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 29, 2024

☐ **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 001-40767

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**	**NYSE American LLC**

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes ☒ No ☐ Not Applicable ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See 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	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of April 15, 2024, 8,104,477 shares of $0.01 par value common stock were outstanding.

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES

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

	(Unaudited) February 29, 2024	November 30, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	$ 247,112	$ 406,067
Marketable securities	732,481	574,183
Accounts receivable (net of allowance for doubtful accounts of $3,939,638 and $3,822,300, respectively)	6,726,893	6,576,240
Prepaid expenses	535,295	615,407
Inventory, current portion	755,160	768,877
Swap contract	76,825	122,113
Other current assets	378,310	389,950
Total current assets	9,452,076	9,452,837
Property and Equipment-net	21,605,273	20,996,883
Other Assets		
Investment - Tianhe stock	308,000	308,000
Intangible assets, net	972,154	989,121
Inventory, net of current portion	5,223,980	5,260,119
Goodwill	1,941,411	1,941,411
Deferred tax assets	20,492,749	20,492,749
Operating lease right-of-use asset	958,022	1,033,157
Deposits and other assets, net	757,109	746,493
Total other assets	30,653,425	30,771,050
Total assets	$ 61,710,774	$ 61,220,770
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current Liabilities		
Accounts payable	$ 2,996,658	$ 3,174,584
Accrued expenses	3,916,898	5,170,809
Note payable	168,623	165,641
Line of credit	1,972,728	1,222,728
Current portion of operating lease liability	253,981	225,686
Duke license agreement liability	666,667	1,200,000
Deferred revenue	9,394,821	9,704,553
Total current liabilities	19,370,376	20,864,001
Other Liabilities		
Deferred revenue, net of current portion	42,603,661	41,186,800
Contingent consideration	39,050	44,226
Note payable, net of current portion and debt issuance costs	8,391,738	8,430,037
Operating lease long-term liability	768,961	851,938
Long-term liability - revenue sharing agreements	875,000	875,000
Total other liabilities	52,678,410	51,388,001
Total liabilities	72,048,786	72,252,002
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; 14,849,246 issued and 8,254,977 outstanding as of February 29, 2024 and 14,849,246 issued and 8,286,785 outstanding as of November 30, 2023)	148,492	148,492
Additional paid-in capital	43,718,498	43,411,143
Treasury stock, at cost	(23,602,061)	(23,431,685)
Accumulated deficit	(30,602,941)	(31,159,182)
Total stockholders' deficit	(10,338,012)	(11,031,232)
Total liabilities and stockholders' deficit	$ 61,710,774	$ 61,220,770

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 29, 2024	February 28, 2023
Revenue:		
Processing and storage fees	$ 7,805,522	$ 7,561,518
Public banking revenue	43,713	230,697
Product revenue	3,000	32,200
Total revenue	7,852,235	7,824,415
Costs and Expenses:		
Cost of sales	2,160,468	2,067,364
Selling, general and administrative expenses	4,339,645	3,878,903
Change in fair value of contingent consideration	(5,176)	(164,701)
Research, development and related engineering	502,889	78,834
Depreciation and amortization	33,186	280,844
Total costs and expenses	7,031,012	6,141,244
Operating Income	821,223	1,683,171
Other Income (Expense):		
Gains (losses) on marketable securities	274,971	(3,681)
Loss on interest rate swap	(45,288)	—
Other income	63	1,268
Interest expense	(256,459)	(466,231)
Total other income (expense)	(26,713)	(468,644)
Income before income tax expense	794,510	1,214,527
Income tax expense	(238,269)	(447,715)
Net income	$ 556,241	$ 766,812
Net income per common share - basic	$ 0.07	$ 0.09
Weighted average common shares outstanding - basic	8,277,844	8,467,074
Net income per common share - diluted	$ 0.07	$ 0.09
Weighted average common shares outstanding - diluted	8,325,027	8,474,737

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 29, 2024	February 28, 2023
Cash flows from operating activities:		
Net income	$ 556,241	$ 766,812
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	86,047	369,950
Change in fair value of contingent consideration	(5,176)	(164,701)
Unrealized (gains) losses on marketable securities	(274,971)	3,681
Unrealized loss on interest rate swap contract	45,288	—
Compensatory element of stock options	307,355	313,174
Provision for doubtful accounts	288,760	186,904
Amortization of debt issuance costs	5,348	5,444
Amortization of operating lease right-of-use asset	75,135	79,324
Changes in assets and liabilities:		
Accounts receivable	(439,413)	(665,419)
Prepaid expenses	80,112	(13,587)
Inventory	49,856	230,459
Other current assets	11,640	5,796
Deposits and other assets, net	(10,616)	(18,339)
Accounts payable	(931,007)	221,749
Accrued expenses	(1,253,911)	(510,907)
Operating lease liability	(54,682)	(80,048)
Deferred revenue	1,107,129	913,634
Net cash (used in) from operating activities	(356,865)	1,643,926
Cash flows from investing activities:		
Purchases of property and equipment	(457,722)	(375,600)
Purchases of marketable securities	(743,811)	(1,017,738)
Sale of marketable securities	860,484	191,400
Net cash used in investing activities	(341,049)	(1,201,938)
Cash flows from financing activities:		
Treasury stock purchases	(170,376)	(243,201)
Repayments of note payable	(40,665)	(29,646)
Repayment of line of credit	(200,000)	(500,000)
Proceeds from line of credit	950,000	—
Net cash provided by (used in) financing activities	538,959	(772,847)
Decrease in cash and cash equivalents	(158,955)	(330,859)
Cash and cash equivalents - beginning of period	406,067	1,703,958
Cash and cash equivalents - end of period	$ 247,112	$ 1,373,099
Supplemental investing activities:		
Construction costs payable	$ 219,748	$ 536,707
Duke license agreement payable	$ 533,333	$ —
Supplemental cash flow information:		
Cash paid during the year for:		
Interest	$ 443,829	$ 441,336
Income taxes	$ 57,630	$ 33,072

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 29, 2024					
	Common Stock		Additional Paid-In	Treasury	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Stock	Deficit	Deficit
Balance at November 30, 2023	14,849,246	$ 148,492	$ 43,411,143	$ (23,431,685)	$ (31,159,182)	$ (11,031,232)
Compensatory element of stock options			307,355			307,355
Treasury stock				(170,376)		(170,376)
Net income					556,241	556,241
Balance at February 29, 2024	14,849,246	$ 148,492	$ 43,718,498	$ (23,602,061)	$ (30,602,941)	$ (10,338,012)

	For the Three Months Ended February 28, 2023					
	Common Stock		Additional Paid-In	Treasury	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Stock	Deficit	Deficit
Balance at November 30, 2022	14,848,001	$ 148,480	$ 42,597,380	$ (22,632,649)	$ (21,637,513)	$ (1,524,302)
Compensatory element of stock options			313,174			313,174
Treasury stock				(243,201)		(243,201)
Net income					766,812	766,812
Balance at February 28, 2023	14,848,001	$ 148,480	$ 42,910,554	$ (22,875,850)	$ (20,870,701)	$ (687,517)

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

CRYO-CELL INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 29, 2024
(Unaudited)

ote 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: (1) cellular processing and cryogenic cellular storage, with a current focus on the collection and preservation of umbilical cord blood stem cells for family use (2) the manufacture of PrepaCyte CB units, the processing technology used to process umbilical cord blood stem cells and (3) cryogenic storage of umbilical cord blood stem cells for public use. Revenues 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 for the manufacture of PrepaCyte CB units represent sales of the PrepaCyte CB units to customers. Revenue for the cryogenic storage of umbilical cord blood stem cells for public use, stored at Duke University (see below), 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 Sheets as of February 29, 2024 and November 30, 2023, the related Consolidated Statements of Income, Cash Flows and Stockholders' Deficit for the three months ended February 29, 2024 and February 28, 2023 have been prepared by Cryo-Cell International, Inc. 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, 2023 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 29, 2024 are not necessarily indicative of the results expected for any interim period in the future or the entire year ending November 30, 2024.

On February 22, 2024, the Company formed its wholly owned Delaware subsidiary, Celle Corp. As of February 29, 2024, no shares had been issued to the subsidiary. Celle Corp. was created to hold certain assets of Cryo-Cell not directly associated with the recurring revenue stream from privately banked, umbilical cord blood specimens. The Patent and Technology License Agreement with Duke University and Amendments have been transferred to Celle Corp. and other assets and liabilities are expected to be transferred in the near future.

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 Fees

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 life-time. 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 component

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 billed at the beginning of the storage period (prepaid plans). The Company also 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 29, 2024, the total aggregate transaction price allocated to the unsatisfied performance obligations was recorded as deferred revenue amounting to $51,998,482, which will be recognized ratably on a straight-line basis over the contractual period of which $9,394,821, 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. Additionally, under the Cryo-Cell Cares™ program, the Company will pay $10,000 to the client to offset personal expenses if the umbilical cord blood product is used for bone marrow reconstitution in a myeloablative transplant procedure. The product warranty and the Cryo-Cell Cares program are 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 29, 2024, the Company recorded $11,052 in commission payments to customers under the RAF program as a reduction to revenue. During the three months ended February 28, 2023, the Company recorded $10,432 in commission payments to customers under the RAF program as a reduction to revenue. For the three months ended February 29, 2024, the Company capitalized additional contract acquisition costs of $30,179, net of amortization. For the three months ended February 28, 2023, the Company capitalized additional contract acquisition costs of $26,436, net of amortization expense.

b)Public banking revenue

The Company sells 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. 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 29, 2024	November 30, 2023
Contract assets (sales commissions)	$ 716,621	$ 695,695
Accounts receivable	$ 6,726,893	$ 6,576,240
Short-term contract liabilities (deferred revenue)	$ 9,394,821	$ 9,704,553
Long-term contract liabilities (deferred revenue)	$ 42,603,661	$ 41,186,800

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 29, 2024 and February 28, 2023.

The following table presents changes in the Company's contract assets and liabilities during the three months ended February 29, 2024:

	Balance at December 1, 2023	Additions	Deductions	Balance at February 29, 2024
Contract assets (sales commissions)	$ 695,695	$ 30,179	$ (9,253)	$ 716,621
Accounts receivable	$ 6,576,240	$ 10,250,022	$ (10,099,369)	$ 6,726,893
Contract liabilities (deferred revenue)	$ 50,891,353	$ 5,297,596	$ (4,190,467)	$ 51,998,482

The following table presents changes in the Company's contract assets and liabilities during the three months ended February 28, 2023:

	Balance at December 1, 2022	Additions	Deductions	Balance at February 28, 2023
Contract assets (sales commissions)	$ 615,628	$ 26,436	$ (8,098)	$ 633,966
Accounts receivable	$ 6,043,941	$ 10,373,235	$ (9,894,720)	$ 6,522,456
Contract liabilities (deferred revenue)	$ 45,586,386	$ 6,404,429	$ (5,490,795)	$ 46,500,020

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

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 29, 2024, 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 36 blood units per year. 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 36 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).

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 29, 2024 and February 28, 2023, 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 29, 2024 and February 28, 2023.

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

At the inception of a lease 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 29, 2024, the Company has three stock-based compensation plans, which are described in Note 7 to the unaudited consolidated financial statements: the 2006 plan, 2012 plan and the 2022 Plan. The 2006 and 2012 Plans will remain in effect as long as any awards under the Plans are outstanding; however, no further awards may be granted under either plan. The 2022 Plan became effective April 8, 2022 as approved by the Board of Directors and approved by the stockholders at the 2022 Annual Meeting. The Company recognized approximately $307,000 and $313,000 for the three months ended February 29, 2024 and February 28, 2023 respectively, of stock 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 29, 2024 and November 30, 2023, respectively, segregated among the appropriate levels within the fair value hierarchy:

Description	Fair Value at February 29, 2024	Fair Value Measurements at February 29, 2024 Using Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 732,481	$ 732,481	$ —	$ —
Interest rate swap	$ 76,825	$ —	$ 76,825	$ —
Total	$ 809,306	$ 732,481	$ 76,825	$ —
Liabilities:				
Contingent consideration	$ 39,050	$ —	$ —	$ 39,050
Total	$ 39,050	$ —	$ —	$ 39,050

Contingent Consideration:	
Beginning Balance as of November 30, 2023	$ 44,226
Subtractions – Cord:Use earnout payment	—
Fair value adjustment as of February 29, 2024	(5,176)
Ending balance as of February 29, 2024	$ 39,050

Description	Fair Value at November 30, 2023	Fair Value Measurements at November 30, 2023 Using Level 1	Level 2	Level 3
Assets:				
Marketable securities	$ 574,183	$ 574,183	$ —	$ —
Interest rate swap	$ 122,113	$ —	$ 122,113	$ —
Total	$ 696,296	$ 574,183	$ 122,113	$ —
Liabilities:				
Contingent consideration	$ 44,226	$ —	$ —	$ 44,226
Total	$ 44,226	$ —	$ —	$ 44,226

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 $275,000 and ($4,000) in unrealized holding gains and losses, respectively, recorded in other income and expense on the accompanying consolidated statements of income for the three months ended February 29, 2024 and February 28, 2023, respectively.

Interest rate swap - The fair value is based on prevailing market data and derived from proprietary models based on well recognized financial principles and reasonable estimates about relevant future market conditions. There was $45,288 and $0 loss on interest rate swap recorded on the accompanying statements of income for the three months ended February 29, 2024 and February 28, 2023, 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 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. In accordance with ASC 606, 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 February 29, 2024 and November 30, 2023. 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 Adopted 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 adopted ASU 2016-13 as of December 1, 2023 with no material impact to 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, and interest expense for the three months ended February 29, 2024 and February 28, 2023:

	For the three months ended	
	February 29, 2024	February 28, 2023
Net revenue:		
Umbilical cord blood and cord tissue stem cell service	$ 7,805,522	$ 7,561,518
PrepaCyte CB	3,000	32,200
Public cord blood banking	43,713	230,697
Total net revenue	$ 7,852,235	$ 7,824,415
Cost of sales:		
Umbilical cord blood and cord tissue stem cell service	$ 1,884,566	$ 1,687,250
PrepaCyte CB	25,483	17,122
Public cord blood banking	250,419	362,992
Total cost of sales	$ 2,160,468	$ 2,067,364
Operating profit:		
Umbilical cord blood and cord tissue stem cell service	$ 1,057,719	$ 1,807,693
PrepaCyte CB	(29,428)	8,133
Public cord blood banking	(207,068)	(132,655)
Total operating profit	$ 821,223	$ 1,683,171
Depreciation and amortization:		
Umbilical cord blood and cord tissue stem cell service	$ 25,879	$ 273,539
PrepaCyte CB	6,945	6,945
Public cord blood banking	362	360
Total depreciation and amortization	$ 33,186	$ 280,844
Interest expense:		
Umbilical cord blood and cord tissue stem cell service	$ 256,459	$ 466,231
PrepaCyte CB	—	—
Public cord blood banking	—	—
Total interest expense	$ 256,459	$ 466,231

The following table shows the assets by segment as of February 29, 2024 and November 30, 2023:

	As of February 29, 2024	As of November 30, 2023
Assets:		
Umbilical cord blood and cord tissue stem cell service	$ 56,017,726	$ 55,471,149
PrepaCyte CB	125,757	148,040
Public cord blood banking	5,567,291	5,601,581
Total assets	$ 61,710,774	$ 61,220,770

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 Public Cord Blood Inventory in the Public Cord Blood Bank that has not completed all testing to determine viability to be work in process.

The components of inventory at February 29, 2024 and November 30, 2023 are as follows:

	As of February 29, 2024	As of November 30, 2023
Raw materials	$ —	$ —
Work-in-process	331,417	341,692
Work-in-process – Public Bank	—	—
Finished goods	38,397	48,045
Finished goods – Public Bank	5,562,305	5,599,238
Collection kits	54,739	47,739
Inventory reserve	(7,718)	(7,718)
Total inventory	$ 5,979,140	$ 6,028,996

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 29, 2024 and November 30, 2023:

	Useful lives	February 29, 2024	November 30, 2023
Patents	10-20 years	$ 697,744	$ 697,744
Less: Intangible asset impairment		$ (377,810)	$ (377,810)
Less: Accumulated amortization		(163,340)	(160,434)
License agreement	10 years	474,000	474,000
Less: Intangible asset impairment		(185,000)	(185,000)
Less: Accumulated amortization		(254,469)	(248,607)
Customer relationships – PrepaCyte®CB	15 years	41,000	41,000
Less: Intangible asset impairment		(26,267)	(26,267)
Less: Accumulated amortization		(9,704)	(9,505)
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		(184,000)	(176,000)
Net Intangible Assets		$ 972,154	$ 989,121

Amortization expense of intangibles was approximately $17,000 and $24,000 for the three months ended February 29, 2024 and February 28, 2023, respectively.

