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AQUACELL TECHNOLOGIES INC  
Form 10QSB  
November 14, 2001

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

Form 10-QSB

(Mark one)

Quarterly report under Section 13 or 15(d) of the Securities Exchange  
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Act of 1934 For the quarterly period ended September 30, 2001.

Transition report under Section 13 or 15 (d) of the Exchange Act For  
the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-16165

AQUACELL TECHNOLOGIES, INC.  
(Exact Name of Small Business Issuers as Specified in its Charter)

Delaware 33-0750453  
(State of Incorporation) (IRS employer identification number)

104 10 Trademark Street  
Rancho Cucamonga, CA 91730  
(Address of Principal Executive Offices)

(909) 987-0456  
(Issuer's Telephone Number, Including Area Code)

\_\_\_\_\_

Check whether the issuer: (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  
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APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY  
PROCEEDING DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to  
be filed by Section 12, 13 or 15 (d) of the Exchange Act after the distribution  
of Securities under a plan confirmed by a court.

Yes \_\_\_\_\_ No \_\_\_\_\_

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of  
common equity, as of the latest practicable date:

Common Stock, \$.001 par value 8,205,057 shares outstanding  
as of November 12, 2001

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Transitional Small Business Disclosure Format (check one):  
Yes \_\_\_\_\_ No  X  
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AQUACELL TECHNOLOGIES, INC.

FORM 10-QSB

FOR THE QUARTER ENDED SEPTEMBER 30, 2001

TABLE OF CONTENTS

PART 1- FINANCIAL INFORMATION

Item 1 Financial Statements:

Condensed Consolidated Balance Sheet as of September 30, 2001.....

Condensed Consolidated Statements of Operations for the three month periods ended September 30, 2001 and 2000.....

Condensed Consolidated Statements of Cash Flow for the three month periods ended September 30, 2001 and 2000.....

Notes to Condensed Consolidated Financial Statements .....

Item 2 Managements Discussion and Analysis: .....

Forward-Looking Statements

Overview

Results of Operations

Liquidity and Capital Resources

PART II- OTHER INFORMATION

Item 6 Exhibits and reports on Form 8-K .....

Signature.....

Part I. Financial Information

ITEM 1. FINANCIAL STATEMENTS

AQUACELL TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEET  
September 30, 2001  
(unaudited)

ASSETS

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Current assets:

Cash.....	\$	6
Notes receivable, including accrued interest of \$14,000.....		1,63
Accounts receivable.....		3
Inventories.....		6
Prepaid expenses and other current assets.....		25
		-----
Total current assets.....		2,06

Property and equipment, net..... 7

Other assets:

Patents, net.....		13
Security deposits.....		1
		-----
	\$	2,28
		=====

LIABILITIES

Current liabilities:

Accounts payable.....	\$	25
Accrued expenses		10
Advances payable to officer/stockholder.....		
		-----
Total current liabilities.....		36
		-----

Commitments and contingencies

STOCKHOLDERS' EQUITY:

Preferred stock, par value \$.001; 10,000,000 shares authorized; no shares issued  
Common stock, par value \$.001; 40,000,000 shares authorized; 7,743,250 shares  
issued and outstanding.....

Additional paid-in capital.....		9,66
Accumulated deficit.....		(7,41)
		-----
		2,25
Unamortized deferred compensation.....		(33)
		-----
		1,92
		-----
	\$	2,28
		=====

See notes to condensed consolidated financial statements

AQUACELL TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

Three Months Ende  
September 30,

-----  
2001

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Revenue:		
Net sales.....	\$ 68,000	\$
Rental income.....	2,000	
	70,000	\$
Cost of sales.....	28,000	
Gross profit.....	42,000	
Selling, general and administrative expenses:		
Salaries and wages.....	233,000	
Legal, accounting and other professional expenses.....	353,000	
Other.....	244,000	
	830,000	
Loss from operations before interest (expense) income .....	(788,000)	(
Interest (expenses) income:		
Amortization of debt discount.....	-	(
Interest expense.....	-	
Interest income .....	40,000	
	40,000	(
Loss before accretion of redemption amount of redeemable common stock..	(748,000)	(
Accretion of redemption amount of redeemable common stock.....	-	
Net loss attributable to common stockholders.....	\$ (748,000)	\$ (
Net loss per common share- basic and diluted.....	\$ (0.10)	\$
Weighted average share outstanding- basic and diluted.....	7,734,000	5,

