U.S. 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 February 28, 2021

☐ **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 0-23386

CRYO-CELL INTERNATIONAL, INC.

(Exact name of Registrant as Specified in its Charter)

DELAWARE	**22-3023093**
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
700 Brooker Creek Blvd. Oldsmar, FL 34677	
(Address of Principal Executive Offices)	(Zip Code)

Issuer's phone number, including area code: **(813) 749-2100**

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	CCEL	OTCQB

Check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 / /

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 / / Not Applicable / /

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	√
Emerging growth company	☐		

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

As of April 10, 2021, there were 7,980,647 shares of Common Stock outstanding.

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

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CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	(Unaudited) February 28, 2021	November 30, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$11,277,811	$10,361,125
Marketable securities	85,900	88,476
Accounts receivable (net of allowance for doubtful accounts of $2,807,822 and $2,781,668, respectively)	5,638,992	6,322,960
Prepaid expenses	510,652	611,627
Inventory, current portion	868,258	927,318
Other current assets	314,724	244,696
Total current assets	18,696,337	18,556,202
Property and Equipment-net	1,597,180	1,640,774
Other Assets		
Investment - Tianhe stock	308,000	308,000
Patent option agreement	—	350,000
Duke license agreement	58,270,522	—
Intangible assets, net	1,554,081	1,181,588
Inventory, net of current portion	11,013,166	11,064,034
Goodwill	1,941,411	1,941,411
Deferred tax assets	10,363,967	10,363,967
Operating lease right-of-use asset	1,012,539	299,089
Deposits and other assets, net	507,258	495,029
Total other assets	84,970,944	26,003,118
Total assets	$105,264,461	$46,200,094
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$860,132	$957,390
Accrued expenses	3,457,298	2,898,211
Current portion of note payable	3,100,000	3,100,000
Current portion of operating lease liability	239,330	275,570
Current portion of Duke license agreement liability	13,307,094	—
Deferred revenue	8,880,930	9,183,450
Total current liabilities	29,844,784	16,414,621
Other Liabilities		
Deferred revenue, net of current portion	27,950,810	27,200,910
Contingent consideration	1,662,246	1,509,852
Note payable, net of current portion and debt issuance costs	1,085,896	2,841,214
Operating lease long-term liability	774,438	23,632
Duke license agreement liability	44,766,392	—
Long-term liability - revenue sharing agreements	875,000	875,000
Total other liabilities	77,114,782	32,450,608
Total liabilities	106,959,566	48,865,229
Commitments and contingencies (Note 9)	—	—
Stockholders' Deficit		
Preferred stock ($.01 par value, 500,000 authorized and none issued and outstanding)	—	—
Series A Junior participating preferred stock ($.01 par value, 20,000 authorized and none issued and outstanding)	—	—
Common stock ($.01 par value, 20,000,000 authorized; 13,658,938 issued and 7,570,913 outstanding as of February 28, 2021 and 13,633,638 issued and 7,545,613 outstanding as of November 30, 2020)	136,589	136,336
Additional paid-in capital	36,857,787	36,581,600
Treasury stock, at cost	(20,563,357)	(20,563,357)
Accumulated deficit	(18,126,124)	(18,819,714)
Total stockholders' deficit	(1,695,105)	(2,665,135)
Total liabilities and stockholders' deficit	$105,264,461	$46,200,094

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

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	For the Three Months Ended	
	February 28, 2021	February 29, 2020
Revenue:		
Processing and storage fees	$ 6,738,631	$ 7,406,288
Public banking revenue	83,986	154,079
Product revenue	38,000	60,407
Total revenue	6,860,617	7,620,774
Costs and Expenses:		
Cost of sales	2,012,197	2,503,144
Selling, general and administrative expenses	3,433,312	3,870,029
Change in fair value of contingent consideration	152,394	(51,412)
Research, development and related engineering	6,190	5,722
Depreciation and amortization	21,263	44,221
Total costs and expenses	5,625,356	6,371,704
Operating Income	1,235,261	1,249,070
Other Expense:		
(Losses) gains on marketable securities	(2,576)	54,948
Other income	25	627
Interest expense	(280,219)	(365,299)
Total other expense	(282,770)	(309,724)
Income before income tax expense	952,491	939,346
Income tax expense	(258,901)	(252,380)
Net Income	$ 693,590	$ 686,966
Net income per common share - basic	$ 0.09	$ 0.09
Weighted average common shares outstanding - basic	7,570,913	7,541,113
Net income per common share - diluted	$ 0.08	$ 0.08
Weighted average common shares outstanding - diluted	8,198,591	8,128,257

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

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	February 28, 2021	February 29, 2020
Cash flows from operating activities:		
Net income	$ 693,590	$ 686,966
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	72,489	95,757
Change in fair value of contingent consideration	152,394	(51,412)
Losses (gains) on marketable securities	2,576	(54,948)
Compensatory element of stock options	84,818	224,258
Provision for doubtful accounts	90,854	152,991
Amortization of debt issuance costs	19,682	24,481
Amortization of operating lease right-of-use asset	66,620	66,491
Changes in assets and liabilities:		
Accounts receivable	593,114	177,656
Prepaid expenses	100,975	48,588
Inventory	109,928	70,394
Other current assets	(70,028)	61,333
Deposits and other assets, net	(98,675)	(18,210)
Accounts payable	(97,258)	12,131
Accrued expenses	559,087	628,627
Operating lease liability	(65,504)	(66,300)
Deferred revenue	447,380	556,760
Net cash provided by operating activities	2,662,042	2,615,563
Cash flows from investing activities:		
Purchases of property and equipment	(11,978)	(6,961)
Purchase of patent option agreement	(150,000)	—
Net cash used in investing activities	(161,978)	(6,961)
Cash flows from financing activities:		
Repayments of note payable	(1,775,000)	(775,000)
Proceeds from the exercise of stock options	191,622	41,000
Net cash used in financing activities	(1,583,378)	(734,000)
Increase in cash and cash equivalents	916,686	1,874,602
Cash and cash equivalents - beginning of period	10,361,125	6,541,037
Cash and cash equivalents - end of period	$ 11,277,811	$ 8,415,639
Supplemental non-cash investing and financing activities:		
Operating lease liability and right-of-use asset due to adoption of ASC 842	$ -	$ 562,775
Lease liability arising from right-of-use asset	$ 780,070	$ -
Patent option agreement credit to purchase of patents and licenses	$ 500,000	
Liabilities incurred for the purchase of patents and licenses	$ 58,073,486	$ -

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

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	For the Three Months Ended February 28, 2021					
	Common Stock		Additional Paid-In	Treasury	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Stock	Deficit	Deficit
Balance at November 30, 2020	13,633,638	$ 136,336	$ 36,581,600	$ (20,563,357)	$ (18,819,714)	$ (2,665,135)
Common stock issued	25,300	253	191,369			191,622
Compensatory element of stock options			84,818			84,818
Net income					693,590	693,590
Balance at February 28, 2021	13,658,938	$ 136,589	$ 36,857,787	$ (20,563,357)	$ (18,126,124)	$ (1,695,105)

	For the Three Months Ended February 29, 2020					
	Common Stock		Additional Paid-In	Treasury	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Stock	Deficit	Deficit
Balance at November 30, 2019	13,598,909	$ 135,989	$ 35,918,827	$ (20,563,357)	$ (22,444,310)	$ (6,952,851)
Common stock issued	34,729	347	40,653			41,000
Compensatory element of stock options			224,258			224,258
Net income					686,966	686,966
Balance at February 29, 2020	13,633,638	$ 136,336	$ 36,183,738	$ (20,563,357)	$ (21,757,344)	$ (6,000,627)

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

Note 1 – Description of Business, Basis of Presentation and Significant Accounting Policies

Cryo-Cell International, Inc. ("the Company" or "Cryo-Cell") was incorporated in Delaware on September 11, 1989 and is headquartered in Oldsmar, Florida. The Company is organized in three reportable segments, cellular processing and cryogenic cellular storage, with a current focus on the collection and preservation of umbilical cord blood stem cells for family use, the manufacture of PrepaCyte® CB Processing System ("PrepaCyte CB") units, the processing technology used to process umbilical cord blood stem cells and cellular processing and cryogenic storage of umbilical cord blood stem cells for public use. Revenues recognized for the cellular processing and cryogenic cellular storage represent sales of the umbilical cord blood stem cells program to customers and income from licensees selling the umbilical cord blood stem cells program to customers outside the United States. Revenues recognized for the manufacture of PrepaCyte CB units represent sales of the PrepaCyte CB units to customers. Revenue recognized for the cryogenic storage of umbilical cord blood stem cells for public use is generated from the sale of the cord blood units to the National Marrow Donor Program ("NMDP"), which distributes the cord blood units to transplant centers located in the United States and around the world. The Company's headquarters facility in Oldsmar, Florida handles all aspects of its U.S.-based business operations including the processing and storage of specimens, including specimens obtained from certain of its licensees' customers. The specimens are stored in commercially available cryogenic storage equipment.

The unaudited consolidated financial statements including the Consolidated Balance Sheet as of February 28, 2021, the related Consolidated Statements of Income, Cash Flows and Stockholders' Deficit for the three months ended February 28, 2021 and February 29, 2020 have been prepared by Cryo-Cell International, Inc. and its subsidiaries pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial reporting. Certain financial information and note disclosures, which are normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to those rules and regulations. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's November 30, 2020 Annual Report on Form 10-K. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and changes in cash flows for all periods presented have been made. The results of operations for the three months ended February 28, 2021 are not necessarily indicative of the results expected for any interim period in the future or the entire year ending November 30, 2021.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"). ASC 606 applies to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. ASC 606 also impacts certain other areas, such as the accounting for costs to obtain or fulfill a contract. ASC 606 also requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Under ASC 606, revenue is recognized when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised services are transferred to the customers. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring services to a customer ("transaction price").

At contract inception, if the contract is determined to be within the scope of ASC 606, the Company evaluates its contracts with customers using the five-step model: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenue when (or as) each performance obligation is satisfied. The Company evaluates its contracts for legal enforceability at contract inception and subsequently throughout the Company's relationship with its customers. If legal enforceability with regards to the rights and obligations exist for both the Company and the customer, then the Company has an enforceable contract and revenue recognition is permitted subject to the satisfaction of the other criteria. If, at the outset of an arrangement, the Company determines that a contract with enforceable rights and obligations does not exist, revenues are deferred until all criteria for an enforceable contract are met. The Company only applies the five-step model to contracts when it is probable that collection of the consideration that the Company is entitled to in exchange for the goods or services being transferred to the customer, will occur.

Contract modifications exist when the modification either creates new or changes in the existing enforceable rights and obligations. The Company's contracts are occasionally modified to account for changes in contract terms and conditions, which the Company refers to as an upgrade or downgrade. An upgrade occurs when a customer wants to pay for additional years of storage. A downgrade occurs when a customer originally entered into a long-term contract (such as twenty-one year or lifetime plan) but would like to change the term to a one-year contract. Upgrade modifications qualify for treatment as a separate contract as the additional services are distinct and the increase in contract price reflects the Company's stand-alone selling price for the additional services and will be accounted for on a prospective basis. Downgrade modifications do not qualify for treatment as a separate contract as there is no increase in price over the original contract, thus failing the separate contract criteria. As such, the Company separately considers downgrade modifications to determine if these should be accounted for as a termination of the existing contract and creation of a new contract (prospective method) or as part of the existing contract (cumulative catch-up adjustment). ASC 606 requires that an entity account for the contract modification as if it were a termination of the existing contract, and the creation of a new contract, if the remaining goods or services are distinct from the goods or services transferred on or before the date of the contract modification. As the services after the modification were previously determined to be distinct, the Company concluded that downgrade modifications qualify under this method and will be accounted for on a prospective basis. Although contract modifications do occur, they are infrequent.

Performance Obligations

At contract inception, the Company assesses the goods and services promised in the contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. To identify the performance obligations, the Company considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. The Company determined that the following distinct goods and services represent separate performance obligations involving the sale of its umbilical cord blood product:

- Collection and processing services
- Storage services

- Public cord blood banking
- License and royalties
- Sale of PrepaCyte CB product

a) Collection, Processing and Storage Services

Processing and storage fees include the Company providing umbilical cord blood and tissue cellular processing and cryogenic cellular storage for private use. Revenues recognized for the cellular processing and cryogenic cellular storage represent sales of the umbilical cord blood stem cells program to customers and income from licensees who are selling the umbilical cord blood stem cells program to customers outside the United States.

The Company recognizes revenue from processing fees at the point in time of the successful completion of processing and recognizes storage fees over time, which is ratably over the contractual storage period as well as other income from royalties paid by licensees related to long-term storage contracts which the Company has under license agreements. Contracted storage periods are annual, twenty-one years and lifetime. The life-time storage plan is based on a life expectancy of 81 years, which is the current estimate by the Center for Disease Control for United States women's life expectancy and concluded that additional data analysis would result in an immaterial difference in revenue. Deferred revenue on the accompanying consolidated balance sheets includes the portion of the annual, the twenty-one-year and the life-time storage fees that are being recognized over the contractual storage period as well as royalties received from foreign licensees relating to long-term storage contracts for which the Company has future obligations under the license agreement. The Company classifies deferred revenue as current if the Company expects to recognize the related revenue over the next 12 months from the balance sheet date.

Significant financing

When determining the transaction price of a contract, an adjustment is made if payment from a customer occurs either significantly before or significantly after performance, resulting in a significant financing component. For all plans being annual, twenty-one years and lifetime, the storage fee is paid at the beginning of the storage period (prepaid plans). Alternatively, the Company offers payment plans (including a stated service fee) for customers to pay over time for a period of one to twenty-four plus months. The one-time plan includes the collection kit, processing and testing, return medical courier service and twenty-one years of pre-paid storage fees. The life-time plan includes the collection kit, processing and testing, return medical courier service and pre-paid storage fees for the life of the customer. The Company concluded that a significant financing component is not present within either the prepaid or overtime payment plans. The Company has determined that the twenty-one year and life-time prepayment options do not include a significant financing component as the payment terms were structured primarily for reasons other than the provision of financing and to maximize profitability.

The Company has determined that the majority of plans that are paid over time are paid in less than a year. When considered over a twenty-four-month payment plan, the difference between the cash selling price and the consideration paid is nominal. As such, the Company believes that its payment plans do not include significant financing components as they are not significant in the aggregate when considered in the context of all contracts entered into nor significant at the individual contract level.

The Company elected to apply the practical expedient where the Company does not need to assess whether a significant financing component exists if the period between when it performs its obligations under the contract and when the customer pays is one year or less.

As of February 28, 2021, the total aggregate transaction price allocated to the unsatisfied performance obligations was recorded as deferred revenue amounting to $36,831,740, which will be recognized ratably on a straight-line basis over the contractual period of which $8,880,930 will be recognized over the next twelve months.

Variable consideration

In December 2005, the Company began providing its customers that enrolled after December 2005 a payment warranty under which the Company agrees to pay $50,000 to its client if the umbilical cord blood product retrieved is used for a stem cell transplant for the donor or an immediate family member and fails to engraft, subject to various restrictions. Effective February 1, 2012, the Company increased the $50,000 payment warranty to a $75,000 payment warranty to all of its new clients. Effective June 1, 2017, the Company increased the payment warranty to $100,000 to all new clients who choose the premium processing method, PrepaCyte CB. The product warranty is available to clients who enroll under this structure for as long as the specimen is stored with the Company. In the processing and storage agreements, the Company provides limited rights which are offered to customers automatically upon contract execution. The Company has determined that the payment warranty represents variable consideration payable to the customer.

Based on the Company's historical experience to date, the Company has determined the payment warranty to be fully constrained under the most likely amount method. Consequently, the transaction price does not currently reflect any expectation of service level credits. At the end of each reporting period, the Company will update the estimated transaction price related to the payment warranty including updating its assessment of whether an estimate of variable consideration is constrained to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Allocation of transaction price

As the Company's processing and storage agreements contain multiple performance obligations, ASC 606 requires an allocation of the transaction price based on the estimated relative standalone selling prices of the promised services underlying each performance obligation. The Company has selected an adjusted market assessment approach to estimate the stand-alone selling prices of the processing services and storage services and concluded that the published list price is the price that a customer in that market would be willing to pay for those goods or services. The Company also considered the fact that all customers are charged the list prices current at the time of their enrollment where the Company has separately stated list prices for processing and storage.

Costs to Obtain a Contract

The Company capitalizes commissions that are incremental in obtaining customer contracts and the costs incurred to fulfill a customer contract if those costs are not within the scope of another topic within the accounting literature and meet the specified criteria. These costs are deferred in other current or long-term assets and are expensed to selling, general and administrative expenses as the Company satisfies the performance obligations by transferring the service to the customer. These assets will be periodically assessed for impairment. As a practical expedient, the Company elected to recognize the incremental costs of obtaining its annual contracts as an expense when incurred, as the amortization period of the asset recognized would have been one year.

The Company has determined that payments under the Company's refer-a-friend program ("RAF program") are incremental costs of obtaining a contract as they provide an incentive for existing customers to refer new customers to the Company and is referred to as commission. The amount paid under the RAF

program (either through issuance of credits to customers or check payments) which exceeds the typical commission payment to a sales representative is recorded as a reduction to revenue under ASC 606. During the three months ended February 28, 2021 and February 29, 2020, the Company has recorded $13,507 and $11,535, respectively, commission payments to customers under the RAF program as a reduction to revenue. For the three months ended February 28, 2021 and February 29, 2020, the Company capitalized additional contract acquisition costs of $18,262 and $23,320, respectively, net of amortization expense.

b) Public Banking Revenue

The Company sells and provides units not likely to be of therapeutic use for research to qualified organizations and companies operating under Institutional Review Board approval. Control is transferred at the point in time when the shipment has occurred, at which time, the Company records revenue.

c) Licensee and Royalty Income

Licensee and royalty income consist of royalty income earned on the processing and storage of cord blood stem cell specimens by an affiliate where the Company has a License and Royalty Agreement. The Company records revenue from processing and storage of specimens and pursuant to agreements with licensees. The Company records the royalty revenue in same period that the related processing and storage is being completed by the affiliate.

d) Product Revenue

The Company records revenue from the sale of the PrepaCyte CB product line upon shipment of the product to the Company's customers.

e) Shipping and Handling

The Company elected to apply the practical expedient to account for shipping and handling activities performed after the control of a good has been transferred to the customer as a fulfillment cost. Shipping and handling costs that the Company incurs are therefore expensed and included in cost of sales.

Disaggregation of Revenue

The revenue as reflected in the statements of income is disaggregated by products and services.

The following table provides information about assets and liabilities from contracts with customers:

	February 28, 2021	November 30, 2020
Contract assets (sales commissions)	$ 478,370	$ 466,141
Accounts receivables	$ 5,638,992	$ 6,322,960
Short-term contract liabilities (deferred revenue)	$ 8,880,930	$ 9,183,450
Long-term contract liabilities (deferred revenue)	$ 27,950,810	$ 27,200,910

The Company, in general, requires the customer to pay for processing and storage services at the time of processing. Contract assets include deferred contract acquisition costs, which will be amortized along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract and are realized with the associated revenue recognized under the contract. Accounts receivable consists of amounts due from clients that have enrolled and processed in the umbilical cord blood stem cell processing and storage programs related to renewals of annual plans and amounts due from license affiliates, and sublicensee territories. The Company did not have asset impairment charges related to contract assets in the three months ended February 28, 2021 and February 29, 2020.