Note 5 – Notes Payable

On July 18, 2022, the Company entered into a Credit Agreement ("Susser Agreement ") with Susser Bank, a Texas state bank, as administrative agent ("Susser") on behalf of itself and the other lenders (collectively, the "Lenders"), which was amended pursuant to an Amendment to Credit Agreement dated July 29, 2022, for (i) an unsecured revolving line of credit in an aggregate principal amount of up to $10,000,000 (the "RCF"); and (ii) a term loan facility in an original principal amount of $8,960,000 (the "Term Loan Susser" and together with the RCF collectively, the "Loans"). In connection with the RCF the Company entered into a Revolving Credit Line, in favor of Susser, in the stated principal amount of $10,000,000 (the "RCF Note"), and in connection with the Term Loan the Company entered into a Term Note, in favor of Susser, in the stated principal amount of $8,960,000 (the "Term Note" and together with RCF Note, collectively, the "Notes"). The Loans bear interest at the Company's option at: (a) the Base Rate, which is the highest of (i) the rate of interest published by The Wall Street Journal, from time to time, as the "U.S. Prime Rate", (ii) the federal funds rate plus 0.5% and (iii) the Monthly SOFR rate plus 1.0% (subject in each case to a floor of 5.5%), plus 4.25% or (b) the Monthly SOFR plus 3.25% (subject to a floor of 4.5%). The RCF matures on July 18, 2025 and the Term Note matures on July 18, 2032. As of the three months

ended February 29, 2024 and February 28, 2023, the Company paid interest of $193,259 and $202,475, respectively, which is reflected in interest expense on the accompanying consolidated statements of income. The interest rates for the RCF and Term Note as of February 29, 2024 were 6.96% and 8.57%, respectively. The interest rates for the RCF and Term Note as of February 28, 2023 were 7.79% and 7.81%, respectively.

The average outstanding balance during the three months ended February 29, 2024 for the revolving line of credit was $1,797,453. The average outstanding balance during the twelve months ended November 30, 2023 for the revolving line of credit was $1,848,344. The revolving line of credit balance as of February 29, 2024 and November 30, 2023 was $1,972,728 and $1,222,728, respectively, and is reflected on the accompanying balance sheet.

The Company incurred debt issuance costs related to the term loan in the amount of $196,501 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 29, 2024 and February 28, 2023, $5,348 and $5,444, respectively, of the debt issuance costs were amortized and are reflected in interest expense on the accompanying consolidated statements of income.

On March 27, 2023, the Company entered into an interest rate swap agreement with Susser to manage exposure to interest rate risk related to its variable rate debt obligation under the Term Note. The swap agreement had a notional amount equal to the Term Loan. The agreement is to pay the Company monthly SOFR plus 3.25% on the notional amount and the Company is to pay a fixed rate of interest equal to 6.96%. The effective date of the amended term loan was March 27, 2023 with a maturity date of July 29, 2032.

The Company is required to pay a commitment fee equal to 0.5% times the daily average unused portion of the RCF.

The Agreement requires the Company to maintain a Leverage Ratio, determined as of the last day of each quarter for the four-fiscal quarter period ending on the date of determination, of no more than 3.50 to 1.00. The Agreement also requires the Company to maintain a Debt Service Coverage Ratio of no less than 1.25 to 1.00 determined as of the last day of each quarter for the four-fiscal quarter period ending on the date of determination.

As of February 29, 2024 and November 30, 2023, the note payable obligation was as follows:

	February 29, 2024	November 30, 2023
Note payable - Susser	$ 8,724,417	$ 8,765,082
Unamortized debt issuance costs - Susser	(164,056)	(169,404)
Net note payable	$ 8,560,361	$ 8,595,678
Current portion of note payable	$ 168,623	$ 165,641
Long-term note payable, net of debt issuance costs	8,391,738	8,430,037
Total	$ 8,560,361	$ 8,595,678

Interest expense on the note payable for the three months ended February 29, 2024 and February 28, 2023 was as follows:

	February 29, 2024	February 28, 2023
Interest expense on notes payable - Susser	$ —	$ 202,475
Debt issuance costs - Susser	—	5,444
Total interest expense	$ —	$ 207,919

During the three months ended February 29, 2024, the Company capitalized interest expense of $198,607 related to the construction of the Company's new facility in North Carolina.

Note 6 – Income per Common Share

The following table sets forth the calculation of basic and diluted net income per common share:

	February 29, 2024	February 28, 2023
Numerator:		
Net income	$ 556,241	$ 766,812
Denominator:		
Weighted-average shares outstanding-basic	8,277,844	8,467,074
Dilutive common shares issuable upon exercise of stock options	47,183	7,663
Weighted-average shares-diluted	8,325,027	8,474,737
Income per share:		
Basic	$ 0.07	$ 0.09
Diluted	$ 0.07	$ 0.09

For the three months ended February 29, 2024, the Company excluded the effect of 758,678 outstanding 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 28, 2023, the Company excluded the effect of 887,314 outstanding 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

Employee Stock Incentive Plan

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 29, 2024, and November 30, 2023, there were 17,500 and 17,500 options issued, but not yet exercised, under the 2006 Plan, respectively. As of February 29, 2024, there were no 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 29, 2024, there were 198,578 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, 2023, there were 198,578 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 29, 2024, there were no shares available for future issuance under the 2012 Plan.

On April 8, 2022, the Board of Directors of the Company adopted the 2022 Equity Incentive Plan (the "2022 Plan") to provide incentive compensation to the Company's employees, independent directors and independent contractors. The plan was approved by the Company's stockholders on October 3, 2022 at the Company's 2022 Annual Meeting. The 2022 Plan reserves 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). As of February 29, 2024, there were 289,700 service-based options issued and 475,000 market-based restricted options granted. As of November 30, 2023, there were 186,700 service-based options issues and 475,000 market-based restricted options granted. As of February 29, 2024, there were 735,300 shares available for future issuance under the 2022 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 103,000 and 113,000 options granted during the three months ended February 29, 2024 and February 28, 2023, respectively.

Variables used to determine the fair value of the options granted for the three months ended February 29, 2024 and February 28, 2023 are as follows:

	Three months ended	
	February 29, 2024	February 28, 2023
Weighted average values:		
Expected dividends	0%	0%
Expected volatility	60.52%	55.00%
Risk free interest rate	3.87%	3.87%
Expected life	5 years	5 years

Stock option activity for options with only service-based vesting conditions for the three months ended February 29, 2024, was as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at November 30, 2023	404,278	$ 7.36	4.49	$ 135,330
Granted	103,000	6.31		—
Exercised	—	—		—
Expired/forfeited	—	—		—
Outstanding at February 29, 2024	507,278	$ 7.14	4.35	$ 113,040
Exercisable at February 29, 2024	367,868	$ 7.48	4.26	$ 91,526

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 29, 2024 or November 30, 2023 as applicable. The intrinsic value of the Company's stock options changes based on the closing price of the Company's stock.

During the three months ended February 29, 2024 and February 28, 2023, the Company did not issue any common shares to option holders.

Significant option groups outstanding and exercisable at February 29, 2024 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
$3.01 to $4.00	25,000	1.94	$ 3.13	25,000	$ 3.13
$4.01 to $5.00	123,600	4.35	$ 4.70	76,015	$ 4.68
$5.01 to $6.00	28,000	4.82	$ 5.88	9,332	$ 5.88
$6.01 to $7.00	89,433	5.16	$ 6.48	39,430	$ 6.48
$7.01 to $8.00	151,145	5.07	$ 7.54	142,593	$ 7.51
$9.01 to $10.00	29,000	4.01	$ 9.37	16,233	$ 9.34
$12.01 to $13.00	16,653	6.48	$ 12.54	14,818	$ 12.55
$13.01 to $14.00	44,447	0.82	$ 13.50	44,447	$ 13.50
	507,278	4.35	$ 7.14	367,868	$ 7.48

A summary of the status of the Company's non-vested options as of February 29, 2024, and changes during the three months ended February 29, 2024, is presented below:

	Options	Weighted Average Grant-Date Fair Value
Non-vested at November 30, 2023	114,193	$ 3.10
Granted	103,000	3.13
Vested	(77,783)	3.20
Forfeited	—	—
Non-vested at February 29, 2024	139,410	$ 3.07

As of February 29, 2024, there was approximately $360,000 of total unrecognized compensation cost related to non-vested share-based compensation arrangements granted under the 2006 Plan, 2012 Plan and the 2022 Plan. The cost is expected to be recognized over a weighted-average period of 2.12 years as of February 29, 2024. The total fair value of shares vested during the three months ended February 29, 2024 was approximately $249,000.

Performance and market-based vesting condition options

On April 8, 2022, the Company granted 400,000 market-based vesting condition options to David Portnoy, Mark Portnoy, and Oleg Mikulinsky in the amounts of 280,000, 100,000, and 20,000, respectively. 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 has been determined using a Monte Carlo valuation approach and is being recognized over the requisite service period, regardless if the market condition will be met. The exercise price of the options is $12.27 and the calculated fair value of the options is $2.79. These stock options vest immediately when the price of the Company's stock reaches $25.00 per share during the seven-year option term. The grant of these options was approved by the Company's stockholders on October 3, 2022 at the Company's 2022 Annual Meeting. As of February 29, 2024 and February 28, 2023, the Company recognized approximately $97,000 and $96,000, respectively, in compensation cost and is reflected as selling, general and administrative expense in the accompanying consolidated statement of income. As of February 29, 2024 and November 30, 2023, there was approximately $375,000 and $472,000, respectively, of unrecognized compensation cost to be recognized over the remaining requisite service period of .97 years.

On December 23, 2022, the Company entered into new two-year employment agreements (the "Agreements"), effective December 1, 2022, with David Portnoy and Mark Portnoy. Per the Agreements, David Portnoy and Mark Portnoy were awarded a signing bonus of a 5-year option to acquire 50,000 and 25,000 shares, respectively, of the Company's common stock, exercisable only if the Company's stock has a closing price at least once during the life of the option above $8.00. These options are considered to be market-based vesting condition options and accounting principles do not require the market condition to be met in order for the compensation cost to be recognized. Fair value of these options has been determined using a Monte Carlo valuation approach and is being recognized over the requisite service period, regardless if the market condition will be met. The exercise price of the options is

$4.30 and the calculated fair value of the options is $1.76. These stock options vest immediately when the price of the Company's stock reaches $8.00 per share during the five-year option term. As of February 29, 2024 and February 28, 2023, the Company recognized approximately $21,000 and $15,000, respectively, in compensation cost and is reflected as selling, general and administrative expense in the accompanying consolidated statement of income. As of February 29, 2024 and November 30, 2023, there was approximately $31,000 and $52,000, respectively, of unrecognized compensation cost to be recognized over the remaining service period of .36 years.

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.

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 and Panama.

Note 9 – Commitments and Contingencies

Employment Agreements

The Company has employment agreements in place for certain members of management. These employment agreements are for periods ranging from one to two years and contain certain provisions for severance payments in the event of certain events, including termination or change of control.

Legal Proceedings

On January 6, 2023, a complaint styled Lindsey Lehr v. Cryo-Cell International, Inc., Case No. 50-2023-CA-000091, was filed in the Circuit Court for Palm Beach County, Florida, naming the Company as defendant and asserting claims on behalf of a putative class of individuals who entered agreements with the Company for umbilical cord blood storage services since May 2018. The complaint alleged that the Company's advertising does not accurately represent the value and efficacy of its services and asserted claims (and sought unspecified damages) under Florida law. On March 14, 2023, the Company removed the case to the United States District Court for the Southern District of Florida (Case No. 9:23-cv-80405-AMC), and on March 21, 2023, moved to compel arbitration and stay the case. On October 10, 2023, the Court granted the Company's motion to compel arbitration and stayed the case. On October 27, 2023, the plaintiff filed a demand for arbitration and statement of claims with the American Arbitration Association, and on January 18, 2024, the plaintiff filed an amended statement of claims dropping her class action allegations against the Company. On March 19, 2024, the Company filed an answering statement and counterclaim in response to the plaintiff's claims. The Company believes the plaintiff's claims are unlikely to prevail and intends to contest the action vigorously. The Company believes that the resolution of this matter 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 outcome or resolution of the claims asserted, which could negatively and materially impact the Company's business, consolidated financial position and results of operations. 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.

In addition to the above lawsuit, from time to time, the Company is subject to proceedings, lawsuits, contract disputes and other claims in the normal course of its business.

Note 10 – Share Repurchase Plan

In December 2011, the Company's Board of Directors authorized management at its discretion to repurchase up to one million (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 three million (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 nine million (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 eight million (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 29, 2024, the Company had repurchased an aggregate of 6,594,269 shares of the Company's common stock at an average price of $3.58 per share through open market and privately negotiated transactions under the Company's share repurchase plan. The Company purchased 31,808 and 57,281, (at an average price of $5.36 and $4.25 per share) of the Company's common stock during the three months ended February 29, 2024 and February 28, 2023, respectively.

The repurchased shares will be held as treasury stock at cost and have been removed from common shares outstanding as of February 29, 2024 and November 30, 2023. As of February 29, 2024 and November 30, 2023, 6,594,269 and 6,562,461 shares, respectively, were held as treasury stock.

Subsequent to the balance sheet date of February 29, 2024, the Company repurchased 150,500 of additional shares of the Company's common stock, at an average price of $6.16 per share.

Note 11 – Leases

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 29, 2024 and November 30, 2023:

	February 29, 2024	November 30, 2023
Assets		
Operating lease right-of-use asset	$ 958,022	$ 1,033,157
Liabilities		
Current portion of operating lease liabilities	$ 253,981	$ 225,686
Operating lease long-term liabilities	768,961	851,938
Total lease liability	$ 1,022,942	$ 1,077,624

The maturity of the Company's lease liabilities at February 29, 2024 were as follows:

Fiscal Year Ending November 30,	Future Operating Lease Payments
2024 (9 months remaining)	$ 230,071
2025	435,970
2026	458,026
2027	38,247
Less: Imputed interest	(139,372)
Present value of lease liabilities	$ 1,022,942

The remaining lease term and discount rates are as follows:

	February 29, 2024	November 30, 2023
Lease Term and Discount Rate		
Remaining lease term (years)		
Operating lease	2.83	3.08
Discount rate (percentage)		
Operating lease	8.3%	8.3 %

Supplemental cash flow information related to leases is as follows:

	Three months ended	
	February 29, 2024	February 28, 2023
Operating cash outflows from operating leases	$ 89,354	$ 88,395

Note 12 – License Agreement with Duke

On February 23, 2021, the Company entered into a Patent and Technology License Agreement (the "Duke Agreement") with Duke University ("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 Duke Agreement was amended pursuant to the First Amendment to License Agreement dated February 4, 2022 (the "First Duke Amendment") and the Second Amendment to License Agreement dated February 17, 2023 (the "Second Duke Amendment").

Duke has completed or is in the progress of completing a total of 19 FDA approved clinical trials related to the Duke License Agreement. The Company intends to fund additional clinical trials, as necessary, to provide the proof of efficacy that is required by the FDA to issue BLAs for some or all of the indications mentioned above.

In addition, Duke has provided its manufactured mesenchymal stem cells (MSCs) for one arm of a four arm, placebo controlled, multi-site, double blinded Phase 3 clinical trial, run by Emory University to treat osteoarthritis of the knee, in which cells from three different sources are compared to the current standard of care. The results did not show any benefit from any of the sources compared to the current standard of care.

The Company purchased a 56,000 square feet facility in Durham in which it plans to open the Cryo-Cell Institute for Cellular Therapies. Previously, the FDA granted Duke the right to treat certain patients with infusions of cord blood under its Expanded Access Program. In November 2023, Duke University transferred to the Company an Investigational New Drug (IND) relating to the use of umbilical cord blood to treat children with cerebral palsy. In February 2024, the Company submitted the protocol related to a Phase 3 clinical trial under this IND utilizing allogeneic umbilical cord blood to treat children with cerebral palsy and requested Regenerative Medicine Advanced Therapy (RMAT) designation.

The Duke 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 fifteen (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.

In accordance with the original Duke Agreement, the Company was required to pay Duke a license fee equal to $12,000,000, of which $10,000,000 has been paid to date and an additional $2,000,000 was due on February 23, 2023. In addition, during the Royalty Term, subject to certain minimum royalties, the Company is required to pay Duke royalties based on a portion of the net sales varying from 7% - 12.5% based on volume. The Company is also obligated to pay certain legal fees and expenses associated with related patents.

On February 17, 2023, Company entered into a Second Amendment to the License Agreement (the "Second Amendment") with Duke, as previously disclosed in the Company's Form 10-K filed on February 28, 2023. The Second Amendment changes the

license fee due to Duke. The final payment of $2,000,000 was due on February 23, 2023. The Second Amendment added a new milestone payment upon FDA approval of the first licensed product comprising cord tissue derived MSC ("ctMSC") for autism spectrum disorder. The Second Amendment also added a new ctMSC milestone that the Company will open a manufacturing facility for the licensed product prior to the initiation of a Phase III clinical trial using ctMSC's. As part of the Second Amendment, on March 3, 2023, the Company entered into the Clinical Study and Research Agreement (the "Research Agreement") with Duke to provide funding to complete the Duke IMPACT Study ("the Study"). The Second Amendment allocated the $2,000,000 required payment toward the funding and completion of the Study. In consideration for the work to be performed under the Research Agreement, the Company is obligated to make a total of 14 payments of $187,407 commencing in March 2023 and a final payment of $187,400 upon the submission of a draft proposed publication for peer review and delivered to the Company of the completed IMPACT Study. Duke agreed this will be no later than September 30, 2024. The additional costs to be incurred above $2 million represent additional consideration payable to Duke under the Research Agreement. The nature of these costs is the outsourcing of funding for research and development (R&D) of the licensed product. The Data Safety Monitoring Board for the IMPACT Study recently has determined that the trial's targeted accrual has been reached and consists of 137 patients.

Pursuant to the original Duke Agreement, unless the Duke Agreement is terminated or renegotiated as permitted per the Duke Agreement, the Company is also required to pay Duke minimum annual royalties beginning on the second anniversary of the effective date 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 (the "Autism Milestone Payment"); 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.