See notes to condensed consolidated financial statements

2

AQUACELL TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)

Three Months E  
September

2001

Cash flows from operating activities:	
Net loss.....	\$ (748,000)
Adjustment to reconcile net loss to net cash used in operating activities;	

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Stock based compensation.....	199,000
Interest expense, related to amortization of discount on debt for fair value of stock warrants issued.....	-
Depreciation and amortization.....	13,000
Changes in:	
Accounts receivable.....	(8,000)
Accrued interest receivable.....	41,000
Prepaid expenses and other current assets.....	35,000
Inventories.....	24,000
Security deposits.....	-
Accounts payable.....	155,000
Accrued expenses.....	62,000
Accrued interest payable.....	-
	-----
Net cash used in operating activities.....	(227,000)
	-----
Cash flows from investing activities:	
Purchase of property and equipment.....	(4,000)
	-----
Net cash used in investing activities.....	(4,000)
	-----
Cash flows from financing activities:	
Offering costs deferred.....	
Proceeds from notes payable-private loan offering.....	
Loans and advances from officers, stockholders and others, net.....	(1,000)
	-----
Net cash provided by (used in) financing activities.....	(1,000)
	-----
Increase (decrease) in cash.....	(232,000)
Cash, beginning of period.....	298,000
	-----
Cash, end of period.....	\$ 66,000
	=====
Supplemental disclosure of cash flow information:	
Cash paid for interest.....	\$ -
Supplemental schedule of non-cash investing and financing activities:	
Issuance of common stock and warrants for services to the company.....	\$ 223,000
Debt discount arising from issuance of warrants .....	\$ -
Accrual of offering costs deferred.....	\$ -

See notes to condensed consolidated financial statements

3

### AQUACELL TECHNOLOGIES, INC. AND SUBSIDIARIES

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001 and 2000 (Unaudited)

#### NOTE A - BASIS OF PRESENTATION

AquaCell Technologies, Inc. (the "Company") was incorporated in Delaware on March 19, 1997. The Company's principal business objective is to operate in the water purification business.

The accompanying consolidated financial statements include the accounts of the company and its wholly owned subsidiary. All significant intercompany

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accounts and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for the three months ended September 30, 2001 are not necessarily indicative of the results to be expected for the full year. For further information, refer to the Company's annual report filed on Form 10-KSB for the year ended June 30, 2001.

### NOTE B - NOTES RECEIVABLE

At September 30, 2001, the notes receivable consist of \$50,000 from a non-affiliated party and \$1,933,000 from non-director/employee stockholders and entities owned by them at an annual interest rate of 8%. Notes totaling \$1,750,000 maturing August 16, 2001 were extended to September 16, 2001. At September 16, 2001, the notes were restructured into twelve-month installment notes collateralized by marketable securities with the first installment due October 16, 2001. At the time of the restructuring, the Company received all interest payments due through the September restructuring date, and in October received the October and November, 2001 payments of principal and interest. The Company has recorded an adjustment, during the year ended June 30, 2001, to reflect a reduction in the estimated fair value of these notes of \$365,000. An unsecured note, in the amount of \$175,000, maturing on October 25, 2001 was extended to January 24, 2002 after payment of interest due and a principal payment in the amount of \$18,000. The remaining note is unsecured and matures in March 2002. Interest receivable at September 30, 2001 amounted to \$2,000 from a non-affiliated party and \$12,000 from non-director/employee stockholders and entities owned by them.