The following table presents changes in the Company's contract assets and liabilities during the three months ended February 28, 2021:

	Balance at December 1, 2020	Additions	Deductions	Balance at February 28, 2021
Contract assets (sales commissions)	$ 466,141	$ 18,262	$ (6,033)	$ 478,370
Accounts receivables	$ 6,322,960	$ 8,402,508	$ (9,086,476)	$ 5,638,992
Contract liabilities (deferred revenue)	$ 36,384,360	$ 3,711,251	$ (3,263,871)	$ 36,831,740

Accounts Receivable

Accounts receivable consist of uncollateralized amounts due from clients that have enrolled and processed in the umbilical cord blood stem cell processing and storage programs and amounts due from license affiliates, and sublicensee territories. Accounts receivable are due within 30 days and are stated at amounts net of an allowance for doubtful accounts. Accounts outstanding longer than the contractual payment terms are considered past due. The Company determines its allowance by considering the length of time accounts receivable are past due, the Company's previous loss history, and the client's current ability to pay its obligations. Therefore, if the financial condition of the Company's clients were to deteriorate beyond the estimates, the Company may have to increase the allowance for doubtful accounts which could have a negative impact on earnings. The Company writes-off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Inventories

On June 11, 2018, Cryo-Cell completed its acquisition of substantially all of the assets of Cord:Use Cord Blood Bank, Inc. a Florida corporation ("Cord:Use"), in accordance with the definitive Asset Purchase Agreement between Cryo-Cell and Cord:Use (the "Purchase Agreement"). As part of the Cord:Use Purchase Agreement, the Company has an agreement with Duke University ("Duke") expiring on January 31, 2025 for Duke to receive, process, and store cord blood units for the Public Cord Blood Bank ("Duke Services"). As of February 28, 2021, the Company had approximately 6,000 cord blood units in inventory. These units are valued at the lower of cost or net realizable value. Costs include the cost of collecting, transporting, processing and storing the unit. Costs charged by Duke for their Duke Services are based on a monthly fixed fee for processing and storing 12 blood units per month. The Company computes the cost per unit for these Duke Services and capitalizes the unit cost on all blood units shipped and stored in a year at Duke. If the Company ships and stores less than 144 blood units with Duke in a one-year period, a portion of these fixed costs are expensed and included in facility operating costs. Certain costs of collection incurred, such as the cost of collection staff and transportation costs incurred to ship Public Bank units from hospitals to the stem cell laboratory are allocated to banked units based on an average cost method. The change in the number of expected units to be sold could have a significant impact on the estimated net realizable value of banked units which could have a material effect on the value of the inventory. Costs incurred related to cord blood units that cannot be sold are expensed in the period incurred and are included in facility operating costs in the accompanying statements of operations. The Company records a reserve against inventory for units which have been processed and frozen but may not ultimately become distributable (see Note 3). Due to changes in sales trends and estimated recoverability of cost capitalized into inventory, an impairment charge of $1,284,238 was recognized during the fourth quarter of fiscal 2020 to reduce inventory from cost to net realizable value.

Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The Company records a valuation allowance when it is "more likely than not" that all of the future income tax benefits will not be realized. When the Company changes its determination as to the amount of deferred income tax assets that can be realized, the valuation allowance is adjusted with a corresponding impact to income tax expense in the period in which such determination is made. The ultimate realization of the Company's deferred income tax assets depends upon generating sufficient taxable income prior to the expiration of the tax attributes. In assessing the need for a valuation allowance, the Company projects future levels of taxable income. This assessment requires significant judgment. The Company examines the evidence related to the recent history of losses, the economic conditions in which the Company operates and forecasts and projections to make that determination.

The Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Increases or decreases to the unrecognized tax benefits could result from management's belief that a position can or cannot be sustained upon examination based on subsequent information or potential lapse of the applicable statute of limitation for certain tax positions.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. For the three months ended February 28, 2021 and February 29, 2020, the Company had no provisions for interest or penalties related to uncertain tax positions.

Long-Lived Assets

The Company evaluates the realizability of its long-lived assets, which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment, such as reductions in demand or when significant economic slowdowns are present. Reviews are performed to determine whether the carrying value of an asset is impaired, based on comparisons to undiscounted expected future cash flows. If this comparison indicates that there is impairment and carrying value is in excess of fair value, the impaired asset is written down to fair value, which is typically calculated using: (i) quoted market prices or (ii) discounted expected future cash flows utilizing a discount rate. The Company did not note any impairment for the three months ended February 28, 2021 and February 29, 2020.

Goodwill

Goodwill represents the excess of the purchase price of the assets acquired from Cord:Use over the estimated fair value of the net tangible, intangible and identifiable assets acquired. The annual assessment of the reporting unit is performed as of September 1st, and an assessment is performed at other times if an event occurs or circumstances change that would more likely than not reduce the fair value of the asset below its carrying value. The Company first performs a qualitative assessment to test goodwill for impairment and concludes if it is more likely than not that the fair value of the reporting unit is less than its carrying value. If the qualitative assessment concludes that it is not more likely than not that the fair value is less than the carrying value, the two-step goodwill impairment test is not required. If the qualitative assessment concludes that it is more likely than not that the fair value of the reporting unit is less than the carrying value, then the two-step goodwill impairment test is required. Step one of the impairment assessment compares the fair value of the reporting unit to its carrying value and if the fair

value exceeds its carrying value, goodwill is not impaired. If the carrying value exceeds the fair value, the implied fair value of goodwill is compared to the carrying value of goodwill. If the implied fair value exceeds the carrying value then goodwill is not impaired; otherwise, an impairment loss would be recorded by the amount the carrying value exceeds the implied fair value.

Leases

Effective December 1, 2019, the Company adopted ASU 2016-02, Leases (Topic 842), using the modified retrospective approach and utilizing the effective date as its date of initial application. As a result, prior periods are presented in accordance with the previous guidance in ASC 840, Leases ("ASC 840"). The Company has elected to apply the 'package of practical expedients' which allows the Company to not reassess i) whether existing or expired arrangements contain a lease, ii) the lease classification of existing or expired leases, or iii) whether previous initial direct costs would qualify for capitalization under the new lease standard.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as a right-of-use (ROU) assets and as short-term and long-term lease liabilities, as applicable. The Company does not have any financing leases.

Operating lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company believes it could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment.

The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. The Company typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew.

Stock Compensation

As of February 28, 2021, the Company has two stock-based compensation plans, which are described in Note 7 to the consolidated financial statements. The Company's stock-based employee compensation plan that became effective December 1, 2011 was approved by the Board of Directors and approved by the stockholders at the 2012 Annual Meeting. The Company recognized approximately $85,000 and $224,000 for the three months ended February 28, 2021 and February 29, 2020, respectively, of stock-based compensation expense.

The Company recognizes stock-based compensation based on the fair value of the related awards. Under the fair value recognition guidance of stock-based compensation accounting rules, stock-based compensation expense is estimated at the grant date based on the fair value of the award and is recognized as expense over the requisite service period of the award. The fair value of service-based vesting condition and performance-based vesting condition stock option awards is determined using the Black-Scholes valuation model. For stock option awards with only service-based vesting conditions and graded vesting features, the Company recognizes stock compensation expense based on the graded-vesting method. To value awards with market-based vesting conditions the Company uses a binomial valuation model. The Company recognizes compensation cost for awards with market-based vesting conditions on a graded-vesting basis over the derived service period calculated by the binomial valuation model. The use of these valuation models involves assumptions that are judgmental and highly sensitive in the determination of

compensation expense and include the expected life of the option, stock price volatility, risk-free interest rate, dividend yield, exercise price, and forfeiture rate. Forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period.

The estimation of stock awards that will ultimately vest requires judgment and to the extent that actual results or updated estimates differ from current estimates, such amounts will be recorded as a cumulative adjustment in the period they become known. The Company considered many factors when estimating forfeitures, including the recipient groups and historical experience. Actual results and future changes in estimates may differ substantially from current estimates.

The Company issues performance-based equity awards which vest upon the achievement of certain financial performance goals, including revenue and income targets. Determining the appropriate amount to expense based on the anticipated achievement of the stated goals requires judgment, including forecasting future financial results. The estimate of the timing of the expense recognition is revised periodically based on the probability of achieving the required performance targets and adjustments are made as appropriate. The cumulative impact of any revision is reflected in the period of the change. If the financial performance goals are not met, the award does not vest, so no compensation cost is recognized and any previously stock-recognized stock-based compensation expense is reversed.

The Company issues equity awards with market-based vesting conditions which vest upon the achievement of certain stock price targets. If the awards are forfeited prior to the completion of the derived service period, any recognized compensation is reversed. If the awards are forfeited after the completion of the derived service period, the compensation cost is not reversed, even if the awards never vest.

Fair Value of Financial Instruments

Management uses a fair value hierarchy, which gives the highest priority to quoted prices in active markets. The fair value of financial instruments is estimated based on market trading information, where available. Absent published market values for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value. Management believes that the carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of these instruments. The Company believes that the fair value of its Revenue Sharing Agreements (”RSA”) liability recorded on the balance sheet is between the recorded book value and up to the Company’s previous settlement experience, due to the various terms and conditions associated with each RSA.

The Company uses an accounting standard that defines fair value as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the standard establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The following table summarizes the financial assets and liabilities measured at fair value on a recurring basis as of February 28, 2021 and November 30, 2020, respectively, segregated among the appropriate levels within the fair value hierarchy:

Description	Fair Value at February 28, 2021	Fair Value Measurements at February 28, 2021 Using Level 1	Level 2	Level 3
Assets:				
Marketable Securities	$ 85,900	$ 85,900	—	—
	$ 85,900	$ 85,900	—	—
Liabilities:				
Contingent consideration	$ 1,662,246	$ —	—	$ 1,662,246
Total	$ 1,662,246	$ —	—	$ 1,662,246
Contingent Consideration:				
Beginning Balance as of November 30, 2020	$ 1,509,852			
Additions – Cord:Use earnout	—			
Fair value adjustment as of February 28, 2021	152,394			
Ending balance as of February 28, 2021	$ 1,662,246			

Description	Fair Value at November 30, 2020	Fair Value Measurements at November 30, 2020 Using Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 88,476	$ 88,476	—	—
	$ 88,476	$ 88,476	—	—
Liabilities:				
Contingent consideration	$ 1,509,852	$ —	—	$ 1,509,852
Total	$ 1,509,852	$ —	—	$ 1,509,852

The following is a description of the valuation techniques used for these items, as well as the general classification of such items pursuant to the fair value hierarchy:

Marketable securities - Equity securities with readily determinable fair values are measured at fair value with the changes in fair value recognized through net income. There was approximately ($3,000) and $55,000 in unrealized holding (losses) gains recorded in other income and expense on the accompanying consolidated statements of income for the three months ended February 28, 2021 and February 29, 2020, respectively.

Contingent consideration - The contingent consideration is the earnout that Cord:Use is entitled to from the Company's sale of the public cord blood inventory from and after closing. The estimated fair value of the contingent earnout was determined using a Monte Carlo analysis examining the frequency

and mean value of the resulting earnout payments. The analysis includes estimated annual sales of 18 units declining 3% annually and utilizes a risk adjusted discount rate of 5.50%, which are unobservable inputs. The resulting value captures the risk associated with the form of the payout structure. The risk-neutral method is applied, resulting in a value that captures the risk associated with the form of the payout structure and the projection risk. The carrying amount of the liability may fluctuate significantly and actual amounts paid may be materially different from the estimated value of the liability.

Product Warranty and Cryo-Cell Cares™ Program

In December 2005, the Company began providing its customers that enrolled after December 2005 a payment warranty under which the Company agrees to pay $50,000 to its client if the umbilical cord blood product retrieved is used for a stem cell transplant for the donor or an immediate family member and fails to engraft, subject to various restrictions. Effective February 1, 2012, the Company increased the $50,000 payment warranty to a $75,000 payment warranty to all of its new clients. Effective June 1, 2017, the Company increased the payment warranty to $100,000 to all new clients who choose the premium processing method, PrepaCyte CB. The product warranty is available to clients who enroll under this structure for as long as the specimen is stored with the Company. The Company has not experienced any claims under the warranty program nor has it incurred costs related to these warranties.

As discussed above, the Company has determined that the payment warranty represents variable consideration payable to the customer. The Company has concluded the payment warranty be fully constrained under the most likely amount method, therefore, the transaction price does not reflect any expectation of service level credits. At the end of each reporting period, the Company shall update the estimated transaction price related to the payment guarantee including updating its assessment of whether an estimate of variable consideration is constrained to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* ASU 2016-13 provides guidance for estimating credit losses on certain types of financial instruments, including trade receivables, by introducing an approach based on expected losses. The expected loss approach will require entities to incorporate considerations of historical information, current information and reasonable and supportable forecasts. ASU 2016-13 also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The guidance requires a modified retrospective transition method and early adoption is permitted. In November 2019, FASB issued ASU No. 2019-10, *Financial Instruments – Credit Losses, Derivatives and Hedging, and Leases* ("ASU 2019-10"), which defers the adoption of ASU 2016-13 for smaller reporting companies until periods beginning after December 15, 2022. The Company will continue to evaluate the impact of ASU 2016-13 on its consolidated financial statements.

Note 2 – Segment Reporting

The Company is organized in three reportable segments:

1. The cellular processing and cryogenic storage of umbilical cord blood and cord tissue stem cells for family use. Revenue is generated from the initial processing and testing fees and the annual storage fees charged each year for storage (the "Umbilical cord blood and cord tissue stem cell service").

2. The manufacture of PrepaCyte® CB units, the processing technology used to process umbilical cord blood stem cells. Revenue is generated from the sales of the PrepaCyte® CB units (the "PrepaCyte®-CB").

3. The cellular processing and cryogenic storage of umbilical cord blood stem cells for public use. Revenue is generated from the sale of the cord blood units to the National Marrow Donor Program ("NMDP"), which distributes the cord blood units to transplant centers located in the United States, and around the world.

The following table shows, by segment: net revenue, cost of sales, depreciation and amortization, operating profit, interest expense, and income tax expense for the three months ended February 28, 2021 and February 29, 2020:

	For the three months ended February 28, 2021	For the three months ended February 29, 2020
Net revenue		
Umbilical cord blood and cord tissue stem cell service	$ 6,738,631	$ 7,406,288
PrepaCyte®-CB	38,000	60,407
Public cord blood banking	83,986	154,079
Total net revenue	$ 6,860,617	$ 7,620,774
Cost of sales		
Umbilical cord blood and cord tissue stem cell service	$ 1,640,015	$ 2,055,075
PrepaCyte®-CB	34,880	41,117
Public cord blood banking	337,302	406,952
Total cost of sales	$ 2,012,197	$ 2,503,144
Depreciation and amortization		
Umbilical cord blood and cord tissue stem cell service	$ 14,368	$ 37,327
PrepaCyte®-CB	6,895	6,894
Public cord blood banking	—	—
Total depreciation and amortization	$ 21,263	$ 44,221
Operating income		
Umbilical cord blood and cord tissue stem cell service	$ 1,492,353	$ 1,489,548
PrepaCyte®-CB	(3,777)	12,396
Public cord blood banking	(253,315)	(252,874)
Total operating income	$ 1,235,261	$ 1,249,070
Interest expense		
Umbilical cord blood and cord tissue stem cell service	$ 280,219	$ 365,299
PrepaCyte®-CB	—	—
Public cord blood banking	—	—
Total interest expense	$ 280,219	$ 365,299

The following table shows the assets by segment as of February 28, 2021 and November 30, 2020:

	As of February 28, 2021	As of November 30, 2020
Assets		
Umbilical cord blood and cord tissue stem cell service	$ 93,405,068	$ 34,215,780
PrepaCyte®-CB	235,248	302,683
Public cord blood banking	11,624,145	11,681,631
Total assets	$ 105,264,461	$ 46,200,094

Note 3 – Inventory

Inventory is comprised of public cord blood banking specimens, collection kits, finished goods, work-in-process and raw materials. Collection kits are used in the collection and processing of umbilical cord blood and cord tissue stem cells, finished goods include products purchased or assumed for resale and for the use in the Company's processing and storage service. Inventory in the Public Cord Blood Bank includes finished goods that are specimens that are available for resale. The Company considers inventory in the Public Cord Blood Bank that has not completed all testing to determine viability to be work in process. Due to changes in sales trends and estimated recoverability of cost capitalized into inventory, an impairment charge of $1,284,238 was recognized during the fourth quarter of fiscal 2020 to reduce inventory from cost to net realizable value. The components of inventory at February 28, 2021 and November 30, 2020 are as follows:

	February 28, 2021	November 30, 2020
Raw materials	$ —	$ —
Work-in-process	238,616	273,430
Work-in-process – Public Bank	—	—
Finished goods	33,067	63,327
Finished goods – Public Bank	11,578,525	11,629,307
Collection kits	38,934	33,006
Inventory reserve	(7,718)	(7,718)
Total inventory	$ 11,881,424	$ 11,991,352

Note 4 – Intangible Assets

The Company incurs certain legal and related costs in connection with patent and trademark applications. If a future economic benefit is anticipated from the resulting patent or trademark or an alternate future use is available to the Company, such costs are capitalized and amortized over the expected life of the patent or trademark. The Company's assessment of future economic benefit involves considerable management judgment. A different conclusion could result in the reduction of the carrying value of these assets.

Intangible assets were as follows as of February 28, 2021 and November 30, 2020:

	Useful lives	February 28, 2021	November 30, 2020
Patents and Domain Names	10-20 years	$ 623,980	$ 234,570
Less: Accumulated amortization		(50,055)	(47,150)
License agreement	10 years	470,000	470,000
Less: Intangible asset impairment		(185,000)	(185,000)
Less: Accumulated amortization		(184,255)	(178,443)
Customer relationships-PrepaCyte®CB	15 years	41,000	41,000
Less: Intangible asset impairment		(26,267)	(26,267)
Less: Accumulated amortization		(7,322)	(7,122)
Brand	1 year	31,000	31,000
Less: Accumulated amortization		(31,000)	(31,000)
Customer relationships – Cord:Use	30 years	960,000	960,000
Less: Accumulated amortization		(88,000)	(80,000)
Net Intangible Assets		$ 1,554,081	$ 1,181,588

Amortization expense of intangibles was approximately $17,000 and $17,000 for the three months ended February 28, 2021 and February 29, 2020, respectively.

Note 5 – Note Payable

On May 20, 2016, the Company entered into a Credit Agreement ("Agreement") with Texas Capital Bank, National Association ("TCB") for a term loan of $8.0 million in senior credit facilities. The proceeds of the term loan were used by the Company to fund repurchases of the Company's common stock. Subject to the terms of the Agreement, on May 20, 2016, TCB advanced the Company $100. On July 1, 2016, TCB advanced the remaining principal amount of $7,999,900 per a promissory note dated May 20, 2016 between the Company and TCB, at a rate of 3.35% per annum plus LIBOR, payable monthly with a maturity date of July 2021 extended to June 2023 with Second Amendment. On August 26, 2016, the Company entered into a First Amendment to Credit Agreement with TCB. Pursuant to terms of the First Amendment to Credit Agreement, on August 26, 2016, TCB made an additional advance to the Company in principal amount of $2,133,433 per an Amended and Restated Promissory Note dated August 26, 2016 between the Company and TCB. The additional proceeds of the term loan were used by the Company to fund the extinguishment of revenue sharing agreements. On June 11, 2018, the Company entered into a Second Amendment to Credit Agreement with TCB. Pursuant to the terms of the Second Amendment to Credit Agreement, TCB increased the current outstanding principal amount of the loan from TCB by $9,000,000 to finance a portion of the purchase price of the Cord:Use Purchase. In connection therewith, Cryo-Cell executed and delivered to TCB a Second Amended and Restated Promissory Note, in the principal amount of $15,500,000. As of the three months ended February 28, 2021 and February 29, 2020, the Company paid interest of $40,538 and $109,780, respectively, which is reflected in interest expense on the accompanying consolidated statements of income.

Collateral of the term and subordinated loans includes all money, securities and property of the Company.

The Company incurred debt issuance costs related to the term and subordinated loans in the amount of $548,085 which is recorded as a direct reduction of the carrying amount of the note payable and amortized over the life of the loan. As of the three months ended February 28, 2021 and February 29, 2020,

$19,682 and $24,481, respectively, of the debt issuance costs were amortized and are reflected in interest expense on the accompanying consolidated statements of income.

As of February 28, 2021, and November 30, 2020, the note payable obligation was as follows:

	February 28, 2021	November 30, 2020
Note payable	$ 4,233,433	$ 6,008,433
Unamortized debt issuance costs	(47,537)	(67,219)
Net note payable	$ 4,185,896	$ 5,941,214
Current portion of note payable	$ 3,100,000	$ 3,100,000
Long-term note payable, net of debt issuance costs	1,085,896	2,841,214
Total	$ 4,185,896	$ 5,941,214

Interest expense on the note payable for the three months ended February 28, 2021 and February 29, 2020 was as follows:

	February 28, 2021	February 29, 2020
Interest expense on notes payable	$ 40,538	$ 109,780
Debt issuance costs	19,682	24,481
Total interest expense	$ 60,220	$ 134,261

Note 6 – Income per Common Share

The following table sets forth the calculation of basic and diluted earnings per share:

	For the three months ended February 28, 2021	For the three months ended February 29, 2020
Numerator:		
Net Income	$ 693,590	$ 686,966
Denominator:		
Weighted-average shares outstanding-basic	7,570,913	7,541,113
Dilutive common shares issuable upon exercise of stock options	627,678	587,144
Weighted-average shares-diluted	8,198,591	8,128,257
Earnings (Loss) per share:		
Basic	$ 0.09	$ 0.09
Diluted	$ 0.08	$ 0.08

For the three months ended February 28, 2021, the Company excluded the effect of 39,000 outstanding stock options from the computation of diluted earnings per share, as the effect of potentially dilutive shares from the outstanding stock options would be anti-dilutive. For the three months ended February 29, 2020, the Company excluded the effect of 232,737 outstanding stock options from the computation of diluted earnings per share, as the effect of potentially dilutive shares from the outstanding stock options would be anti-dilutive.