The First Amendment changed the requirements of the Company with regard to the minimum annual royalties payable to Duke. As amended, the minimum annual royalties are as follows:

- Year 3: $500,000
- Year 4: $1,000,000
- Year 5: $2,500,000
- Year 6 and each year thereafter during the term of this Agreement: $5,000,000

The Amendment also changed the requirements of the Company to pay Duke certain milestone payments, as follows:

- $2,000,000 two years after the first patient or subject is treated in the first Phase III clinical trial of a licensed product comprising cord tissue derived MSC for an indication other than Autism Spectrum Disorder.

During the first quarter of fiscal 2021, the Company capitalized $15,372,382 as a Duke Agreement which was considered to be an asset acquisition and which represented the costs to obtain the Duke Agreement, and also recorded a corresponding liability to Duke for the Duke Agreement. The costs that were capitalized as a Duke license agreement includes the present value of the $12,000,000 license fee, $3,585,172, or 409,734 shares, of the Company's common stock transferred to Duke and certain acquisition costs. The Company is amortizing these costs over 16 years. As of the three months ended February 29, 2024 and February 28, 2023, the Company recorded $0 and $240,193, respectively, in amortization expense which is reflected in amortization expense on the accompanying consolidated statements of income.

During fiscal 2023, the Company recognized that there were indications of impairment of the assets associated with the Duke license agreement. The Company evaluated the triggering events that existed as of November 30, 2023, tested the asset group for recoverability and measured the long-lived asset impairment. During the fourth quarter of fiscal 2023, the results were received from a phase 2/3 trial to treat osteoarthritis of the knee conducted to compare the effectiveness of an injection of a corticosteroid control to mesenchymal stem cell (MSC) preparations from autologous bone marrow concentrate (BMAC), adipose derived stem cells in the form of Stromal Vascular Fraction (SVF), and third-party human mesenchymal stem cells manufactured from umbilical cord tissue at Duke University for the treatment of unilateral Knee Osteoarthritis (OA). No benefit was shown from any of the sources compared to the current standard of care. Given these results (that included the Duke MSCs to which the Company licensed the exclusive rights) and other factors, it was determined that the uncertain future cash flows from the Duke license agreement may not be enough to recover the carrying value of the asset resulting in a fully impaired asset. During the fourth quarter of fiscal 2023, the Company recorded an impairment charge of the full carrying value of $13,108,064.

Through this Duke Agreement, the Company intends to expand to a triad of core business units to include: (1) its cord blood bank and other storage services; (2) cord blood and cord tissue infusion clinic services in conjunction with the undertaking of cord blood and cord tissue clinical trials to obtain BLA approvals for new indications, and (3) biopharmaceutical manufacturing if BLA(s) are approved by the FDA. Due to equipment delivery delays, the Company is now projecting to open the Cryo-Cell Institute for Cellular Therapies and begin infusing patients during fiscal 2024.

The Company entered into a Master Services Agreement with Emmes Biopharma Services LLC ("Emmes") serving as the Company's contract research organization, to conduct a phase 3 clinical trial infusing allogeneic umbilical cord blood into children with cerebral palsy. In consideration for the services to be rendered by Emmes, the Company will make payments in accordance with the budget and payment scheduled outlined in the work order. The period of performance is November 1, 2023 through April 6, 2028. The total fees will be $6,352,291. Included in the total fees is a $100,000 payment due upon execution and a monthly management fee of $21,862 per month payable for 53 months commencing during the first quarter of 2024. As of the three months ended February 29, 2024 and February 28, 2023, the Company recorded clinical trial expenses of $94,099 and $0, respectively, and are reflected in research, development and related engineering expenses on the accompanying consolidated statements of income. The total cost of the trial is currently estimated at $20 million.

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 (including any potential spinoff of Celle Corp.);

(iii)our liquidity and capital resources; and

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

We have based these forward-looking statements on our current expectations, assumptions, estimates and projections. These forward-looking statements involve risks and uncertainties and reflect only our current views, expectations and assumptions with respect to future events and our future performance. If risks or uncertainties materialize or assumptions prove incorrect, actual results or events could differ materially from those expressed or implied by such forward-looking statements. The factors that might cause such differences include, among others:

(i)the complexities, uncertainties, required consents and timing related to the potential spinoff of Celle Corp.;

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

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

(iv)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;

(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 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;

(xviii)the success of our global expansion initiatives and product diversification;

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

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

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

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

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

(xxiv)the Company’s ability to realize a profit on the acquisition of Cord:Use;

(xxv)the Company's actual future competitive position in stem cell innovation;

(xxvi)future success of its core business and the competitive impact of public cord blood banking on the Company’s business;

(xxvii)the success of the Company’s initiative to expand its core business units to include biopharmaceutical manufacturing and operating clinics, the uncertainty of profitability from its biopharmaceutical manufacturing and operating clinics, the Company’s ability to minimize future costs to the Company related to R&D initiatives and collaborations and the success of such initiatives and collaborations;

(xxviii)the success of the Company's new facility and the expansion of the Company's cryopreservation and cold storage business by introducing a new service, Extravault;

(xxix)the expense, timing and uncertain results of clinical trials related to the Duke Agreement; and

(xxx)the other risk factors set forth in this Report under the heading "Risk Factors."

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.

Overview

The Company currently stores over 235,000 cord blood and cord tissue specimens for the exclusive benefit of newborn babies and possibly other members of their families. Founded in 1989, the Company was the world’s first private cord blood bank to separate and store stem cells in 1992. The Company’s U.S.-based business operations, including the processing and storage of specimens, are handled from its headquarters facility in Oldsmar, Florida.

Utilizing its infrastructure, experience and resources derived from its umbilical cord blood stem cell business, the Company has expanded its research and development activities to develop technologies related to stem cells harvested from sources beyond umbilical cord blood stem cells. In 2011, the Company introduced its new cord tissue service, which stores a section of the umbilical cord tissue. The Company offers the cord tissue service in combination with the umbilical cord blood service.

On February 23, 2021, the Company entered into a Patent and Technology License Agreement (the “Duke Agreement”) with Duke University (“Duke”). The Duke Agreement grants the Company certain rights to proprietary processes and regulatory data related to cord blood and cord tissue developed at Duke. The Company plans to explore, test, and/or administer these treatments to patients with osteoarthritis and with conditions for which there are limited U.S. Federal Drug Administration (“FDA”) approved therapies, including cerebral palsy, autism, and multiple sclerosis. These treatments utilize the unique immunomodulatory and potential regenerative properties derived from cord blood and cord tissue. Through the Duke Agreement, the Company, together with Celle Corp.

(if spun off), intends to have business units including: (1) its cord blood bank and other storage services; (2) cord blood and cord tissue infusion clinic services in conjunction with the undertaking of cord blood and cord tissue clinical trials to obtain biologics license application ("BLA") approvals for new indications, and (3) biopharmaceutical manufacturing if BLA(s) are approved by the FDA. Due to equipment delivery delays, the Company is projecting to open the Cryo-Cell Institute for Cellular Therapies and begin infusing patients during fiscal 2024 if granted such rights by the FDA under IND(s).

During fiscal 2023, the Company recognized that there were indications of impairment of the assets associated with the Duke license agreement. The Company evaluated the triggering events that existed as of November 30, 2023, tested the asset group for recoverability and measured the long-lived asset impairment. During the fourth quarter of fiscal 2023, the results were received from a phase 2/3 trial to treat osteoarthritis of the knee conducted to compare the effectiveness of an injection of a corticosteroid control to mesenchymal stem cell (MSC) preparations from autologous bone marrow concentrate (BMAC), adipose derived stem cells in the form of Stromal Vascular Fraction (SVF), and third-party human mesenchymal stem cells manufactured from umbilical cord tissue at Duke University for the treatment of unilateral Knee Osteoarthritis (OA). No benefit was shown from any of the sources compared to the current standard of care. Given these results (that included the Duke MSCs to which the Company licensed the exclusive rights) and other factors, it was determined that the uncertain future cash flows from the Duke license agreement may not be enough to recover the carrying value of the asset resulting in a fully impaired asset. During the fourth quarter of fiscal 2023, the Company recorded an impairment charge of the full carrying value of $13,108,064.

Cord Blood Stem Cell Processing and Storage Business

Background of Business

Nearly fifty years ago researchers discovered that cells could be cryopreserved at extremely low temperatures and all cellular activity would cease until the specimens were thawed. Historically, cryopreservation was required for organ transplants, blood banking and medical research. Today, cryopreservation of umbilical cord blood stem cells gives individuals the opportunity to potentially take advantage of evolving cellular therapies and other medical technologies.

Hematopoietic stem cells are the building blocks of our blood and immune systems. They form the white blood cells that fight infection, red blood cells that carry oxygen throughout the body and platelets that promote healing. These cells are found in bone marrow where they continue to generate cells throughout our lives. Stem cells can be stored in a cryogenic environment, and upon thawing, infused into a patient. They can be returned to the individual from whom they were taken (autologous) or donated to someone else (allogeneic). An individual's own bone marrow may be used for a transplant if the cancer has not entered the marrow system (metastasized). Otherwise, a marrow donor needs to be identified to provide the needed bone marrow. The availability of a marrow donor or matched stem cell specimen allows physicians to administer larger doses of chemotherapy or radiation in an effort to eradicate the disease. Stem cell therapies and transplants are used for both cancerous and non-cancerous diseases.

Stem cells are found in umbilical cord blood ("cord blood stem cells") and can be collected and stored after a baby is born. Over 50,000 cord blood stem cell transplants have been performed to date. The Company believes that many parents will want to save and store these cells for potential future use by their family, either for the donor or for another family member. Today, stem cell transplants are known and accepted treatments for approximately 80 diseases, we believe, a number of them life-threatening. With continued research in this area of medical technology, other therapeutic uses for cord blood stem cells are being explored. Moreover, researchers believe they may be utilized in the future for treating diseases that currently have no cure.

It is the Company's mission to inform expectant parents and their prenatal care providers of the potential medical benefits from preserving stem cells and to provide them the means and processes for collection and storage of these cells. A vast majority of expectant parents are simply unaware that umbilical cord blood contains a rich supply of non-controversial stem cells and that they can be collected, processed and stored for the potential future use of the newborn and possibly related family members. A baby's stem cells are a perfect match for the baby throughout its life and have a 1-in-4 chance of being a perfect match and a 3-in-4 chance of being an acceptable match for a sibling. There is no assurance, however, that a perfect match means the cells could be used to treat certain diseases of the newborn or a relative.

Despite the potential benefits of umbilical cord blood stem cell preservation, the number of parents of newborns participating in stem cell preservation is still relatively small compared to the number of births (four million per annum) in the United States. Today, it is still common for the cord blood (the blood remaining in the umbilical cord and placenta) to be discarded at the time of birth as medical waste. Some reasons for this low level of market penetration are the misperception of the high cost of stem cell storage and a general lack of awareness of the benefits of stem cell preservation programs. However, evolving medical technology could significantly increase the utilization of the umbilical cord blood for transplantation and/or other types of treatments. The Company believes it offers the highest quality, highest value service targeted to a broad base of the market. We intend to maximize our growth potential through our superior quality, value-driven competitive leadership position, product differentiation, an embedded client base, increased public awareness and accelerated market penetration.

The Company believes that the market for cord blood stem cell preservation is enhanced by global discussion on stem cell research developments and the current focus on reducing prohibitive health care costs. With the increasing costs of bone marrow matches and transplants, a newborn's umbilical cord blood cells can be stored as a precautionary measure. Medical technology is constantly evolving which may provide new uses for cryopreserved cord blood stem cells.

Our Cord Blood Stem Cell Storage Services

The Company enters into storage agreements with its clients under which the Company charges a fee for the processing and testing and first year of storage of the umbilical cord blood. Thereafter, the client is charged an annual fee to store the specimen, unless the client entered into an 18-year pre-paid storage plan or a lifetime pre-paid storage plan.

The Company's corporate headquarters are located in a nearly 18,000 square-foot state-of-the-art current Good Manufacturing Practice and Good Tissue Practice (cGMP/cGTP)-compliant facility. Food and Drug Administration ("FDA") 21 CFR Part 1271, effective in May 2005, requires human cellular and tissue-based products to be manufactured in compliance with good tissue practices (cGTPs). In addition, the cellular products cryogenic storage area has been designed as a "bunker," with enhanced provisions for security, building fortification for environmental element protection and back-up systems for operational redundancies. The Company believes that it was the first private bank to process cord blood in a technologically and operationally advanced cGMP/cGTP-compliant facility. The Company's facility, which also currently houses the Company's client services, marketing and administrative operations, is designed to accommodate a broad range of events such as client tours and open houses, as well as educational workshops for clinicians and expectant parents.

Competitive Advantages

The Company believes that it provides several key advantages over its competitors, including:

- The world's first private cord blood bank, that in combination with its global affiliates, currently stores over 500,000 cord blood and cord tissue specimens,
- Our facility's status as a cGMP- and cGTP-compliant private cord blood bank with AABB accreditation and FACT (the Foundation for the Accreditation for Cellular Therapy) accreditation,
- a state-of-the-art laboratory processing facility,
- utilization of a processing method using superior technology that yields the maximum recovery of healthy stem cells and provides superior red blood depletion over all other methods,
- a five-compartment cord blood freezer bag that allows for multiple uses of the baby's cord blood stem cells,
- a safe, secure and monitored storage environment,
- since inception, 100% viability rate of the Company's specimens upon thaw for therapeutic use,
- a state-of the-art, insulated collection kits,
- 7-day per week processing capability, and
- a payment warranty under which the Company agrees to pay $50,000 (effective February 1, 2012 this payment was increased to $75,000 for new clients, effective June 1, 2017 this payment was increased to $100,000 for new clients that choose our premium cord blood processing method, PrepaCyte® CB Processing System ("PrepaCyte CB")) 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.

Cord Tissue

In August 2011, the Company introduced its advanced new cord tissue service, which stores a section of the umbilical cord tissue. Approximately six inches of the cord tissue is procured and transported to the Company's laboratory for processing, testing and cryopreservation for future potential use. Umbilical cord tissue is a rich source of MSCs, which have many unique functions including the ability to inhibit inflammation following tissue damage, to secrete growth factors that aid in tissue repair, and to differentiate into many cell types including neural cells, bone cells, fat cells and cartilage. MSCs are increasingly being researched in regenerative medicine for a wide range of conditions.

Public Banking

In June 2018, the Company acquired 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"). The Public Cord Blood Inventory creates a large, ethnically diverse, high quality inventory of available cord blood stem cell units for those in need of life saving therapy. The Company collects cord blood units at hospitals in Florida, Arizona, and California. Revenue from the cryogenic storage of umbilical cord blood stem cells for public use, stored at Duke University, is generated from the sale of 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.

ExtraVault

On July 18, 2022, the Company completed the purchase of a 56,000 square foot facility located near the Research Triangle Park in the Regional Commerce Center in Durham, North Carolina (the "New Facility"). The New Facility has space for not only its existing and future internal storage needs, but also has the capacity to offer third party pharmaceutical companies and medical institutions cold storage services ("ExtraVault" – see www.extravault.com), to set up a cellular therapy laboratory to manufacture MSCs from cord tissue and the space to consolidate the Cryo-Cell Institute for Cellular Therapies under the same roof.

The Company anticipates this New Facility will expand the Company's cryopreservation and cold storage business by introducing a new service, ExtraVault (www.extravault.com). Information contained on our website is not deemed part of this quarterly report. With over 30 years of experience in handling biological specimens for both research and clinical use, Cryo-Cell intends to leverage this expertise and offer these biorepository services to biopharmaceutical companies and healthcare institutions. The new facility is being constructed to offer state-of-the-art biologic, reagent and vaccine storage at cost effective prices. A robust inventory management system is planned to be implemented that Cryo-Cell believes will allow customers to view their own inventory through a customer portal and place distribution orders online. As a result, it is anticipated ExtraVault will provide expertise, experience, customer electronic access and cost sensitive solutions to the Company's partners in the biopharma and healthcare industries.

Marketing

The Company markets its cord blood stem cell preservation services directly to expectant parents and by distributing information through obstetricians, pediatricians, childbirth educators, certified nurse-midwives and other related healthcare professionals. The Company believes that its revenues have been facilitated by a variety of referral sources, resulting from high levels of customer satisfaction. New expectant parent referrals are provided by physicians, midwives and childbirth educators, and by client-to-client referrals and repeat clients storing the stem cells of their additional children.

The Company has a national team of field cord blood educators who increase awareness of the benefits of storing cord blood and cord tissue to the Company's clinical referral sources, including physicians, midwives and hospitals and to expectant parents. Other promotional activities include internet advertisements and telemarketing activities. In addition, the Company exhibits at conferences, trade shows and other meetings attended by pregnant women and/or medical professionals. Significant portions of client referrals to the Company are from medical caregiver professionals.

The Company's client support team advisors are available by telephone to enroll clients and educate both expectant parents and the medical community on the life-saving potential of cord blood stem cell preservation.

The Company continues to use its website, www.cryo-cell.com, to market its services and to provide resource information to expectant parents. The site, which is frequently updated and improved, is divided into areas of interest, including sections for expectant parents, medical caregivers and investors. Expectant parents may request and receive information about the umbilical cord blood and cord tissue service and enroll online.

The Company intends to continue offering cord blood and cord tissue banking services to expectant parents and relying on both online advertising and its national team of field cord blood educators to enroll new clients. A significant portion of its new enrollments are generated from returning customers and referrals. Many of the Company's clients choose to enter into either multiyear storage contracts, which results in deferred revenues that are recognized over the life the storage contracts.

Our public units are listed on the NMDP registry, which is connected to all other major international registries. NMDP has a contract with the Health Resources & Services Administration (HRSA), part of the Human Health Services Department of the US government, to be the single point of access for bone marrow, peripheral blood and cord blood for transplant centers needing stem cells for transplant.

