

Lightwave Logic, Inc.
Form 10-Q
November 14, 2017

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, 2017

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.

(Exact name of registrant as specified in its charter)

Edgar Filing: Lightwave Logic, Inc. - Form 10-Q

Nevada

82-049-7368

(State or other jurisdiction of

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

Incorporation or Organization)

1831 Lefthand Circle, Suite C

Longmont, CO

80501

(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 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 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

Smaller reporting company

(Do not check if a 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.

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 13, 2017 was 73,028,519.

TABLE OF CONTENTS

		Page
Part I	Financial Information	
	<u>Item 1</u>	<u>Financial Statements</u> 1
	<u>Item 2</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 17
	<u>Item 4</u>	<u>Controls and Procedures</u> 27
Part II	Other Information	
	<u>Item 2</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 28
	<u>Item 6</u>	<u>Exhibits</u> 28
		<u>Signatures</u> 29

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 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; those events and factors described by us in Item 1.A Risk Factors in our most recent Annual Report on Form 10-K; other risks to which our Company is subject; other factors beyond the Company's control.

Any forward-looking statement made by us in this report on Form 10-Q is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

PART I FINANCIAL INFORMATION

Item 1

Financial Statements

LIGHTWAVE LOGIC, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

(UNAUDITED)

	Page
Balance Sheets	2
Statements of Operations	3
Statement of Stockholders' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6

LIGHTWAVE LOGIC, INC.**BALANCE SHEETS**

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,879,656	\$ 1,956,844
Prepaid expenses and other current assets	212,031	136,942
	3,091,687	2,093,786
PROPERTY AND EQUIPMENT - NET	484,382	425,650
OTHER ASSETS		
Intangible assets - net	629,011	667,972
TOTAL ASSETS	\$ 4,205,080	\$ 3,187,408
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable including current portion of equipment purchase	\$ 161,919	\$ 65,027
Accounts payable and accrued expenses - related parties	17,862	5,559
Accrued expenses	129,968	57,300
	309,749	127,886
LONG TERM EQUIPMENT PURCHASE - NET OF CURRENT PORTION	11,893	
TOTAL LIABILITIES	321,642	127,886
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, 72,194,057 and 68,077,288 issued and outstanding at September 30, 2017 and December 31, 2016	72,194	68,078
Additional paid-in-capital	53,978,566	48,998,073
Accumulated deficit	(50,167,322)	(46,006,629)
TOTAL STOCKHOLDERS' EQUITY	3,883,438	3,059,522
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,205,080	\$ 3,187,408

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.**STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS AND NINE MONTHS ENDING SEPTEMBER 30, 2017 AND 2016****(UNAUDITED)**

	For the Three Months Ending September 30,		For the Nine Months Ending September 30,	
	2017	2016	2017	2016
NET SALES	\$	\$	\$	\$
COST AND EXPENSE				
Research and development	821,331	589,038	2,388,861	1,784,871
General and administrative	384,601	354,288	1,643,462	1,257,096
	1,205,932	943,326	4,032,323	3,041,967
LOSS FROM OPERATIONS	(1,205,932)	(943,326)	(4,032,323)	(3,041,967)
OTHER INCOME (EXPENSE)				
Interest income	63	62	187	191
Commitment fee	(74,636)	(22,177)	(128,557)	(260,142)
NET LOSS	\$ (1,280,505)	\$ (965,441)	\$ (4,160,693)	\$ (3,301,918)
Basic and Diluted Loss per Share	\$ (0.02)	\$ (0.01)	\$ (0.06)	\$ (0.05)
Basic and Diluted Weighted Average Number of Shares	70,871,809	66,159,280	70,128,995	65,816,072

See accompanying notes to these financial statements.

LIGHTWAVE LOGIC, INC.

STATEMENT OF STOCKHOLDERS EQUITY

SEPTEMBER 30, 2017

(UNAUDITED)

	Number of Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
BALANCE AT DECEMBER 31, 2016 (AUDITED)	68,077,288	\$ 68,078	\$ 48,998,073		