Note 7 – Stockholders' Equity

The Company maintains the 2006 Stock Incentive Plan (the "2006 Plan") under which it has reserved 1,000,000 shares of the Company's common stock for issuance pursuant to stock options, restricted stock, stock-appreciation rights (commonly referred to as "SARs") and stock awards (i.e. performance options to purchase shares and performance units). As of February 28, 2021, and November 30, 2020, there were 305,000 and 305,000 options issued, but not yet exercised, under the 2006 Plan, respectively. As of February 28, 2021, there were 0 shares available for future issuance under the 2006 Plan.

The Company maintains the 2012 Equity Incentive Plan (the "2012 Plan") which became effective December 1, 2011 as approved by the Board of Directors and approved by the stockholders at the 2012 Annual Meeting on July 10, 2012. The 2012 Plan originally reserved 1,500,000 shares of the Company's common stock for issuance pursuant to stock options, restricted stock, SARs, and other stock awards (i.e. performance shares and performance units). In May 2012, the Board of Directors approved an amendment to the 2012 Plan to increase the number of shares of the Company's common stock reserved for issuance to 2,500,000 shares. In October 2019, the Board of Directors approved amendments to the plan, subject to ratification by the stockholders, which occurred at the Company's 2019 Annual Meeting of Stockholders on November 21, 2019. As of February 28, 2021, there were 843,143 service-based options issued, 129,729 service-based restricted common shares granted, 530,851 performance-based and 116,218 market-based restricted common shares granted under the 2012 Plan. As of November 30, 2020, there were 868,443 service-based options issued, 129,729 service-based restricted common shares granted, 530,851 performance-based and 116,218 market-based restricted common shares granted under the 2012 Plan. As of February 28, 2021, there were 562,310 shares available for future issuance under the 2012 Plan.

Service-based vesting condition options

The fair value of each option award is estimated on the date of the grant using the Black-Scholes valuation model that uses the assumptions noted in the following table. Expected volatility is based on the historical volatility of the Company's stock over the most recent period commensurate with the expected life of the Company's stock options. The Company uses historical data to estimate option exercise and employee termination within the valuation model. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected term of options granted to employees is based upon historical exercise data. Expected dividends are based on the historical trend of the Company not issuing dividends.

There were 0 and 44,969 options granted during the three months ended February 28, 2021 and February 29, 2020, respectively.

Variables used to determine the fair value of the options granted for the three months ended February 29, 2020 are as follows:

	Three months ended February 29, 2020
Weighted average values:	
Expected dividends	0%
Expected volatility	64.25%
Risk free interest rate	1.90%
Expected life	9.0 years

Stock option activity for the three months ended February 28, 2021, was as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at November 30, 2020	1,174,943	$ 3.72	3.42	$ 4,502,324
Granted	—	—		—
Exercised	(25,300)	7.57		—
Expired/forfeited	—	—		—
Outstanding at February 28, 2021	1,149,643	$ 3.64	3.08	$ 7,315,667
Exercisable at February 28, 2021	1,079,983	$ 3.36	2.78	$ 7,167,172

The aggregate intrinsic value represents the total value of the difference between the Company's closing stock price on the last trading day of the period and the exercise price of the options, multiplied by the number of in-the-money stock options that would have been received by the option holders had all option holders exercised their options on either February 28, 2021 or November 30, 2020, as applicable. The intrinsic value of the Company's stock options changes based on the closing price of the Company's stock.

For the three months ended February 28, 2021, the Company issued 25,300 common shares to an option holder who exercised options for $191,622.

For the three months ended February 29, 2020, the Company issued 20,000 common shares to an option holder who exercised options for $41,000.

Significant option groups exercisable at February 28, 2021 and related price and contractual life information are as follows:

	Outstanding			Exercisable	
Range of Exercise Prices	Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Outstanding	Weighted Average Exercise Price
$1.01 to $2.00	422,500	.85	$ 1.73	422,500	$ 1.73
$2.01 to $3.00	245,000	.86	$ 2.78	245,000	$ 2.78
$3.01 to $4.00	204,729	4.99	$ 3.14	204,729	$ 3.14
$6.01 to $7.00	3,833	5.35	$ 6.52	3,388	$ 6.51
$7.01 to $8.00	266,581	7.06	$ 7.64	203,666	$ 7.61
$9.01 to $10.00	7,000	6.45	$ 9.10	700	$ 9.10
	1,149,643	3.08	$ 3.64	1,079,983	$ 3.36

A summary of the status of the Company's non-vested options as of February 28, 2021, and changes during the three months ended February 28, 2021, is presented below:

	Options	Weighted Average Grant-Date Fair Value
Non-vested at November 30, 2020	93,380	$ 4.65
Granted	—	—
Vested	(23,720)	4.99
Forfeited	—	—
Non-vested at February 28, 2021	69,660	$ 4.53

As of February 28, 2021, there was approximately $269,000 of total unrecognized compensation cost related to non-vested service-related share-based compensation arrangements granted under the 2006 Plan and the 2012 Plan. The cost is expected to be recognized over a weighted-average period of 2.16 years as of February 28, 2021. The total fair value of shares vested during the three months ended February 28, 2021 was approximately $118,000.

During the second fiscal quarter of 2018, the Company entered into Amended and Restated Employment Agreements ("2018 Employment Agreements") with each of the Company's Co-CEOs. Per the Employment Agreements, each of the Co-CEOs is to receive base grant equity awards in the form of qualified stock options of the Company's common stock. As of December 20, 2019, David Portnoy and Mark Portnoy were granted 23,636 and 20,000 stock options of the Company's common stock, respectively. The options were issued under the Company's 2012 Stock Plan and will vest 1/3 upon grant, 1/3 on December 1, 2020 and the remaining 1/3 on November 30, 2021. The fair value of the options vested for the three months ended February 28, 2021 was approximately $40,000 and is reflected as selling, general and administrative expenses in the accompanying statement of income. As of February 28, 2021, there was approximately $73,000 of total unrecognized compensation cost related to the non-vested options of common stock.

Performance and market-based vesting condition options

Per the 2018 Employment Agreements, based upon certain performance criteria, the Company shall grant David Portnoy and Mark Portnoy a percentage of up to 47,273 and 40,000, respectively, of qualified stock options of the Company's common stock. For market-based vesting condition options, accounting principles do not require that the market condition be met in order for the compensation cost to be recognized. Fair value of these options is determined using a Monte Carlo valuation approach. There were no market-based vesting condition options for the three months ended February 28, 2021 or February 29, 2020. For performance-based vesting condition options, the Company estimates the fair value of the qualified stock options that met certain performance targets by the end of the fiscal 2018 requisite service period using a Black-Scholes valuation model. As of August 30, 2019, the Company granted David Portnoy and Mark Portnoy 26,243 and 22,222 of non-qualified stock options of the Company's common stock based upon certain performance criteria met by the end of the fiscal 2018 service period. These options were issued under the Company's 2012 Stock Plan and vested 1/3 upon date of grant, 1/3 on December 1, 2019 and 1/3 on November 30, 2020. The fair value of the options that vested through the three months ended February 28, 2021 and February 29, 2020 was approximately $0 and $86,000, respectively, and is reflected as selling, general and administrative expenses in the accompanying consolidated statements of income. As of February 28, 2021, there was $0 of total unrecognized compensation cost as the options were fully vested.

Per the Amendment Agreement, based upon certain performance criteria, the Company shall grant Oleg Mikulinsky a percentage of up to 8,000 of qualified stock options of the Company's common stock. For market-based vesting condition options, accounting principles do not require that the market condition be met in order for the compensation cost to be recognized. Fair value of these options is determined using a Monte Carlo valuation approach. There were no market-based vesting condition options for the three months ended February 28, 2021 or February 29, 2020. For performance-based vesting condition options, the Company estimates the fair value of the qualified stock options that met certain performance targets by the end of the requisite service period using a Black-Scholes valuation model. As of September 4, 2019, the Company granted Oleg Mikulinsky 4,444 of qualified stock options of the Company's common stock based upon certain performance criteria met by the end of the fiscal 2018 service period and per the Amendment Agreement. These options were issued under the Company's 2012 Stock Plan and vested 1/3 upon date of grant, 1/3 on December 1, 2019 and 1/3 on November 30, 2020. The fair value of the options that vested through the three months ended February 28, 2021 and February 29, 2020 was approximately $200 and $7,600, respectively and is reflected as selling, general and administrative expenses in the accompanying consolidated statements of income. As of February 28, 2021, there was $0 of total unrecognized compensation cost as the options were fully vested. As of February 27, 2020, the Company granted Oleg Mikulinsky 1,333 of qualified stock options of the Company's common stock based upon certain performance criteria met by the end of the fiscal 2019 service period and per the Amendment Agreement. These options were issued under the Company's 2012 Stock Plan and will vest 1/3 upon date of grant, 1/3 on December 1, 2020 and 1/3 on November 30, 2021. The fair value of the options that vested through the three months ended February 28, 2021 and February 29, 2020 was approximately $1,000 and $2,000, respectively, and is reflected as selling, general and administrative expenses in the accompanying consolidated statements of income. As of February 28, 2021, there was approximately $2,000 of total unrecognized compensation cost related to the non-vested options of common stock.

Note 8 – License Agreements

The Company enters into two types of licensing agreements and in both types, the Company earns revenue on the initial license fees. Under the technology agreements, the Company earns processing and storage royalties from the affiliates that process in their own facility. Under the marketing agreements, the Company earns processing and storage revenues from affiliates that store specimens in the Company's facility in Oldsmar, Florida.

Technology Agreements

The Company has entered into a definitive License and Royalty Agreement with LifeCell International Private Limited, formerly Asia Cryo-Cell Private Limited, ("LifeCell") to establish and market its umbilical cord blood and menstrual stem cell programs in India.

Per the License and Royalty Agreement with LifeCell, there is a $1,000,000 cap on the amount of royalties due to the Company per year and a $10,000,000 cap on the amount of royalties due to the Company for the term of the License and Royalty Agreement. The cap(s) are calculated based on LifeCell's fiscal year end, March 31st. As of November 30, 2020, the Company had reached the $10,000,000 cap and recorded all royalties that were due. Since inception of the License and Royalty Agreement, the Company has recorded $10,000,000 in royalty income due under the terms of the License and Royalty Agreement, of which, LifeCell has paid the Company $9,200,000 as of February 28, 2021. The balance of $800,000 is reflected as Accounts Receivable on the accompanying consolidated balance sheets.

Marketing Agreements

The Company has definitive license agreements to market the Company's umbilical cord blood stem cell programs in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and Pakistan.

For the three months ended February 28, 2021 and February 29, 2020, the Company recognized $0 and $0, respectively, for initial license fees and processing and storage royalties.

Note 9 – Legal Proceedings

From time to time the Company is subject to proceedings, lawsuits, contract disputes and other claims in the normal course of its business. The Company believes that the ultimate resolution of current matters should not have a material adverse effect on the Company's business, consolidated financial position or results of operations. It is possible, however, that there could be an unfavorable ultimate outcome for or resolution which could be material to the Company's results of operations for a particular quarterly reporting period. Litigation is inherently uncertain and there can be no assurance that the Company will prevail. The Company does not include an estimate of legal fees and other related defense costs in its estimate of loss contingencies.

Note 10 – Share Repurchase Plan

In December 2011, the Company's Board of Directors authorized management at its discretion to repurchase up to 1,000,000 shares of the Company's outstanding common stock. On June 6, 2012, the Board of Directors of the Company increased the number of shares of the Company's outstanding common stock that management is authorized to repurchase to up to 3,000,000. On April 8, 2015, the Board of Directors of the Company increased the number of shares of the Company's outstanding common stock that management is authorized to repurchase to up to 6,000,000 shares. On October 6, 2016, the Board of Directors of the Company increased the number of shares of the Company's outstanding common stock that management is authorized to repurchase to up to 8,000,000 shares. The repurchases must be effectuated through open market purchases, privately negotiated block trades, unsolicited negotiated transactions, and/or pursuant to any trading plan that may be adopted in accordance with Rule 10b5-1 of the Securities and Exchange Commission or in such other manner as will comply with the provisions of the Securities Exchange Act of 1934.

As of February 28, 2021, the Company had repurchased an aggregate of 6,093,535 shares of the Company's common stock at an average price of $3.37 per share through open market and privately negotiated transactions. The Company did not repurchase any of the Company's common stock during the first quarter of fiscal 2021 and fiscal 2020.

The repurchased shares will be held as treasury stock at cost and have been removed from common shares outstanding as of February 28, 2021 and November 30, 2020 . As of February 28, 2021, and November 30, 2020, 6,093,535 and 6,093,535 shares, respectively, were held as treasury stock.

Subsequent to the balance sheet date, the Company has not repurchased any additional shares of the Company's common stock.

Note 11 – Leases

Effective December 1, 2019, the Company adopted ASU 2016-02, Leases (Topic 842), using the modified retrospective approach and utilizing the effective date as its date of initial application. As a result, prior periods are presented in accordance with the previous guidance in ASC 840, Leases ("ASC 840"). The Company has elected to apply the 'package of practical expedients' which allows the Company to not reassess i) whether existing or expired arrangements contain a lease, ii) the lease classification of existing

or expired leases, or iii) whether previous initial direct costs would qualify for capitalization under the new lease standard.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement. Leases with a term greater than one year are recognized on the balance sheet as a right-of-use (ROU) assets and as short-term and long-term lease liabilities, as applicable. The Company does not have any financing leases.

Operating lease liabilities and their corresponding right-of-use assets are initially recorded based on the present value of lease payments over the expected remaining lease term. The interest rate implicit in lease contracts is typically not readily determinable. As a result, the Company utilizes its incremental borrowing rate to discount lease payments, which reflects the fixed rate at which the Company believes it could borrow on a collateralized basis the amount of the lease payments in the same currency, for a similar term, in a similar economic environment.

The Company has elected not to recognize leases with an original term of one year or less on the balance sheet. The Company typically only includes an initial lease term in its assessment of a lease arrangement. Options to renew a lease are not included in the Company's assessment unless there is reasonable certainty that the Company will renew.

In January 2021, the Company exercised its right to extend a lease for 36 months that resulted in an increase of $780,070 to operating lease right-of-use asset and of $780,070 to operating lease liabilities.

The following table presents the right-of-use asset and short-term and long-term lease liabilities amounts recorded on the consolidated balance sheets as of February 28, 2021 and November 30, 2020:

	February 28, 2021	November 30, 2020
Assets		
Operating lease right-of-use asset	$ 1,012,539	$ 299,089
Liabilities		
Current portion of operating lease liabilities	$ 239,330	$ 275,570
Operating lease long term liabilities	774,438	23,632
Total lease liability	$ 1,013,768	$ 299,202

The maturity of the Company's lease liabilities at February 28, 2021 were as follows:

Fiscal Year Ending November 30,	Future Operating Lease Payments
2021 (remaining 9 months)	$ 214,567
2022	294,336
2023	295,086
2024	295,086
2025	24,590
Less: Imputed interest	(109,897)
Present value of lease liabilities	$ 1,013,768

The remaining lease term and discount rates are as follows:

	February 28, 2021
Lease Term and Discount Rate	
Remaining lease term (years)	
Operating lease	3.8
Discount rate (percentage)	
Operating lease	5.3 %

Supplemental cash flow information related to leases is as follows:

	Three Months Ended February 28, 2021	Three Months Ended February 29, 2020
Operating cash outflows from operating leases	$ 71,566	$ 66,300

Note 12 – COVID-19

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus ("COVID-19") outbreak. The Company faces various risks related to health epidemics, pandemics and similar outbreaks, including the global outbreak of COVID-19. The Company believes it has taken appropriate steps to minimize the risk to our employees and to maintain normal business operations and continues to actively monitor the global outbreak and spread of COVID-19 and continues to take steps to mitigate the potential risks to us posed by its spread and related circumstances and impacts. Due to the change in consumer buying patterns as a result of COVID-19, the Company has experienced a decline in new client sales resulting in a decrease in revenues for the three months ended February 28, 2021 compared to the three months ended February 29, 2020. While the ultimate health and economic impact of COVID-19 remains highly uncertain, we expect that our business operations and results of operations, including our net sales, earnings and cash flows, may continue to be impacted by decreases in new client sales. We cannot predict the timing and speed of the recovery, and any delay in the recovery could significantly impact our future results.

Note 13 – Patent Option and Technology License Agreement

Effective June 9, 2020, the Company entered into a Patent Option Agreement (the "Option") with Duke University ("Duke"). The Option grants Cryo-Cell the exclusive option to obtain an exclusive license to certain of Duke's patent rights to make, have made, use, import, offer for sale, sell and otherwise commercially exploit (with the right to sublicense) certain licensed products and to practice certain licensed processes, and the exclusive right to use certain regulatory data and technical information in connection with such licensed patent rights, in the treatment, prevention, cure, reduction, mitigation or other management of diseases in humans, except, with regard to certain patent rights, in certain excluded fields of use and in certain territories, as well as a limited license to make, have made or use certain products, processes, data and information for the purpose of evaluating the market potential for such products and processes in the designated field of use, subject to Duke's reserved rights to practice the licensed rights for all research, public service, internal (including clinical) and/or educational purposes. This exclusive Option is for a period of six months from the effective date of the Option. As consideration for the Option, the Company paid Duke a non-refundable, option fee of $350,000 during June 2020. The Option was subject to extension by the Company for an additional six months by payment of $150,000 on or before the expiration

of the initial six-month option period. On December 1, 2020, the Company made the extension payment of $150,000. Such option fee, plus the extension fee, was fully credited against the license fee under the future license agreement. In connection with the option, Cryo-Cell anticipates opening a clinic to help patients have greater access to cord blood treatments established by Duke University under the FDA granted Expanded Access Program.

On February 23, 2021, the Company entered into a Patent and Technology License Agreement (the "Agreement") with Duke, pursuant to which Duke has granted to the Company an exclusive license to make, have made, use, import, offer for sale, sell and otherwise commercially exploit (with the right to sublicense) certain licensed products and to practice certain licensed processes, and the exclusive right to use certain regulatory data and technical information in connection with such licensed patent rights, in the treatment, prevention, cure, reduction, mitigation or other management of certain diseases in humans, except, with regard to certain patent rights, in certain excluded fields of use and in certain territories, subject to Duke's reserved rights to practice the licensed rights for all research, public service, internal (including clinical) and/or educational purposes.

The Agreement extends until expiration of the last Royalty Term, unless sooner terminated as provided in the Agreement. Royalty Term generally means the period beginning on the first commercial sale of each licensed product or licensed process and ending 15 years thereafter. Upon expiration of the applicable Royalty Term with respect to a particular licensed product or licensed processes, the licenses and rights granted by Duke to the Company under the Agreement with respect to such product or process become fully paid-up, royalty-free, perpetual and irrevocable.

The Company is required to pay Duke a license fee equal to $12,000,000, of which $5,000,000 was due within 14 days of February 23, 2021 (of which $500,000 has previously been paid through the crediting of the previously paid $350,000 option fee plus $150,000, extension fee, as described above), $5,000,000 must be paid on the first anniversary of February 23, 2021, and $2,000,000 must be paid on the second anniversary of February 23, 2021. In addition, during the Royalty Term, subject to certain minimum royalties, the Company is required to pay Duke royalties based on a portion of net sales varying from 7% - 12.5% based on volume. On March 8, 2021, the Company transferred $4,889,410 to Duke which included the first payment due of $5,000,000, less $500,000 previously paid and $389,410 in costs related to the patents.

The Company is also required to pay Duke minimum annual royalties beginning on the second anniversary of the effective date. The minimum annual royalties are as follows:

- Year 2: $500,000
- Year 3: $1,000,000
- Year 4: $2,500,000
- Year 5 and each year thereafter during the term of this Agreement: $5,000,000

In addition, the Company is required to pay Duke certain milestone payments, as follows:

- $2,000,000 upon initiation of the first Phase III clinical trial for an indication other than Autism Spectrum Disorder, for a licensed product comprising cord tissue; and
- A number of shares of the Company's common stock equal to the corresponding percentage of the Company's fully-diluted equity ownership outstanding as of February 23, 2021 as follows:

(1) 5.0% upon execution of the Agreement;

(2) 2.5% upon cumulative net sales of licensed product and licensed process of $10,000,000;

(3) 2.5% upon cumulative net sales of licensed product and licensed process of $ 75,000,000

(4) 2.5 % at each of the following market cap of the Company (based on a rolling 30-day average closing market cap) triggers:

- Equal to or greater than $300,000,000, provided such trigger occurs within 18 months of February 23, 2021; and
- Equal to or greater than $500,000,000, provided such trigger occurs within 24 months of February 23, 2021.