Additionally, 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 and Panama.

Corporate Information

We are a Delaware corporation that was incorporated in 1989. Our executive offices are located at 700 Brooker Creek Blvd, Suite 1800, Oldsmar, Florida 34677 and our telephone number at such office is (813) 749-2100. Our website address is https://www.cryo-cell.com. Information contained on our website is not deemed part of this quarterly report.

Results of Operations – Three-Month Period Ended February 29, 2024 Compared to the Three-Month Period Ended February 28, 2023

Revenue. Revenue for the three months ended February 29, 2024 was $7,852,235 as compared to $7,824,415 for the same period in 2023. The increase in revenue was in part due to a 3% increase in processing and storage fees.

Processing and Storage Fees. For the three months ended February 29, 2024, processing and storage fees were $7,805,522 compared to $7,561,518 for the three months ended February 28, 2023. Processing and storage fee revenue is attributable to a 5% increase in recurring annual storage fee revenue offset by a less than 1% decrease in the number of new domestic cord blood specimens processed for the three months ended February 29, 2024 versus the three months ended February 28, 2023.

Product Revenue. For the three months ended February 29, 2024, revenue from the product sales was $3,000 compared to $32,200 for the three months ended February 28, 2023.

Public Cord Blood Banking Revenue. For the three months ended February 29, 2024, revenue from the public cord blood banking sales was $43,713 compared to $230,697 for the three months ended February 28, 2023.

Cost of Sales. Cost of sales for the three months ended February 29, 2024 was $2,160,468 as compared to $2,067,364 for the same period in 2023, representing a 5% increase. 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 $31,000 and $53,000 for the three months ended February 29, 2024 and February 28, 2023, respectively. Cost of Sales also includes $25,483 and $17,122 for the three months ended February 29, 2024 and February 28, 2023, respectively, related to the costs associated with production of the PrepaCyte®-CB processing and storage system. Also included in Cost of Sales is $250,419 and $362,992 for the three months ended February 29, 2024 and February 28, 2023, respectively, related to the public banks.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the three months ended February 29, 2024 were $4,339,645 as compared to $3,878,903 for the 2023 period representing an 12% increase. These expenses are primarily comprised of selling and marketing expenses, salaries and wages for personnel and professional fees. A large part of the increase in selling, general and administrative expenses for the three months ended February 29, 2024 was a $172,000 increase in selling expenses over the same period in 2023.

Research, Development and Related Engineering Expenses. Research, development and related engineering expenses for the three months ended February 29, 2024 were $502,889 as compared to $78,834 for the 2023 period. The expenses are related to the development of a manufacturing laboratory related to the Duke License Agreement (See Note 12).

Depreciation and Amortization. Depreciation and amortization (not included in Cost of Sales) for the three months ended February 29, 2024 was $33,186 compared to $280,844 for the 2023 period. The decrease in depreciation and amortization for the three months ended February 29, 2024 was due to the impairment of the Duke assets as of November 30, 2023 (See Note 12).

Change in the Fair Value of Contingent Consideration. Change in the fair value of the contingent consideration for the three months ended February 29, 2024 was a decrease of $5,176 compared to a decrease of $164,701 for the 2023 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 29, 2024. 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 during the three months ended February 29, 2024, was $256,459 compared to $466,231 during the comparable period in 2023, of which, $0 and $207,919, respectively, related to the credit and subordination agreement with Susser Bank as described in Note 5. Interest expense also includes of $254,550 and $241,348 as of the three months ended February 29, 2024 and February 28, 2023, respectively, for amounts due to the parties to the Company's revenue sharing agreements based on the

Company's storage revenue collected. For the three months ended February 29, 2024, the remaining interest expense is attributable to a short-term payment plan for payments of an insurance premium. The remaining interest expense for the three months ended February 28, 2023 is due to the accretion of the outstanding liability due to Duke per the Agreement, see Note 12. During the three months ended February 29, 2024, the Company capitalized interest expense of $198,607 related to the construction of the Company's new facility in North Carolina.

Income Taxes. U.S. income tax expense for the three months ended February 29, 2024 was $238,269 compared to $447,715 for the three months ended February 28, 2023.

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 July 18, 2022, the Company entered into a Credit Agreement ("Susser Agreement ") with Susser Bank, a Texas state bank, as administrative agent ("Susser") on behalf of itself and the other lenders (collectively, the "Lenders"), which was amended pursuant to an Amendment to Credit Agreement dated July 29, 2022, for (i) a revolving credit facility in an aggregate principal amount of up to $10,000,000 (the "RCF"); and (ii) a term loan facility in an original principal amount of $8,960,000 (the "Term Loan Susser" and together with the RCF collectively, the "Loans"). In connection with the RCF the Company entered into a Revolving Credit Note, in favor of Susser, in the stated principal amount of $10,000,000 (the "RCF Note"), and in connection with the Term Loan the Company entered into a Term Note, in favor of Susser, in the stated principal amount of $8,960,000 (the "Term Note" and together with RCF Note, collectively, the "Notes"). See Note 5.

The Company is exposed to interest rate risk related to its variable rate debt obligation under the Term Note. On March 27, 2023, the Company entered into an interest rate swap agreement with Susser to manage exposure to interest rate risk related to its variable rate debt obligation under the Term Note. The swap agreement had a notional amount equal to the Term Loan. The agreement is to pay the Company monthly SOFR plus 3.25% on the notional amount and the Company is to pay a fixed rate of interest equal to 6.96%. The effective date of the amended term loan was March 27, 2023 with a maturity date of July 29, 2032.

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 29, 2024, the Company had cash and cash equivalents of $247,112 as compared to $406,067 at November 30, 2023. The decrease in cash and cash equivalents during the three months ended February 29, 2024 was primarily attributable to the following:

- Net cash used in operating activities for the three months ended February 29, 2024 was $356,865, which was attributable to the Company's operating activities.
- Net cash provided by operating activities for the three months ended February 28, 2023 was $1,643,926, which was attributable to the Company's operating activities.
- Net cash used in investing activities for the three months ended February 29, 2024 was $341,049 which was primarily attributable to $457,722 used to purchase equipment and $743,811 used to purchase marketable securities, which was offset by the sale of marketable securities in the amount of $860,484.
- Net cash used in investing activities for the three months ended February 28, 2023 was $1,201,938 which was primarily attributable to $375,600 used to purchase equipment and $1,017,738 used to purchase marketable securities.
- Net cash provided by financing activities for the three months ended February 29, 2024 was $538,959 which was primarily attributable to the proceeds received from the line of credit with Susser Bank described above in the amount of $950,000, which were offset by payments of $240,665 to partially repay the Susser note payable and line of credit described above and $170,376 used to repurchase the Company's common stock.
- Net cash used in financing activities for the three months ended February 28, 2023 was $772,847 which was primarily attributable to the payments of $529,646 to partially repay the Susser note payable and line of credit described above and $243,201 used to repurchase the Company's common stock.

The Company has a revolving line of credit, described above. The balance as of February 29, 2024 is $1,972,728 and is reflected on the accompanying balance sheet.

The Company anticipates making discretionary capital expenditures of approximately $5,000,000 over the next twelve months for property build out, purchases of equipment, obligations under the Patent and Technology License Agreement with Duke University and software enhancements. The Company anticipates funding future property build out, equipment purchases, obligations under the Patent Technology License Agreement with Duke University and software enhancements with cash-on-hand, cash flows from future operations, the Company's revolving line of credit (see Note 5) and potential additional debt financing. The Company intends to transfer the assets related to the Patent and Technology License Agreement with Duke University and certain other assets into a newly formed, wholly-owned subsidiary to provide more financial flexibility to fund future projects. Once such transfer is completed, the Company also intends to explore spinning off this subsidiary to the Company's shareholders.

The Company anticipates that its cash and cash equivalents, marketable securities and cash flows from future operations, together with external sources of capital 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, developing its infusion services at the Cryo-Cell Institute for Cellular Therapies and managing discretionary expenses. If expected increases in revenues are not realized, or if expenses are higher than anticipated, or if the Company is unable to obtain additional financing, the Company will 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. Any reductions in expenditures, if necessary, may have an adverse effect on the Company's business operations, including sales activities and the development of new services and technology. In the future, the Company anticipates using a substantial amount of cash to fund clinical trials related to the Patent and Technology License Agreement with Duke University (see Note 12) and to develop its biopharmaceutical manufacturing capabilities related to mesenchymal stromal cells derived from umbilical cord tissue.

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 2023 Annual Report on Form 10-K filed with the SEC on February 28, 2023. 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 2023 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 officers and principal financial officer have concluded that the Company's disclosure controls and procedures were fully 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 officers 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.

As previously disclosed in the Company's Annual Report on Form 10-K filed February 28, 2024, the Company's principal executive officers and principal financial officer concluded that the Company's internal controls over financial reporting were not effective, due to a material weakness surrounding the Company's identification and application of the appropriate accounting treatment for non-routine transactions. The Company's control over non-routine transactions was not conducive to identify certain items with sufficient precision. Management has undertaken steps to design and implement more effective internal controls.

Changes in Internal Control Over Financial Reporting

The changes in the Company's internal control over financial reporting described in the previous paragraph were implemented during the quarter ended February 29, 2024 and continued to be remediated during the quarter ended May 31, 2024.

Other than as disclosed in "Evaluation of Disclosure Controls and Procedures" above with the respect to the matters reviewed subsequent to the balance sheet date, there were no other changes in the Company's internal controls over financial reporting during the three months ended February 29, 2024 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

On January 6, 2023, a complaint styled Lindsey Lehr v. Cryo-Cell International, Inc., Case No. 50-2023-CA-000091, was filed in the Circuit Court for Palm Beach County, Florida, naming the Company as defendant and asserting claims on behalf of a putative class of individuals who entered agreements with the Company for umbilical cord blood storage services since May 2018. The complaint alleged that the Company's advertising does not accurately represent the value and efficacy of its services and asserted claims (and sought unspecified damages) under Florida law. On March 14, 2023, the Company removed the case to the United States District Court for the Southern District of Florida (Case No. 9:23-cv-80405-AMC), and on March 21, 2023, moved to compel arbitration and stay the case. On October 10, 2023, the Court granted the Company's motion to compel arbitration and stayed the case. On October 27, 2023, the plaintiff filed a demand for arbitration and statement of claims with the American Arbitration Association, and on January 18, 2024, the plaintiff filed an amended statement of claims dropping her class action allegations against the Company. On March 19, 2024, the Company filed an answering statement and counterclaim in response to the plaintiff's claims. The Company believes the plaintiff's claims are unlikely to prevail and intends to contest the action vigorously. The Company believes that the resolution of this matter 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 outcome or resolution of the claims asserted, which could negatively and materially impact the Company's business, consolidated financial position and results of operations. 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

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below before making an investment decision in our securities. These risk factors are effective as of the date of this Form 10-Q and shall be deemed to be modified or superseded to the extent that a statement contained in our future filings modifies or replaces such statement. All of these risks may impair our business operations. The forward-looking statements in this Form 10-Q involve risks and uncertainties and actual results may differ materially from the results we discuss in the forward-looking statements. If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of our stock could decline, and you may lose all or part of your investment.

Risk Related to our Business

We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. A number of these risks are listed below. These risks could affect actual future results and could cause them to differ materially from any forward-looking statements we have made. You should carefully consider the risks described below. The risks and uncertainties described below are not the only ones we face. Any of the risks described below could significantly and adversely affect our business, prospects, financial condition or results of operations.

There is uncertainty with regard to whether we will be able to maximize shareholder value through the completion of a strategic transaction or successfully spinoff Celle Corp.

On February 22, 2024, the Company formed its wholly owned Delaware subsidiary, Celle Corp. Celle Corp. was created to hold certain assets of Cryo-Cell not directly associated with the recurring revenue stream from privately banked, umbilical cord blood specimens. The Duke Agreement has been transferred to Celle Corp. and other assets and liabilities are expected to be transferred in the near future. As previously disclosed, the Company's Board of Directors has authorized the spin-off of Celle Corp. to the Company's shareholders and to explore all strategic alternatives for the Company (post spin-off) to maximize shareholder value. There can be no assurance that any such transaction or spinoff will take place. There are several conditions that must first be satisfied, including obtaining certain third party consents, such as that of the Company's lender. If the Company is unable to spinoff Cell Corp., it will continue to own Cell Corp. and will continue to be obligated under the Duke Agreement and related agreements, such as the Duke Research Agreement and the Master Services Agreement with Emmes Biopharma Services LLC, all of which impose significant funding obligations, which could negatively impact the Company's financial condition.

Our common stock may be delisted from NYSE American LLC ("NYSE") if we fail to comply with continued listing standards.

If we fail to meet any of the continued listing standards of the NYSE, our common stock could be delisted from the exchange. These continued listing standards include specifically enumerated criteria, including compliance with the NYSE's corporate governance requirements.

If we fail to comply with the NYSE's continued listing standards, we may be delisted from the NYSE. Delisting of the common stock could depress the price of our stock, substantially limit liquidity of our common stock and materially adversely affect our ability

to raise capital on terms acceptable to us, or at all. In such event, it could become more difficult to dispose of, or obtain accurate price quotations for, our common stock, and there would likely also be a reduction in our coverage by securities analysts and the news media, which could cause the price of our common stock to decline further.

We may need to raise additional capital.

The Company anticipates that its cash and cash equivalents, marketable securities and cash flows from operation, together with external sources of capital will be sufficient to fund its known cash needs for at least the next 12 months. However, cash flows from operations will depend primarily upon increasing revenues from sales of its umbilical cord blood and cord tissue cellular storage services, developing its infusion services at the Cryo-Cell Institute for Cellular Therapy and managing discretionary expenses. Additionally, the Company will require capital to pay for the startup expenses relating to the planned infusion clinic, to finance clinical trials related to the Duke Agreement, to develop biopharmaceutical manufacturing capabilities related to MSCs and for capital expenditures for software enhancements and purchases of equipment and obligations under the Duke Agreement. We currently anticipate that over $50 million will be needed over the next 5 years to fund these activities. The Company anticipates funding these capital expenditures with cash-on-hand, cash flows from future operations, the Company's revolving line of credit (see Note 5), potential additional debt financing and potential equity sales. There can be no assurances that the Company will be able to obtain such additional debt or equity financing on favorable terms or at all. If expected increases in revenues are not realized, or if expenses are higher than anticipated, or if the Company is unable to obtain additional financing, the Company will 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. Any reductions in expenditures, if necessary, may have an adverse effect on the Company's business operations, including sales activities and the development of new services and technology. In the future, the Company anticipates using a substantial amount of cash to fund clinical trials related to the Patent and Technology License Agreement with Duke University (see Note 12) and to develop its biopharmaceutical manufacturing capabilities related to mesenchymal stromal cells derived from umbilical cord tissue.

We may not be able to successfully grow or operate our business.

Our business may decline, may not grow or may grow more slowly than expected. There can be no assurance that we will be able to grow or effectively operate our business. To the extent we are unable to achieve growth in our business we may continue to incur losses. We cannot assure you that we will be successful or make progress in the growth and operation of our business. Our success will depend in large part on widespread market acceptance of cryopreservation of stem cells. Our current and future expense levels are based on our operating plans and estimates of future revenues and are subject to increase as we implement our strategy. We may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Accordingly, any significant shortfall in revenues would likely have an immediate material adverse effect on our business, operating results and financial condition. Further, if we should substantially increase our operating expenses to increase sales and marketing or to develop our technology and cord blood processing and storage systems, and such expenses are not subsequently followed by increased revenues, our operating performance and results would be adversely affected and if sustained could have a material adverse effect on our business.

The Company's operations and performance depend significantly on global and regional economic conditions.

Adverse macroeconomic conditions, including inflation, slower growth or recession, new or increased tariffs, changes to fiscal and monetary policy, tighter credit, higher interest rates, high unemployment and currency fluctuations could materially adversely affect demand for the Company's products and services. In addition, consumer confidence and spending could be adversely affected in response to financial market volatility, negative financial news, conditions in the real estate and mortgage markets, declines in income or asset values, changes to fuel and other energy costs, labor and healthcare costs and other economic factors. A downturn in the economic environment could also lead to increased credit and collectability risk on the Company's receivables, limitations on the Company's ability to issue new debt and reduced liquidity. These and other economic factors could materially adversely affect the Company's business, results of operations, financial condition and growth.

Because our industry is subject to rapid technological and therapeutic changes and new developments, our future success will depend on the continued viability of the use of stem cells.

Our success depends to a significant extent upon our ability to enhance and expand the use of and utility of our services so that they gain increased market acceptance. There can be no assurance that expectant parents will use our services or that our services will provide competitive advantages with current or future technologies. Failure to achieve increased market acceptance could have a material adverse effect on our business, financial condition and results of operations. The use of stem cells in the treatment of disease is subject to potentially revolutionary technological, medical and therapeutic changes. Future technological and medical developments could render the use of stem cells and our equipment obsolete and unmarketable. We may incur significant costs in replacing or modifying equipment in which we have already made a substantial investment prior to the end of its anticipated useful life. In addition, there may be significant advances in other treatment methods, such as genetics, or in disease prevention techniques, which could significantly reduce the need for the services we provide.

If our umbilical cord blood stem cell storage services do not achieve continued market acceptance we will not be able to generate revenue necessary to support our business.

