

BIOLIFE SOLUTIONS INC
Form 10-Q
November 10, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: **September 30, 2008**

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: **0-18170**

BioLife Solutions, Inc.

(Exact name of registrant as specified in its charter)

Delaware **94-3076866**
(State or other jurisdiction *(I.R.S. Employer*
of incorporation or organization) *Identification No.)*
3303 Monte Villa Parkway, Suite 310, Bothell, WA 98021
(Address of Principal Executive Office) (Zip Code)
(425) 402-1400
(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 Yes No for the past 90 days.

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

Large accelerated filer		Accelerated filer	
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The registrant had 69,639,854 shares of Common Stock, \$0.001 par value per share, outstanding as of October 31, 2008.

BIOLIFE SOLUTIONS, INC.

FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2008

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PART I. FINANCIAL INFORMATION**Item 1.****Financial Statements****BioLife Solutions, Inc.****Balance Sheets
(unaudited)**

	September 30, 2008	December 31, 2007
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 85,070	\$ 56,497
Accounts receivable, trade, net of allowance for doubtful accounts of \$5,000 at both September 30, 2008 and December 31, 2007	362,145	300,505
Inventories	587,726	99,062
Prepaid expenses	133,257	113,514
Total current assets	1,168,198	569,578
Property and equipment		
Leasehold improvements		42,448
Furniture and computer equipment	105,418	93,425
Manufacturing and other equipment	210,558	180,197
Subtotal	315,976	316,070
Less: Accumulated depreciation and amortization	(181,582)	(203,380)
Net property and equipment	134,394	112,690
Deferred financing costs, net		43,750
Total assets	\$ 1,302,592	\$ 726,018
<u>Liabilities and Stockholders Equity (Deficiency)</u>		
Current liabilities		
Accounts payable	\$ 654,625	\$ 97,138
Accrued expenses	265,879	233,012
Accrued interest, related parties		107,325
Deferred revenue	109,583	8,333
Total current liabilities	1,030,087	445,808

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Long term liabilities		
Promissory notes payable, related parties	4,463,127	2,750,000
Accrued interest, related parties	193,778	
Total liabilities	5,686,992	3,195,808
Commitments and Contingencies		
Stockholders' equity (deficiency)		
Common stock, \$0.001 par value; 100,000,000 shares authorized, 69,639,854 and 69,606,520 shares issued and outstanding at September 30, 2008 and December 31, 2007, respectively		
	69,640	69,607
Additional paid-in capital	42,184,559	42,128,356
Accumulated deficit	(46,638,599)	(44,667,753)
Total stockholders' equity (deficiency)	(4,384,400)	(2,469,790)
Total liabilities and stockholders' equity (deficiency)	\$ 1,302,592	\$ 726,018
	See accompanying notes.	

BioLife Solutions, Inc.**Statements of Operations**
(unaudited)

	Three-month Period		Nine-month Period	
	Ended September 30,		Ended September 30,	
	2008	2007	2008	2007
Revenue				
Product sales	\$ 296,620	\$ 226,705	\$ 869,716	\$ 636,043
Licensing revenue	11,250	13,750	33,750	15,417
Total revenue	307,870	240,455	903,466	651,460
Cost of product sales	133,770	73,958	519,532	250,315
Gross margin	174,100	166,497	383,934	401,145
Operating expenses				
Research and development	94,133	79,984	308,813	275,728
Sales and marketing	80,400	170,360	252,900	544,377
General and administrative	481,771	437,275	1,459,731	1,412,257
Manufacturing start-up costs	106,294	198,491	106,294	198,491
Total operating expenses	762,598	886,110	2,127,738	2,430,853
Operating loss	(588,498)	(719,613)	(1,743,804)	(2,029,708)
Other income (expenses)				
Interest income	1,052	3,616	5,791	7,607
Other income		97	10,495	1,497
Interest expense	(75,379)	(36,324)	(199,579)	(63,378)
Amortization of deferred financing costs		(9,375)	(43,750)	(21,875)
Total other income (expenses)	(74,327)	(41,986)	(227,043)	(76,149)
Net Loss	\$ (662,825)	\$ (761,599)	\$ (1,970,847)	\$ (2,105,857)
Basic and diluted net loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
	69,639,854	69,606,520	69,628,865	69,311,861

Basic and diluted weighted average
common shares used to calculate
net loss per common share

See accompanying notes.

BioLife Solutions, Inc.**Statements of Cash Flows
(unaudited)**

	Nine-month Period	
	Ended September 30,	
	2008	2007
Cash flows from operating activities		
Net loss	\$ (1,970,847)	\$ (2,105,857)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	20,722	23,543
Amortization of deferred financing costs	43,750	21,875
Share-based compensation expense	53,903	83,844
Change in operating assets and liabilities		
(Increase) Decrease in		
Accounts receivable, trade	(61,640)	(110,999)
Inventories	(488,664)	(156,019)
Prepaid expenses and other current assets	(19,742)	(92,422)
Increase (Decrease) in		
Accounts payable	557,487	112,015
Accrued expenses	32,867	118,290
Accrued interest, related parties	199,579	58,805
Deferred revenue	101,250	19,583
Net cash used in operating activities	(1,531,335)	(2,027,342)
Cash flows from investing activity		
Purchase of property and equipment	(42,425)	(87,646)
Net cash used in investing activity	(42,425)	(87,646)
Cash flows from financing activities		
Decrease in restricted cash		190,837
Proceeds from promissory notes payable, related parties	1,600,000	2,750,000
Principal payments on note payable		(197,477)
Proceeds from exercise of options	2,333	
Collection of stock subscriptions receivable		