

CYANOTECH CORP  
Form 10-Q  
August 12, 2013  
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**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 Quarterly Period Ended June 30, 2013**

**Or**

**o 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 0-14602**

**CYANOTECH CORPORATION**

(Exact name of registrant as specified in its charter)

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NEVADA  
(State or other jurisdiction  
of incorporation or organization)

91-1206026  
(IRS Employer  
Identification Number)

73-4460 Queen Kaahumanu Hwy. #102, Kailua-Kona, HI 96740

(Address of principal executive offices)

(808) 326-1353

(Registrant's telephone number)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 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 o

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 o

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 definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o Accelerated filer o  
Non-accelerated filer o Smaller reporting company x  
(Do not check if a smaller reporting company)

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

Number of common shares outstanding as of August 5, 2013:

Title of Class	Shares Outstanding
Common stock - \$0.02 par value	5,465,788



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## PART 1. FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

## CYANOTECH CORPORATION

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands except par value and number of shares)

(Unaudited)

	June 30, 2013	March 31, 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,104	\$ 4,364
Accounts receivable, net of allowance for doubtful accounts of \$6 at June 30, 2013 and \$6 at March 31, 2013	3,896	3,766
Inventories, net	4,213	3,688
Deferred tax assets	110	110
Prepaid expenses and other current assets	651	263
Total current assets	11,974	12,191
Equipment and leasehold improvements, net	10,198	8,835
Restricted cash	2,717	3,360
Deferred tax assets	3,323	3,429
Other assets	811	772
Total assets	\$ 29,023	\$ 28,587
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current maturities of long-term debt	\$ 156	\$ 128
Customer deposits	29	33
Accounts payable	2,209	1,852
Accrued expenses	751	872
Total current liabilities	3,145	2,885
Long-term debt, excluding current maturities	5,418	5,454
Deferred rent	21	21
Total liabilities	8,584	8,360
Commitments and contingencies		
Stockholders' equity:		
Common stock of \$0.02 par value, shares authorized 50,000,000; 5,465,788 shares issued and outstanding at June 30, 2013 and 5,463,938 at March 31, 2013	109	109
Additional paid-in capital	29,259	29,077

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Accumulated deficit	(8,929)	(8,959)
Total stockholders' equity	20,439	20,227
Total liabilities and stockholders' equity	\$ 29,023	\$ 28,587

See accompanying Notes to Condensed Consolidated Financial Statements.

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## CYANOTECH CORPORATION

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(Unaudited)

	<b>Three Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
NET SALES	\$ 6,909	\$ 6,506
COST OF SALES	4,057	3,932
Gross Profit	2,852	2,574
<b>OPERATING EXPENSES:</b>		
General and administrative	1,556	1,148
Sales and marketing	1,004	838
Research and development	115	51
Loss on disposal of equipment and leasehold improvements	5	22
Total operating expenses	2,680	2,059
Income from operations	172	515
Interest expense, net	36	12
Income before provision for income taxes	136	503
PROVISION FOR INCOME TAXES	106	10
NET INCOME	\$ 30	\$