We anticipate that service fees from the processing and storage of umbilical cord blood stem cells will continue to comprise a substantial majority of our revenue in the future and, therefore, our future success depends on the successful and continued market acceptance of this service. Broad use and acceptance of our service requires marketing expenditures and education and awareness of consumers and medical practitioners, and the time and expense required to accomplish such education and awareness of our services and its potential benefits could adversely affect market acceptance. Successful commercialization of our services will also require that we satisfactorily address the needs of various medical practitioners that constitute a target market to reach consumers of our services and to address potential resistance to recommendations for our services. If we are unable to continue to gain market acceptance of our services, we will not be able to generate sufficient revenue to remain profitable.

We may fail to successfully manufacture MSCs.

In August 2011, the Company introduced its advanced new cord tissue service, which stores a section of the umbilical cord tissue. Approximately six inches of the cord tissue is procured and transported to the Company's laboratory for processing, testing and cryopreservation for future potential use. Umbilical cord tissue is a rich source of MSCs. It is believed that MSCs have many unique functions including the ability to inhibit inflammation following tissue damage, to secrete growth factors that aid in tissue repair, and to differentiate into many cell types including neural cells, bone cells, fat cells and cartilage. MSCs are increasingly being researched in regenerative medicine for a wide range of conditions are currently being used in many clinical trials. While there is much promise related to MSCs, we may fail to successfully or profitably manufacture and store MSCs, including as a result of negative results in clinical trials for efficacy. The outcome of clinical trials is inherently uncertain.

Clinical development is lengthy and uncertain.

Our public blood bank research involves clinical testing, which is expensive, complex and lengthy, and subject to various regulations, including the "Common Rule." The Common Rule is a rule of ethics in the United States regarding biomedical and behavioral research involving human subjects. It governed Institutional Review Boards for oversight of human research. It is encapsulated in the 1991 revision to the U.S. Department of Health and Human Services Title 45 CFR 46 Subparts A, B, C and D. Subpart A. The outcome of clinical trials is inherently uncertain. There is a high rate of attrition for product candidates proceeding through clinical trials and most investigational medicines that commence clinical trials are never approved as products. We may not be able to initiate, may experience delays in, or may have to discontinue clinical trials for our investigational treatments. We and our strategic collaborators, including Duke, also may experience unforeseen events during, or as a result of, any clinical trials that we or they conduct that could delay or prevent us or them from successfully developing our investigational medicines and gaining approval from regulators. Delays or other events that might prevent us from proceeding with clinical trials include:

- regulators, Institutional Review Boards (IRBs), or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- the outcome of our preclinical studies and our early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results;
- we may be unable to establish or achieve clinically meaningful endpoints for our studies;
- if we make changes to our investigational medicines after clinical trials have commenced (which we have done in the past), we may be required to repeat earlier stages or delay later stages of clinical testing;
- clinical trials of any investigational medicines may fail to show safety or efficacy, or produce negative or inconclusive results, and we may decide, or regulators may require us to conduct additional nonclinical studies or clinical trials, or we may decide to abandon product development programs; and
- regulators may impose a complete or partial clinical hold on a trial, or we or our investigators, IRBs, or ethics committees may elect to suspend or terminate clinical research or trials for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to an unacceptable benefit-risk ratio.

Any delay in developing assays that are acceptable to the FDA or other regulators could delay the start of future clinical trials. Further, the FDA or other regulators may change the requirements for approval even after they have reviewed and commented on the design for clinical trials. Significant preclinical or nonclinical testing and studies or clinical trial delays for our investigational treatments could allow our competitors to bring products to market before we do.

Our product candidates are subject to substantial government regulation, including the regulation of nonclinical testing and clinical trials. If we are unable to obtain regulatory approval for our product candidates, our ability to generate revenues related to such product candidate will be negatively impacted.

Most of the product candidates we are developing must undergo rigorous nonclinical testing and clinical trials and an extensive regulatory approval process before they can be marketed in the United States or internationally. If we fail to obtain regulatory approval for our product candidates, we may have to cease further development. Clinical trials on our product candidates are expected to take several years to fully complete. The commencement or completion of nonclinical studies or clinical trials can be delayed or prevented for a number of reasons, including:

•an inability to raise sufficient capital to commence, conduct, or complete clinical trials;

•findings in nonclinical trials;

•difficulties obtaining regulatory approval to commence a clinical trial or complying with conditions imposed by a regulatory authority regarding the scope or term of a clinical trial;

•clinical trials also may be delayed or terminated as a result of ambiguous or negative interim results. In addition, a clinical trial may be suspended or terminated by us, the FDA, the board overseeing the trial, or other regulatory authorities due to a number of factors, including:

•failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols;

•inspection of the clinical trial operations or trial sites by the FDA or other regulatory authorities;

•inspection of manufacturing and drug packaging operations by regulatory authorities;

•unforeseen safety issues or lack of effectiveness; and

•lack of adequate funding to continue the clinical trial.

We cannot assure you that clinical trials will demonstrate the safety or effectiveness of any of our product candidates, or will otherwise satisfy regulatory requirements. Our nonclinical studies or clinical trials may produce negative or inconclusive results, there may be inconsistencies between early clinical trial results and results obtained in later clinical trials, and we may decide, or regulators may require us, to conduct additional nonclinical studies or clinical trials. Moreover, nonclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in nonclinical studies and clinical trials have nonetheless failed to obtain FDA approval for their products. If we are unable to resolve the FDA's concerns, we will not be able to obtain regulatory approval for these product candidates.

The pre-marketing approval process can be particularly expensive, uncertain and lengthy, and a number of products for which FDA or other governmental regulatory approval has been sought by other companies have never been approved for marketing. In addition to testing and approval procedures, extensive regulations also govern marketing, manufacturing, distribution, labeling, and record-keeping procedures. If we do not comply with applicable regulatory requirements, such violations could result in warning letters, non-approval, suspensions of regulatory approvals or ongoing clinical trials, civil penalties and criminal fines, product seizures and recalls, operating restrictions, injunctions, and criminal prosecution.

We may encounter such delays and rejection of our product candidates by the FDA or other regulatory authority may also adversely affect our business. Such delays or rejection may be encountered due to, among other reasons, government or regulatory delays, lack of efficacy during clinical trials, unforeseen safety issues, or changes in regulatory policy during the period of product development. More stringent regulatory approval processes in product clearance and enforcement activities could result in our experiencing longer approval cycles, more uncertainty, greater risk, and higher expenses. Even if regulatory approval of a product is granted, this approval may entail limitations on uses for which the product may be labeled and promoted. It is possible, for example, that we may not receive FDA approval to market products based on our licensed, patented product candidates for different indications or to market updated products that represent extensions of our basic product candidates. In addition, we may not receive FDA approval

to export our products based on our licensed, patented product candidates in the future, and countries to which products are to be exported may not approve them for import.

The stem cell preservation market is increasingly competitive.

Stem cell preservation is becoming an increasingly competitive business. Our business faces competition from other operators of stem cell preservation businesses and providers of stem storage services. Certain of our competitors may have greater financial and other resources than us. Competitors with greater access to financial resources may enter our markets and compete with us. In the event that we are not able to compete successfully, our business may be adversely affected and competition may make it more difficult for us to grow our revenue and maintain our existing business on terms that are favorable to us.

A failure in the performance of our cryopreservation storage facility or systems, or those of Duke could harm our business and reputation.

To the extent our cryopreservation storage service, or the storage by Duke with regard to our public cord blood specimens, is disrupted, discontinued or the performance is impaired, our business and operations could be adversely affected. Any failure, including network, software or hardware or equipment failure, that causes a material interruption or discontinuance in our cryopreservation storage of stem cell specimens could result in stored specimens being damaged and unable to be utilized. Specimen damage, including loss in transit to the Company or loss of bulk shipments to its secondary storage site, could result in litigation against us and reduced future revenue to us, which in turn could be harmful to our reputation. Our insurance may not adequately compensate us for any losses that may occur due to any failures in our system or interruptions in our ability to maintain proper, continued, cryopreservation storage services. Any material disruption in our ability to maintain continued uninterrupted storage systems could have a material adverse effect on our business, operating results and financial condition. Our systems and operations are vulnerable to damage or interruption from fire, flood, equipment failure, break-ins, tornadoes and similar events for which we do not have redundant systems or a formal disaster recovery plan and may not carry sufficient business interruption insurance to compensate us for losses that may occur.

Our future success depends on our ability to retain our key personnel and to attract, retain and motivate qualified personnel.

Our future success depends upon our ability to retain our key management and other personnel and will also depend in large part on our ability to attract and retain additional qualified software developers, bioinformaticists, operations personnel, sales and marketing personnel, and business development personnel. Competition for these types of employees is intense due to the limited number of qualified professionals and the high demand for them, particularly in the Tampa Bay area of Florida, where our headquarters are located. We have in the past experienced difficulty in recruiting qualified personnel, especially in the area of sales. Failure to attract, assimilate, and retain personnel would have a material adverse effect on our business and potential growth.

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Our success depends to a significant extent upon our ability to enhance and expand the use of and utility of our services so that they gain increased market acceptance. There can be no assurance that expectant parents will use our services or that our services will provide competitive advantages with current or future technologies. Failure to achieve increased market acceptance could have a material adverse effect on our business, financial condition and results of operations. The use of stem cells in the treatment of disease is subject to potentially revolutionary technological, medical and therapeutic changes. Future technological and medical developments could render the use of stem cells and our equipment obsolete and unmarketable. We may incur significant costs in replacing or modifying equipment in which we have already made a substantial investment prior to the end of its anticipated useful life. In addition, there may be significant advances in other treatment methods, such as genetics, or in disease prevention techniques, which could significantly reduce the need for the services we provide.

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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 resolution of these matter 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 outcome or resolution of claims currently asserted and those which may be asserted in the future, which could negatively and materially impact the Company's business, consolidated financial position and results of operations. Litigation is inherently uncertain and there can be no assurance that the Company will prevail. See, Item 1 Legal Proceedings.

Risk Related to Government Regulation

If we do not obtain and maintain necessary domestic regulatory registrations, approvals and comply with ongoing regulations, we may not be able to market our services in the United States.

We are subject to substantial regulation. We are required to register with the FDA under the Public Health Service Act because of our ongoing cellular storage business and are subject to FDA inspection. This requirement applies to all establishments engaged in the recovery, processing, storage, labeling, packaging, or distribution of any Human Cells, Tissues, and Cellular and Tissue-Based Products ("HCT/Ps") or the screening or testing of a cell or tissue donor. In addition, with the purchase of the manufacturing rights to the PrepaCyte CB Processing System on June 30, 2015, we are required to register this product as a Medical Device under the Federal Food, Drug, and Cosmetic Act which is also subject to FDA inspection. The Company is in compliance with these requirements, but not assurances can be made that we will be able to meet future regulatory requirements. The division of FDA which regulates HCT/Ps is the Center for Biologics Evaluation and Research ("CBER"). Since 2004, the FDA has formulated a "Tissue Action Plan" which consists of these three rules:

1. As of January 21, 2004, all cord blood banks are required to register with the FDA. Any cord blood bank which has a laboratory should be on the web page of FDA Registered Establishments.

2. The second rule was published May 20, 2004, and became effective May 25, 2005. It pertains to donor eligibility. This rule requires more screening of donors for communicable diseases.

3. The final rule establishes FDA standards of current Good Tissue Practice ("GTP") for laboratories which process HCT/Ps. This rule was published November 19, 2004, became effective May 25, 2005, and is intended to prevent contamination or cross-contamination during the handling of HCT/Ps.

The final rule allows the FDA to inspect cord blood laboratories to determine compliance with the provisions of 21 CFR Part 1271. As part of this oversight authority, the FDA conducts unannounced inspections of cord blood banks.

Upon execution of the acquisition of all of the assets of Cord:Use, the Company acquired the cord blood operations which included both public (PHS 351) and private (PHS 361) banks. The new PHS 351 product is distributed under an IND (10-CBA) maintained by the NMDP. The Company has continued the contract with Duke initiated by Cord:Use to manufacture, test, cryopreserve, store and distribute the public cord blood units. The units are listed on the NMDP Single Point of Access Registry and are available to transplant centers worldwide. The Company is reimbursed via cost recovery for public cord blood units distributed for transplant through the NMDP. The donation of cord blood units in the public cord blood banking program functions under The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Company adheres to HIPAA rules. The FDA does not require establishments that manufacture drugs (including biological products) and devices that are HCT/Ps for use under an investigational new drug application (IND) (21 CFR Part 312) to register and list their HCT/Ps until the HCT/P is approved through a biologics license application (BLA), new drug application (NDA), or premarket approval application (PMA); or cleared through a premarket notification submission (510(k)).

The PrepaCyte CB (Cord Blood) Processing System is intended for use in cell processing laboratories to process and store total nucleated cells (TNC) from human umbilical cord blood, prior to banking. The device is composed of a bag with separation media. The system is 510(k) cleared as a Class II device. The division of the FDA which regulates this product is the Center of Biologics Evaluation and Research ("CBER"). Approval to market the device was determined by the Office of Cellular, Tissue and Gene Therapies. The section of FDA Code of Federal Regulations ("CFR") pertaining to medical device is 21 CFR 800s. The requirements for compliance to this section include annual registration of the device, listing of devices with the FDA, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

Currently, the states of California, Illinois, Maryland, New Jersey and New York require cord blood banks to be registered or licensed. The Company is currently registered or licensed to operate in these states. If the Company identifies other states with licensing requirements or if other states adopt such requirements, the Company would have to obtain licenses or registration to continue providing cord blood services in those states.

The Company is also subject to local, state and federal laws and regulations relating to safe working conditions, laboratory and manufacturing practices and the use and disposal of hazardous or potentially hazardous substances. These laws include the Occupational Safety and Health Act ("OSHA"), cGTPs, cGMPs, Environmental Protection Act and those of the local Department of Health.

Evolving legislation and regulations governing private cord blood banking in various jurisdictions throughout the world may impact the Company's international licensees.

In addition, as the organization grows and evolves, other legislation and regulations are expected to impact the Company. One such evolution involves activities that may be designated as or involve medical research or cooperative agreements associated with medical research. These types of activities are also governed by the FDA, specifying oversight by an Institutional Review Board (IRB). The IRB is a board or committee that approves the initiation of, and conducts periodic review of, biomedical research involving human subjects. The primary purpose of such review is to assure the protection of the rights and welfare of the human subjects. Governance of biomedical research is codified as laws by Title 21 of the Code of Federal Regulations (CFR) Part 56, and enforced by the FDA. Other medical research associated with clinical trials may require an Investigational New Drug Application (IND). Current Federal law requires that a drug be the subject of an approved marketing application before it is transported or distributed across state lines. Because a sponsor will likely want to ship the investigational drug to clinical investigators in many states, it must seek an exemption from that legal requirement. The IND is the means through which the sponsor technically obtains this exemption from the FDA. This approval would be required in the case of a clinical trial.

We may be required to spend substantial amounts to comply with legislative and regulatory initiatives relating to patient privacy.

Regulations issued under the Health Insurance Portability and Accountability Act of 1996, or HIPAA, contain provisions that require us to adopt business procedures designed to protect the privacy of each of our patients' individual health information. Federal and state laws govern the Company's ability to obtain and, in some cases, to use and disclose data that we may need to conduct certain activities. The HIPAA requires the Department of Health and Human Services to issue a series of regulations establishing standards for the electronic transmission of certain health information. The Company's private cord blood bank operation is not subject to HIPAA because the Company does not engage in certain electronic transactions related to the reimbursement of healthcare providers and because blood and tissue procurement and banking activities are exempt. However, the healthcare providers that collect umbilical cord blood for the Company's customers are subject to HIPAA. The identifiable information shared is only what is permitted by HIPAA. In 2009, a portion of the American Recovery and Reinvestment Act of 2009 modified HIPAA under the Health Information Technology for Economic and Clinical Health Act ("HITECH Act"). While the Company is still not subject to HIPAA for the reasons stated above the Company may incur material expenses associated with compliance efforts. In addition, compliance may require management to spend substantial time and effort on compliance measures. If the Company fails to comply with HIPAA, it is possible it could suffer criminal and civil penalties. The civil penalties could include monetary penalties ranging from $100 per violation to $1.5 million depending on the level of violation.

Our failure to comply with laws related to hazardous materials could materially harm us.

We are subject to state and federal laws regulating the protection of employees who may be exposed to hazardous material and regulating the proper handling and disposal of that material. There are inherent risks in connection with the handling, storage, disposal, distribution, and/or use of the specimens. Although we believe that our safety procedures for handling and disposing of such materials comply with the standards prescribed by federal, state and local regulation and regulations of foreign jurisdictions, the risk of accidental contamination or injury from these materials cannot be completely eliminated. Individuals who use or come in contact with the specimens may file claims related to their use and these claims could result in litigation that could be expensive to defend or result in judgments that exceed our resources and our insurance coverage. Any such litigations and judgment could adversely affect our business, financial condition and results of operations. Although we believe we are in compliance with all applicable laws, a violation of such laws, or the future enactment of more stringent laws or regulations, could subject us to liability, or require us to incur costs that would have an adverse effect on us.

Risks Related to International Operations

Our international operations are subject to risk and we may not be able to successfully protect our intellectual property.