As of February 23, 2021, the Company capitalized $58,073,486 as a Duke license agreement which represents the costs to obtain the Agreement. These costs include the present value of the $12,000,000 license fee, $3,585,170 of the Company's common stock transferred to Duke, the present value of the future minimum royalty payments and certain acquisition costs. The Company anticipates amortizing these costs over 15 years.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward Looking Statements

This Form 10-Q, press releases and certain information provided periodically in writing or orally by the Company's officers or its agents may contain statements which constitute "forward-looking statements". The terms "Cryo-Cell International, Inc.," "Cryo-Cell," "Company," "we," "our" and "us" refer to Cryo-Cell International, Inc. The words "expect," "anticipate," "believe," "goal," "strategy," "plan," "intend," "estimate" and similar expressions and variations thereof, if used, are intended to specifically identify forward-looking statements. Those statements appear in a number of places in this Form 10-Q and in other places, and include statements regarding the intent, belief or current expectations of the Company, its directors or its officers with respect to, among other things:

(i) our future performance and operating results;

(ii) our future operating plans;

(iii) our liquidity and capital resources; and

(iv) our financial condition, accounting policies and management judgments.

Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. The factors that might cause such differences include:

(i) any adverse effect or limitations caused by recent increases in government regulation of stem cell storage facilities;

(ii) any increased competition in our business including increasing competition from public cord blood banks particularly in overseas markets but also in the U.S.;

(iii) any decrease or slowdown in the number of people seeking to store umbilical cord blood stem cells or decrease in the number of people paying annual storage fees;

(iv) any new services relating to other types of stem cells that have not yet been offered commercially, and there is no assurance that other stem cell services will be launched or will gain market acceptance;

(v) any adverse impacts on revenue or operating margins due to the costs associated with increased growth in our business, including the possibility of unanticipated costs relating to the operation of our facility and costs relating to the commercial launch of new types of stem cells;

(vi) any unique risks posed by our international activities, including but not limited to local business laws or practices that diminish our affiliates' ability to effectively compete in their local markets;

(vii) any technological or medical breakthroughs that would render our business of stem cell preservation obsolete;

(viii) any material failure or malfunction in our storage facilities; or any natural disaster or act of terrorism that adversely affects stored specimens;

(ix) any adverse results to our prospects, financial condition or reputation arising from any material failure or compromise of our information systems;

(x) the costs associated with defending or prosecuting litigation matters, particularly including litigation related to intellectual property, and any material adverse result from such matters;

(xi) the success of our licensing agreements and their ability to provide us with royalty fees;

(xii) any difficulties and increased expense in enforcing our international licensing agreements;

(xiii) any adverse performance by or relations with any of our licensees;

(xiv) any inability to enter into new licensing arrangements including arrangements with non-refundable upfront fees;

(xv) any inability to realize cost savings as a result of recent acquisitions;

(xvi) any inability to realize a return on an investment;

(xvii) any increased U.S. income tax expense as a result of inability to utilize or exhaustion of net operating losses;

(xviii) any adverse impact on our revenues and operating margins as a result of discounting of our services in order to generate new business in tough economic times where consumers are selective with discretionary spending;

(xix) the success of our global expansion initiatives;

(xx) our actual future ownership stake in future therapies emerging from our collaborative research partnerships;

(xxi) our ability to minimize our future costs related to R&D initiatives and collaborations and the success of such initiatives and collaborations;

(xxii) any inability to successfully identify and consummate strategic acquisitions;

(xxiii) any inability to realize benefits from any strategic acquisitions;

(xxiv) the Company's ability to realize a profit on the acquisition of PrepaCyte-CB;

(xxv) the Company's ability to realize a profit on the acquisition of Cord:Use,

(xxvi) the Company's ability to expand its core business units to include biopharmaceutical manufacturing and operating clinics,

(xxvii) any uncertainties of profitability from its biopharmaceutical manufacturing and operating clinics,

(xxviii) the costs associated with proxy contests and its impact on our business,

(xxix) the impact of the COVID-19 pandemic on our sales, operations and supply chain and

(xxx) other factors many of which are beyond our control.

We undertake no obligation to publicly update or revise the forward-looking statements made in this Form 10-Q to reflect events or circumstances after the date of this Form 10-Q or to reflect the occurrence of unanticipated events.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. Cryo-Cell International, Inc. undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. Readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission, including the Annual Report on Form 10-K filed by the Company and any Current Reports on Form 8-K filed by the Company.

Overview

The Company is engaged in cellular processing and cryogenic storage, with a current focus on the collection and preservation of umbilical cord blood stem cells for family use. The Company's principal sources of revenues are service fees for cord blood processing and preservation for new customers and recurring annual storage fees. Effective April 2016, the Company offers two pricing models, a standard plan and premium plan. The Company charges fees of $1,675 for the standard plan and $2,025 for the premium plan to new clients for the collection kit, processing, testing and return medical courier service, with discounts in the case of multiple children from the same family and in other circumstances. The Company charges an annual storage fee of $175 for new clients that enroll in the standard and premium plans; storage fees for existing customers depend on the contracts with such customers. The Company continues to offer a one-time payment plan for 18 years of storage and a lifetime payment plan, pursuant to which the client is charged $4,650 for the standard plan and $5,000 for the premium plan and approximately $5,800 for the standard plan and approximately $6,100 for the premium plan, respectively, less discounts in the case of multiple children from the same family and in other circumstances. The one-time plan includes the collection kit, processing and testing, return medical courier service and 18 years of prepaid storage fees. The lifetime plan includes the collection kit, processing and testing, return medical courier service and prepaid storage fees for the life of the client. The Company also receives other income from licensing fees and royalties from global affiliates.

On June 11, 2018, Cryo-Cell completed its acquisition of substantially all of the assets (the "Cord Purchase") of Cord:Use Cord Blood Bank, Inc., a Florida corporation ("Cord:Use"), in accordance with the definitive Asset Purchase Agreement between Cryo-Cell and Cord:Use (the "Purchase Agreement"), including without limitation Cord:Use's inventory of public cord blood units existing as of the closing date (the "Public Cord Blood Inventory") and Cord:Use's shares of common stock of Tianhe Stem Cell Biotechnologies, Inc., an Illinois corporation (the "Tianhe Capital Stock"). Cord:Use was in the business of public and private cord blood and tissue, collection, processing, storage and banking. The aggregate consideration payable at closing under the Purchase Agreement was $14,000,000, with $10,500,000 paid in cash and the balance paid through the delivery to Seller of 465,426 shares of Cryo-Cell's common stock, par value $0.01 per share ("Common Stock"), at $7.52 per share. In addition, Cryo-Cell assumed certain limited liabilities incurred by Cord:Use in connection with its business that were unpaid as of the closing date and that directly relate to the services to be provided after closing by Cryo-Cell. Cryo-Cell also assumed certain of Cord:Use's contracts and the obligations arising therefrom after the closing. Additionally, Cord:Use is entitled to an earnout from Cryo-Cell's sale of the Public Cord Blood Inventory from and after closing. Each calendar year after the closing, Cryo-Cell is required to pay to Cord:Use 75% of all gross revenues, net of any returns, received from the sale of public cord blood inventory in excess of $500,000. Such payments are to be made quarterly, within 30 days of the end of the last month of each calendar quarter, until the public cord blood inventory is exhausted. In addition, each calendar year after closing, until the public cord blood inventory is exhausted, for every $500,000 of retained gross revenues, net of any returns, received and retained by Cryo-Cell in excess of the initial $500,000 retained by Cryo-Cell during such year,

Cryo-Cell is to deliver $200,000 worth of Cryo-Cell Common stock toCord:Use, up to an aggregate value of $5,000,000. Cord:Use is also entitled to a portion of the gross profits generated, or deemed to have been generated, by Cryo-Cell from its ownership of the Tianhe Capital Stock.

As disclosed in Note 13, on February 23, 2021, the Company entered into a Patent and Technology License Agreement (the "Agreement") with Duke University ("Duke"). The Agreement grants the Company the rights to proprietary processes and regulatory data related to cord blood and cord tissue developed at Duke. The Company plans to explore, test, and administer these treatments to patients with conditions for which there are limited FDA approved therapies, including cerebral palsy, autism, multiple sclerosis and COVID-19. These treatments utilize the unique immunomodulatory and potential regenerative properties derived from cord blood and cord tissue. Per the Agreement, the Company has been granted exclusive commercial rights to Duke's intellectual property assets, FDA regulatory data, clinical expertise and manufacturing protocols associated with various applications of cord blood and cord tissue stem cells. Through this Agreement, the Company intends to expand to a triad of core business units to include its cord blood bank, biopharmaceutical manufacturing (once BLA(s) or Emergency Use Authorization(s) are approved by the FDA), and infusion clinic(s) services, initially under the rights granted to Duke through the FDAs Expanded Access Program.

During the three months ended February 28, 2021, the Company's revenues decreased 10% as compared to the same period in 2020. The Company reported net income of approximately $694,000 or $0.09 per basic common share for the three months ended February 28, 2021 compared to net income of approximately $687,000, or $0.09 per basic common share for the three months ended February 29, 2020. Net income for the three months ended February 28, 2021 principally resulted from a 20% decrease in cost of sales, an 11% decrease in selling, general and administrative expenses, and by a 10% decrease in revenue.

At February 28, 2021, the Company had cash and cash equivalents of 11,277,811. The Company's cash increased by approximately $917,000 during the first three months of fiscal 2021. Cash provided by operations was approximately $2,662,000 which was offset by approximately $1,775,000 used to repay the note payable.

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus ("COVID-19") outbreak. The Company faces various risks related to health epidemics, pandemics and similar outbreaks, including the global outbreak of COVID-19. The Company believes it has taken appropriate steps to minimize the risk to our employees and to maintain normal business operations and continues to actively monitor the global outbreak and spread of COVID-19 and continues to take steps to mitigate the potential risks to us posed by its spread and related circumstances and impacts. Due to the change in consumer buying patterns as a result of COVID-19, the Company has experienced a decline in new client sales resulting in a decrease in revenues for the three months ended February 28, 2021 compared to the three months ended February 29, 2020. While the ultimate health and economic impact of COVID-19 remains highly uncertain, we expect that our business operations and results of operations, including our net sales, earnings and cash flows, may continue to be impacted by decreases in new client sales. We cannot predict the timing and speed of the recovery, and any delay in the recovery could significantly impact our future results.

Consistent with its fiduciary duties, the board of directors and management has reviewed and will continue to review strategic options and opportunities for the Company, in order to maximize shareholder value. These options may include, but are not limited to, strategic mergers or acquisitions, investments in other public and/or private companies, repurchases of revenue sharing agreements ("RSA") interests, a deregistration of the Company's common stock under the Securities Exchange Act of 1934 or a going-private transaction. These options may or may not be related to the Company's current business. In order to undertake any of the aforementioned activities, the Company may take on substantial debt or equity capital which could increase the risk of investment in the Company.

Results of Operations

Revenues. Revenues for the three months ended February 28, 2021 were $6,860,617 compared to $7,620,774 for the same period in 2020, a 10% decrease. The decrease in revenue was primarily attributable to a 9% decrease in processing and storage fees.

Processing and Storage Fees. The decrease in processing and storage fee revenue is attributable to a decrease in the number of new domestic cord blood specimens offset by a 9% increase in recurring annual storage fee revenue.

Public Banking Revenue. For the three months ended February 28, 2021, revenue from public banking was $83,986 compared to $154,079 for the three months ended February 29, 2020.

Product Revenue. For the three months ended February 28, 2021, revenue from the PrepaCyte CB product sales was $38,000 compared to $60,407 for the three months ended February 29, 2020.

Cost of Sales. Cost of sales for the three months ended February 28, 2021 was $2,012,197 as compared to $2,503,144 for the same period in 2020, representing a 20% decrease. Cost of sales includes wages and supplies associated with process enhancements to the existing production procedures and quality systems in the processing of cord blood specimens at the Company's facility in Oldsmar, Florida and depreciation expense of approximately $51,000 and $52,000 for the three months ended February 28, 2021 and February 29, 2020, respectively. Also included in Cost of Sales is $34,880 and $41,117 related to the costs associated with production of the PrepaCyte®-CB processing and storage system for the three months ended February 28, 2021 and February 29, 2020, respectively. Also included in Cost of Sales is $337,301 and $406,953 for the three months ended February 28, 2021 and February 29, 2020, respectively, related to the public banking due to the Purchase Agreement with Cord:Use. The decrease in cost of sales for the three months ended February 28, 2021 versus February 29, 2020 is due to the decrease in the number of new domestic cord blood specimens processed during the three months ended February 28, 2021 versus the three months ended February 29, 2020.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the three months ended February 28, 2021 were $3,433,312 as compared to $3,870,029 for the 2020 period, representing an 11% decrease. These expenses are primarily comprised of expenses for consumer advertising, salaries and wages for personnel and professional fees. The decrease in selling, general and administrative expenses is primarily attributable to an 11% decrease in selling expenses.

Research, Development and Related Engineering Expenses. Research, development and related engineering expenses for the three months ended February 28, 2021 were $6,190 as compared to $5,722 for the three months ended February 29, 2020.

Depreciation and Amortization. Depreciation and Amortization (not included in Cost of Sales) for the three months ended February 28, 2021 was $21,263 compared to $44,221 for the 2020 period.

Change in the Fair Value of Contingent Consideration. Change in the fair value of the contingent consideration for the three months ended February 28, 2021 was an increase of $152,394 compared to a decrease of $51,412 for the 2020 period. The contingent consideration is the earnout that Cord:Use is entitled to from the Company's sale of the public cord blood inventory from and after closing, described above. The contingent consideration was remeasured to fair value as of February 28, 2021. The estimated fair value of the contingent earnout was determined using a Monte Carlo analysis examining the frequency and mean value of the resulting earnout payments. The resulting value captures the risk associated with the form of the payout structure. The risk-neutral method is applied, resulting in a value that captures the risk associated with the form of the payout structure and the projection risk. The carrying amount of the

liability may fluctuate significantly and actual amounts paid may be materially different from the estimated value of the liability.

Interest Expense. Interest expense for the three months ended February 28, 2021 was $280,219 compared to $365,299 for the three months ended February 29, 2020, of which, $60,220 and $134,261, respectively, related to the credit and subordination agreements with Texas Capital Bank, National Association as described in Note 5. The remaining interest expense is mainly comprised of amounts due to the parties to the Company's RSA based on the Company's storage revenue collected.

Income Taxes. Income tax expense for the three months ended February 28, 2021 was $258,901 compared to $252,380 for the three months ended February 29, 2020.

Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The ultimate realization of our deferred tax assets depends upon generating sufficient future taxable income prior to the expiration of the tax attributes. In assessing the need for a valuation allowance, we must project future levels of taxable income. This assessment requires significant judgment. We examine the evidence related to the recent history of tax losses, the economic conditions in which we operate and our forecasts and projections to make that determination.

Liquidity and Capital Resources

On May 20, 2016, the Company entered into a Credit Agreement ("Agreement") with Texas Capital Bank, National Association ("TCB") for a term loan of $8.0 million in senior credit facilities. The proceeds of the term loan were used by the Company to fund repurchases of the Company's common stock. Subject to the terms of the Agreement, on May 20, 2016, TCB advanced the Company $100. On July 1, 2016, TCB advanced the remaining principal amount of $7,999,900 per a promissory note dated May 20, 2016 between the Company and TCB.

On August 26, 2016, the Company entered into a First Amendment to Credit Agreement with TCB. Pursuant to terms of the First Amendment to Credit Agreement, on August 26, 2016, TCB made an additional advance to the Company in principal amount of $2,133,433 per an Amended and Restated Promissory Note dated August 26, 2016 between the Company and TCB. The additional proceeds of the term loan were used by the Company to fund the extinguishment of revenue sharing agreements.

On June 11, 2018, the Company entered into a Second Amendment to Credit Agreement with TCB. Pursuant to the terms of the Second Amendment to Credit Agreement, TCB made an additional advance to the Company in principal amount of $9,000,000 per an Amended and Restated Promissory Note dated June 11, 2018 between the Company and TCB in the principal amount of $15,500,000. The proceeds were used to finance a portion of the purchase price of the Cord:Use Purchase.

Prior to the loans, the Company's principal source of cash has been from sales of its umbilical cord blood program to customers and royalties from licensees.

At February 28, 2021, the Company had cash and cash equivalents of $11,277,811 as compared to $10,361,125 at November 30, 2020. The increase in cash and cash equivalents during the three months ended February 28, 2021 was primarily attributable to the following:

Net cash provided by operating activities for the three months ended February 28, 2021 was $2,662,042 which was primarily attributable to the Company's operating results and a portion of the Company's new clients choosing the prepaid storage plans versus the annual storage fee plan.

Net cash provided by operating activities for the three months ended February 29, 2020 was $2,615,563 which was primarily attributable to the Company's operating results and an increase in the Company's new clients choosing the prepaid storage plans versus the annual storage fee plan.

Net cash used in investing activities for the three months ended February 28, 2021 was $161,978, which was primarily attributable $11,978 used to the purchase property, equipment and software and $150,000 used as part of the Patent Option and Technology License Agreement with Duke (See Note 13).

Net cash used in investing activities for the three months ended February 29, 2020 was $6,961, which was primarily attributable to the purchases of property and equipment.

Net cash used by financing activities for the three months ended February 28, 2021 was $1,583,378 which was primarily attributable to the payments of $1,775,000 to repay the note payable described above offset by the receipt of $191,622 from the exercise of stock options.

Net cash used by financing activities for the three months ended February 29, 2020 was $734,000 which was primarily attributable to the payments of $775,000 to repay the note payable described above offset by the receipt of $41,000 from the exercise of stock options.

The Company does not have a line of credit.

The Company will closely monitor its liquidity and capital resources due to any potential impact that the COVID-19 pandemic may have on operations.

As disclosed in Note 13, a payment of $5,000,000 is due on February 23, 2022 per the Agreement with Duke.

The Company anticipates making discretionary capital expenditures of approximately $1,000,000 over the next twelve months for software enhancements and purchases of property and equipment. The Company anticipates funding future property and equipment purchases with cash-on-hand and cash flows from future operations.

The Company anticipates that its cash and cash equivalents, marketable securities and cash flows from future operations will be sufficient to fund its known cash needs for at least the next 12 months. Cash flows from operations will depend primarily upon increasing revenues from sales of its umbilical cord blood and cord tissue cellular storage services and managing discretionary expenses. If expected increases in revenues are not realized, or if expenses are higher than anticipated, the Company may be required to reduce or defer cash expenditures or otherwise manage its cash resources during the next 12 months so that they are sufficient to meet the Company's cash needs for that period. In addition, the Company may consider seeking equity or debt financing if deemed appropriate for its plan of operations, and if such financing can be obtained on acceptable terms. There is no assurance that any reductions in expenditures, if necessary, will not have an adverse effect on the Company's business operations, including sales activities and the development of new services and technology.

Critical Accounting Policies

This discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and disclosures of contingent assets and liabilities. For a full discussion of our accounting policies please refer to Note 1 to the Consolidated Financial Statements included in our 2020 Annual Report on Form 10-K filed with the SEC on March 1, 2021. Our most critical accounting policies and estimates include: recognition of revenue and the related allowance for doubtful accounts, stock-based compensation, income taxes and

license and revenue sharing agreements. We continually evaluate our judgments, estimates and assumptions. We base our estimates on the terms of underlying agreements, historical experience and other factors that we believe are reasonable based on the circumstances, the results of which form our management's basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There have been changes to our critical accounting policies and estimates from the information provided in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* included in our 2020 Annual Report on Form 10-K. Please refer to Note 1 to the Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

See Note 1 to the Consolidated Financial Statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonable likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4 . Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on their most recent review, as of the end of the period covered by this report, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures are effective, and that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure and are effective to ensure that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal controls over financial reporting during the three months ended February 28, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our Co-CEOs and CFO, does not expect that our disclosure controls and internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or board override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CEO and CFO Certifications

Appearing as exhibits 31.1, 31.2 and 31.3 to this report there are Certifications of the Co-CEOs and the CFO. The Certifications are required in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (the Section 302 Certifications). This Item of this report is the information concerning the evaluation referred to in the Section 302 Certifications and this information should be read in conjunction with the Section 302 Certifications for a more complete understanding of the topics presented.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time the Company is subject to proceedings, lawsuits, contract disputes and other claims in the normal course of its business. The Company believes that the ultimate resolution of current matters should not have a material adverse effect on the Company's business, consolidated financial position or results of operations. It is possible, however, that there could be an unfavorable ultimate outcome for or resolution which could be material to the Company's results of operations for a particular quarterly reporting period. Litigation is inherently uncertain and there can be no assurance that the Company will prevail. The Company does not include an estimate of legal fees and other related defense costs in its estimate of loss contingencies.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

ISSUER PURCHASE OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
December 1 – 31, 2020	—	$ —	—	1,906,465
January 1 – 31, 2021	—	$ —	—	1,906,465
February 1 – 28, 2021	—	$ —	—	1,906,465

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits

10.2	Patent and License Technology Agreement
31.1	Certification of Co-CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *(filed herewith).*
31.2	Certification of Co-CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *(filed herewith).*
31.3	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *(filed herewith).*
32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Cryo-Cell International, Inc.

