

Cryoport, Inc.  
Form 10-Q  
February 14, 2013  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark One)

**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)**

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|  |   |
|--|---|
| <b>Nevada</b><br>(State or Other Jurisdiction of<br>Incorporation or Organization)                         | <b>88-0313393</b><br>(IRS Employer<br>Identification No.) |
| <b>20382 BARENTS SEA CIRCLE,</b><br><br><b>LAKE FOREST, CA</b><br>(Address of Principal Executive Offices) | <b>92630</b><br>(Zip Code)                                |
| <b>(949) 470-2300</b>  |   |

**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, 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 company   
Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

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

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**Table of Contents****PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****CRYOPORT, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

|  | <b>December 31,<br/>2012<br/>(unaudited)</b> | <b>March 31,<br/>2012</b> |
|--|--|---------------------------|
| <b>ASSETS</b>  |  |                           |
| 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              |
| <b>LIABILITIES AND STOCKHOLDERS (DEFICIT) EQUITY</b>   |  |                           |
| 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*

**Table of Contents****CRYOPORT, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

|  | For The Three Months Ended<br>December 31, |                | For The Nine Months Ended<br>December 31, |                |
|--|--|----------------|---|----------------|
|  | 2012                                       | 2011           | 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 | 37,760,628                                 | 28,246,661     | 37,760,628                                | 27,969,167     |

*See accompanying notes to unaudited condensed consolidated financial statements*

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|   | <b>For The Nine Months Ended<br/>December 31,</b> |                    |
|---|---|--------------------|
|   | <b>2012</b>                                       | <b>2011</b>        |
| <b>Operating Activities</b>   |   |                    |
| Net loss  | \$ (4,665,522)                                    | \$ (6,163,529)     |
| Adjustments to reconcile net loss to net cash used in operating activities:             |   |                    |
| Depreciation and amortization   | 307,262   | 250,737            |
| Amortization of debt discount   | 8,843   | 170,544            |
| Fair value of stock options and warrants issued to employees, directors and consultants | 488,818   | 527,981            |
| Change in fair value of derivative instruments  | (27,712)  | (109,153)          |
| Loss on disposal of Cryogenic shippers  | 6,382   |                    |
| Interest accrued on restricted cash   |   | (274)              |
| Changes in operating assets and liabilities:  |   |                    |
| Accounts receivable   | (55,013)  | (27,914)           |
| Inventories   | (3,705)   | (2,906)            |
| Other current assets  | 8,940   | 155,937            |
| Accounts payable and accrued expenses   | 301,425   | 338,475            |
| Accrued compensation and related expenses   | (67,531)  | 150,446            |
| Accrued interest  | 19,625  | 36,194             |
| <b>Net cash used in operating activities</b>  | <b>(3,678,188)</b>                                | <b>(4,673,462)</b> |
| <b>Investing Activities</b>   |   |                    |
| Purchases of intangible assets  |   | (125,213)          |
| Purchases of property and equipment   | (71,165)  | (243,857)          |
| <b>Net cash used in investing activities</b>  | <b>(71,165)</b>                                   | <b>(369,070)</b>   |
| <b>Financing Activities</b>   |   |                    |
| Repayments of convertible debentures payable  | (82,800)  | (1,776,628)        |
| Payment of deferred financing costs   | (128,275)   | (158,270)          |
| Proceeds from exercise of warrants  |   | 571,633            |
| Repayments of related party notes payable   | (72,000)  | (78,000)           |
| Payment on line of credit   |   | (90,000)           |
| Proceeds from release of restricted cash  |   | 91,443             |
| <b>Net cash used in financing activities</b>  | <b>(283,075)</b>                                  | <b>(1,439,822)</b> |
| Net change in cash and cash equivalents   | (4,032,428)                                       | (6,482,354)        |
| Cash and cash equivalents, beginning of period  | 4,617,535   | 9,278,443          |
| Cash and cash equivalents, end of period  | \$ 585,107  | \$ 2,796,089       |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                                 |   |                    |
| Cash paid during the period for:  |   |                    |
| Interest  | \$ 15,676   | \$ 113,305         |

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Income taxes

\$ 1,600 \$ 1,600