International licenses of our technology and services account for a portion of our income and our international growth may be limited if we are unable to successfully manage our international activities. We are subject to a number of challenges that relate to our international business activities. Our growth and future license income and return on investments from these sources will be impacted by these challenges, which include:

- failure of local laws to provide the same degree of protection against infringement of our intellectual property rights;

•certain laws and business practices that could prevent our business from operating or favor local competitors, which could slow or limit our growth in international markets;

•entering into licensing agreements with organizations capable of undertaking and sustaining operations;

•the expense of entering into licensing and investment arrangements in new foreign markets;

•changes in local political, economic, social, and labor conditions, which may adversely affect our business;

•risks associated with trade restrictions and foreign import requirements, including the importation and exportation of our solutions, as well as changes in trade, tariffs, restrictions or requirements;

•heightened risks of unethical, unfair or corrupt business practices, actual or claimed, in certain geographies;

•fluctuations in currency exchange rates, which may make doing business with us less appealing as our contracts are generally denominated in U.S. dollars;

•greater difficulty in enforcing contracts;

•lack of brand awareness that can make commercializing our products more difficult and expensive;

•management communication and integration problems resulting from cultural differences and geographic dispersion;

•the uncertainty and limitation of protection for intellectual property rights in some countries;

•potentially different pricing environments, longer payment cycles in some countries, increased credit risk, and higher levels of payment fraud;

•uncertainty regarding liability for products and services, including uncertainty as a result of local laws and lack of legal precedent;

•different employee/employer relationships, existence of workers' councils and labor unions, and other challenges caused by distance, language, and cultural differences, making it harder to do business in certain jurisdictions; and

•compliance with complex foreign and U.S. laws and regulations applicable to international operations may increase the cost of doing business in international jurisdictions. These numerous and sometimes conflicting laws and regulations include internal control and disclosure rules, data privacy requirements, research ethics and compliance laws, anti-corruption laws, and anti- competition regulations, among others. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business and on our ability to offer our products and services in one or more countries, and could also materially affect our brand, our international expansion efforts, our ability to attract and retain employees, our business, and our operating results.

The occurrence of any one of these risks could harm our international business and, consequently, our results of operations. Additionally, operating in international markets requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required to operate in other countries will produce desired levels of revenue or profitability.

We are subject to the Foreign Corrupt Practices Act.

The Foreign Corrupt Practices Act ("FCPA"), prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. Activities that violate the FCPA, even if they occur wholly outside the United States, can result in criminal and civil fines, imprisonment, disgorgement, oversight, and debarment from government contracts.

The Company's business may be impacted by political events, international trade disputes, war, terrorism, natural disasters, public health issues, industrial accidents and other business interruptions.

Political events, international trade disputes, war, terrorism, natural disasters, public health issues, industrial accidents and other business interruptions, such as the current Ukrainian-Russian conflict could harm or disrupt international commerce and the global economy, and could have a material adverse effect on the Company and its customers, suppliers, cellular network carriers and other partners. International trade disputes could result in tariffs and other protectionist measures that could adversely affect the Company's business.

The Ukrainian-Russian conflict has caused market volatility, a sharp increase in certain commodity prices, such as wheat and oil, and an increasing number and frequency of cybersecurity threats. So far, we have not experienced any direct impact from the conflict and, as our business is conducted primarily in the United States, we are probably less vulnerable than companies with international operations. Nevertheless, we will continue to monitor the situation carefully and, if necessary, take action to protect our business, operations and financial condition.

Risks Related to Information Technology

Our information systems are critical to our business, and a failure of those systems could materially harm us.

We depend on our ability to store, retrieve, process and manage a significant amount of information. If our information systems fail to perform as expected, or if we suffer an interruption, malfunction or loss of information processing capabilities, it could have a material adverse effect on our business.

If we experience a significant breach of data security or disruption in our information systems, our business could be adversely affected.

We rely on various information systems to manage our operations and to store information, including sensitive data such as confidential business information and personally identifiable information. These systems have been and continue to be vulnerable to interruption or malfunction, including due to events beyond our control, and to unauthorized access, computer hackers, ransomware, viruses, and other security problems. Failure of these systems or any significant breach of our data security could have an adverse effect on our business and may materially adversely affect our operating results and financial condition.

Data security breaches could result in loss or misuse of information, which could, in turn, result in potential regulatory actions or litigation, including material claims for damages, compelled compliance with breach notification laws, interruption to our operations, damage to our reputation or could otherwise have a material adverse effect on our business, financial condition and operating results. Companies throughout our industry have been increasingly subject to a wide variety of security incidents, cyber-attacks and other attempts to gain unauthorized access to networks or sensitive information. While we have implemented and continue to implement cybersecurity safeguards and procedures, these safeguards have been vulnerable to attack. As cyber threats continue to evolve, we may be required to expend additional resources to enhance our cybersecurity measures or to investigate or remediate any vulnerabilities or breaches.

Although we maintain insurance to protect ourselves in the event of a breach or disruption of certain of our information systems, we cannot ensure that the coverage is adequate to compensate for any damages that may be incurred.

Increasing use of social media could give rise to liability, breaches of data security, or reputational damage.

We and our employees are increasingly utilizing social media tools as a means of communication both internally and externally. Despite our efforts to monitor evolving social media communication guidelines and comply with applicable rules, there is risk that the use of social media by us or our employees to communicate about our products or business may cause us to be found in violation of applicable laws and regulations. In addition, our employees may knowingly or inadvertently make use of social media in ways that may not comply with our social media policy or other legal or contractual requirements, which may give rise to liability, lead to the loss of

trade secrets or other intellectual property, or result in public exposure of personal information of our employees, clinical trial patients, customers, and others. Furthermore, negative posts or comments about us or our products in social media could seriously damage our reputation, brand image, and goodwill.

Some of our products contain open source software, which may pose particular risks to our proprietary software, technologies, products and services in a manner that could harm our business.

We use open source software in our products and anticipate using open source software in the future. The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, we could face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software, which could include proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require us to expend significant additional research and development resources, and we cannot guarantee that we will be successful.

Additionally, the use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open source software, and we cannot ensure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have processes to help alleviate these risks, including a review process for screening requests from our developers for the use of open source software, but we cannot be sure that all open source software is identified or submitted for approval prior to use in our products. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect our business, financial condition and results of operations.

Risks Related to Intellectual Property

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on our product candidates throughout the world could be expensive. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing. We do not have any registered patents. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

If we are unable to protect our intellectual property from use by third parties, our ability to compete in the market will be harmed. There can be no assurance that we will not become subject to future patent infringement claims or litigation in a court of law, interference proceedings, or opposition to a patent granted in a foreign jurisdiction. The defense and prosecution of such intellectual property claims are costly, time-consuming, divert the attention of management and technical personnel and could result in substantial cost and uncertainty regarding our future viability. Future litigation or regulatory proceedings, which could result in substantial cost and uncertainty, may also be necessary to enforce our patent or other intellectual property rights or to determine the scope and validity of other parties' proprietary rights. Any public announcements related to such litigation or regulatory proceedings that we initiate, or that are initiated or threatened against us by our competitors, could adversely affect the price of our common stock. We also rely upon trade secrets, technical know-how and continuing technological innovation to develop and maintain our competitive position, and we typically require our employees, consultants and advisors to execute confidentiality and assignment of inventions agreements in connection with their employment, consulting or advisory relationships. There can be no assurance, however, that these agreements will not be breached or that we will have adequate remedies for any breach. Failure to protect our intellectual property would limit our ability to produce and/or market our products in the future and would likely have an adverse effect on the revenues generated by the sale or license of such intellectual property.

We may become subject to third parties' claims alleging infringement of their patents and proprietary rights, which could be costly, time consuming, and prevent the use of our technology solution.

We cannot assure you that third parties will not claim our current or future products or services infringe their intellectual property rights. Any such claims, with or without merit, could cause costly litigation that could consume significant management time. As the number of product and services offerings in our market increases and functionalities increasingly overlap, companies such as ours may become increasingly subject to infringement claims. These claims also might require us to enter into royalty or license agreements. If required, we may not be able to obtain such royalty or license agreements or obtain them on terms acceptable to us.

If our security measures are breached, or if our services are subject to attacks that degrade or deny the ability of users to access our platforms, our platforms and applications may be perceived as not being secure, customers and suppliers may curtail or stop using our services, and we may incur significant legal and financial exposure.

Our storage systems and the network infrastructure that are hosted by third-party providers involve the storage and transmission of healthcare data as well as proprietary information about organizations and programs, and security breaches could expose us to a risk of loss of this information, litigation, and potential liability. Our security measures may be breached due to the actions of outside parties, employee error, malfeasance, security flaws in the third-party hosting service that we rely upon, or any number of other reasons and, as a result, an unauthorized party may obtain access to our suppliers' or customers' data. Although we have never had any breach of data in our third-party provider's environment, any future breach or unauthorized access could result in significant legal and financial exposure, damage to our reputation, and a loss of confidence in the security of our platforms and applications that could potentially have an adverse effect on our business. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures on a timely basis. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and we could lose suppliers and customers and we may have difficulty obtaining merchant processors or insurance coverage essential for our operations.

Risks Related to being a Public Company

We incur significant costs and demands as a result of operating as a public company.

We incur significant legal, accounting and other expenses to meet our obligations as a publicly traded company. In addition, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the Nasdaq Stock Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways that are not currently anticipated. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, these rules and regulations may make it difficult and expensive for us to maintain director and officer liability insurance coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as our executive officers, which may adversely affect investor confidence in us and could cause our business or stock price to suffer.

If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

The Sarbanes-Oxley Act of 2002 requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. We are required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting that results in more than a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Section 404 of the Sarbanes-Oxley Act also requires, subject to an exemption for so long as we remain a "smaller reporting company," an attestation from our independent registered public accounting firm on the effectiveness of our internal control over financial reporting.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. 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 an unauthorized override of the controls. Furthermore, as previously disclosed in the Company's Annual Report on Form 10-K filed February 28, 2024, the Company's principal executive officers and principal financial officer concluded that the Company's internal controls over financial reporting were not effective, due to a material weakness surrounding the Company's identification and application of the appropriate accounting treatment for non-routine transactions. The Company's control over non-routine transactions was not conducive to identify certain items with sufficient precision. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

Increasing scrutiny and changing expectations from investors, customers, and governments with respect to Environmental, Social and Governance ("ESG") policies and practices may cause us to incur additional costs or expose us to additional risks.

There has been increasing public focus and scrutiny from investors, governmental and nongovernmental organizations, and customers on corporate ESG practices. Our ESG practices may not meet the standards of all of our stakeholders and advocacy groups may campaign for further changes. A failure, or perceived failure, to respond to expectations of all parties could cause harm to our business and reputation and have a negative impact on the market price of our securities. New government regulations could also result in new regulations and new or more stringent forms of ESG oversight and disclosures which may lead to increased expenditures for sustainability initiatives.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Based upon shares of common stock outstanding as of February 29, 2024, our executive officers, directors, 5% stockholders (known to us through publicly available information) and their affiliates beneficially owned approximately 51% of our voting stock. Therefore, these stockholders have the ability to substantially influence us through this ownership position. For example, these stockholders, if they choose to act together, may be able to influence the election of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction. This concentration of voting power could delay or prevent an acquisition of our company on terms that other stockholders may desire.

We may become subject to securities class action litigation, which can be expensive, divert management attention, and, if resolved unfavorably, expose us to significant liabilities.

We may become subject to litigation in the future that could result in substantial costs and a diversion of management's resources and attention. In addition, any adverse determination from future litigation could expose us to significant liabilities, which could have a material adverse effect on our business, financial condition, and results of operations.

We are a "smaller reporting company" and, as a result of the reduced disclosure and governance requirements applicable to smaller reporting companies, our common stock may be less attractive to investors.

We are a "smaller reporting company," meaning that we have a public float of less than $250 million, have annual revenues of less than $100 million during the most recently completed fiscal year and the value of our voting and nonvoting common stock held by non-affiliates on the last business day of our second fiscal quarter in that fiscal year is less than $700.0 million. As a "smaller reporting company," we are subject to lesser disclosure obligations in our SEC filings compared to other issuers. Specifically, "smaller reporting companies" are able to provide simplified executive compensation disclosures in their filings, are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports. Decreased disclosures in our SEC filings due to our status a "smaller reporting company" may make it harder for investors to analyze our operating results and financial prospects.

We are responsible for the indemnification of our officers and directors.

Should our officers and/or directors require us to contribute to their defense, we may be required to spend significant amounts of our capital. Our certificate of incorporation, as amended, and bylaws, as amended, also provide for the indemnification of our directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party arising from their association with or activities on behalf of our company. This indemnification policy could result in substantial expenditures, which we may be unable to recoup. If these expenditures are significant or involve issues which result in significant liability for our key personnel, we may be unable to continue operating as a going concern.

Certain provision of our charter, bylaws and Delaware law may delay, defer or prevent a tender offer or takeover attempt that public stockholders might consider in their best interest.

Certain provisions of Delaware law, our certificate of incorporation and our bylaws could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions, which are summarized below, are expected to discourage certain types of coercive takeover practices and inadequate takeover bids. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to first negotiate with our board of directors.

Certificate of Incorporation and Bylaws. Our certificate of incorporation and bylaws include provisions that:

- authorize the board of directors to issue, without stockholder approval, blank-check preferred stock that, if issued, could operate as a "poison pill" to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that is not approved by the board of directors;
- establish advance notice requirements for stockholder nominations of directors and for stockholder proposals that can be acted on at stockholder meetings;
- limit who may call stockholder meetings;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- provide that the board may increase the size of our board of directors and authorize the board to fill any vacancies on our board of directors by a majority of directors then in office;
- authorize us to indemnify officers and directors against losses that they may incur in investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures; and
- establish the Court of Chancery of the State of Delaware, unless the Corporation consents to an alternative forum, as the sole and exclusive forum for certain for any current or former shareholder (including a current or former beneficial owner) to bring any claim relating to an internal matter, other than as to any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination). Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Securities Act or any other claim for which the federal and state courts have concurrent jurisdiction.

Delaware anti-takeover statute. We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; or
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or at or subsequent to the date of the transaction, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the "interested stockholder" and an "interested stockholder" is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may discourage business combinations or other attempts that might result in a premium over the market price for the shares of common stock held by our stockholders. The provisions of DGCL, our certificate of incorporation and our bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they

may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

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

(a) RECENT SALES OF UNREGISTERED SECURITIES

None.

(b) USE OF PROCEEDS FROM SECURITIES

(c) 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 of Shares that May Yet Be Purchased Under the Plans or Programs
December 1 - 31, 2023	3,000	$ 5.69	—	1,434,539
January 1 - 31, 2024	7,269	$ 5.58	—	1,427,270
February 1 - 29, 2024	21,539	$ 5.23	—	1,405,731

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a)Exhibits

3.1 (1)	Amended and Restated Certificate of Incorporation
3.2 (2)	Amended and Restated By-Laws
10.1 (3)	Patent and License Technology Agreement
10.2 (4)	First Amendment to License Agreement
10.3 (5)	Purchase Agreement between Scannell Properties #502, LLC and Cryo-Cell International, Inc. dated March 14, 2022.
10.4 (6)	2022 Equity Incentive Plan
10.5	Master Services Agreement with Emmes Biopharma Services LLC
31.1	Certification of Co-CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Co-CEO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3	Certification of CFO Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

(1) Incorporated by reference to the Company's Quarterly Report on Form 10-QSB for the quarter ended May 31, 2002.
(2) Incorporated by reference to the Company's Quarterly Report on Form 8-K filed on December 11, 2018.
(3) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2021.
(4) Incorporated by reference to the Company's Annual Report on Form 10-K filed on February 22, 2022.
(5) Incorporated by reference to the Company's Current Report on Form 8-K filed on March 16, 2022.
(6) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended February 28, 2022.

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 15, 2024

Exhibit 10.5

Master Services Agreement

This Master Services Agreement (this "Agreement") is entered into as of August 10, 2023 (the "Effective Date"), by and between Cryo-Cell International, Inc., ("Customer") and Emmes Biopharma Services LLC and its Affiliates and Subsidiaries ("Emmes"), a Maryland limited liability company with its principal address in Maryland at 401 North Washington Street, Suite 700, Rockville, Maryland 20850, (hereinafter Emmes and Customer may be individually referred to as "Party" and collectively referred to as "Parties").

RECITALS

WHEREAS, Emmes is a global contract research organization engaged in the business of providing products and services for biomedical research and clinical trials, including computer systems development, data management, clinical study monitoring and operational support; and

WHEREAS, Customer desires to engage the services of Emmes; and

WHEREAS, the Parties agree that all terms and conditions of this Agreement apply to each Party's respective Affiliates and Subsidiaries, and whenever used in this Agreement, the terms "Affiliates" and "Subsidiaries" mean and include any corporation, partnership, limited partnership, or joint venture in which at least 50% of the equity is owned directly or indirectly by the relevant Party; and

WHEREAS, Emmes has agreed to render such services on the terms and conditions set forth in the Agreement.

NOW, THEREFORE, the Parties, in consideration of the foregoing recitals and the mutual covenants, agreements, representations, and warranties contained herein, and with the intent to be legally bound, agree as follows:

1.SERVICES TO BE PROVIDED; SCOPE OF WORK

1.1.Emmes agrees to provide certain services as requested by Customer through a Work Order (as hereinafter defined) during the term of this Agreement and subject to the terms and conditions contained herein. A "Work Order," a sample of which is attached hereto as Exhibit 1 and made a part hereof, shall mean a negotiated document between the Parties that outlines the specific services or scope of work to be performed by Emmes (the "Services"), the protocol for performance of the Services (the "Protocol"), and the budget to be followed by Emmes and paid by Customer (the "Budget"). Upon execution, each Work Order will be deemed to be a part of and governed by this Agreement. Services pursuant to a Work Order shall not commence until this Agreement is executed by both Parties, or a written authorization to proceed with the Work Order from Customer is received. The Parties agree to perform their respective obligations under each Work Order in strict compliance with the Work Order, which may be amended from time to time. The Parties shall not deviate from the Services, the Budget, the Protocol, or the Work Order generally, or any amendments thereto, including without limitation, any relevant timelines and delivery dates, which are specifically bargained for hereunder.