/s/ DAVID PORTNOY
David Portnoy
Co-Chief Executive Officer

Cryo-Cell International, Inc.

/s/ MARK PORTNOY
Mark Portnoy
Co-Chief Executive Officer

Cryo-Cell International, Inc.

/s/ JILL M. TAYMANS
Jill M. Taymans
Vice President, Finance, Chief Financial Officer

Date: April 14, 2021

PATENT AND TECHNOLOGY LICENSE AGREEMENT

DUKE UNIVERSITY
AND
CRYO-CELL INTERNATIONAL, INC.

EFFECTIVE February 23, 2021

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PATENT AND TECHNOLOGY LICENSE AGREEMENT

This Patent and Technology License Agreement (this "Agreement") is effective as of February 23, 2021 (the "EFFECTIVE DATE"), between Cryo-Cell International, Inc. ("LICENSEE") having the address in Article 14 below, and Duke University, a nonprofit educational and research institution organized under the laws of North Carolina ("DUKE"). LICENSEE and DUKE hereby agree as follows:

ARTICLE 1 -DEFINITIONS

1.1 "AFFILIATE" means any corporation or non-corporate entity that controls, is controlled by or is under the common control with a party. A corporation or a non-corporate entity, as applicable, is deemed to be in control of another corporation if (a) it owns or directly or indirectly controls at least 50% of the voting stock of the other corporation or (b) in the absence of ownership of at least 50% of the voting stock of a corporation, or in the case of a non-corporate entity, if it possesses directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or non-corporate entity, as applicable.

1.2 "DUKE," as used in Articles 9 and 10, shall include its trustees, officers, employees, students, and agents.

1.3 "FDA" means the United States Food and Drug Administration, or any successor agency thereto.

1.4 "EXCLUDED FIELD OF USE" means the treatment of cerebral palsy in a patient using cells initially derived from such patient in Taiwan.

1.5 "FIELD OF USE" means the treatment, prevention, cure, reduction, mitigation or other management of any and all diseases and conditions in humans.

1.6 "FIRST COMMERCIAL SALE" means the first SALE through a bona fide arm's length transaction of any LICENSED PRODUCT or first commercial use of any LICENSED PROCESS by LICENSEE or a SUBLICENSEE, excluding the SALE of a LICENSED PRODUCT or use of a LICENSED PROCESS for use in trials, as a sample, or that is of temporary availability.

1.7 "IND" means an Investigational New Drug Application as defined in the United States Food, Drug and Cosmetic Act and the regulations promulgated thereunder, or similar application (e.g., a filing that must be made prior to commencing clinical testing of a biologic product in human subjects) filed with the relevant regulatory authority in any other jurisdiction.

1.8 "LICENSED FIELD OF USE" means all fields except for the EXCLUDED FIELD OF USE. "LICENSED PROCESS(ES)" means any process or method employed by LICENSEE or SUBLICENSEE that: (a) but for the license under this Agreement, comprises an infringement of (including contributory or inducement), or is covered by, a VALID CLAIM contained in the PATENT RIGHTS in the country in which such process or method or service is performed; or (b) employs a LICENSED PRODUCT; or (c) the REGULATORY APPROVAL for which uses, includes or references RELEVANT DATA.

1.9 "LICENSED PRODUCT(S)" means any product sold by LICENSEE or SUBLICENSEE that: (a) but for the license under this Agreement comprises an infringement of (including contributory or inducement), or is covered by, a VALID CLAIM contained in the PATENT RIGHTS in the country in which any such product or product part is made, used, imported, offered for SALE or sold; or (b) is manufactured or is required to be administered to a patient in the process of conducting a LICENSED PROCESS or is required to be employed to practice a LICENSED PROCESS; or (c) the REGULATORY APPROVAL for which uses, includes or references RELEVANT DATA. For clarity, any product lawfully sold by a third party without license or authorization from LICENSEE or a SUBLICENSEE shall not be a LICENSED PRODUCT.

1.10 "LICENSED RIGHTS" means, individually and collectively, any and all RELEVANT DATA, and PATENT RIGHTS in the LICENSED FIELD OF USE in the LICENSED TERRITORY.

1.11 "LICENSED TERRITORY" means: (a) with respect to RELEVANT DATA, worldwide except for Taiwan, and (b) with respect to PATENT RIGHTS, worldwide.

1.12 "NET SALES" means the amounts received, on SALES, by LICENSEE, its AFFILIATES and/or SUBLICENSEES (each, a "SELLING PARTY") of LICENSED PRODUCTS and uses of LICENSED PROCESSES to third-party customers, less the following deductions (but only to the extent such deductions are received by LICENSEE on such SALES by a SELLING PARTY):

(a) trade, quantity and cash discounts, rebates and chargebacks actually granted to customers, but only in amounts customary in the trade;

(b) sales taxes, tariff duties and/or use taxes separately stated in such bills or invoices with reference to particular SALES and actually paid by the SELLING PARTY to a governmental unit;

(c) actual freight and other transportation expenses, and other charges or fees directly related to the handling or distribution of LICENSED PRODUCTS or LICENSED PROCESSES between the SELLING PARTY and customers, to the extent such expenses are not charged to or reimbursed by customers;

(d) amounts actually refunded or credited on returns, recalls, retroactive price reductions, or billing errors; and

(e) amounts reasonably reserved for uncollectable accounts with respect to such invoiced amounts determined in a manner consistent with the SELLING PARTY's internal accounting practices, consistently applied, unless and until collected.

Notwithstanding the foregoing, the provision of LICENSED PRODUCT or LICENSED PROCESS as samples, compassionate use or for the purposes of conducting research or development activities will not be deemed to be a SALE giving rise to NET SALES. NET SALES will not include sales or other transfers of LICENSED PRODUCT or LICENSED PROCESS between or among LICENSEE or its AFFILIATES or SUBLICENSEES, provided that if a SELLING PARTY further sells such LICENSED PRODUCT or LICENSED PROCESS to a third party, NET SALES shall include the

amounts invoiced by such SELLING PARTY for such LICENSED PRODUCT or LICENSED PROCESS. In the event that a LICENSED PRODUCT or LICENSED PROCESS is sold in combination with another product, component or service for which no royalty would be due hereunder if sold separately, NET SALES from such combination sales for purposes of calculating the amounts due under Article 5 shall be calculated by multiplying the NET SALES of the combination product by the fraction A/(A+B), where A is the average gross selling price during the previous calendar quarter of the LICENSED PRODUCT or LICENSED PROCESS sold separately and B is the gross selling price during the previous calendar quarter of the combined product(s), component(s) and/or service(s). In the event that a substantial number of such separate SALES were not made during the previous calendar quarter then the NET SALES shall be as reasonably allocated by LICENSEE between such LICENSED PRODUCT or LICENSED PROCESS and such other product(s), component(s) or service(s) based upon their relative importance and proprietary protection. In no event shall the royalty paid to DUKE be reduced by more than fifty percent (50%).

1.13 "PATENT RIGHTS" means DUKE'S legal rights under the patent laws of the United States or relevant foreign countries for all of the following: the following United States and foreign patent(s) and/or patent application(s), and substitutions, divisionals, continuations (including continuations-in-part only to the extent such continuations-in-part are entitled to claim priority to such patents or patent applications), and foreign counterparts of the same:

(a) METHODS OF TREATING BRAIN INJURY USING CORD BLOOD OR A COMPONENT THEREOF, US Application 16/477,110 (4719)

COMPOSITIONS AND METHODS OF THE TREATMENT OF DEMYLINATING CONDITIONS, US Application 16/477,167, EP 18738872.3 (5000/5191) - CN 201880016427.7 and HK 62020009171.3)

METHODS FOR THE TREATMENT OF AUTISM SPECTRUM DISORDERS, PCT/US2018/022174, US Application 16/493,754 (5204)

METHODS OF TREATING CEREBRAL PALSY USING HIGH DOSE ALLOGENEIC UMBILICAL CORD BLOOD, US Application 16/510,387 (6479)

METHODS OF TREATING CEREBRAL PALSY AND HYPOXIC-ISCHEMIC ENCEPHALOPATHY USING HUMAN UMBILICAL CORD TISSUE-DERIVED MESENCHYMAL STROMAL CELLS, PCT/US2019/025796 (6381)

METHODS FOR THE TREATMENT OF AUTISM SPECTRUM DISORDERS USING HUMAN UMBILICAL CORD TISSUE-DERIVED MESENCHYMAL STROMAL CELLS, PCT/US2019/025716 (6382)

COMPOSITIONS AND METHODS FOR THE TREATMENT OF DEMYELINATING CONDITIONS US Application 16/510,395 (6478)

COMPOSITIONS COMPRISING MESENCHYMAL STROMAL CELLS FOR THE TREATMENT OF VIRAL INFECTIONS US application 63/017,290 (7094); and

(b) United States and foreign patents issued from the applications listed in subparagraph 1.13 (a) above, including any reviewed, reissued or reexamined patents based upon the same

(c) and all extensions, renewals, restorations and supplementary protection or any equivalent thereof.

1.14 "PRINCIPAL INVESTIGATOR" means Dr. Joanne Kurtzberg.

1.15 "REGULATORY APPROVAL" means all approvals, licenses, registrations or authorizations necessary for the commercialization of the LICENSED PRODUCT or LICENSED PROCESS in a particular jurisdiction.

1.16 "RELEVANT DATA" means the underlying data, information and REGULATORY MATERIAL with respect to the subject matter claimed in the PATENT RIGHTS only, to the extent owned or controlled by and/or (if any) licensed (with the right to license to LICENSEE) to DUKE as of the EFFECTIVE DATE under United States and international law, in any protocols, Standard Operating Procedures, and case report forms, collected or created in connection with DUKE's pre-clinical studies, regulatory submissions, and clinical trials (specifically IND numbers 14360, 16615, 15949, 17313, 17921, 16274, 14753, 19968, 23378 and 15338) related to studies with Protocol Numbers 00017801, 00065043, 00052449, 00070514, 000792421 00059284, 00077580, 00000412, 00066647, 00105410, 00106044, 00050198, 00089362, 00100253, 00102894, 00104460, and 00104691 including related reports, manuscripts and correspondence and other records of regulatory interactions, with initial reference in DUKE Office of Licensing and Ventures File Nos: 6480, 6622, 6623, 6624, and 6625. RELEVANT DATA shall not include the private medical records of individuals and shall not include any data or information that allows such individuals to be directly identified.

1.13 "REGULATORY MATERIAL" means regulatory applications and authorizations or clearances (including INDs), correspondence, records, filings, submissions, registrations or other filings made to, received from or otherwise conducted with the FDA (including minutes of meetings with the FDA) or any other regulatory authority.

1.14 “ROYALTY PERIOD(S)” means the six-month periods ending on the last days of June and December each year.

1.16 “ROYALTY TERM” means the period beginning on the FIRST COMMERCIAL SALE of each LICENSED PRODUCT or LICENSED PROCESS and ending at the later of fifteen (15) years after such FIRST COMMERCIAL SALE or expiration of the last VALID CLAIM.

1.17 “SALE” means sale, or invoice for goods or services, and SOLD means the past tense of SALE.

1.18 “SPINOUT” means an entity that is formed at least in part by LICENSEE to commercialize the PATENT RIGHTS and/or RELEVANT DATA which are sublicensed from LICENSEE to such entity in a transaction in which a majority of the assets of LICENSEE are not also transferred to the entity. For the purposes of this Agreement, a SPINOUT is also a SUBLICENSEE.

1.19 “SUBLICENSEE(S)” means any non-AFFILIATE, third-party person or entity granted in writing an option to sublicense or sublicense by LICENSEE under the LICENSED RIGHTS, but excluding third party contractors performing services for, or supplying products to, LICENSEE, its AFFILIATES, and SUBLICENSEES.

1.20 “VALID CLAIM” means: (a) a claim in an issued patent within the PATENT RIGHTS which has not (i) expired, (ii) been finally adjudicated or admitted by DUKE as invalid or unenforceable, or (iii) been abandoned; or (b) a claim in a pending application within the PATENT RIGHTS which is still under prosecution; provided that if a claim of a pending patent application has not issued as a claim of an issued patent within seven (7) years after the filing date from which such claim takes priority, such claim shall not be a VALID CLAIM for purposes of this Agreement from the seven (7) year anniversary date of such priority date until such time as such claim does issue (at which point such claim shall be a VALID CLAIM for purposes of this Agreement). It is understood and agreed that a claim in a pending application that is subject to a restriction requirement during prosecution and is not yet being prosecuted as part of a divisional patent application will still be considered a VALID CLAIM until it is finally rejected or abandoned and subject to the prior sentence.

ARTICLE 2 -GRANT OF LICENSE; TRANSFER OF RELEVANT DATA

2.1 DUKE hereby grants to LICENSEE an exclusive license, with the right to sublicense under PATENT RIGHTS and RELEVANT DATA to make, have made, use, import, offer for sale, sell and otherwise commercially exploit LICENSED PRODUCTS and to practice or otherwise commercially exploit, or cause to be commercially exploited, LICENSED PROCESSES in the LICENSED FIELD OF USE. For clarity, LICENSEE shall not have the right to sell LICENSED PRODUCTS or LICENSED PROCESSES for treatment of cerebral palsy in a patient using cells initially derived from such patient in the country of Taiwan. DUKE retains the right to practice the LICENSED RIGHTS for research, public service, internal (including clinical) and/or educational purposes (the “RETAINED RIGHTS”); provided that DUKE shall keep LICENSEE reasonably informed with respect to any such practice and the results thereof and the LICENSEE agrees to such activities, not to be unreasonably withheld . DUKE shall notify LICENSEE in the event DUKE desires to exercise its RETAINED RIGHTS in connection with a non-academic third party, and LICENSEE shall have a right of first negotiation with respect to such exercise of DUKE’s RETAINED RIGHTS. If during the sixty (60) months after the EFFECTIVE DATE, LICENSEE notifies DUKE that DUKE’s PRINCIPAL INVESTIGATOR has generated data or other subject matter in connection with its

practice of the RETAINED RIGHTS, together with all intellectual property related to or comprising the LICENSED PROCESS, the LICENSED PRODUCT, or both, and DUKE is not obligated to any third party at the time of generation with respect thereto, then the parties shall negotiate in good faith terms and conditions pursuant to which DUKE would grant a license to LICENSEE with respect to such data and subject matter. If the parties, despite such good faith negotiation, do not enter into a license agreement for such data and subject matter, then DUKE may enter into an arrangement with third parties therefor, provided that the terms offered to any third party are not more favorable to any third party than those last offered to LICENSEE without first offering such more favorable terms to LICENSEE.

2.2 This Agreement shall extend until expiration of the last ROYALTY TERM, unless sooner terminated as provided in another specific provision of this Agreement. Upon expiration of the applicable ROYALTY TERM with respect to a particular LICENSED PRODUCT or LICENSED PROCESS, the licenses and rights granted by DUKE to LICENSEE under this Agreement with respect to such LICENSED PRODUCT or LICENSED PROCESS will become fully paid-up, royalty-free, perpetual and irrevocable.

2.3 The licenses granted in this Agreement are subject to any rights required to be retained by the U.S. government, for example in accordance with Chapter 18 of Title 35 of U.S.C. 200-212 and the regulations thereunder (37 CFR Part 401), when applicable. LICENSEE agrees that, to the extent required by law and subject to any applicable waivers, LICENSED PRODUCTS used, leased or sold in the United States shall be manufactured substantially in the United States. DUKE shall reasonably cooperate and assist LICENSEE to obtain at LICENSEE's request and expense waivers to such requirement. To the extent required by law, or if the failure to mark would reduce the rights of DUKE or LICENSEE to enforce the PATENT RIGHTS against infringers, LICENSEE agrees to mark (a) the LICENSED PRODUCTS sold in the United States with all applicable United States patent numbers as necessary to meet the requirements of 35 U.S.C. 287 so that the full benefits of patent enforcement may be realized, and (b) all LICENSED PRODUCTS shipped to or sold in other countries to comply with the patent laws and practices of the countries of manufacture, use and sale, in each case, to the extent commercially feasible.

2.4 In a good faith and diligent manner DUKE and LICENSEE shall establish a written plan (the TECH TRANSFER PLAN) applying commercially reasonable terms setting forth the timeline and manner of DUKE's transfer to LICENSEE of the RELEVANT DATA sufficient to enable LICENSEE or its designee(s) to exploit such RELEVANT DATA consistent with the licenses granted to LICENSEE in Paragraph 2.1, including to manufacture cells for such purpose. DUKE shall transfer to LICENSEE true and complete copies of the RELEVANT DATA in accordance with the TECH TRANSFER PLAN. Further, DUKE shall provide LICENSEE an exclusive right of reference to its INDs and other filings to regulatory authorities (including the FDA) contained within the RELEVANT DATA. Upon reasonable advance notice to DUKE, LICENSEE (itself or through a designee) or any regulatory authority shall have the right to audit any facilities used in the development of the LICENSED PROCESS and LICENSED PRODUCT and copy any data related thereto; provided that any access to personally identifiable information shall be subject to the parties (or their designees) entering into appropriate arrangements to protect the same in accordance with applicable law. Further, if DUKE receives notice from any regulatory authority of an audit of its facilities used in the

development of the LICENSED PROCESS or LICENSED PRODUCT, DUKE shall so notify LICENSEE, reasonably cooperate with LICENSEE in preparing for such audit and, to the extent permissible under applicable law, allow LICENSEE to be present during such audit. It is understood that LICENSEE will reimburse DUKE for its associated costs associated with fulfilling DUKE's obligations related to the TECH TRANSFER PLAN to be negotiated and established under a separate agreement.

2.5 Upon LICENSEE's request, DUKE agrees to promptly negotiate in good faith and enter into with LICENSEE a written agreement on commercially reasonable terms providing for the supply of cells manufactured using the LICENSED PROCESS in such quantities as LICENSEE requests and DUKE can reasonably manufacture to exercise LICENSEE's rights under the LICENSED RIGHTS (the "MANUFACTURING AND SUPPLY AGREEMENT"). DUKE shall supply such cells to LICENSEE pursuant to the MANUFACTURING AND SUPPLY AGREEMENT. It is understood that LICENSEE would reimburse DUKE's costs for the supply of such cells to LICENSEE pursuant to the MANUFACTURING AND SUPPLY AGREEMENT.

2.6 If within five (5) years of the EFFECTIVE DATE LICENSEE identifies additional RELEVANT DATA, DUKE agrees to use good faith efforts to promptly make available the same to LICENSEE or its designee.

ARTICLE 3 -CONSIDERATION

3.1 LICENSEE shall pay the following to DUKE:

(a) A License Issue Fee equal to Twelve Million Dollars ($12,000,000), of which Five Million Dollars ($5,000,000) will be paid within fourteen (14) days of the EFFECTIVE DATE, Five Million Dollars ($5,000,000) will be paid on the first anniversary of the EFFECTIVE DATE, and Two Million Dollars ($2,000,000) will be paid on the second anniversary of the EFFECTIVE DATE. The License Issue Fee is non-refundable and non-creditable. If LICENSEE terminates this Agreement prior to the second anniversary of the EFFECTIVE DATE, LICENSEE will pay DUKE the balance of the License Issue Fee within thirty (30) days of the effective date of termination and receipt of invoice therefor.

(b) During the ROYALTY TERM, Running Royalties equal to the amounts set forth in the table below:

<table>
<tr><th><u>LICENSED PROCESS*</u></th><th><u>LICENSED PRODUCT</u>*</th></tr>
<tr><td>7% of annual NET SALES < $75M</td><td rowspan="3">7.5% of annual NET SALES</td></tr>
<tr><td>10% of annual NET SALES ≥ $75M and up to $200M</td></tr>
<tr><td>12.5% of annual NET SALES ≥ $200M</td></tr>
<tr><td>*Royalties shall be reduced to 75% of the above rates after expiration of all PATENT RIGHTS covering the applicable LICENSED PROCESS but prior to expiration of the ROYALTY TERM.</td><td>*Royalty reduced to 2.5% after expiration of all PATENT RIGHTS covering the applicable LICENSED PRODUCT but prior to expiration of the ROYALTY TERM.</td></tr>
</table>

If, in the performance of a LICENSED PROCESS, a LICENSED PRODUCT is administered by LICENSEE or its AFFILIATES, the NET SALES of such LICENSED PROCESS shall be in addition to the use or administration of such LICENSED PRODUCT. For purposes of calculating royalties for the use or administration of a LICENSED PRODUCT by LICENSEE or its AFFILIATES in the performance of said LICENSED PROCESS, the use or administration of such LICENSED PRODUCT shall constitute a third-party SALE of such LICENSED PRODUCT. NET SALES with respect to such LICENSED PRODUCT in such an instance shall be calculated using the average selling price of like quantities of LICENSED PRODUCTS sold in the United States during the reporting period in which such LICENSED PRODUCT was used or administered in the performance of such LICENSED PROCESS.

