

AMERICAN CRYOSTEM Corp
Form 10-Q
February 19, 2019

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 three month period ended December 31, 2018

Commission file number: 000-54672

AMERICAN CRYOSTEM CORPORATION

(Name of registrant as specified in its charter)

Nevada 26-4574088
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1 Meridian Road, Eatontown, NJ 07724
(Address of principal executive offices)(Zip Code)

(732) 747-1007
(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 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 (§232.405 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 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 Smaller reporting company
Emerging growth company 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

As of February 15, 2019 there were 48,854,043 shares of common stock outstanding.

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PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****American CryoStem Corporation****Consolidated Balance Sheets****As of December 31, 2018 and September 30, 2018**

	31-Dec-18 Unaudited	30-Sep-18 Audited
ASSETS		
Current Assets:		
Cash	\$27,225	\$68,320
Accounts Receivable - net of allowance for bad debt	302,178	217,318
Other Receivable - Related Parties	1,962	790
Prepaid Expenses	12,232	48,931
Inventory	33,235	33,698
Total Current Assets	376,832	369,057
Other Assets:		
Other Receivable	159	159
Investment in Autogenesis - at cost	1,000	1,000
Investment in Baoxin - at cost	300,000	300,000
Security Deposit	13,540	13,540
Patents and Patents Development - net of accumulated amortization	342,585	337,962
Fixed Assets - net of accumulated depreciation	263,664	244,707
Total Assets	\$1,297,780	\$1,266,425
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$330,411	\$307,214
Legal & Accounting Payable	66,035	65,561
Consultants Payable	194,167	131,667
Bridge Notes Payable	226,500	226,500
Convertible Notes Payable	323,500	323,500
Equipment Lease Payable	32,099	31,001
Deferred Revenues	16,667	26,667
Total Current Liabilities	1,189,379	1,112,110
Long Term Liabilities:		
Convertible Note Payable - Net of Debt Discount	37,500	25,000
Equipment Lease Payable	53,941	62,386

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Accrued Executive Salaries	720,186	660,186
Payable to Related Party (ACS Global Inc.)	204,110	107,189
Total Liabilities	2,205,116	1,966,871
Commitments and Contingencies	0	0
Shareholders' Deficit:		
Preferred Stock - \$.0001 par value, 50,000,000 shares authorized, 0 shares issued and outstanding at December 31, 2018 and September 30, 2018	0	0
Common Stock - \$.001 par value, 300,000,000 shares authorized, 48,347,249 shares issued and outstanding at December 31, 2018 and 48,196,210 issued and outstanding at September 30, 2018	48,348	48,197
Additional Paid in Capital	13,475,423	13,388,034
Accumulated Deficit	(14,431,107)	(14,136,677)
Total Shareholders' Deficit	(907,336)	(700,446)
Total Liabilities & Shareholders' Deficit	\$1,297,780	\$1,266,425

See the notes to the financial statements.

American CryoStem Corporation

Consolidated Statements of Operations

For the Quarters Ended December 31, 2018 and 2017

Unaudited

	3 Months 31-Dec-18	3 Months 31-Dec-17
Revenues		
Tissue Processing & Storage	\$ 4,777	\$ 412,599
Licensing Fees & Royalties	110,614	126,667
Total Revenues	115,391	539,266
Less Cost of Revenues	(4,963)	(83,374)
Gross Margin	110,428	455,892
Operating Expenses		
Laboratory Expense	146,323	150,595
Sales & Marketing	3,978	22,887
Professional Fees	1,873	27,226
Stock Compensation Expense	30,121	549,588
General & Administrative	189,493	154,011
Total Operating Expenses	371,788	904,307
Net Loss from Operations	(261,360)	(448,415)
Other Income (Expenses):		
Loss on Settlement of Legal Bill	—	(76,437)
Foreign Taxes	(4,117)	—
Interest Expense	(16,453)	(29,541)
Interest Expense (beneficial conversion feature-debenture)	(12,500)	—
Net Loss before Provision for Income Taxes	(294,430)	(554,393)
Provision for Income Taxes	—	—
Net Loss	\$ (294,430)	\$ (554,393)
Basic & Fully Diluted Net Income (Loss) per Common Share:	(\$0.01)	(\$0.01)
Weighted Average of Common Shares Outstanding - Basic & fully diluted	48,224,018	43,757,135

See the notes to the financial statements.

American CryoStem Corporation

Consolidated Statements of Cash Flows

For the Quarters Ended December 31, 2018 and 2017

Unaudited

	3 Months 31-Dec-18	3 Months 31-Dec-17
Operating Activities:		
Net loss	\$(294,430)	\$(554,393)
Adjustments to reconcile net loss items not requiring the use of cash:		
Bad Debt Expense	5,388	—
Loss on Settlement of Legal Bill	—	76,437
Stock Compensation Expense	30,121	549,588
Interest Expense- Beneficial Conversion Feature	12,500	—
Depreciation & Amortization Expense	7,671	8,504
Decrease (increase) in operating assets		
Accounts receivable	(90,248)	(248,019)
Other Receivable - Related Parties	(1,172)	
Prepaid expense	36,699	23,333
Inventory	463	(3,365)
Increase (decrease) in operating liabilities		
Accounts Payable and Accrued Expenses	168,590	18,370
Deferred Revenue	(10,000)	174,336
Net cash provided (used) by operations	(134,418)	44,791
Investing activities:		
Investment in Baoxin	—	(300,000)
Purchase of lab equipment & furniture	(25,679)	(27,470)
Patents development	(5,572)	(10,975)
Net cash used by investing activities	(31,251)	(338,445)
Financing activities:		
Issuance of common shares	35,000	—
Paid down capital lease	(7,347)	—
Options exercised	—	25,000
Payable to related party	96,921	(1,124)
Net cash provided by financing activities	124,574	23,876
Net change in cash	(41,095)	(269,778)
Cash balance at beginning of the period	68,320	410,342
Cash balance at end of the period	\$27,225	\$140,564

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Supplemental disclosures of cash flow information:

Interest paid during the period	\$3,212	\$—
Income taxes paid during the period	\$—	\$—

See the notes to the financial statements.

See Note 14 for non-cash transactions.

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American CryoStem Corporation

Consolidated Statement of Changes in Shareholders' Deficit**For the Quarters Ended December 31, 2018 and 2017****Unaudited**

	Common Shares	Par Value	Paid in Capital	Accumulated Deficit	Total Deficit
Balance at September 30, 2017	43,409,580	\$43,410	\$11,581,197	\$(12,646,165)	\$(1,021,558)
Convertible notes exercised	1,241,667	1,242	223,758		225,000
Options exercised	600,000	600	24,400		25,000
Shares issued to pay interest due	23,705	24	19,268		19,292
Shares issued to pay legal bill	219,290	219	186,177		186,396
Issuance of options			549,023		549,023
Net loss				(554,393)	(554,393)
Balance at December 31, 2017	45,494,242	\$45,495	\$12,583,823	\$(13,200,558)	\$(571,240)
Balance at September 30, 2018	48,196,210	\$48,197	\$13,388,034	\$(14,136,677)	\$(700,446)
Issuance of common shares	116,667				