase (decrease) in other non-current liabilities	(110)	383
Net cash used in operating activities	(8,957)	(8,485)
Cash flows from investing activities:		