If LICENSEE, its AFFILIATE or a SUBLICENSEE is obligated or reasonably determines it necessary to pay consideration to any third party that holds a patent(s) or other intellectual property right with respect to a LICENSED PRODUCT or LICENSED PROCESS, then LICENSEE shall be entitled to deduct fifty percent (50%) of such consideration paid to such third party from the royalties payable to DUKE. However, in no event shall the royalty payable to DUKE be reduced to less than fifty percent (50%) of the royalty that would otherwise be payable hereunder. LICENSEE shall provide DUKE with a copy of any agreement with a third party that triggers the royalty reduction, provided that LICENSEE may redact from such copy any provisions LICENSEE considers confidential or proprietary that are not necessary to verify the accuracy of such deductions. When LICENSEE finalizes the formulation of any LICENSED PRODUCT during the product development cycle, LICENSEE shall promptly inform DUKE of any third party patent rights required for the LICENSED PRODUCT and the applicable royalty rates therefore. In addition, should LICENSEE subsequently determine that any additional third party patent rights are required, LICENSEE shall promptly inform DUKE.

(c) "Sublicensing Fees" means any revenue actually received by LICENSEE from a SUBLICENSEE less taxes (other than income taxes) paid or payable on such revenue, in the form of cash or securities, not based on SALES of LICENSED PRODUCT or LICENSED PROCESS by LICENSEE or SUBLICENSEES (or a designee) and in consideration for a grant of rights under the LICENSED RIGHTS (e.g., license issue fees, maintenance or annual minimum fees, milestone payments), excluding: (i) amounts paid by such SUBLICENSEE as bona fide reimbursement for costs incurred with respect to the applicable sublicense agreement; (ii) bona fide loans (unless and until forgiven); (iii) amounts paid for supplies of product or other tangible materials; (iv) amounts paid for securities sold to such SUBLICENSEE at fair market value provided that any such amounts paid in excess of fair market value shall be deemed Sublicensing Fees; (v) running royalties (including any amounts paid based upon sales or profits from the SALES of a LICENSED PRODUCT or LICENSED PROCESS); and (vi) amounts received in connection with a merger, consolidation or sale of substantially all of the business or assets of LICENSEE or any of its AFFILIATES. LICENSEE shall pay DUKE a share equal to thirty-five percent (35%) of such Sublicensing Fees within sixty (60) days of each sublicense agreement entered into with a SUBLICENSEE.

To the extent Sublicensing Fees represents an unallocated combined payment for both a sublicense under the PATENT RIGHTS as well as other intellectual property, undertakings or subject matter, the Sublicensing Fees from such sublicensing arrangement shall be reasonably allocated by mutual agreement of the parties between such PATENT RIGHTS and such other intellectual property, undertakings or subject matter, based on their relative value. If the parties do not agree as to the amount of Sublicensing Fees in a particular case, then, upon written notice by either party to the other, such dispute may be submitted for resolution pursuant to Article 16 below. Neither party shall be deemed in breach of this Agreement by reason of a failure to agree on such amount (or with respect to LICENSEE, to pay the disputed amount); provided in the case of LICENSEE, that it has paid the undisputed portion of such Sublicensing Fees and, following resolution pursuant to Article 14 promptly pays any amount determined to be due thereunder.

(d) In addition to payment of ongoing patent expenses pursuant to Article 7 hereof, LICENSEE shall reimburse DUKE for expenses incurred by DUKE for filing and prosecution of PATENT RIGHTS as of the EFFECTIVE DATE ("Past Patent Expenses") within thirty (30) days of receipt of invoice therefor.

(e) Minimum Annual Royalties. Beginning on the second anniversary of the EFFECTIVE DATE ("Year 2," and each subsequent year, "Year 3," "Year 4," "Year 5," etc.), Minimum Annual Royalties are due for each such calendar year on each following January 31. Minimum Annual Royalties shall be credited against Running Royalties due on NET SALES made during the calendar year for which the Minimum Annual Royalties apply. Minimum Annual Royalties paid in excess of running royalties shall be creditable to amounts due for future years. The Minimum Annual Royalties are:

(1) Year 2: $500,000;

(2) Year 3: $1.0M;

(3) Year 4: $2.5M; and

(4) Year 5 and in each year thereafter during the term of this Agreement: $5.0M.

(f) Milestone payments are due within thirty (30) days of the first achievement of the corresponding milestone set forth below by or under authority of LICENSEE. Milestone fees are non-refundable and non-creditable.

Financial Milestone Payments:

(1) Two Million Dollars ($2,000,000) upon initiation of the first Phase III clinical trial for an indication other than Autism Spectrum Disorder, for a LICENSED PRODUCT comprising cord tissue derived MSC.

Equity Milestone Payments , pursuant to the terms of the Equity Transfer Agreement attached to this Agreement as Appendix A, a number of shares of LICENSEE's common stock equal to the corresponding percentage of LICENSEE's fully-diluted equity ownership outstanding as of the EFFECTIVE DATE as follows:

(1) 5.0% upon execution of this Agreement

(2) 2.5% upon cumulative NET SALES of LICENSED PRODUCT and LICENSED PROCESS of Ten Million Dollars ($ 10,000,000)*

(3) 2.5% upon cumulative NET SALES of LICENSED PRODUCT and LICENSED PROCESS of Seventy-Five Million Dollars ($ 75,000,000)*

(4) 2.5% at each of the following market cap of LICENSEE (based on a rolling 30-day average closing market cap) triggers:

- Equal to or greater than Three Hundred Million Dollars ($300,000,000), provided such trigger occurs within eighteen (18) months of the EFFECTIVE DATA
- Equal to or greater than Five Hundred Million Dollars ($500,000,000), provided such trigger occurs within twenty-four (24) months of the EFFECTIVE DATE

If all or substantially all of LICENSEE's securities are sold or acquired by a non-AFFILIATE third party (such event, a "Change of Control") prior to the completion of all of the above Equity Milestone Payments, LICENSEE shall, in lieu of Equity Milestone Payment #4, issue to DUKE the following Change of Control equity payments pursuant to the terms of the Equity Transfer Agreement, as follows: (x) 2.5% of the fully-diluted ownership of LICENSEE if such Change of Control occurs within eighteen (18) months of the EFFECTIVE DATE and acquisition price of LICENSEE's total equity at the closing of the Change of Control is at least $300,000,000 or (y) 5.0% of the fully-diluted ownership of LICENSEE if such Change of Control occurs within twenty-four (24) months of the EFFECTIVE DATE and the acquisition price of LICENSEE's total equity at the closing of the Change of Control is equal to or greater than $500,000,000. If Equity Milestone Payments #2 and #3 above have not yet been achieved and paid before the Change of Control, LICENSEE will require the successor entity to be responsible for paying the equity milestone consideration to DUKE within thirty (30) days after the achievement of each of the Equity Milestones #2 and/or #3 as a condition of the Change in Control; however, the successor entity may instead pay DUKE the remaining Equity Milestone Payments within thirty (30) days of the Change in Control in an amount of cash calculated using the specified number of LICENSEE shares and share price at the time of the Change of Control.

For purposes of the foregoing, common stock means fully-paid, unregistered common stock of the LICENSEE and the percentages are based on the fully diluted common stock immediately prior to the applicable issuance.

3.2 If LICENSEE takes part in the formation of a SPINOUT for purposes of exploiting the license granted to LICENSEE, LICENSEE shall cause the SPINOUT to transfer to DUKE by the later of (a) sixty (60) days after a sublicense to the PATENT RIGHTS becomes effective between LICENSEE and the SPINOUT, or (b) the SPINOUT is first capitalized with at least $5 million by a Third Party investor(s), equity commensurate to the percentage held by DUKE in LICENSEE at the time of such SPINOUT. The equity received by DUKE in the SPINOUT shall be of the same type (e.g., class of stock) received by LICENSEE under the relevant sublicense transaction. If the SPINOUT is a corporation, then the parties agree that LICENSEE, or the SPINOUT, shall make such transfer of equity pursuant to, and subject to the terms of, an agreement substantially in the form of an Equity Transfer Agreement as attached in Appendix A. If the SPINOUT is of another legal form, then the parties shall negotiate in good faith as to the terms of the transfer of equity. In the event of a SPINOUT and for the purposes of Paragraph 3.1, LICENSEE will remain responsible for any remaining Equity Milestone Payments and will include SPINOUT's full market value in LICENSEE's market cap.

In the event of the occurrence of the applicable milestone event, DUKE will consider, and if agreed, will accept payment in cash of the amount of money equivalent to the closing value of the corresponding equity on the last trading day of the quarter during which such event occurred.

3.3 LICENSEE is not obligated to pay multiple royalties with respect to a SALE of a particular LICENSED PRODUCT or LICENSED PROCESS if any LICENSED PRODUCT or LICENSED PROCESS is covered by more than one VALID CLAIM of PATENT RIGHTS or the same LICENSED PRODUCT or LICENSED PROCESS is covered by a VALID CLAIM in two or more countries.

3.4 All payments due to DUKE under this Agreement shall be made payable to "Duke University." Payments drawn directly on a U.S. bank may be made by either check to the address in Article ARTICLE 12 - or by wire transfer. Any payment drawn on a foreign bank or foreign branch of a U.S. bank shall be made only by wire transfer. Wire transfers shall be made in accordance with the following or any other instructions as may be specified by DUKE by advanced written notice. If payments are made by wire, the wiring instructions below must be followed.

Bank: Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA 94101. USA
ABA #: 121000248 (Domestic wires only)
Swift Code: WFBIUS6S (Foreign wires only)
Beneficiary: Duke University Concentration Account
Account #: 202374-0253053
Attention: Office of Licensing & Ventures, 919-681-7583* FILE NUMBER:4719
Email: agreements-olv@duke.edu

All payments due to DUKE under this Agreement must be paid in United States Dollars in Durham, North Carolina, or at such place as DUKE may reasonably designate consistent with the laws and regulations controlling in any foreign country. If any currency conversion is required in connection

with such payments due, such conversion must be made by using the exchange rate prevailing at Wells Fargo Bank (N.A.) (or its successor, as the case may be) on the last business day of the reporting period to which such payments relate.

3.5 Royalty payments due pursuant to Paragraph 3.1(b) shall be made on a semi-annual basis with submission of the reports required by Article 3. All amounts due under this Agreement, including amounts due for the payment of patent expenses, shall, if overdue, be subject to a charge of interest compounded monthly until payment, at a per annum rate of three percent (3%) above the prime rate in effect at the JP Morgan Chase Bank, N.A. or its successor bank on the due date (or at the highest allowed rate if a lower rate is required by law). The payment of such interest shall not foreclose DUKE from exercising any other rights it may have resulting from any late payment. LICENSEE shall reimburse DUKE for the costs, including reasonable attorney fees, for expenses paid in order to collect any amounts overdue more than 120 days.

3.6 Except as otherwise set forth in this Agreement, all payments and fees, including all milestone fees, made under this Agreement are and shall be non-refundable and non-creditable. DUKE shall have no obligation whatsoever to pay, return, credit, or refund any amounts paid hereunder, except as may be specifically provided herein. By way of example only, notwithstanding the deductions permitted to NET SALES, DUKE shall have no obligation to pay any amounts to LICENSEE even if such deductions should result in a negative amount for NET SALES in any given ROYALTY PERIOD.

3.7 Should LICENSEE be required under any law or regulation of any government entity or authority to withhold or deduct any portion of the payments on royalties due to DUKE, then the sum payable to DUKE shall be increased by the amount necessary to yield to DUKE an amount equal to the sum it would have received had no withholdings or deductions been made. DUKE shall cooperate reasonably with LICENSEE in the event LICENSEE elects to assert, at its own expense, any exemption from any such tax or deduction.

ARTICLE 4 -REPORTS

4.1 Until the FIRST COMMERCIAL SALE, by July 31 of each year LICENSEE shall provide to DUKE a written annual report that includes reports on progress with respect to LICENSED PRODUCTS and LICENSED PROCESSES since the prior annual report and general future plans regarding: research and development, REGULATORY APPROVALS, manufacturing, sublicensing, marketing and SALES, in each case, with respect to LICENSED PRODUCTS and LICENSED PROCESSES. Further, LICENSEE shall specifically report to DUKE the FIRST COMMERCIAL SALE within thirty days thereof, and identify the LICENSED PRODUCT or LICENSED PROCESS subject of the FIRST COMMERCIAL SALE.

4.2 After the FIRST COMMERCIAL SALE, LICENSEE shall provide semi-annual reports to DUKE during the ROYALTY TERM for such LICENSED PRODUCT or LICENSED PROCESS. Specifically, by each such July 31 and January 31 (i.e., within one month after each ROYALTY PERIOD closes, including the close of the ROYALTY PERIOD immediately following any

termination of this Agreement), LICENSEE shall report to DUKE for the applicable ROYALTY PERIOD:

(a) number of LICENSED PRODUCTS and LICENSED PROCESSES SOLD, by LICENSEE, its AFFILIATES and each SUBLICENSEE.

(b) NET SALES, excluding the deductions provided therefor, of LICENSED PRODUCTS and LICENSED PROCESSES SOLD by LICENSEE, its AFFILIATES and all SUBLICENSEES.

(c) aggregate deductions applicable as provided in the definition for NET SALES above.

(d) Sublicensing Fees due on payments from SUBLICENSEES under Paragraph 3.1 above, including supporting figures.

(e) foreign currency conversion rate and calculations (if applicable) and total royalties due.

(f) each milestone under Article ARTICLE 3 - or Article ARTICLE 5 - having a deadline during the ROYALTY PERIOD, and a specific identification of whether or not it was achieved.

(g) for each sublicense to a SUBLICENSEE or amendment thereto completed in the particular ROYALTY PERIOD: names, addresses, and U.S.P.T.O. Entity Status (as discussed in Paragraph 8.1) of such SUBLICENSEE; the date of each such agreement and amendment; the territory of the sublicense; the scope of the sublicense; and the nature, timing and amounts of all fees, royalties to be paid thereunder.

(h) progress on research and development, REGULATORY APPROVALS, manufacturing, sublicensing, marketing and SALES, and general plans for the future, in each case, with respect to LICENSED PRODUCTS and LICENSED PROCESSES.

(i) the date of FIRST COMMERCIAL SALE of LICENSED PRODUCTS in each country or of LICENSED PROCESSES.

LICENSEE shall include in each such report the amount of all payments due to DUKE hereunder, and the various calculations used to arrive at those amounts, including the quantity, description (nomenclature and type designation as described in Paragraph 4.3 below), country of manufacture and country of SALE of LICENSED PRODUCTS and LICENSED PROCESSES sold in the applicable ROYALTY PERIOD.

If no payment is due, LICENSEE shall so report to DUKE that no payment is due. Failure to provide reports as required under this Article 4 shall be a material breach of this Agreement subject to the provisions of Paragraph 11.2 below. LICENSEE agrees to reasonably cooperate with DUKE regarding any questions it may have relating to the information in reports. LICENSEE agrees to reasonably cooperate with DUKE regarding any questions it may have relating to the information in reports.

4.3 LICENSEE shall promptly establish and consistently employ a system of specific nomenclature and type designations for LICENSED PRODUCTS and LICENSED PROCESSES to permit identification and segregation of various types where necessary, and shall use commercially reasonable efforts to coordinate with SUBLICENSEES the use of nomenclature and type designations.

4.4 LICENSEE shall keep, and shall require its AFFILIATES and SUBLICENSEES to keep, true and accurate records containing data reasonably required for the computation and verification of payments due under this Agreement. LICENSEE and its AFFILIATES shall use reasonable efforts to require all SUBLICENSEES to: (a) open such records for inspection upon reasonable advance notice during business hours, and no more than once per calendar year, by an independent certified accountant selected by DUKE and reasonably acceptable to LICENSEE or such AFFILIATE or SUBLICENSEE, for the purpose of verifying the amount of payments due hereunder, and shall provide reasonably requested information to DUKE to facilitate such inspection; and (b) retain such records for three (3) years from date of origination. Such audits may not be conducted for any calendar year ending more than thirty-six (36) months prior to the date of such request, or be repeated for any particular audited period. If LICENSEE is unable to obtain from any SUBLICENSEE a right for DUKE to audit the books of account and records of such SUBLICENSEE, LICENSEE shall obtain the right to inspect and audit such SUBLICENSEE's books and records for itself and shall exercise such audit rights on behalf of and at the expense of DUKE upon DUKE's written request and disclose the results of any such audit to DUKE.

The terms of this Article shall survive any termination of this Agreement. DUKE is responsible for all expenses of such inspection, except that if any such inspection reveals an underpayment greater than five percent of royalties and other amounts due DUKE for the audited period, then LICENSEE shall pay the reasonable fees, and documented expenses actually charged by the accounting firm for such inspection and the amount of the underpayment and interest (calculated in accordance with Paragraph 0) to DUKE within thirty (30) days of receipt by LICENSEE of the final audit report and associated invoice. In the event any such audit establishes that amounts were overpaid by LICENSEE during such period, the amount of such overpayment shall be credited against future amounts owed by LICENSEE to DUKE. DUKE shall treat all financial information subject to review under this Article ARTICLE 4 - as Confidential Information of LICENSEE, and shall cause its accountant to retain all such financial information in confidence.

ARTICLE 5 - DILIGENCE

5.1 LICENSEE shall use commercially reasonable efforts to, directly or, in whole or in part, through one or more of its AFFILIATES, SUBLICENSEES or other third parties, develop (including to file for and obtain REGULATORY APPROVAL for) and, following receipt of REGULATORY APPROVAL therefor, to commercialize one or more LICENSED PRODUCTS or LICENSED PROCESSES within the LICENSED TERRITORY. As between the parties and except as provided in the MANUFACTURING AND SUPPLY AGREEMENT , LICENSEE (itself or through a designee) has the sole and exclusive right and responsibility to prepare, file, obtain and retain any and all REGULATORY APPROVALS required to manufacture and/or sell LICENSED PRODUCTS and/or use LICENSED PROCESSES for all relevant activities of LICENSEE and SUBLICENSEES. If the

commercialization of multiple LICENSED PRODUCTS or LICENSED PROCESSES is commercially reasonable, then the requirements of this paragraph shall apply to all such LICENSED PRODUCTS and/or LICENSED PROCESSES. In determining commercial reasonableness, LICENSEE may consider all relevant factors including cost of development, likelihood of obtaining necessary REGULATORY APPROVALS, size of market, availability and enforceability of market exclusivity (whether by patent or otherwise), available pricing, profit margin and likelihood of gray-market goods. Further, for the sake of clarity, after receipt of REGULATORY APPROVAL therefor in a jurisdiction, LICENSEE must make commercially reasonable amounts or levels of LICENSED PRODUCTS and/or LICENSED PROCESSES available for purchase by third parties in the country of such REGULATORY APPROVAL.

5.2 Without limiting Paragraph 5.1 , LICENSEE agrees through one or more of its AFFILIATES, SUBLICENSEES or other third parties, to reach the following commercialization and research and development milestones for the LICENSED PRODUCTS and LICENSED PROCESSES (together the "MILESTONES") by the following dates:

DUOC Milestones

Diligence Milestone	**Due Date**
Demonstration of a viable clinical and manufacturing plan for Cryopreserved DUOC-01 (phase II ready)	12 months after EFFECTIVE DATE
FPI phase II clinical trial for a neurodegenerative or neurological injury	Within 1 year after successful phase I trial
File an IND for a phase III registration trial	Within 1 year after successful phase II trial
FPI on a phase III registration trial	Within 6 months of FDA clearance
Submit BLA	Within 18 months after successful phase III trial
First Sale of Licensed Product	Within 3 months of FDA approval

ctMSC Milestones

Diligence Milestone	**Due Date**
Provide a plan for the manufacture of LICENSED PRODUCT to achieve FDA submission	Within 12 months of the EFFECTIVE DATE
File IND for Phase III registration for ASD treatment	Within one year after a phase II success in ASD
Submit a plan for alternative indication upon phase II failure in ASD	Within 6 months after ASD phase II failure
FPI for phase III ASD registration	Within 6 months of FDA clearance
FPI for phase II for alternative indication	Within 12 months after ASD phase II failure
Submit BLA for ASD	Within 18 months of successful Phase III trial
Submit BLA for alternative indication	Within 18 months after successful Phase III

5.3 LICENSEE must achieve each MILESTONE on or before the deadline dates indicated. LICENSEE shall notify DUKE within thirty (30) days after each such deadline as to whether or not such MILESTONE was met. If LICENSEE fails to meet any MILESTONE under this Article by the date of any MILESTONE deadline, DUKE may terminate this Agreement, solely with respect to the LICENSED PRODUCT or LICENSED PROCESS for which the MILESTONE deadline was missed, in accordance with Paragraph 11.2 , unless LICENSEE achieves the MILESTONE prior to the effective date of such termination . Notwithstanding anything to the contrary herein, the parties acknowledge and agree that LICENSEE's ability to meet its MILESTONES under Paragraph 5.2 is in some instances contingent upon DUKE meeting its obligations under this Agreement, including with respect to the RELEVANT DATA, TECH TRANSFER PLAN and the MANUFACTURING AND SUPPLY AGREEMENT. If, despite using commercially reasonable efforts, LICENSEE is unable to meet any of the MILESTONES, DUKE will grant to LICENSEE one time during the term of this License Agreement, upon LICENSEE's request, a twelve (12)-month extension of time to meet the missed MILESTONE.