1.2.The Parties acknowledge and agree that Emmes may utilize independent contractors and/or its Affiliates or Subsidiaries for the performance of certain portions of each Work Order but that Emmes shall be responsible for the provision of all personnel, facilities, equipment, labor and other requirements reasonably necessary to carry out the Work Order. Emmes may perform the Work Order at the premises of Emmes or at such other location as may be agreed in writing between Emmes and Customer.

1.3.In the event that the Parties agree to additions or changes to the Work Order, including, but not limited to, the Services, the Protocol, and the Budget, an amendment will be prepared and signed

by the Parties before commencement of additional or different work. Each amendment will describe in sufficient detail any changes to the Work Order and will stipulate any charges or price for the additional work in accordance with the mutual agreement of the Parties.

1.4.In carrying out its responsibilities under this Agreement, Emmes shall comply with all laws, rules, regulations and standards within the industry and scientific community applicable to the conduct of the Services, including all written requirements of any applicable Institutional Review Boards ("IRBs") or Independent Ethics Committees ("IECs"). Emmes will conduct the Services in compliance with specific regulatory requirements as applicable or set forth in

the Work Order.

1.5.In carrying out its responsibilities under this Agreement, Customer shall comply with all applicable laws, regulations and guidelines, including, but not limited to, those pertaining to data privacy relating to any participant in the database system obtained, collected, developed or processed under this Agreement ("Trial Data") (such as obtaining any required subject consent or authorization to allow Emmes access to any information as may be necessary to carry out its responsibilities hereunder); all applicable ethics codes, principles and industry standards (such as the International Conference on Harmonisation Harmonized Tripartite Guidelines for Good Clinical Practice), as well as with all written requirements of any applicable IRBs/IECs.

2.RELATIONSHIP OF THE PARTIES

2.1.Emmes shall exercise professional judgment in the performance of the Services, subject to the terms and conditions of each Work Order and this Agreement.

2.2.Notwithstanding any provision herein to the contrary or any course of conduct between the Parties, the Parties hereto are independent contractors, and nothing contained in this Agreement or in any Work Order shall be construed to place them in the relationship of partners, principal and agent, employer and employee, or joint-venturers. Each Party agrees that it shall have no power or right to bind or obligate the other; neither Party shall hold itself out as having such authority.

2.3.Customer shall not be responsible for providing or paying any benefits (including, but not limited to, unemployment, disability, insurance, or medical, and any pension or profit sharing plans) to Emmes or Emmes' employees, officers, or directors, or any other persons retained or used to perform the Services, including independent contractors, subcontractors, and agents approved by Customer in writing (collectively, "Emmes Personnel"). Customer shall not be responsible for any federal, state, or local income tax withholding, contributions to mandatory health, pension, social or any other insurance, or similar withholdings, or payment of any overtime wages or workers' compensation, or compliance with any laws, rules or regulations governing employees, as to any Emmes Personnel. Except as set forth in Section 11, Customer has no obligation to Emmes to maintain insurance to cover the risk, if any, that Emmes creates in performing the Services under this Agreement. Emmes represents that it is an independent business and that it retains the right to exercise full control over the employment, direction, compensation and discharge of all Emmes Personnel performing any Services.

2.4.Emmes agrees that it is and will continue to be solely responsible for: (i) all matters relating to the payment of compensation and provision of benefits to Emmes Personnel; and (ii) compliance with all applicable laws, rules and regulations governing treatment of such Emmes Personnel, including, but not limited to, all applicable laws, rules and regulations governing taxation, unemployment, occupational safety and health, and discrimination.

2.5.Emmes' performance depends upon Customer's timely and effective cooperation in connection with the Services, including providing Emmes with reasonable and timely access to appropriate data, information, and appropriately skilled Customer personnel as communicated to Emmes by Customer. Emmes will not be liable for any failure to perform, to the extent that the failure is caused by Customer's lack of cooperation. Emmes may rely upon the accuracy and completeness of data, material, and other information furnished by Customer, without any independent investigation or verification.

3.PAYMENTS

3.1.In consideration for the Services to be rendered by Emmes under each Work Order, Customer will make payments in accordance with the Budget and payment schedule attached to each applicable Work Order.
3.2.Unless otherwise specified in the applicable Work Order, upon the execution of each Work Order, Customer shall pay a deposit amount as agreed to by both Parties. Thereafter, Emmes shall invoice Customer monthly for the Services provided. Each invoice shall identify the applicable Work Order number. Provided that the Services have been performed satisfactorily and in accordance with this Agreement and the applicable Work Order, as determined by Customer, acting reasonably, all such invoices shall be payable by Customer within forty five (45) days of receipt by Customer. Notwithstanding anything in this Section 3 to the contrary, if an invoice or any portion thereof is the subject of a dispute, Customer may withhold payment of any disputed amounts pending resolution of the dispute and pay the undisputed amount. In such event of dispute, Customer will provide prompt notice of said dispute. The Parties shall cooperate in good faith to promptly resolve any invoicing disputes. Emmes may charge the Customer interest on the overdue balance at a rate of one and one-half percent (1.5%) per calendar month of delay (or at a lower rate if such lower rate is set forth by the laws applicable to the Services) from the date the payment was due until the Customer pays the account in full.

3.3. The banking information for payments to Emmes via wire transfer is: Bank Name:
Manufacturers and Traders Trust Company
Bank address:
1 Research Court, Suite 400 Rockville, Maryland 20850 USA
To the benefit of:
Emmes Biopharma Services LLC401 North Washington Street, Suite 700 Rockville, Maryland 20850

Name on Account: EMMES BIOPHARMA SERVICES LLC
Account Number: 9883490014
Account Type: Checking

ABA for receiving ACH: 052000113 ABA for receiving wires:
022000046

SWIFT: MANTUS33

3.4.All payments to Emmes for the performance of the Services are inclusive of all taxes, with the exception of any sales, use, excise, goods, services taxes, or tariffs or Value Added Tax ("VAT"), as the case may be (collectively referred to as "Sales Taxes"). Should applicable laws require so, Emmes will list any Sales Tax amounts for which Customer is responsible under this Agreement or any Work Order as a separate line item in the applicable invoice. Customer will reimburse Emmes for any Sales Taxes paid by Emmes or, prior to payment, provide Emmes with valid tax exemption certificates. Emmes shall provide appropriate invoices, other documentation and information as may be reasonably required so that Customer may make a claim for any input tax credit, set off, rebate or refund for or in relation to any Sales Taxes included in any payment under or in connection with this Agreement or any Work Order.

4.CONFIDENTIAL AND PROPRIETARY INFORMATION

4.1.All information disclosed by one Party to the other and all documents submitted by one Party to the other, whether in written, graphic, oral, photographic, electronic or any other form, shall be deemed "Confidential Information," which includes, without limitation, Trial Data and other clinical data, reports, materials, know-how, methods, techniques, inventions, processes, improvements, procedures, manuals, personnel data, financial information, computer technical expertise, and other intellectual properties and assets relating to: (i) the disclosing Party's business operations, clinical studies, procedures, methods, software, or pricing; or (ii) the research, development, manufacture, characteristics, use, testing, packaging, labeling, storage, distribution, processing, products or medical device to which the Services pertain, the Work Product (as hereinafter defined), each Party's Intellectual Property (as hereinafter defined), personal information, any other research, compilations, specifications, data, studies, reports, technical information, papers or other documents prepared or derived from the Services and all proprietary information of a Party during the Term hereof, whether or not marked or designated as confidential, and such other information as a Party may disclose to the other during the Term.

4.2.A Party shall use Confidential Information of the other Party only for the purposes of performing its obligations under this Agreement and any Work Order(s).

4.3.Each Party shall protect Confidential Information of the other Party by using at least the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination, or publication of Confidential Information as such Party uses to protect its own confidential information of a like nature. Each receiving Party shall not disclose or divulge Confidential Information of the other Party to anyone except to those of such receiving Party's or its Affiliates' or Subsidiaries' directors, employees, agents or consultants who need to know to perform obligations under this Agreement, are bound in writing to keep such information confidential and who are bound not to use same except to provide Services hereunder. Each Party shall be responsible and liable for any breach of this Section 4 by any of its Affiliates' or Subsidiaries' directors, employees, officers, agents or consultants.

4.4.This Agreement imposes no confidentiality obligation upon any Party with respect to information that: (a) is already lawfully known to the receiving Party at the time of disclosure (other than through prior disclosure by the disclosing Party) as evidenced by written records of the receiving Party; (b) is or becomes a matter of public knowledge or part of the public domain through no fault of the receiving Party; (c) is independently developed by the receiving Party without benefit of the disclosing Party's Confidential Information as evidenced by the receiving Party's written records; (d) is rightfully received from a third party which is not under and does not thereby breach an obligation of

confidentiality to the disclosing Party; or (e) is otherwise disclosed by the receiving Party with the disclosing Party's prior written approval.

4.5.Notwithstanding anything contained in this Agreement to the contrary, a receiving Party may disclose Confidential Information to the extent required to respond to subpoena or other compulsory legal process, provided in all cases that such receiving Party takes reasonable and lawful actions to avoid or minimize the extent of such disclosure and notifies the disclosing Party in writing as far in advance of the date of disclosure as is reasonably feasible so that such disclosing Party may take steps to seek to prevent or limit disclosure.

4.6.Both Parties hereby acknowledge and agree that each Party's Confidential Information is a commercially valuable, confidential asset of such Party, reflecting the investment of considerable time, effort, and money in the development of the design and specifications and marketing strategies for various products or services. In the event of any actual or threatened violations or breaches of Section 4 by a Party or such Party's representatives, the Party agrees that the other Party shall be entitled to seek all legal and equitable remedies afforded it by law, including preliminary and permanent injunctive relief to enforce the terms of Section 4, without the necessity of a bond, or a decree of specific performance, and without the necessity of such Party showing

actual damages or that monetary damages would not afford an adequate remedy. In addition to any and all other forms of relief, a Party may recover from the breaching Party all reasonable costs and attorneys' fees incurred in seeking such legal or equitable remedy.

5.WORK PRODUCT AND INTELLECTUAL PROPERTY

5.1."Work Product" shall mean the deliverables supplied to Customer under this Agreement, including, but not limited to, all documentation, reports, records, data, specimens, and all work in progress and work output. All Work Product generated pursuant to this Agreement, exclusive of Emmes' existing proprietary software, technology, inventions and know-how, including, but not limited to, its proprietary electronic data capture software, Advantage eClinical®, and any related components, including, but not limited to, the GlobalTrace℠ Specimen Tracking System ("Software"), and any other Software licensed pursuant to this Agreement (collectively, "Emmes Technology") or preexisting know-how, concepts, formulas, techniques, processes, ideas, writings, industrial and other designs, patents, copyrights, trademarks, service marks, and other forms of intellectual property, trade secrets or utility models, whether or not copyrighted or patented or registered or protected, or capable of such registration or protection (collectively, "Intellectual Property") of Emmes or the intellectual property or software of third parties, shall be owned by Customer, and Customer shall have a worldwide royalty-free right to access and use the Work Product for any purpose, including, but not limited to, the development, commercialization and distribution of any Customer drug, product, or device. While not contemplated under this Agreement, in the event an invention is conceived or reduced to practice by a Party in the course of the Project, such Party shall own all right title and interest in such invention; provided however, nothing in this subsection shall be construed as limiting the worldwide use of the Work Product by Customer or granting any rights in or to the Emmes Technology or preexisting Intellectual Property of Emmes. All products, software, invention(s), or other Intellectual Property developed by Emmes independently of, and without recourse or reference to, any Confidential Information of Customer or Work Product, and independently of any other data, equipment or facilities supplied pursuant to this Agreement, shall remain the exclusive property of Emmes.

5.2.Emmes agrees to assign (or cause to be assigned) to Customer all rights, title, and interest in and to the Work Product.

5.3.All Work Product shall be original creations for Customer and shall not knowingly infringe any patent, copyright or other proprietary right of a third party. Any and all discoveries made during the course of this Agreement regarding the Emmes Technology or preexisting Intellectual Property of Emmes (other than the Work Product) shall remain the exclusive property of and be owned by Emmes.

5.4.Except for a software license or SaaS use agreement granted by Emmes to Customer pursuant to a separate agreement, Customer understands that it is obtaining no legal right, title, or interest in or to any Emmes Technology, preexisting Intellectual Property of Emmes, or Confidential Information of Emmes. Except as expressly provided otherwise herein, nothing in this Agreement shall be construed to transfer or convey any ownership or any right, title or interest in or to any Intellectual Property or Confidential Information, materials, equipment or technology owned by either Party. Except as expressly provided otherwise herein, nothing in this Agreement shall be construed as a license or sublicense by any Party to another Party of any Intellectual Property, Confidential Information, materials or technology owned by such Party. Customer shall pay Emmes the applicable license or use fee for any Software that is used by Emmes in the performance of the Services or licensed to Customer, as set forth in the applicable Work Order.

5.5.Customer acknowledges and agrees that Emmes is the sole owner of all rights in and to all Emmes Technology, including, but not limited to, the Software, all database programs, formulas, modifications, and algorithms including but not limited to, all copyrights, patent rights, trademarks, service marks, the ideas and expressions thereof contained in the software, and all disks, documentation and other physical embodiments of the Software. Nothing contained herein shall be

deemed to convey to Customer any title or ownership interest in or to the Software or any Emmes Technology. Customer agrees that it shall not develop separate software applications of any kind derived from Emmes Technology, the user's documentation, or any other proprietary information of Emmes. Customer shall not attempt or assist others in attempting to copy, modify, disassemble, or reverse engineer any Emmes Technology. Customer shall maintain Emmes' trademark and copyright notices on any software documentation and shall reproduce such notice on any copies in whole or in part.

6.REPRESENTATIONS OF EMMES Emmes represents, warrants and covenants that:

6.1.The Emmes Personnel, which includes independent contractors and/or EMMES Affiliates or Subsidiaries, used to provide Services, the Services rendered, and any Work Product provided pursuant to this Agreement and each Work Order shall comply with and conform to all applicable federal and state laws, statutes, rules, regulations and orders (including all applicable approval and qualification requirements there under), including without limitation, the US Food, Drug and Cosmetic Act as applicable and as amended, and all applicable regulations thereunder, and with adherence to Good Clinical Practices ("GCP"), the provisions of this Agreement, the applicable Work Order, and the Protocol to which such Work Order relates (if applicable).

6.2.Emmes has all licenses, permits and authorizations necessary or required by applicable law or regulation to perform all Services required to be performed pursuant to this Agreement and any Work Order;

6.3.Emmes' Personnel are professionally trained and duly qualified and have the equipment, experience and expertise to perform the Services set forth in any Work Order signed by it, and that all such Services shall be performed in a manner commensurate with professional standards generally applicable in the industry. If Customer notifies Emmes that any of its staff fail to demonstrate those skills, Emmes will use commercially reasonable efforts to promptly provide Customer with a suitable replacement;

6.4.The execution, delivery and performance of this Agreement by Emmes has been duly authorized by all requisite corporate action; this Agreement constitutes Emmes' legal, valid and binding obligation, enforceable against Emmes in accordance with the terms hereof; and the execution, delivery and performance of this Agreement by Emmes will not violate or conflict with any other agreement or instrument to which Emmes is a party;

6.5.To the best of its knowledge, Emmes does not and will not employ or contract with any person who is or has in the past been suspended or debarred by the United States Food and Drug Administration under the Food, Drug and Cosmetic Act or under the Generic Drug Enforcement Act or convicted under the Food, Drug and Cosmetic Act or under the Generic Drug Enforcement Act, or under any other applicable law;

6.6.Emmes will not enter into any Work Order unless it has sufficient time to dedicate to the provision of the Services to ensure that the Services are completed within any time frames or deadlines set forth in such Work Order.

7.REPRESENTATIONS OF CUSTOMER Customer represents, warrants and covenants that:

7.1.Any Customer products provided pursuant to this Agreement and each Work Order shall comply with and conform to all applicable federal and state laws, statutes, rules, regulations and orders (including all applicable approval and qualification requirements there under), including without limitation the Federal Food, Drug and Cosmetic Act, as amended, and the applicable regulations there under.

7.2.Customer has all licenses, permits and authorizations necessary or required by applicable law or

regulation to perform its obligations pursuant to this Agreement and any Work Order;

7.3.The execution, delivery and performance of this Agreement by Customer has been duly authorized by all requisite corporate action; this Agreement constitutes Customer's legal, valid and binding obligation, enforceable against Customer in accordance with the terms hereof; and the execution, delivery and performance of this Agreement by Customer will not violate or conflict with any other agreement or instrument to which Customer is a party.

7.4.Customer shall commit such resources that are reasonably necessary to perform Customer's obligations under

each Work Order and that are reasonably necessary to enable Emmes to perform its obligations hereunder.

8.TERM AND TERMINATION

8.1. The term of this Agreement shall commence on the Effective Date and shall continue for five (5) years. unless extended by the Parties in writing (the "Term"). At any time prior to the expiration of the Term, the Parties may by mutual agreement, extend the Term for such additional periods as they may agree.

8.2.This Agreement may be terminated as follows:

(i)Customer may terminate this Agreement without cause, upon seven (70) days' written notice to Emmes;

(ii)either Party may terminate this Agreement immediately upon either Party becoming bankrupt or making an assignment for the benefit of creditors, or upon a receiver or trustee in bankruptcy being appointed for either Party, or upon any proceeding in bankruptcy, receivership, or liquidation being instituted against a Party and continuing for 30 days without being dismissed, or upon a Party otherwise ceasing to exist; or

(iii)either Party may terminate this Agreement in the event of a material breach in the performance or observance of the other Party's obligations under this Agreement and failure of the other Party to remedy or cure such default within 30 days after receiving written notice of the default from the non-defaulting Party. For purposes of this Agreement, any delay in payment by Customer exceeding 90 days past the due date may be considered a material breach in performance of Customer's obligations hereunder.

