

RenovaCare, Inc.
Form 10-Q
November 14, 2017

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 **September 30, 2017**

“ 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 **000-30156**

RENOVACARE, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation)

98-0384030
(I.R.S. Employer Identification No.)

430 Park Avenue

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Suite 702

New York, NY 10022

(Address of principal executive offices)

888-398-0202

(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 x 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 x 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	..	Accelerated filer	..
Non-accelerated filer	..	(Do not check if a smaller reporting company)	
Smaller reporting company	x	Emerging Growth Company	..

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. x

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

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As of November 1, 2017, the registrant had 76,145,418 shares of its common stock, par value \$0.00001 per share, issued and outstanding.

RENOVACARE, INC.

FORM 10-Q

For The Quarter Ended September 30, 2017

TABLE OF CONTENTS

	Page #
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1.</u> <u>Financial Statements</u>	3
<u>Consolidated Balance Sheets</u>	3
<u>Consolidated Statements of Operations</u>	4
<u>Consolidated Statements of Stockholders' Equity</u>	5
<u>Consolidated Statements of Cash Flows</u>	6
<u>Notes to Consolidated Financial Statements</u>	7
<u>Item 2.</u> <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3.</u> <u>Quantitative and Qualitative Disclosures About Market Risk</u>	25
<u>Item 4.</u> <u>Controls and Procedures</u>	25
<u>PART II - OTHER INFORMATION</u>	
<u>Item 1.</u> <u>Legal Proceedings</u>	26
<u>Item 1A.</u> <u>Risk Factors</u>	26
<u>Item 2.</u> <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	26
<u>Item 6.</u> <u>Exhibits</u>	27
<u>Signatures</u>	28

PART I

Item 1. Financial Statements

RENOVACARE, INC
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,149,604	\$ 418,031
Prepaid expenses	11,800	31,535
Total current assets	1,161,404	449,566
Equipment, net of accumulated depreciation of \$291 and \$53, respectively	661	898
Intangible assets	152,854	152,854
Total assets	\$ 1,314,919	\$ 603,318

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities		
Accounts payable	\$ 101,911	\$ -
Accounts payable - related parties	20,000	33,290
Contract payable	100,000	150,000
Interest payable to related parties	71,185	15,220
Convertible promissory notes payable to related parties, net of discount of \$302,728 and \$534,519, respectively	817,272	165,481
Total current liabilities	1,110,368	363,991
Total liabilities	1,110,368	363,991

Commitments and contingencies

Stockholders' equity

Preferred stock: \$0.0001 par value; 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock: \$0.00001 par value; 500,000,000 shares authorized, 75,225,418 and 70,069,693 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	753	702
Additional paid-in capital	13,949,028	11,290,209
Retained deficit	(13,745,230)	(11,051,584)

Total stockholders' equity		204,551		239,327
Total liabilities and stockholders' equity	\$	1,314,919	\$	603,318

(The accompanying notes are an integral part of these consolidated financial statements)

Table of Contents

RENOVACARE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	\$ -	\$ -	\$ -	\$ -
Operating expense				
Research and development	139,819	45,381	363,785	231,013
General and administrative	434,923	223,832	1,599,338	1,347,063
Total operating expense	574,742	269,213	1,963,123	1,578,076
Loss from operations	(574,742)	(269,213)	(1,963,123)	(1,578,076)
Other income (expense)				
Interest income	738	149	1,195	768
Interest expense	(20,775)	(2,819)	(56,641)	(2,819)
Accretion of debt discount	(256,667)	(30,753)	(675,077)	(30,753)
Total other income (expense)	(276,704)	(33,423)	(730,523)	(32,804)
Net loss	\$ (851,446)	\$ (302,636)	\$ (2,693,646)	\$ (1,610,880)
Basic and Diluted Loss per Common Share	\$ (0.01)	\$ (0.00)	\$ (0.04)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	75,123,280	69,955,847	73,837,107	69,695,772

(The accompanying notes are an integral part of these consolidated financial statements)

Table of Contents**RENOVACARE, INC.****CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 (UNAUDITED) AND YEAR ENDED
DECEMBER 31, 2016**

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Deficit	Total Stockholders' Equity
Balance, December 31, 2015	67,781,934	\$ 678	\$ 9,197,970	\$ (8,973,695)	\$ 224,953
Issuance of common stock from the exercise of warrants	2,273,913	24	1,109,977	-	1,110,001
Issuance of common stock from the exercise of stock options	13,846	-	-	-	-
Stock based compensation due to common stock purchase options	-	-	296,123	-	296,123
Reversal of stock based compensation due to forfeiture of stock options	-	-	(13,861)	-	(13,861)
Discount on convertible promissory note due to detachable warrants	-	-	340,735	-	340,735
Discount on convertible promissory note due to beneficial conversion feature	-	-	359,265	-	359,265
Net loss for the year ended December 31, 2016	-	-	-	(2,077,889)	(2,077,889)
Balance, December 31, 2016	70,069,693	702	11,290,209	(11,051,584)	239,327
Issuance of common stock from the exercise of warrants	4,592,895	46	344,578	-	344,624
	102,580	1	(1)	-	-

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Issuance of common stock from the exercise of stock options					
July 2017 Private Placement units issued	460,250	4	1,122,606	-	1,122,610
Stock based compensation due to common stock purchase options	-	-	748,350	-	748,350
Discount on convertible promissory note due to detachable warrants and beneficial conversion feature	-	-	443,286	-	443,286
Net loss for the nine months ended September 30, 2017	-	-	-	(2,693,646)	(2,693,646)
Balance, September 30, 2017 (Unaudited)	75,225,418 \$	753 \$	13,949,028 \$	(13,745,230) \$	204,551

(The accompanying notes are an integral part of these consolidated financial statements)

Table of Contents

RENOVACARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

	Nine Months Ended	
	September 30,	
	2017	2016
Cash flows from operating activities		
Net loss	\$ (2,693,646)	\$ (1,610,880)
Adjustments to reconcile net loss to net cash flows from operating activities		
Depreciation	237	-
Stock based compensation expense	748,350	287,238
Accretion of debt discount	675,077	30,753
Changes in operating assets and liabilities:		
Decrease (increase) in prepaid expenses	19,735	(1,737)
Increase (decrease) in accounts payable	101,911	(43,407)
Increase (decrease) in accounts payable - related parties	(13,290)	9,497
Increase (decrease) in interest payable - related parties	55,965	2,819
Increase (decrease) in contract payable	(50,000)	(84,125)
Net cash flows from operating activities	(1,155,661)	(1,409,842)
Cash flows from financing activities		
Proceeds from exercise of warrants and issuance of common stock	1,467,234	1,000,000
Proceeds from the issuance of convertible promissory notes	445,000	