5.4 If DUKE receives from an adequately capitalized and experienced third party a bona fide offer to license and commercialize a particular LICENSED PRODUCT or LICENSED PROCESS in the LICENSED FIELD OF USE in the LICENSED TERRITORY ("Third-Party Product"), then DUKE shall refer such offer to LICENSEE. In the event that: (a) LICENSEE, directly or through an AFFILIATE or SUBLICENSEE, has not established or begun a product or business development program for such Third-Party Product, (b) LICENSEE, its AFFILIATES and SUBLICENSEES are unable or unwilling to do so, and (c) such proposed development and commercialization by such third

party is not competitive with or otherwise commercially detrimental to LICENSEE's or its AFFILIATE's or SUBLICENSEE's current or prospective LICENSED PRODUCTS or LICENSED PROCESSES and LICENSEE notifies DUKE that it does not want to commercialize or sublicense that Third-Party Product, LICENSEE will negotiate a grant of rights to said third party to commercialize that Third-Party Product for a period of up to one hundred eighty (180) days after receipt of DUKE's referral. If LICENSEE does want to develop or commercialize that Third-Party Product, LICENSEE will provide DUKE with a commercialization plan and timeline ("Plan") for that Third-Party Product and that Plan will be added by amendment to the License as part of the commercial milestones described below under Commercialization. For the purposes of this Agreement, sublicensing rights to a third party will be considered commercialization.

ARTICLE 6 -SUBLICENSING

6.1 LICENSEE shall notify DUKE in writing of every sublicense agreement with a SUBLICENSEE and each amendment thereto within thirty days after their execution, and indicate the name of the SUBLICENSEE, the territory of the sublicense, the scope of the sublicense, and the nature, timing and amounts of all fees and royalties to be paid thereunder, and whether or not the SUBLICENSEE has greater or fewer than 500 employees. Upon request, LICENSEE shall provide DUKE with a copy of such sublicense agreements , which may be redacted to the extent the terms thereof are not necessary to determine compliance with this Agreement.

6.2 LICENSEE shall not receive from SUBLICENSEES anything of value other than cash payments in consideration for any sublicense under this Agreement, without the express prior written permission of DUKE, not to be unreasonably withheld, conditioned or delayed; provided that for purposes of the foregoing, diligence, data and regulatory, intellectual property assignment or licenses, audit rights and other similar contractual obligations shall not be "of value." LICENSEE shall require that all sublicenses granted to a SUBLICENSEE: (a) be consistent with the terms and conditions of this Agreement; (b) contain the SUBLICENSEE'S acknowledgment of the disclaimer of warranty and limitation on DUKE's liability, as provided by Article ARTICLE 9 - below; and (c) contain provisions under which the SUBLICENSEE accepts duties at least equivalent to those accepted by the LICENSEE in the following Paragraphs: 4.4 (duty to keep records), 10.1 (duty to defend, hold harmless, and indemnify DUKE), 10.3 (duty to maintain insurance), 2.3 (duty to properly mark LICENSED PRODUCTS with patent notices), and 15.5 (duty to restrict the use of DUKE's name).

6.3 Upon termination of this Agreement, any sublicenses granted by LICENSEE under the LICENSED RIGHTS shall survive if the relevant SUBLICENSEE agrees in writing to be bound by the terms of this Agreement as such terms apply to such SUBLICENSEE (in which event, such SUBLICENSEE will be deemed a direct licensee of DUKE); provided that any such SUBLICENSEE shall only be responsible for any payments that become due as a result solely of such SUBLICENSEE's activities after the effective date of termination of this Agreement. For the avoidance of doubt, SUBLICENSEES who agree to be bound by the terms of this Agreement pursuant to this Paragraph 6.3 will not be responsible for any milestone payments already paid by LICENSEE prior to the effective date of termination, nor any milestone payments that may accrue as a result of the activities of any other SUBLICENSEE after the effective date of any such termination of this

Agreement. Any sublicense executed by LICENSEE must contain language sufficient to implement this Paragraph 6.3.

ARTICLE 7 -PATENT APPLICATIONS AND MAINTENANCE

7.1 DUKE shall have the right to control all aspects of filing, prosecuting, and maintaining, and shall diligently file, prosecute and maintain, all of the patents and patent applications that form the basis for the PATENT RIGHTS in the United States and each Designated Foreign Country (as defined below), including (a) administrative reexaminations and reviews, and (b) disputes (including litigation) regarding inventorship and derivation, and interferences; in each case of (a) and (b) using counsel reasonably acceptable to LICENSEE. LICENSEE shall fully cooperate with DUKE in activities relating to the filing, prosecuting and maintaining the PATENT RIGHTS. LICENSEE shall have the sole right and discretion whether to apply for and prosecute a patent term extension for patents included in the PATENT RIGHTS, and DUKE will provide any assistance reasonably requested by LICENSEE for such patent term extension. Notwithstanding the foregoing, DUKE will not undertake re-examinations, reissues, requests for patent term adjustments or extensions, or appeals unless the parties mutually agree to do so.

7.2 DUKE shall promptly notify LICENSEE of all information and provide documentation received or learned by DUKE relating to the filing, prosecution and maintenance of the PATENT RIGHTS, and shall allow LICENSEE (or its counsel) to review, comment, and advise upon such information or documentation prior to filing or submission of the same. DUKE will consider and incorporate such comments and advice in good faith. LICENSEE shall hold such information confidential and use the information provided by DUKE only as provided in Article ARTICLE 13 -.

7.3 With the exception of foreign filing fees as detailed below, LICENSEE shall reimburse DUKE for its pro-rata share (based on the number of licensees under the PATENT RIGHTS) of fees and costs relating to the activities described in this Article ARTICLE 7 - . Such reimbursement shall be made within thirty days of receipt of DUKE's invoice and shall be subject to the interest and other requirements specified in Article ARTICLE 3 - above. LICENSEE agrees that unless it fully complies with all Paragraphs in this Agreement relating to entity status, LICENSEE shall be obligated to reimburse DUKE for "Large Entity" patent fees.

7.4 LICENSEE must inform DUKE in writing of any foreign countries in which LICENSEE desires DUKE to file PATENT RIGHTS (each, a "Designated Foreign Country"), and this Agreement will be amended in writing to reflect those designations. LICENSEE will pay to DUKE one-half of its pro-rata share (based on the number of licensees under the PATENT RIGHTS) of the estimated foreign filing fees for each requested country at least thirty (30) days in advance of any filing. DUKE and/or its other licensees of the PATENT RIGHTS may elect to seek patent protection for PATENT RIGHTS in countries not so designated by LICENSEE, in which case DUKE shall notify LICENSEE of each such election. Within ten (10) business days after receipt of any such notice from DUKE, LICENSEE shall have the right to include any of the countries identified in such notice as Designated Foreign Countries by providing written notice of such election to DUKE. If LICENSEE does not elect to include one or more of the countries identified in such notice as a Designated Foreign Country with

respect to one or more of the PATENT RIGHTS, such other licensees of the PATENT RIGHTS are responsible for all expenses pertaining to the filing, prosecution and maintenance of such patent applications in such country(ies). In such instances, such patent applications will not be PATENT RIGHTS in such country(ies) (this Agreement shall be amended accordingly, if necessary), and LICENSEE forfeits all rights under this Agreement to such patent applications and any resulting patents in such country(ies) (each, a "Released Patent"). Notwithstanding the foregoing, to the extent such Released Patent is in a minor market country, and LICENSEE notifies DUKE in writing that LICENSEE elects to retain rights with respect to such patent or patent application in such country, such patent or patent application shall continue to be within the PATENT RIGHTS in such country (unless and until LICENSEE elects to terminate its license to such patent or patent application in such country by further written notice to DUKE) but the license under Paragraph 2.1 above shall thereafter be non-exclusive with respect to such Released Patent in such country, and the royalties payable with respect to VALID CLAIMS of such Released Patent in such country shall be reduced by fifty percent (50%). For purposes of the preceding sentence, a "minor market country" means any country other than the United States, the United Kingdom, Japan, China, or a country within the European Union.

7.5 If LICENSEE provides DUKE with written notification that it will no longer support the filing, prosecution, or maintenance of a specified patent(s) and/or patent application(s) within the PATENT RIGHTS in one or more particular countries, then LICENSEE's responsibility for fees and costs related to the filing, prosecution, and maintenance of such subject PATENT RIGHTS in such countries will terminate sixty (60) days after DUKE's receipt of such written notification. At that time, such patents and/or patent applications in such countries will no longer be included in the PATENT RIGHTS (and this Agreement is deemed to be so amended accordingly), and LICENSEE surrenders all rights under this Agreement to such patents, patent applications, and any patent or patent applications arising therefrom in such countries.

7.6 LICENSEE shall notify DUKE promptly if, at any time during the term of this Agreement, LICENSEE, its Affiliates or any of its SUBLICENSEES does not qualify as a "small entity" as that term is defined under section 1.27, as amended, of the Consolidated Patent Rules of the United States Patent and Trademark Office.

7.7 In the event DUKE elects to abandon any patent or patent application within the PATENT RIGHTS, it shall notify LICENSEE at least sixty (60) days in advance of the next applicable deadline with the applicable patent office, in which case LICENSEE shall have the right (but not the obligation) to control the prosecution and maintenance of such patents and patent applications (including any patent issuing therefrom), at LICENSEE's expense.

ARTICLE 8 -ENFORCEMENT

8.1 Each party shall promptly advise the other in writing of any known or suspected acts of potential infringement of the PATENT RIGHTS by a third party. LICENSEE, itself or through its designee, has the first right, but not the obligation, to police and control any legal proceeding subject to Paragraph 8.3 relating to infringement of the PATENT RIGHTS by third parties within the LICENSED TERRITORY and the LICENSED FIELD OF USE, including those prior to the EFFECTIVE DATE. LICENSEE shall not file any suit without (a) first performing a thorough,

diligent investigation of the merits of such suit, including with respect to the validity and enforceability of the PATENT RIGHTS; (b) there being reasonable legal and economic bases for doing so; and (c) notifying DUKE twenty days before any such filing to the extent practicable. This right to police includes filing, prosecuting, and settling all infringement actions with respect to the PATENT RIGHTS at its expense, except that LICENSEE shall make any such settlement only with the advice and consent of DUKE, not to be unreasonably withheld or delayed. LICENSEE has the right to file suit using counsel of its choosing, subject to DUKE's approval, which shall not be unreasonably withheld or delayed. LICENSEE may grant to third parties the right to enforce hereunder.

8.2 If LICENSEE has complied with Paragraph 8.1, DUKE shall provide reasonable assistance to LICENSEE with respect to such actions, including joining any such action as a nominal party, but only if LICENSEE promptly reimburses DUKE for documented, out-of-pocket expenses actually incurred in connection with any such assistance rendered at LICENSEE'S request or reasonably required by DUKE, including but not limited to expenses incurred in complying with discovery duties. DUKE retains the right to participate, with counsel of its own choosing and at its own expense, in any action under this Article.

8.3 DUKE and its employees have a vital interest in lawsuits relating to the validity and enforceability of the PATENT RIGHTS. If a third party files a suit, including as a counterclaim, alleging that any of the PATENT RIGHTS is invalid or unenforceable, then the parties shall jointly control the defense of such claim. Each party shall consult with the other with respect to the defense of such claim, and shall reasonably consider the other party's input. In furtherance of such joint control, at the onset of such claim and as reasonable during the pendency of any such claim, the parties shall meet and confer in good faith to set a plan for handling the defense thereof. The parties expect that in general (a) LICENSEE will have the right to lead daily activities, including but not limited to discovery, relating to the defense and (b) the parties would make joint filings. Notwithstanding, in the event that the parties cannot agree on how to proceed with respect to such claim, DUKE shall have the right to control the defense thereof on either a temporary or permanent basis . LICENSEE shall be responsible for the reasonable costs and fees associated with the activities under this Paragraph 8.3. The parties shall consider reasonable controls on costs and fees as part of an aforementioned meet and confer with respect to the handling of the defense. Notwithstanding, if a third party asserts jurisdiction for any such action solely as the result of acts of DUKE, then DUKE shall be responsible for such reasonable costs and fees.

8.4 If LICENSEE recovers damages in patent litigation or settlement thereof, the award shall be applied first to satisfy LICENSEE's and DUKE's reasonable expenses and legal fees for the litigation. The remaining balance shall be divided between the parties as follows: 35 % to DUKE and 65 % to LICENSEE. For the avoidance of doubt, Article ARTICLE 3 - shall control the division of revenues where a sublicense, covenant not to sue, or assignment of rights is granted to a SUBLICENSEE as part of a settlement of such lawsuit (including prospective rights).

ARTICLE 9 -NO WARRANTIES; LIMITATION ON LIABILITY

9.1 DUKE represents and warrants that: (a) it is duly organized and validly existing under the laws of its jurisdiction of incorporation; (b) it has full corporate power and authority and has taken all

corporate action necessary to enter into and perform this Agreement; (c) the execution and performance by it of its obligations hereunder will not constitute a breach of, or conflict with, its organizational documents nor any other agreement, court order, consent decree or other arrangement, whether written or oral, by which it is bound; and (d) to the knowledge of DUKE's Office of Licensing & Ventures as of the EFFECTIVE DATE, (i) DUKE has named the applicable inventors of the PATENT RIGHTS and has obtained valid and enforceable assignment agreements from each such inventor; (ii) DUKE has not granted any rights (of any kind) that conflict with such licenses and rights hereunder; and (iii) as of the EFFECTIVE DATE, DUKE has disclosed to LICENSEE all pending and threatened claims relating to the ownership of the PATENT RIGHTS. DUKE makes no representations or warranties that any claim within the PATENT RIGHTS is or will be held valid, patentable, or enforceable, or that the manufacture, importation, use, offer for SALE, SALE or other distribution of any LICENSED PRODUCTS or LICENSED PROCESSES will not infringe upon any patent or other rights.

9.2 EXCEPT AS EXPRESSLY SET FORTH HEREIN, **DUKE** MAKES NO REPRESENTATIONS, EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ASSUMES NO RESPONSIBILITIES WHATEVER WITH RESPECT TO DESIGN, DEVELOPMENT, MANUFACTURE, USE, **SALE** OR OTHER DISPOSITION BY **LICENSEE** OR **SUBLICENSEES** OF **LICENSED PRODUCTS** OR **LICENSED PROCESSES**. **LICENSEE** AND **SUBLICENSEES** ASSUME THE ENTIRE RISK AS TO PERFORMANCE OF **LICENSED PRODUCTS** AND **LICENSED PROCESSES**.

9.3 EXCEPT WITH RESPECT TO LICENSEE'S INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 10.1, IN NO EVENT SHALL EITHER PARTY BE RESPONSIBLE OR LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR LOST PROFITS OR OTHER ECONOMIC LOSS OR DAMAGE WITH RESPECT TO LICENSED PRODUCTS, LICENSED PROCESSES, OR THE PATENT RIGHTS TO THE OTHER PARTY, ANY SUBLICENSEES OR ANY OTHER INDIVIDUAL OR ENTITY REGARDLESS OF LEGAL OR EQUITABLE THEORY.

9.4 LICENSEE shall not make any statements, representations or warranties whatsoever to any person or entity that are inconsistent with any disclaimer or limitation included in this Article ARTICLE 9 -.

ARTICLE 10 -INDEMNITY; INSURANCE

10.1 LICENSEE shall defend, indemnify and hold harmless and shall require SUBLICENSEES to defend, indemnify and hold harmless DUKE for and against any and all claims, demands, damages, losses, and expenses of any nature (including attorneys' fees and other litigation expenses) arising from claims, suits, actions or proceedings brought against DUKE (including in connection with a suit under which DUKE is joined as a necessary party) (hereinafter "Claim"), resulting from, but not limited to, death, personal injury, illness, property damage, economic loss or products liability,

including errors and omissions, arising from or in connection with, any of the following: (1) Any manufacture, use, SALE or other disposition by LICENSEE or SUBLICENSEES of LICENSED PRODUCTS or LICENSED PROCESSES; (2) The use by any person of LICENSED PRODUCTS made, used, sold or otherwise distributed by LICENSEE or SUBLICENSEES; (3) The exercise or practice by LICENSEE or SUBLICENSEES of the license granted to LICENSEE under the PATENT RIGHTS; and (4) any Claim of infringement and/or invalidity of any claim(s) of the PATENT RIGHTS ; except in each case to the extent arising from the gross negligence, willful misconduct or breach of this Agreement by DUKE as determined by a court of competent jurisdiction.

10.2 As a condition of DUKE's right to receive indemnification under Paragraph 10.1, DUKE will promptly provide LICENSEE with written notice of any Claim giving rise to an indemnification obligation hereunder, and LICENSEE will have the right to control the defense and settlement of any such Claim using counsel chosen by LICENSEE. DUKE will provide LICENSEE, or its counsel, reasonable assistance and full information with respect to such Claims. DUKE is entitled to participate at its option and expense through counsel of its own selection and may join in any legal actions related to any such Claims under Paragraph 10.1 above. LICENSEE shall not settle any such Claim with an admission of liability of DUKE without DUKE's written approval, such approval not to be unreasonably withheld or delayed.

10.3 If DUKE is successful in a claim against LICENSEE as a result of LICENSEE's breach hereof, then among other things DUKE shall be able to obtain its documented, out-of-pocket expenses, including attorneys' fees, incurred in bringing and maintaining such claim.

10.4 Prior to any distribution or commercial use of any LICENSED PRODUCT or use of any LICENSED PROCESS by LICENSEE, LICENSEE shall purchase and maintain in effect commercial general liability insurance, product liability insurance, and errors and omissions insurance (or a comparable program of self-insurance) which shall protect LICENSEE and DUKE with respect to the events covered by Paragraph 10.1, and LICENSEE shall require the same of any SUBLICENSEE. Each such insurance policy must provide reasonable coverage for all claims with respect to any LICENSED PROCESS used and any LICENSED PRODUCTS manufactured, used, sold, licensed or otherwise distributed by LICENSEE -- or, in the case of a SUBLICENSEE's policy, by said SUBLICENSEE -- and must specify DUKE as an additional insured. LICENSEE shall furnish proof of such insurance to DUKE, upon request.

ARTICLE 11 -TERM AND TERMINATION

11.1 DUKE may terminate this Agreement upon written notice to LICENSEE if the LICENSEE enters liquidation, has a receiver or administrator appointed over all or substantially all of its assets related to this Agreement, makes any voluntary arrangement with any of its creditors, or ceases to carry on business, or files for bankruptcy or if an involuntary petition is filed against LICENSEE, or any similar event under the law of any foreign jurisdiction, if such proceeding is not dismissed within ninety (90) days after the filing thereof.

11.2 Upon any material breach of this Agreement by LICENSEE, DUKE has the right to terminate this Agreement effective on sixty (60) days' written notice to LICENSEE. Such termination shall become automatically effective upon expiration of the sixty (60)-day period unless LICENSEE cures the material breach before the period expires, or if such breach is not amenable to cure within such sixty (60) day period, then if LICENSEE provides within such sixty (60) day period a plan for the prompt cure thereof and is actively executing such plan until cure thereof.

11.3 LICENSEE has the right to terminate this Agreement at any time on sixty (60) days' written notice to DUKE. LICENSEE, within sixty (60) days of the termination date shall:

(a) pay all amounts due DUKE through the effective date of the termination;

(b) submit a final report of the type described in Paragraph 4.2;

(c) return any patent documentation (including that exchanged under ARTICLE 7 -) and any other Confidential Information or physical materials provided to LICENSEE by DUKE in connection with this Agreement, or, with prior approval by DUKE, destroy such materials, and certify in writing that such materials have all been returned or destroyed; and

(d) suspend its manufacture, use and SALE of the LICENSED PROCESS(ES) and LICENSED PRODUCT(S).

