Cryoport, Inc. Form 10-Q February 14, 2013 Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended December 31, 2012

" 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: 001-34632

CryoPort, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Nevada (State or Other Jurisdiction of

Incorporation or Organization)

20382 BARENTS SEA CIRCLE,

LAKE FOREST, CA (Address of Principal Executive Offices)

(949) 470-2300

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. x 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). x Yes "No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, 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):

Large accelerated filer "

Accelerated filer

Non-accelerated filer" (Do not check if a smaller reporting company)Smaller reporting companyxIndicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)." Yes x No

As of February 8, 2013 the Company had 37,760,628, shares of its \$0.001 par value common stock issued and outstanding.

88-0313393 (IRS Employer

Identification No.)

92630 (Zip Code)

TABLE OF CONTENTS

	Page
PART I. FINANCIAL INFORMATION	3
ITEM 1. Financial Statements	3
Condensed Consolidated Balance Sheets at December 31, 2012 (Unaudited) and at March 31, 2012	3
Unaudited Condensed Consolidated Statements of Operations for the three and nine months ended December 31, 2012 and 2011	4
Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended December 31, 2012 and 2011	5
Notes to Condensed Consolidated Financial Statements (Unaudited)	6
ITEM 2. Management s Discussion and Analysis of Financial Condition and Results of Operations	19
ITEM 3. Quantitative and Qualitative Disclosures About Market Risk	23
ITEM 4. Controls and Procedures	23
PART II. OTHER INFORMATION	24
ITEM 1. Legal Proceedings	24
ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds	24
ITEM 3. Defaults Upon Senior Securities	24
ITEM 4. Mine Safety Disclosures	24
ITEM 5. Other Information	24
ITEM 6. Exhibits	24
SIGNATURES	25

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CRYOPORT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2012 (unaudited)	March 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 585,107	\$ 4,617,535
Restricted cash		251,368
Accounts receivable, net of allowances of \$11,200 at December 31, 2012 and \$5,500 at March 31,		
2012	201,137	146,124
Inventories	55,459	51,754
Other current assets	57,030	65,970
Total current assets	898,733	5,132,751
Property and equipment, net	524,075	682,021
Intangible assets, net	294,550	379,083
Deposits and other assets	19,744	19,744
Total assets	\$ 1,737,102	\$ 6,213,599
LIABILITIES AND STOCKHOLDERS (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 678,091	\$ 401,399
Accrued compensation and related expenses	168,465	235,996
Convertible debentures payable and accrued interest, net of discount of \$0 at December 31, 2012 and \$8,843 at March 31, 2012		337,902
Current portion of related party notes payable	96,000	96,000
Derivative liabilities	9,622	37,334
Total current liabilities	952,178	1,108,631
Related party notes payable and accrued interest, net of current portion	1,335,650	1,375,448
Total liabilities	2,287,828	2,484,079
Commitments and contingencies		
Stockholders equity:		
Preferred stock, \$0.001 par value, 2,500,000 shares authorized, none issued and outstanding		
Common stock, \$0.001 par value; 250,000,000 shares authorized; 37,760,628 shares issued and		
outstanding at December 31, 2012 and March 31, 2012	37,761	37,761
Additional paid-in capital	64,006,050	63,620,774
Accumulated deficit	(64,594,537)	(59,929,015)
Total stockholders (deficit) equity	(550,726)	3,729,520
Total liabilities and stockholders (deficit) equity	\$ 1,737,102	\$ 6,213,599

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See accompanying notes to unaudited condensed consolidated financial statements

CRYOPORT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Fo	For The Three Months Ended December 31, 2012 2011			For The Nine Months Ended December 31, 2012 2011			
Net revenues	\$	307,153	\$	144,254	\$	732,049	\$	378,718
Cost of revenues		368,795		344,702		1,066,853		1,062,532
Gross loss		(61,642)		(200,448)		(334,804)		(683,814)
Operating expenses:								
Selling, general and administrative		1,392,937		1,740,324		4,003,544		4,933,102
Research and development		94,424		120,702		305,031		346,637
Total operating expenses		1,487,361		1,861,026		4,308,575		5,279,739
Loss from operations	(1,549,003)	((2,061,474)	((4,643,379)		(5,963,553)
Other income (expense):								
Interest income				698				12,513
Interest expense		(11,896)		(78,974)		(48,255)		(320,042)
Change in fair value of derivative liabilities		(6,112)		60,185		27,712		109,153
Total other expense, net		(18,008)		(18,091)		(20,543)		(198,376)
Loss before income taxes	(1,567,011)		(2,079,565)	((4,663,922)		(6,161,929)
Income taxes						1,600		1,600
Net loss	\$ (1,567,011)	\$ ((2,079,565)	\$ ((4,665,522)	\$	(6,163,529)
Net loss per common share, basic and diluted	\$	(0.04)	\$	(0.07)	\$	(0.12)	\$	(0.22)
Basic and diluted weighted average common shares outstanding	3	7,760,628	2	28,246,661	3	7,760,628	2	27,969,167

