

DAIS ANALYTIC CORP
Form 10-Q
August 14, 2018

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

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2018

.. Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File No. 000-53554

**DAIS ANALYTIC
CORPORATION**

(Exact name of Registrant as specified in its charter)

New York
(State or other jurisdiction of incorporation
or organization)

14-1760865
(IRS Employer Identification No.)

11552 Prosperous Drive, Odessa, Florida
(Address of principal executive offices)

33556
(Zip Code)

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Registrant's telephone number, including area code: (727) 375-8484

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 at least the past 90 days. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, 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 x 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 "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>
Emerging Growth Company	<input type="radio"/>		

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

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. "

There were 147,700,182 shares of the Registrant's \$0.01 par value common stock outstanding as of August 12, 2018.

DAIS ANALYTIC CORPORATION

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements****DAIS ANALYTIC CORPORATION****CONDENSED BALANCE SHEETS**

	June 30,	December 31,
	2018	2017
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 123,943	122,036
Accounts receivable, net	56,556	5,058
Other receivables	2,824	3,598
Inventory	63,175	101,607
Prepaid expenses	81,358	12,294
Total Current Assets	327,856	244,593
Property and equipment, net, including accumulated depreciation of \$381,948 and \$371,917 at June 30, 2018 and December 31, 2017, respectively	72,169	91,900
OTHER ASSETS:		
Deposits	4,780	5,080
Patents, net, including accumulated amortization of \$279,216 and \$266,915 at June 30, 2018 and December 31, 2017, respectively	136,044	117,606
Total Other Assets	140,824	122,686
TOTAL ASSETS	\$ 540,849	459,179
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable, including related party payables of \$130,907 and \$104,543 at June 30, 2018 and December 31, 2017, respectively	\$ 483,425	\$ 353,193
Accrued expenses, other, including interest due to related party of \$181,323 and \$102,059 at June 30, 2018 and December 31, 2017, respectively	478,876	345,654
Accrued compensation and related benefits	1,825,366	1,727,259
Customer deposits	73,733	120,579
Note payable to related party	1,332,000	1,332,000
Current portion of deferred revenue	473,656	498,656
Derivative liabilities	444,208	243,501
	624,612	3,788

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Convertible notes payable, net of unamortized debt discount and deferred debt issuance costs

Total Current Liabilities	5,735,876	4,624,630
Total Liabilities	5,735,876	4,624,630

STOCKHOLDERS' DEFICIT

Preferred stock; \$0.01 par value; 10,000,000 shares authorized; no shares issued and outstanding

Preferred stock; \$0.01 par value; 10,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock; \$0.01 par value; 240,000,000 shares authorized; 148,757,395 and 140,608,645 shares issued; and 147,500,182 and 139,351,432 shares outstanding at June 30, 2018 and December 31, 2017, respectively	1,487,575	1,406,087
Capital in excess of par value	43,270,440	43,003,003
Accumulated deficit	(48,490,930)	(47,112,429)
	(3,739,789)	(2,703,339)
Treasury stock at cost, 1,257,213 shares	(1,462,112)	(1,462,112)
Total Stockholders' Deficit	(5,195,027)	(4,165,451)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 540,849	\$ 459,179

See accompanying Notes to Unaudited Condensed Financial Statements.

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DAIS ANALYTIC CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2018	2017	2018	2017
REVENUE				
Sales	\$ 295,604	\$ 115,024	\$ 536,278	\$ 136,400
Royalty and license fees	12,500	-	25,000	-
	308,104	115,024	561,278	136,400
COST OF GOODS SOLD	221,330	94,989	393,502	116,009
GROSS MARGIN	86,774	20,035	167,776	20,391
OPERATING EXPENSES				
Research and development, net	64,749	96,102	140,212	163,020
Selling, general and administrative	712,405	560,679	1,090,420	900,403
TOTAL OPERATING EXPENSES	777,154	656,781	1,230,632	1,063,423
LOSS FROM OPERATIONS	(690,380)	(636,746)	(1,062,856)	(1,043,032)
OTHER INCOME (EXPENSE)				
Other income	-	-	-	-
Interest expense, net income	(262,353)	(509,764)	(489,712)	(577,753)
Change in fair value of derivative liabilities	86,967	195,175	(21,607)	195,175
Gain/(Loss) on extinguishment of debt	195,675	-	195,675	-
TOTAL OTHER INCOME (EXPENSE), NET	20,288	(314,589)	(315,646)	(382,578)
NET LOSS	\$ (670,091)	\$ (951,335)	\$ (1,378,501)	\$ (1,425,610)
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING,	142,546,872	126,431,653	140,957,979	123,636,375

BASIC AND DILUTED

See accompanying Notes to Unaudited Condensed Financial Statements.

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DAIS ANALYTIC CORPORATION
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Accumulated Deficit	Treasury Stock	Total Stockholders' Deficit
Balance at December 31, 2017	140,608,645	\$ 1,406,087	\$ 43,003,003	\$ (47,112,429)	\$ (1,462,112)	\$ (4,165,451)
S h a r e s issued for services	8,148,750	81,488	267,437			348,925
Net loss	-	-	-	(1,378,501)	-	(1,378,501)
Balance at June 30, 2018 (unaudited)	148,757,395	\$ 1,487,575	\$ 43,270,440	\$ (48,490,930)	\$ (1,462,112)	\$ (5,195,027)

See accompanying Notes to Unaudited Condensed Financial Statements.

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DAIS ANALYTIC CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended	
	June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,378,501)	\$ (1,425,610)
Adjustments to reconcile net loss to net cash and cash equivalents used in operating activities:		
Amortization of deferred debt issue costs	5,971	2,997
Depreciation and amortization	32,033	32,727
Gain on extinguishment of debt	(195,675)	-
Change in fair value of derivative liability	21,607	(195,175)
Non-cash interest expenses	196,797	363,807
Fair value of warrant for debt modification	-	133,729
Amortization of debt discount	125,756	39,484
Stock issued for finance cost	-	1,800
Stock compensation	300,000	180,000
(Increase) decrease in:		
Accounts receivable	(51,498)	(10,987)
Inventory	38,432	(11,422)
Other receivables	774	-
Prepaid expenses/Other current assets	(69,063)	(45,499)
Deposits	300	-
Increase (decrease) in:		
Accounts payable	130,232	182,048
Accrued related party	-	-
Accrued expenses	271,328	228,778
Customer Deposits	(46,846)	23,580
Deferred revenue	(25,000)	-
Net cash used in operating activities	(643,353)	(499,744)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Increase in patent costs	(30,740)	(14,411)
Purchases of property and equipment	-	(2,237)
Net cash used in investing activities	(30,740)	(16,648)
CASH FLOWS FROM FINANCING ACTIVITIES:		