

Lightwave Logic, Inc.
Form 10-Q
November 09, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 September 30, 2018

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 0-52567

Lightwave Logic, Inc.

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(Exact name of registrant as specified in its charter)

Nevada

82-049-7368

(State or other jurisdiction of
Incorporation or Organization)

(I.R.S. Employer Identification No.)

369 Inverness Parkway, Suite 350

Englewood, CO

80112

(Address of principal executive offices)

(Zip Code)

(720) 340-4949

(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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act:

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by checkmark 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.

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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 November 8, 2018 was 78,459,838.

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Forward-Looking Statements

This report on Form 10-Q contains, and our officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," continuing, ongoing, "strategy," "future," "likely," "may," "should," could, "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding expected operating results, such as anticipated revenue; anticipated levels of capital expenditures for our current fiscal year; our belief that we have, or will have, sufficient liquidity to fund our business operations during the next 12 months; strategy for gaining customers, growth, product development, market position, financial results and reserves.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: lack of available funding; general economic and business conditions; competition from third parties; intellectual property rights of third parties; regulatory constraints; changes in technology and methods of marketing; delays in completing various engineering and manufacturing programs; changes in customer order patterns; changes in product mix; success in technological advances and delivering technological innovations; shortages in components; production delays due to performance quality issues with outsourced components; and other factors beyond the Company's control.

The ultimate correctness of these forward-looking statements depends upon a number of known and unknown risks and events. We discuss our known material risks under Item 1.A Risk Factors contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and under Part II- Item 1.A Risk Factors contained in this report on Form 10-Q. Many factors could cause our actual results to differ materially from the forward-looking statements. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

PART I FINANCIAL INFORMATION

Item 1

Financial Statements

LIGHTWAVE LOGIC, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

(UNAUDITED)

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LIGHTWAVE LOGIC, INC.**BALANCE SHEETS**

	September 30, 2018 (Unaudited)	December 31, 2017 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,204,317	\$ 3,482,327
Prepaid expenses and other current assets	316,359	584,919
	2,520,676	4,067,246
PROPERTY AND EQUIPMENT - NET	1,784,400	1,176,749
OTHER ASSETS		
Intangible assets - net	932,139	605,775
TOTAL ASSETS	\$ 5,237,215	\$ 5,849,770
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 22,598	\$ 54,208
Current portion of equipment purchase	297,421	493,597
Accounts payable and accrued expenses - related parties	52,732	8,770
Accrued expenses	45,881	92,186
	418,632	648,761
LONG TERM EQUIPMENT PURCHASE PAYABLE - NET OF CURRENT PORTION		184,294
TOTAL LIABILITIES	418,632	833,055
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value, 1,000,000 authorized, No shares issued or outstanding		
Common stock \$0.001 par value, 250,000,000 authorized, 77,635,666 and 74,068,259 issued and outstanding at September 30, 2018 and December 31, 2017	77,636	74,068
Additional paid-in-capital	61,006,130	56,698,658
Accumulated deficit	(56,265,183)	(51,756,011)
TOTAL STOCKHOLDERS' EQUITY	4,818,583	5,016,715

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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	5,237,215	\$	5,849,770
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See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.**STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS AND NINE MONTHS ENDING SEPTEMBER 30, 2018 AND 2017****(UNAUDITED)**

	For the Three Months Ending September 30,		For the Nine Months Ending September 30,	
	2018	2017	2018	2017
NET SALES	\$	\$	\$	\$
COST AND EXPENSE				
Research and development	984,760	821,331	2,830,785	2,388,861
General and administrative	458,774	384,601	1,543,241	1,643,462
	1,443,534	1,205,932	4,374,026	4,032,323
LOSS FROM OPERATIONS	(1,443,534)	(1,205,932)	(4,374,026)	(4,032,323)
OTHER INCOME (EXPENSE)				
Interest income	63	63	187	187
Commitment fee	(54,230)	(74,636)	(135,333)	(128,557)
NET LOSS	\$ (1,497,701)	\$ (1,280,505)	\$ (4,509,172)	\$ (4,160,693)
Basic and Diluted Loss per Share	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ (0.06)
Basic and Diluted Weighted Average Number of Shares	76,985,304	70,871,809	75,694,887	70,128,995

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.
STATEMENT OF STOCKHOLDERS EQUITY
SEPTEMBER 30, 2018

	Number of Shares		Common Stock		Additional Paid-in Capital		Accumulated Deficit		Total
BALANCE AT DECEMBER 31, 2017 (AUDITED)	74,068,259	\$	74,068	\$	56,698,658	\$	(51,756,011)	\$	5,016,715