BIOLARGO, INC.
Form 10-Q
August 15, 2014
Table Of Contents
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, 2014.
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 000-19709
BIOLARGO, INC.
(Exact name of registrant as specified in its charter)

Delaware 65-0159115 (State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.) 3500 W. Garry Avenue

Santa Ana, California 92704

(Address, including zip code, of principal executive offices)

(949) 643-9540

(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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Non-accelerated filer 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

The number of shares of the Registrant's Common Stock outstanding as of August 12, 2014 was 80,959,722 shares.	

Table Of Contents

101.LAB** XBRL Taxonomy Extension Labels

BIOLARGO	O, INC.	
FORM 10-0	Q	
INDEX		
Item 2 Mana	ncial Statements agement's Discussion and Analysis and Financial Condition and Results of Operations rols and Procedures	1 17 22
PART II Item 2 Unre Item 6 Exhil	gistered Sales of Equity Securities and Use of Proceeds bits	23 26
Exhibit Ind Exhibit No.	ex Description of Exhibit	
4.1	Option to purchase common stock issued to Charles K. Dargan dated June 23, 2014 (1))
4.2*	Form of Warrant to Purchase Common stock issued to investors in Summer 2014 Privatoffering	ate Securities
10.01†	Engagement Extension Agreement dated as of June 23, 2014 between BioLargo, Inc. a Dargan, II. (1)	nd Charles K.
10.2* Exhibit 31.1*	License Agreement Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Rules 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934	Act of 2002 and
Exhibit 31.2* Exhibit 32*	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Rules 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934 Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.	
101.INS**	XBRL Taxonomy Extension Schema	220mm 1000
101.CAL**	XBRL Taxonomy Extension Schema XBRL Taxonomy Extension Definition XBRL Taxonomy Extension Definition	

101.PRE** XBRL Taxonomy Extension Presentation

- † Management contract or compensatory plan, contract or arrangement
- * Filed herewith
- ** Furnished herewith
- (1) Incorporated herein by reference from the Form 8-K filed by the Company on June 23, 2014.

Table Of Contents

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

BIOLARGO, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2013 AND JUNE 30, 2014

ASSETS CURRENT ASSETS Cash and cash equivalents Accounts receivable, net of allowance Inventory Syz,437 \$318,3 2,902 2,902 2,903 24,73	2 30
CURRENT ASSETS Cash and cash equivalents \$92,437 \$318,3 Accounts receivable, net of allowance 3,929 2,903 Inventory 29,830 24,73	2 30
Cash and cash equivalents\$92,437\$318,33Accounts receivable, net of allowance3,9292,903Inventory29,83024,73	2 30
Accounts receivable, net of allowance 3,929 2,90% 2,90	2 30
Inventory 29,830 24,77	30
•	
Prepaid expense — 45,00	
Total current assets 126,196 390,9)50
OTHER ASSETS, net of amortization 40,997 35,55	37
TOTAL ASSETS \$167,193 \$426,4	1 87
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable and accrued expenses \$407,157 \$331,)Q1
Note payable 325,000 50,00	
Customer deposit — 100,0	
Total current liabilities 732,157 481,	
1001 Carrent mannines 102,131 401,	701
TOTAL LIABILITIES 732,157 481,3	281

COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS (Note 12)

STOCKHOLDERS' EQUITY (DEFICIT)

Convertible Preferred Series A, \$.00067 Par Value, 50,000,000 Shares Authorized, -0-	_	_	
Shares Issued and Outstanding, at December 31, 2013 and June 30, 2014.			
Common Stock, \$.00067 Par Value, 200,000,000 Shares Authorized, 75,123,014 and	50,069	53,945	
80,903,402 Shares Issued, at December 31, 2013 and June 30, 2014.	30,007	33,743	
Additional Paid-In Capital	74,849,492	77,280,798	
Accumulated Deficit	(75,327,603)	(77,448,410)	
Non-controlling interest	(136,922)	58,873	
Total Stockholders' Equity (Deficit)	(564,964)	(54,794)	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	\$167,193	\$426,487	

See accompanying notes to unaudited condensed consolidated financial statements

1

Table Of Contents

BIOLARGO, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND SIX-MONTH PERIODS ENDED JUNE 30, 2013 AND 2014

	For the three-month periods		For the six-month periods		
	ended Jun 2013 (unaudited	ne 30, 2014 d≬unaudited)	ended Jun 2013 (unaudited	ne 30, 2014 d≬unaudited)	
Revenue					
License revenue	\$100,000	\$ —	\$100,000	\$ —	
Product revenue	19,983	21,086	34,346	30,373	
Total revenue	119,983	21,086	134,346	30,373	
Cost of goods sold	8,984	8,933	15,182	11,463	
Gross (loss) margin	110,999	12,153	119,164	18,910	

Costs and expenses