See accompanying notes to unaudited condensed consolidated financial statements

4

CRYOPORT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

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Purchases of property and equipment (71,165) (243,85 Net cash used in investing activities (71,165) (369,07 Financing Activities Repayments of convertible debentures payable (82,800) (1,776,62 ayment of deferred financing costs (128,275) (158,27 Proceeds from exercise of warrants 571,63 Repayments of related party notes payable (72,000) (78,00 Payment on line of credit (90,000 Proceeds from release of restricted cash (4,032,428) (6,482,35 Cash and cash equivalents, beginning of period (4,032,428) (6,482,35 Cash and cash equivalents, end of period (5, 27,96,08 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for:	Purchases of intangible assets		(125,213)
Financing Activities Repayments of convertible debentures payable (82,800) (1,776,62 Payment of deferred financing costs (128,275) (158,27) Proceeds from exercise of warrants 571,63 Repayments of related party notes payable (72,000) (78,000 Payment on line of credit (90,000 Proceeds from release of restricted cash 91,44 Net cash used in financing activities (283,075) (1,439,82 Net change in cash and cash equivalents (4,032,428) (6,482,35 Cash and cash equivalents, beginning of period 4,617,535 9,278,44 Cash and cash equivalents, end of period \$ 585,107 \$ 2,796,08 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for: 585,107 \$ 2,796,08	Purchases of property and equipment	(71,165)	(243,857)
Repayments of convertible debentures payable(82,800)(1,776,62Payment of deferred financing costs(128,275)(158,27Proceeds from exercise of warrants571,63Repayments of related party notes payable(72,000)(78,00Payment on line of credit(90,00)Proceeds from release of restricted cash91,44Net cash used in financing activities(283,075)(1,439,82Net change in cash and cash equivalents(4,032,428)(6,482,35Cash and cash equivalents, beginning of period4,617,5359,278,44Cash and cash equivalents, end of period\$ 585,107\$ 2,796,08SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATIONCash paid during the period for:1	Net cash used in investing activities	(71,165)	(369,070)
Repayments of convertible debentures payable(82,800)(1,776,62Payment of deferred financing costs(128,275)(158,27Proceeds from exercise of warrants571,63Repayments of related party notes payable(72,000)(78,00Payment on line of credit(90,00)Proceeds from release of restricted cash91,44Net cash used in financing activities(283,075)(1,439,82Net change in cash and cash equivalents(4,032,428)(6,482,35Cash and cash equivalents, beginning of period4,617,5359,278,44Cash and cash equivalents, end of period\$ 585,107\$ 2,796,08SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATIONCash paid during the period for:1	Financing Activities		
Payment of deferred financing costs(128,275)(158,27Proceeds from exercise of warrants571,63Repayments of related party notes payable(72,000)(78,00Payment on line of credit(90,00)Proceeds from release of restricted cash91,44Net cash used in financing activities(283,075)(1,439,82Net change in cash and cash equivalents(4,032,428)(6,482,35)Cash and cash equivalents, beginning of period\$ 585,107\$ 2,796,08SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATIONCash paid during the period for:\$ 585,107		(82.800)	(1.776.628)
Proceeds from exercise of warrants 571,63 Repayments of related party notes payable (72,000) (78,00 Payment on line of credit (90,000 Proceeds from release of restricted cash 91,44 Net cash used in financing activities (283,075) (1,439,82 Net change in cash and cash equivalents (4,032,428) (6,482,35 Cash and cash equivalents, beginning of period 4,617,535 9,278,44 Cash and cash equivalents, end of period \$ 585,107 \$ 2,796,08 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for:			(158,270)
Repayments of related party notes payable(72,000)(78,00Payment on line of credit(90,00Proceeds from release of restricted cash91,44Net cash used in financing activities(283,075)(1,439,82Net change in cash and cash equivalents(4,032,428)(6,482,35Cash and cash equivalents, beginning of period4,617,5359,278,44Cash and cash equivalents, end of period\$ 585,107\$ 2,796,08SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATIONCash paid during the period for:1		(,)	571,633
Payment on line of credit(90,00Proceeds from release of restricted cash91,44Net cash used in financing activities(283,075)Net change in cash and cash equivalents(4,032,428)Cash and cash equivalents, beginning of period4,617,535Cash and cash equivalents, end of period\$ 585,107SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATIONCash paid during the period for:		(72.000)	(78,000)
Proceeds from release of restricted cash Net cash used in financing activities Net change in cash and cash equivalents Cash and cash equivalents, beginning of period Cash and cash equivalents, end of period SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for: Proceeds from release of restricted cash (283,075) (1,439,82 (4,032,428) (6,482,35 4,617,535 9,278,44 Standard Standard Sta		(,_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(90,000)
Net change in cash and cash equivalents(4,032,428)(6,482,35Cash and cash equivalents, beginning of period4,617,5359,278,44Cash and cash equivalents, end of period\$ 585,107\$ 2,796,08SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATIONCash paid during the period for:585,107	Proceeds from release of restricted cash		91,443
Cash and cash equivalents, beginning of period 4,617,535 9,278,44 Cash and cash equivalents, end of period \$ 585,107 \$ 2,796,08 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for: Cash paid during the period for:	Net cash used in financing activities	(283,075)	(1,439,822)
Cash and cash equivalents, beginning of period 4,617,535 9,278,44 Cash and cash equivalents, end of period \$ 585,107 \$ 2,796,08 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for: Cash paid during the period for:		(1.022,120)	(6 100 05 1)
Cash and cash equivalents, end of period \$ 585,107 \$ 2,796,08 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for:			(6,482,354)
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION Cash paid during the period for:	Cash and cash equivalents, beginning of period	4,617,535	9,278,443
Cash paid during the period for:	Cash and cash equivalents, end of period	\$ 585,107	\$ 2,796,089
	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
	Cash paid during the period for:		
	Interest	\$ 15,676	\$ 113,305

Income taxes

\$ 1,600 \$ 1,600