11.4 In addition, in the event that the FDA does not authorize an expanded use program for any LICENSED PRODUCT or LICENSED PROCESS or LICENSEE otherwise determines that commercialization of any LICENSED PRODUCT or LICENSED PROCESS is commercially impracticable (including due to a failure by DUKE to provide the RELEVANT DATA as set forth in Paragraph 2.5, or to enter into the MANUFACTURING AND SUPPLY AGREEMENT), LICENSEE has the right to terminate this Agreement upon sixty (60) days' written notice to DUKE with respect to such LICENSED PRODUCT(S) or LICENSED PROCESS(ES). If LICENSEE does not terminate the entire License Agreement, the parties shall negotiate in good faith the milestones and milestone payments due for the remaining LICENSED PRODUCT(S) or LICENSED PROCESS(ES), as well as a reduction of the Minimum Annual Royalties, to account for the terminated LICENSED RIGHTS hereunder.

11.5 Upon any termination of this Agreement, and except as provided herein to the contrary, all rights and obligations of the parties hereunder shall cease, except any previously accrued rights and obligations and further as follows: (a) obligations to pay royalties and other sums, including any outstanding patent fees and costs pursuant to Article ARTICLE 7 - up to the termination date, whether or not this Agreement provides for a number of days before which actual payment is due and such date is after the day of termination; (b) DUKE's rights to inspect books and records as described in Article 4, and LICENSEE's obligations to keep such records, in each case for the required time; (c) any cause of action or claim of LICENSEE or DUKE accrued or to accrue because of any breach or default by the other party hereunder; and (d) the provisions of Articles ARTICLE 1 - , ARTICLE 9 - ARTICLE 10 - and ARTICLE 13 - ARTICLE 15 - , and Paragraphs 2.3, 6.3, and 11.5 For clarity in the event of expiration (i.e., expiration of the ROYALTY TERM), but not upon any earlier termination, the licenses granted to LICENSEE herein shall become, perpetual, fully-paid and irrevocable.

Termination by either party hereunder shall not alter or affect any other rights or relief that either party may be entitled to under law.

11.6 If LICENSEE or a SUBLICENSEE, or any AFFILIATE thereof, asserts the invalidity or unenforceability of any claim included in the PATENT RIGHTS ("Patent Challenge"), including by way of litigation or administrative proceedings, either directly or through any other party, and such action is not withdrawn within sixty (60) days after DUKE's request to LICENSEE to do so, then DUKE shall have the right to immediately terminate this Agreement upon written notice to LICENSEE. If a SUBLICENSEE initiates a Patent Challenge and LICENSEE exercises its right to terminate the applicable sublicense agreement, then DUKE shall not have the right to terminate this Agreement on account of such Patent Challenge. Notwithstanding anything to the contrary herein, "Patent Challenge" does not include any counterclaim or affirmative defense by LICENSEE, its AFFILIATE or SUBLICENSEE as defendant in any patent infringement proceeding or action by or under the authority of DUKE.

ARTICLE 12 -NOTICES

Any notice, request, or report required or permitted to be given or made under this Agreement by either party is effective when mailed if sent by recognized overnight carrier, certified or registered mail, or electronic mail followed by confirmation by U.S. mail, to the address set forth below or such other address as such party specifies by written notice given in conformity herewith. Any notice, request, or report not so given is not effective until actually received by the other party.

To DUKE:

For delivery via the U.S. Postal Service

Office of Licensing & Ventures
Box 90083
Durham, NC 27708
Attention: Agreement Manager/File No.4719

For delivery via nationally/internationally recognized courier

DUKE UNIVERSITY
Office of Licensing & Ventures
2812 Erwin Road, Suite 406
Durham, NC 27705
Attn: Agreement Manager/File No.4719

For delivery via electronic mail

To DUKE:
agreements-olv@duke.edu
Subject: File No. 4719

To LICENSEE:
legalnotice@cryo-cell.com

To LICENSEE:

Cryo-Cell International, Inc.
700 Booker Creek Blvd, Suite 1800
Oldsmar, FL 34677
Attn: CEO

ARTICLE 13 - CONFIDENTIALITY

13.1 DUKE and LICENSEE will treat any proprietary business, process, and technical information disclosed to it by the other party (the "Confidential Information") with reasonable care and will not disclose such Confidential Information to any other person, firm or corporation, except Affiliates and SUBLICENSEES bound by obligations of confidentiality and restricted use at least as restrictive as those set forth in this Article ARTICLE 13 - . Reports issued under Article ARTICLE 4 - shall be LICENSEE's Confidential Information. The receiving party may not use the disclosing party's Confidential Information other than for exercising the receiving party's rights or fulfilling such receiving party's obligations under this Agreement. These obligations of non-disclosure and restricted use remain in effect for each subject disclosure of the other party's Confidential Information for five (5) years from the expiration or termination of this Agreement. However, neither party is obligated, with respect to Confidential Information disclosed to it, or any part thereof, which:

(a) is already known to the receiving party without confidentiality obligations at the time of the disclosure;

(b) becomes publicly known without any wrongful act or breach of this Agreement by the receiving party;

(c) is rightfully received by the receiving party from a third party on a non-confidential basis;

(d) is subsequently and independently developed by employees of the receiving party who had no knowledge of, use of, or reference to the Confidential Information, as verified by written records;

(e) is approved for release by prior written authorization of the disclosing party; or

(f) is disclosed pursuant to the requirements of applicable law or pursuant to any judicial or government requirement or order, provided that the party so disclosing takes reasonable steps to provide the other party sufficient prior notice in order to contest such request, requirement or order and provided that such disclosed Confidential Information otherwise remains subject to the obligations of confidentiality set forth in this Article ARTICLE 13 -.

13.2 DUKE and LICENSEE agree that any information to be treated as Confidential Information under this Article ARTICLE 13 - must be disclosed in writing or in another tangible medium and must be clearly marked "CONFIDENTIAL." Confidential Information disclosed orally must be summarized and reduced to writing and communicated to the other party within 30 days of such disclosure.

13.3 LICENSEE may use and disclose any Confidential Information related to the LICENSED RIGHTS to investors, prospective investors, employees, consultants and agents with a need to know, collaborators, prospective collaborators and other third parties in the chain of manufacturing and distribution, but if and only if LICENSEE obtains from each such recipient a written confidentiality

agreement, the provisions of which are at least as protective of DUKE's Confidential Information as those provided in this Article ARTICLE 13 -.

13.4 All information relating to filing, prosecution, maintenance, defense, infringement, and the like regarding the PATENT RIGHTS (no matter how disclosed) is the Confidential Information of DUKE and subject to the provisions of this Article ARTICLE 13 -. DUKE acknowledges that other than information relating to PATENT RIGHTS, DUKE has not disclosed any Confidential Information to LICENSEE.

13.5 The existence and terms of this Agreement shall be the Confidential Information of both parties, provided that LICENSEE may disclose the existence and terms of this Agreement to its actual and potential bona fide stockholders, investors, collaborators, advisors, partners and others on a need to know basis under appropriate obligations of confidentiality.

ARTICLE 14 - DISPUTE RESOLUTION

14.1 In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall use their reasonable efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of sixty (60) days of the first written notice of dispute by either party to the other, then such dispute, claim, question or disagreement shall be finally settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with the provisions of its Commercial Arbitration Rules. The arbitration panel shall consist of three members, selected as follows: one member to be selected by each party, and those two members are to select a third member who will chair the panel. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof and shall be binding on the parties. The negotiation and arbitration described above shall take place at a mutually agreed upon location in Durham, North Carolina. The arbitration proceedings and the decision of the arbitrations shall not be made public without the joint consent of the parties, and each party shall maintain the confidentiality of such proceedings and decision unless each party agrees otherwise in writing; provided that each party may make such disclosures as are permitted for Confidential Information of the other party under Article ARTICLE 13 - above.

14.2 Either party may seek to enforce any written agreement reached by the parties or the patent attorney(s), or to confirm and enforce any final award entered in arbitration, in any court of competent jurisdiction, provided that any party moving to enforce, confirm or vacate any such agreement or award, as the case may be, will file such motion under seal unless prohibited under applicable court rules. Notwithstanding the agreement to such procedures, either party may seek equitable relief to enforce its rights in any court of competent jurisdiction.

ARTICLE 15 -MISCELLANEOUS PROVISIONS

15.1 This Agreement shall be governed by and construed under the laws of the state of North Carolina without regard for principles of choice of law, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent was granted.

15.2 DUKE and LICENSEE agree that this Agreement sets forth their entire understanding concerning the subject matter of this Agreement and supersedes all prior agreements and communications, whether written, oral or otherwise, including that certain Patent Option Agreement between the parties effective June 9, 2020. The parties may amend this Agreement from time to time, such as to add new rights, but no modification will be effective unless both DUKE and LICENSEE agree to it in writing.

15.3 If a court of competent jurisdiction finds any term of this Agreement invalid, illegal or unenforceable, that term will be curtailed, limited or deleted, but only to the extent necessary to remove the invalidity, illegality or unenforceability, and without in any way affecting or impairing the remaining terms.

15.4 No waiver by either party of any breach of this Agreement, no matter how long continuing or how often repeated, is a waiver of any subsequent breach thereof, nor is any delay or omission on the part of either party to exercise or insist on any right, power, or privilege hereunder a waiver of such right, power or privilege. In no event shall any waiver be deemed valid unless it is in writing and signed by an authorized representative of each party.

15.5 LICENSEE shall, and shall require its Affiliates to, refrain from using and to require SUBLICENSEES to refrain from using the name, mark, logo, image or any adaption thereof of DUKE or its employees in publicity or advertising without the prior written approval of DUKE. Reports in scientific literature and presentations of joint research and development work are not publicity. Notwithstanding this provision, without prior written approval of DUKE, LICENSEE and SUBLICENSEES may state publicly that LICENSED PRODUCTS and PROCESSES were developed by LICENSEE based upon an invention(s) developed at Duke University and/or that the PATENT RIGHTS were licensed from Duke University. However, in no event, shall LICENSEE or SUBLICENSEE represent, either directly or indirectly, that any product or service is a product or service of DUKE. Notwithstanding the foregoing, LICENSEE has the right to present, orally and in writing, information relating to this Agreement and the related business opportunities to the financial community.

15.6 LICENSEE agrees to comply with all applicable laws and regulations, including but not limited to all United States laws and regulations controlling the export of commodities and technical data. LICENSEE shall be solely responsible for any violation of such laws and regulations involving LICENSEE or its SUBLICENSEES, and to defend, indemnify and hold harmless DUKE if any Claim results from any such violation.

15.7 It is expressly understood and agreed that DUKE and LICENSEE are independent contractors. Neither party is an agent of the other in connection with the exercise of any rights hereunder, and

neither has any right or authority to assume or create any obligation or responsibility on behalf of the other. Nothing in this Agreement shall be deemed to create or constitute a partnership or joint venture between DUKE and LICENSEE.

15.8 LICENSEE may not assign this Agreement without the prior written consent of DUKE and shall not pledge any of the license rights granted in this Agreement as security for any creditor without DUKE's prior written consent, not to be unreasonably withheld, conditioned or delayed; provided that such consent shall not be required to grant a security interest in all or substantially all of the business or assets of LICENSEE, whether in connection with a bona fide loan, lease or otherwise. Any attempted assignment of this Agreement without the prior consent of DUKE will be void from the beginning. No assignment by LICENSEE will be effective until the intended assignee agrees in writing to accept all of the terms and conditions of this AgreementS, and such writing is provided to DUKE. Notwithstanding the foregoing, LICENSEE may, without DUKE's consent, assign its rights under this Agreement to a purchaser of all or substantially all of LICENSEE's business relating to the subject matter of this Agreement, so long as (a) LICENSEE is not in breach of this Agreement and (b) such assignee provides a statement in writing to DUKE that it agrees to accept all the terms and conditions of this Agreement (including obligations existing as of the time of such assignment) in the place of LICENSEE. The transfer of this Agreement by LICENSEE to an AFFILIATE shall not be considered to be an assignment subject to this Paragraph 15.8.

15.9 If the registration, recordation, or reporting to a national or supranational agency of this Agreement, its terms, or assignment thereof is or becomes required or advisable (e.g., as a prerequisite to enforceability of the Agreement in such nation), LICENSEE shall, at its expense, promptly undertake such action. LICENSEE shall provide prompt notice thereof to DUKE along with copies of relevant documentation.

15.10 Neither party shall be held responsible for delay or failure to perform hereunder if such delay or failure is due to fire, flood, riot, acts of God or the public enemy, acts of terrorism, acts of war, unusually severe weather, legal acts of public authorities, shortages of supply or equipment, epidemic, pandemic or any other rapid spread of infectious diseases, or any other circumstances outside the reasonable control of such party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate originals by their duly authorized officers or representatives as of the EFFECTIVE DATE.

FOR LICENSEE		FOR DUKE UNIVERSITY	
By	/s/ David Portnoy (authorized representative)	By	/s/ Robin Rasor Robin L. Rasor Executive Director
Printed Name	David Portnoy		
Title	Chairman and Co-CEO		
Date	02/24/2021	Date	February 23, 2021

APPENDIX A. EQUITY TRANSFER AGREEMENT

THIS EQUITY TRANSFER AGREEMENT (the "Agreement") is made as of [DATE] between _____ [NAME OF LICENSEE], a [LICENSEE STATE OF INCORPORATION/ORGANIZATION] [corporation], having offices at [LICENSEE ADDRESS] (the "LICENSEE"), and Duke University, a nonprofit educational and research institution organized under the laws of North Carolina ("DUKE").

RECITALS

Pursuant to that certain License Agreement (DUKE File No(s): _____), dated [DATE OF LICENSE] (the "License"), between LICENSEE and DUKE, DUKE licensed certain rights to LICENSEE.

Pursuant to Paragraph [ ] of the License and in consideration thereof, the LICENSEE agreed to transfer to DUKE a specified portion of the equity interest in LICENSEE at the times and on the basis described in such Section.

The obligation of LICENSEE to issue such equity to DUKE has matured.

NOW, THEREFORE, in consideration of the License and this Agreement, LICENSEE and DUKE agree as follows.

1. Transfer of Equity. In partial consideration of the License and in satisfaction of the requirements of Paragraph [ ] thereof, LICENSEE shall, upon execution of this Agreement, issue DUKE a duly endorsed certificate for _____ shares or units, as applicable, of [TYPE OF STOCK OR EQUITY INTEREST REQUIRED BY SECTION [] OF THE LICENSE] of LICENSEE (the "DUKE Equity"). The DUKE Equity is subject to the designations, powers, preferences and rights, and qualifications, limitations and restrictions set forth in LICENSEE's charter or other applicable instrument relating thereto.

2. LICENSEE Representations and Warranties. LICENSEE represents and warrants to DUKE that:

(a) LICENSEE is validly existing in good standing in its state of incorporation or organization and has the power and authority to enter into this Agreement and to issue the DUKE Equity as contemplated hereby;

(b) this Agreement is a valid and binding obligation of LICENSEE, enforceable in accordance with its terms, except as limited by laws relating to creditors' rights and general principals of equity;

(c) issuance of the DUKE Equity satisfies all of the requirements of Section 3.6 of the License, including with respect to the amount or percentage of shares or units of LICENSEE equity that LICENSEE is obligated to transfer to DUKE;

(d) upon issuance pursuant to this Agreement, the DUKE Equity will be free of any lien, charge or other encumbrance, and will be validly issued, fully-paid and non-assessable;

(e) issuance of the DUKE Equity does not and will not violate (i) the charter, bylaws or operating agreement, as applicable, of LICENSEE (ii) any rights of preemption, first offer, first refusal, co-sale, registration, dividends or similar rights (collectively, "Equity Rights"), (iii) any agreement by which LICENSEE, its owners, property or assets are bound, or (iv) any Federal or applicable state securities law, rule or regulation;

(f) LICENSEE has achieved the Required Funding Event; and

(g) the _____ shares of its common stock referred to above constitutes __% of the Fully-Diluted equity of LICENSEE as of _____. For the purposes of this Section, "Required Funding Event" and "Fully-Diluted equity" have the same meaning as in Paragraph 3.7 of the License.

3. DUKE's Representations and Warranties. DUKE represents and warrants to LICENSEE that (a) DUKE is a nonprofit educational and research institution organized under the laws of North Carolina; (b) this Agreement is a valid and binding obligation of DUKE, enforceable in accordance with its terms, except as limited by laws relating to creditors' rights and general principals of equity; (c) DUKE has full power and authority to execute and deliver this Agreement; and (d) DUKE is an "accredited investor", as that term is defined in Rule 501 of Regulation D, as promulgated under the Securities Act of 1933, as amended (the "Securities Act").

4. Additional Rights. LICENSEE agrees DUKE shall be entitled as of the date hereof to all the contractual rights granted by LICENSEE to the holders of the same type and class of equity security issued to DUKE pursuant to Section 1 hereof, including, by way of example and not limitation, Equity Rights, any cash flow priority or preference and any reporting obligations; subject, however, to any threshold limitations applied on an equal basis to all holders of such equity security. Notwithstanding any such threshold limitation, for so long as DUKE holds not less than 1% of the issued and outstanding equity interest of LICENSEE, LICENSEE shall provide to DUKE the highest level of written financial and other information that LICENSEE provides to holders of equity interest in LICENSEE. DUKE agrees to promptly execute and deliver to LICENSEE the documents relating to such contractual rights and to be bound by the provisions thereof; provided, however, that DUKE shall have no obligation to become party to any voting agreement or voting trust. To the extent DUKE fails to timely exercise any of such rights, LICENSEE shall be entitled to interpret such failure as a waiver thereof.

5. Limited Transferability. DUKE acknowledges that (a) the DUKE Equity will not be registered under the Securities Act, (b) DUKE is taking the DUKE Equity for its own account and not with a view towards resale or redistribution thereof, and (c) the DUKE Equity may not be sold or transferred unless (i) registered under the Securities Act and registered or qualified under applicable

state securities laws, or (ii) pursuant to an applicable exemption from such registration or qualification requirements and LICENSEE receives an opinion of counsel reasonably acceptable to LICENSEE to the effect that no such registration or qualification is required. Accordingly, until the DUKE Equity has been registered under the Securities Act or LICENSEE receives an opinion of counsel to DUKE to the foregoing effect or to the effect that the DUKE Equity can be freely transferred under Rule 144 promulgated under the Securities Act, the certificate or other instrument evidencing the DUKE Equity shall bear the following legend:

> THE SECURITY REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAW. NEITHER THIS SECURITY NOR ANY PORTION HEREOF OR INTEREST HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF UNLESS THE SAME IS REGISTERED UNDER SUCH ACT AND ANY APPLICABLE STATE SECURITIES LAW, OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE ISSUER SHALL HAVE RECEIVED, AT THE EXPENSE OF THE HOLDER HEREOF, EVIDENCE OF SUCH EXEMPTION REASONABLY SATISFACTORY TO THE ISSUER (WHICH MAY INCLUDE, AMONG OTHER THINGS, AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER).

6. General.

(a) *Assignment*. This Agreement is not assignable by LICENSEE.

(b) *Binding Effect*. All of the covenants and provisions of this Agreement shall bind and inure to the benefit of successors and permitted assigns and transferees of LICENSEE and DUKE.

(c) *Notices*. Any notice, request, claim or other communication hereunder must be in writing and will be deemed to have been duly given if delivered by hand or if sent by certified mail, postage and certification prepaid, to LICENSEE and DUKE at the addresses for each set forth in the introductory paragraph of this Agreement. Either party may change such address by giving notice to the other in the manner required by this subsection.

(d) *Entire Agreement; Amendments*. This Agreement and the License constitute the entire agreement between LICENSEE and DUKE with respect to the subject matter of this Agreement. LICENSEE and DUKE may only amend this Agreement by a written instrument executed by them both.

(e) *Governing Law*. This Agreement will be construed and governed by the laws of the state of incorporation of LICENSEE, without giving effect to principals of conflicts of laws.

(f) *Counterparts*. This Agreement may be executed in any number of counterparts and by facsimile, each of which will be an original, but all of which together shall constitute one and the same instrument.

LICENSEE and DUKE have executed this Agreement as of the date first written above.

LICENSEE:

By _____

Name: _____

Title: _____

DUKE:

By _____

EXHIBIT 31.1

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

I, David Portnoy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cryo-Cell International, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: April 14, 2021

/s/ David Portnoy
David Portnoy

EXHIBIT 31.2

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

I, Mark Portnoy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cryo-Cell International, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: April 14, 2021

/s/ Mark Portnoy
Mark Portnoy

EXHIBIT 31.3

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jill M. Taymans, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cryo-Cell International, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: April 14, 2021

/s/ Jill M. Taymans
Jill M. Taymans

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cryo-Cell International, Inc. (the "Company") on Form 10-Q for the quarter ended February 28, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Portnoy, Co-Chief Executive Officer of the Company, I, Mark Portnoy, Co-Chief Executive Officer of the Company and I, Jill M. Taymans, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David Portnoy
David Portnoy
Co-Chief Executive Officer

April 14, 2021

/s/ Mark Portnoy
Mark Portnoy
Co-Chief Executive Officer

April 14, 2021

/s/ Jill M. Taymans
Jill M. Taymans
Vice President, Finance (Chief Financial Officer)

April 14, 2021