8.3.Work Orders under this Agreement may be terminated as follows:

(i)Customer may terminate any Work Order or portion thereof, with or without cause, upon seven (70) days' written notice to Emmes, unless otherwise agreed in writing by both Parties;

(ii)either Party may terminate any Work Order immediately upon either Party becoming bankrupt or making an assignment for the benefit of creditors, or upon a receiver or trustee in bankruptcy being appointed for either Party, or upon any proceeding in bankruptcy, receivership, or liquidation being instituted against a Party and continuing for 30 days without being dismissed, or upon a Party otherwise ceasing to exist; or

(iii)either Party may terminate any Work Order in the event of a material breach in the performance or observance of the other Party's obligations under any Work Order and failure of the other Party to remedy or cure such default within 30 days after receiving written notice of the default from the non-defaulting Party. For purposes of any Work Order, any delay in payment by Customer exceeding 90 days past the due date may be considered a material breach in performance of Customer's obligations hereunder.

8.4. No termination of any Work Order shall have any effect upon continuation of this Agreement or any other Work Order. Immediately upon termination of any Work Order, Emmes shall cease work thereon and provide to Customer (or otherwise dispose of in accordance with Customer's written instructions) all work in process and all originals and copies of Work Product. Upon invoice therefore, unless the termination relates to a breach by Emmes, Customer shall pay Emmes, consistent with the applicable Work Order, for all work completed in accordance with this Agreement and the applicable Work Order and un-cancelable amounts irrevocably committed-to- be-paid by Emmes, pursuant to this Agreement or the applicable Work Order up to the date of termination. Emmes will promptly refund to Customer the amount, if any, which was prepaid for Services to be provided under this Agreement or a terminated Work Order to the extent those Services were not performed or expenses incurred prior to the effective date of termination, unless the Work Order specifically provides a different obligation for prepaid amounts. Following notice of termination pursuant to this Section 8, or upon expiration of the Term of this Agreement or completion of a Work Order, the Parties shall fully cooperate with each other in all matters relating to the closure of Emmes' work on behalf of Customer, and with the orderly transfer of all Work Product, Confidential Information, or other documents and materials relating to the Work Order or to each other.

8.5.Notwithstanding the foregoing, except in the event of a termination under 8.2 or 8.3 above, for a Work Order that is still ongoing and the Term of this Agreement has expired, the Parties agree that the Term will be automatically extended until all work which is ongoing or subject to a binding and unfulfilled Work Order is completed.

8.6.Notwithstanding any provision herein to the contrary, the provisions of Sections 4 (Confidential and Proprietary Information), 5 (Work Product and Intellectual Property), 9 (Review of Work/Records), 11 (Insurance and Indemnification), and 13 (Miscellaneous) hereof, shall survive any termination or expiration of this Agreement.

8.7.During the Term, Customer may, upon thirty (30) calendar days' prior written notice to Emmes, request that

Services under any Work Order, be paused (each, a "**Pause**") for the period identified in such notice, which in no event shall exceed a period of six (6) months (the "**Pause Period**"). Customer shall identify in its written notice to Emmes the reason for such Pause as well as notify Emmes before the expiration of the applicable Pause Period that: (a) it wishes to recommence the Services; or (b) terminate the Agreement in accordance with this Section. If Customer chooses to recommence the Services, the Parties agree that billing rates may be subject to an increase of no more than 10% of the billing rates at the commencement of the startup of Services. Immediate startup of Services may be contingent upon the availability of Emmes' resources and personnel.

9.REVIEW OF WORK/RECORDS During the term of this Agreement but no more than once annually, Emmes, if requested, will permit Customer or its representatives (who are not competitors of Emmes) to examine any records, documents, materials, accounts and financial data directly related to the Services performed hereunder, (collectively, the "Records") at reasonable times and in a reasonable manner to determine that the Services are being conducted in accordance with this Agreement and the facilities are adequate. Notwithstanding the foregoing, Customer or it's representative may not remove any Records in connection with an examination from an Emmes facility without the express written consent of Emmes. Each Party will maintain all Records for a minimum period of three (3) years, or a longer period as required by Applicable Law ("Retention Period"), following completion of the Services under a specific Work Order.

Emmes may destroy any Records in its possession upon expiration of the Retention Period provided that Emmes will first provide to Customer ninety (90) days' prior written notice and the opportunity to retrieve those Records during the ninety (90) day notice period, and the applicable Retention Period has passed for records under any given Work Order. Neither Party may use the Records for any other purpose other than as set out in the applicable Work Order without prior written consent from the other Party, except as expressly provided in this Agreement.

10.CONFLICT OF INTEREST Both Parties agree that they will not undertake and or agree to Work Orders under this Agreement which could create a conflict of interest precluding either Party's ability to objectively perform Work Orders in a satisfactory manner or that may jeopardize their relationships with their respective customers in carrying out their current or potential contract obligations. However, the Customer acknowledges that Emmes is a contract research organization engaged in the business of providing products and services for biomedical research and clinical trials, including computer systems development, data management, clinical study monitoring and operational support, and that this Agreement shall not preclude Emmes from engaging in its traditional business operations.

11.INSURANCE AND INDEMNIFICATION

11.1.Emmes shall maintain insurance, at its own expense, which coverage shall have the following limits of liability adequate for the activities under this Agreement, Such coverage shall be maintained for not less than three (3) years following expiration or termination of this Agreement. Upon written request from Customer, Emmes shall provide written evidence of the following coverage:

11.1.1.Commercial General Liability excluding products and completed operations with policy limits not less than $1,000,000 per occurrence, including coverage for personal/advertising injury.

11.1.2.Products and Completed Operations with policy limits and claims made coverage not less than $ 2,000,000 per claim and in the aggregate, including defense inside the limit.

11.1.3.Professional Liability with policy limits and claims made coverage not less than $ 2,000,000 per occurrence to include the services performed for this clinical trial.

11.1.4.Property Coverage for monitors and equipment as required.

11.1.5.Workers Compensation Coverage with Statutory limits, or similar law of the country, including Employer's Liability.

11.2.Customer shall maintain, at its own expense, insurance mandated by laws and sufficient to cover activities under applicable Work Order(s) and this Agreement. Such coverage shall be maintained during the Term of this Agreement and applicable Work Order(s) and for not less than three (3) years following expiration or termination of this Agreement. Upon written request from Emmes, Customer shall provide written evidence of the following coverage

11.2.1.Clinical Trials policy including Products and Completed Operations with policy limits not less than

required by applicable laws.

11.2.2.If applicable, Workers Compensation Coverage with Statutory limits, or similar law of the country, including Employer's Liability.

11.3.Upon request of either Party, the other Party shall provide one or more certificates of insurance from its insurance carrier(s) certifying that it has in place the above coverage, adding the requesting Party as a named insured to a specific policy, and providing for sixty (60) days' written notice to the requesting Party in the event that any such coverage is to be terminated, cancelled, or of any change in terms, limits or conditions where such are to be terminated or reduced below the limits set forth above.

11.4.Customer shall defend, indemnify and hold harmless Emmes and its Affiliates and Subsidiaries and their respective officers, directors, employees, and agents ("Emmes Indemnitees") from any loss, damage, cost or expense (including reasonable attorney's fees) (each, a "Loss") arising from any

claim, demand, assessment, action, suit or proceeding (each, a "Claim") brought by a third party against Emmes Indemnitees arising from or in connection with (i) the harmful or otherwise unsafe effect of any Customer drug or Customer device; (ii) administration of any Customer drug or Customer device or performance of any procedure during the course of the study in accordance with any Protocol under any Work Order; (iii) the use by Customer of the Trial Data; (iv) a breach of any of Customer's obligations under this Agreement, including, without limitation, the obligation to comply with Applicable Law; (v) the negligence or willful misconduct on the part of any Customer Indemnitee (as defined below), (vi) proper and appropriate performance of the Services by Emmes in compliance with the terms of this Agreement, Applicable Law and any Protocol under any Work Order; provided that, if such Claim arises in whole or in part from Emmes Indemnitees' negligence or willful misconduct or the breach by an Emmes Indemnitee of this Agreement, Applicable Law or any Protocol under any Work Order, then the amount of such Loss that Customer shall indemnify Emmes Indemnitees for pursuant to this Agreement shall be reduced by an amount in proportion to the percentage of Emmes Indemnitees' responsibility for such Loss.

11.5.Emmes shall defend, indemnify and hold harmless Customer and its Affiliates and Subsidiaries and their respective officers, directors, employees, and agents ("Customer Indemnitees") from any Loss arising from any Claim brought by a third party against Customer Indemnitees arising from or in connection with (i) the negligence or willful misconduct on the part of any Emmes Indemnitee; or (ii) a breach or a failure by Emmes to act in accordance with this Agreement, Work Order, Protocol or Applicable Law; provided that if such Claim arises in whole or in part from Customer Indemnitees' negligence or willful misconduct, or the breach by a Customer Indemnitee of this Agreement, Applicable Law or any Protocol under any Work Order, then the amount of such Loss that Emmes shall indemnify Customer Indemnitees for pursuant to this Agreement shall be reduced by an amount in proportion to the percentage of Customer Indemnitees' responsibility for such Loss.

11.6.Emmes' maximum liability to Customer or any Customer Indemnitee for any breach or default related to this Agreement shall be for Emmes, at Customer's option, to either (i) repeat the Services at issue or (ii) refund the consideration attributable thereto.

11.7.UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE ENTITLED TO, OR RESPONSIBLE FOR, ANY INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR LOSS OF PROFITS) ARISING IN CONNECTION WITH ANY BREACH OR DEFAULT RELATED TO THIS AGREEMENT, THE PROTOCOL, OR ANY DOCUMENTS RELATED THERETO.

12.CYBERSECURITY INSURANCE AND DATA BREACH NOTIFICATION

12.1.Customer shall at its sole cost and expense procure and maintain throughout the term of this Agreement and for two (2) years following the termination or expiration of this Agreement cyber/network privacy insurance with limits of $5,000,000 per claim/in aggregate. Such policy shall provide coverage for disclosures and/or breaches of personal information, protected health information or other confidential information (collectively "Protected Data") arising out of or relating to Customer's Services.

12.2.Such policy shall also include coverage applicable to first- and third-party claims including but not limited to data compromise expenses and liability, forensic review costs, legal review costs, data restoration and re-creation costs, public relations costs, extortion costs, network security liability, identity recovery costs, regulatory fines and penalties, and credit monitoring costs. Such policy shall not contain exclusions for the acts or omissions of either the Customer or Emmes or their respective employees, agents, subcontractors or volunteers, whether intentional or unintentional, resulting in or relating to any use of the Protected Data not expressly permitted by this Agreement.

12.3.Customer must notify Emmes at least thirty (30) days prior to the cancellation or modification of such policy and plans to replace it. Customer shall not have a self-insured retention (SIR) greater than: $250,000. In addition to the self-insured retention, this insurance will not have any co-

insurance clauses. Customer policy shall include a provision to include Emmes, its Subsidiaries, and its directors, officers and employees, as Additional Insureds.

12.4.Customer will notify Emmes, in writing, about any actual or suspected security incident, any breach of Protected Data, or any situation which may affect any IT Infrastructure or data or facilities owned, leased or used by and/or provided for use by Customer, which may affect the performance of obligations under this Agreement, without undue delay and in any event within 24 hours after Customer becomes aware or suspects that a security incident or breach has occurred. Such notification will be, in the first instance, sent by e-mail to the following email address: sirt@emmes.com and immediately followed up by telephone to 301-251-1161 and request to speak to the Chief Information Security Officer, Ido Dubrawsky.

13.DATA TRANSFERS

In the event of data transfers crossing different jurisdictions, the Parties agree to comply with applicable data privacy and transfer legislation.

14.ETHICS HOTLINE

14.1.Emmes is dedicated to conducting its business in an ethical and legal manner. Emmes employees are bound to comply with the Emmes code of conduct, including complying with all applicable laws, disclosing any conflict of interest, and otherwise acting in a manner that places Emmes' interests above any personal interest. If Customer would like to file a report regarding possible unethical behavior by an Emmes employee, Customer may contact the Emmes third-party Ethics Hotline at 1-844-784-0297 (individuals outside of the U.S. will need to use the (001) U.S. country code). Customer may also go to www.ethicspoint.com and choose "File A New Report." Then, enter "Emmes" and go to the Emmes page to file your report. A report may be made on an anonymous basis. All reports are treated confidentially. Emmes is committed to non-retaliation against any individual who makes a report.

15.MISCELLANEOUS

15.1.**Governing Law; Attorney's Fees** This Agreement shall be governed by the laws of the State of Maryland without regard to conflict of laws principles. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against either of the Parties in the courts of the State of Maryland or, if it has or can acquire jurisdiction, in the United States District Court for the District of Maryland, and each of the Parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to personal jurisdiction or venue therein. The substantially prevailing Party in any legal dispute shall be entitled to recover its reasonable attorney's fees and costs.

15.2.**Waiver** Waiver of any provision of this Agreement will not be deemed a waiver of any other provision of this Agreement, nor will waiver of any breach of this Agreement be construed as a continuing waiver of other breaches of the same or other provisions of this Agreement.

15.3.**Severability** If any part, term or provision of this Agreement is held void, illegal, unenforceable, or in conflict with any law of any federal, state, or local government having jurisdiction over this Agreement or its subject matter, the validity of the remaining portions or provisions will not be affected thereby.

15.4.**Non-Solicitation** Neither Party shall, during the term of this Agreement and for one (1) year after its termination for any reason, solicit for hire, or hire, as an employee, consultant, or otherwise, any of the other Party's employees who have had direct involvement with work or services contemplated herein, without such other Party's express written consent, provided, however, that

neither Party will be precluded from hiring any employee of the other Party who responds to any public notice or advertisement of an employment opportunity.

15.5.**Excusable Delay** Neither Customer nor Emmes will be liable for any delays resulting from circumstances beyond its reasonable control. The Party or Parties so affected will be excused from performance under this Agreement for the period of time attributable to such delay. In the event of any delay, the Parties may, in their sole discretion, revise this Agreement by amending the applicable Work Order, including without limitation, the payment provisions, delivery schedules, and other provisions set out in the Work Order, as appropriate, by mutual written agreement.

15.6.**Entire Agreement; Amendments** This Agreement, together with each Work Order, contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all previous agreements (written and oral), negotiations and discussions, if any, relating thereto. The Parties may modify or amend the provisions of this Agreement or any Work Order only by an instrument in writing duly executed by both Parties.

15.7.**Order of Precedence; Controlling Terms** In the event of any conflict or ambiguity between or among the provisions contained in the Agreement and the Work Order, the provisions contained in the Agreement shall prevail.

15.8.**Binding Agreement; Assignment** This Agreement and each Work Order shall be binding upon and inure to the benefit of both Parties and their respective successors and permitted assigns. Neither this Agreement, nor any Work Order, nor any of either Party's rights hereunder or there under may be assigned or otherwise transferred by either Party without the prior written consent of the other, except that either Party may assign this Agreement to any affiliate or subsidiary or to entity with which it may merge or amalgamate or any purchaser of all or substantially all of the portion of the business to which this Agreement relates.

15.9.**Counterparts** This Agreement may be executed in counterparts with the same effect as if both Parties had signed the same document. Both counterparts will be construed together and will constitute one and the same agreement. This Agreement may be executed by the Parties and transmitted by facsimile transmission and if so executed and transmitted this Agreement will be for all purposes as effective as if the Parties had delivered an executed original Agreement.

15.10.**Contract Representatives and Formal Notice** Any notice required or permitted to be given by either Party hereunder or under any Work Order shall be in writing and shall be deemed given on the date received if delivered personally, one day after prepaid deposit with any nationally recognized overnight delivery service, at the time of transmission if sent by facsimile, or three days after the date postmarked if sent postage prepaid by registered or certified mail, return receipt requested, to the following addresses:

If to Emmes:

Name:	Legal Department
Company:	Emmes Biopharma Services LLC
Address:	401 North Washington Street, Suite 700
City, State and zip:	Rockville, Maryland 20850
Phone:	301-251-1161
Email:	legal@emmes.com

With a copy to Krista Sharma, ksharma@emmes.com

If to Customer:

Name:	David Portnoy
Title:	Chairman & Co-CEO
Company:	Cryo-Cell Internation, Inc.
Address:	700 Brooker CreekBlvd., #1800
City, State andzip:	Oldsmar, FL 34677
Phone:	786-213-9054
Fax:	
Email:	dportnoy@cryo-cell.com

IN WITNESS WHEREOF, the Parties, through their duly authorized representatives, have executed this Agreement as of the Effective Date.

For: Cryo-Cell International, Inc.

David Portnoy
Printed Name of Authorized Person
/s/ David Portnoy
Signature of Authorized Person
Chairman & Co-CEO
Title of Authorized Person
August 21, 2023
Date

For: EmmesBiopharma Services LLC

Rhonda Henry
Printed Name of Authorized Person
/s/ Rhonda Henry
Signature of Authorized Person
President
Title of Authorized Person
August 10, 2023
Date

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) and 15d – 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 15, 2024

/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) and 15d – 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 15, 2024

/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) and 15d – 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 15, 2024

/s/ Jill M. Taymans
Jill M. Taymans

EXHIBIT 32.1

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 29, 2024 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 15, 2024

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

April 15, 2024

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

April 15, 2024