### NOTE C - INVENTORIES

Inventories consist of the following:

Raw materials.....	\$	43,000
Work in progress.....		11,000
Completed product.....		10,000
		-----
	\$	64,000
		-----

## AQUACELL TECHNOLOGIES, INC. AND SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001 and 2000 (Unaudited)

### NOTE D - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

Furniture and fixtures.....	\$	35,000
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Equipment - office.....	36,000
Machinery and equipment.....	71,000
Rental units.....	10,000
Leasehold improvements.....	10,000
	-----
	162,000
Less accumulated depreciation.....	86,000
	-----
	\$ 76,000
	=====

### NOTE E -ADVANCES PAYABLE TO OFFICER/STOCKHOLDER

At September 30, 2001 the loans payable to officer/stockholder consisted of a \$3,000 unsecured non-interest bearing demand loan.

### NOTE F - NOTES PAYABLE-PRIVATE LOAN OFFERINGS

On December 11, 2000 the holders of private loan offering warrants agreed to exercise all of their 1,295,000 warrants upon the effectiveness of the initial public offering. The offering was declared effective, although not traded, on December 13, 2000. The settlement of the exercise price was realized through the retirement of all \$1,295,000 of the notes payable-private loan offering.

At September 30, 2000, interest accrued on these notes amounted to \$135,000. Interest expense (excluding amortization of debt discount) during the three months ended September 30, 2001 and 2000 amounted to \$-0- and \$31,000 respectively. During the three months ended September 30, 2000, amortization of the debt discount amounted to \$346,000.

### NOTE G - NOTE PAYABLE-UNION LABOR LIFE INSURANCE COMPANY

On January 11, 1999, the Company closed a \$500,000 note and warrant purchase agreement with the Union Labor life Insurance Co. ("ULLICO"). Under the terms of the agreement, the Company issued a six-month senior note, with interest at the rate of 10% per annum and a warrant to purchase 500,000 shares of the Company's common stock to be exercisable for a four-year period at \$1.00 per share. The maturity date was subsequently extended to April 30, 2000. The Company estimated the fair value of these warrants to be \$86,000, using the Black-Scholes valuation method. Such amount was amortized to interest expense over the six-month term of the note. At January 1, 2000, interest accrued at December 31, 1999 in the amount of \$17,000 was added to principal on the note and the rate was changed to 15% per annum from January 1, 2000. On May 4, 2000 the note was extended to July 30, 2000 and accrued interest at April 30, 2000 in the amount of \$26,000, was added to principal on the note. In connection with the note extension, the Company issued 50,000 warrants to ULLICO at an exercise price of \$5.00 per share and expiring on January 11, 2003. The Company recorded debt discount based upon the estimated value of the warrants totaling \$39,000. The Warrants were valued utilizing the Black-Scholes valuation method. On July 27, 2000, the note's maturity was extended to October 31, 2000 and was subsequently extended to March 31, 2001. During the three months ended September 30, 2000 amortization of the debt discount amounted to \$13,000. Interest expense (excluding amortization of debt discount) in relation to this loan amounted to \$-0- and \$21,000 during the three months ended September 30, 2001 and 2000 respectively.

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## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001 and 2000 (Unaudited)

### NOTE H - EQUITY TRANSACTIONS

In connection with the purchase of certain assets (consideration for which included 200,000 shares of the Company's common stock), an option was granted to the holder of 135,000 shares of common stock to put the stock back to the Company at a price of \$1.00 per share plus interest at 7% per annum if the Company had not registered its common stock by December 21, 2000. The Company's common stock became registered on December 13, 2000 and the shares, including interest, were returned to stockholders' equity upon completion of the IPO.

In connection with a financial consulting agreement, on June 1, 2001 the Company issued a warrant to purchase 200,000 shares of the Company's common stock to be exercisable for a five-year period at \$4.20 per share. The Company estimated the fair value of these warrants to be \$370,000. As a result of the cancellation and non-refundable provisions, the value of these warrants is being amortized over the six-month period beginning June 1, 2001. Amortization amounted to \$185,000 during the three months ended September 30, 2001.

On August 16, 2001, the Company entered into a consulting agreement for nonexclusive services related to corporate strategies and other matters. The agreement is for a three-year term. As compensation under the agreement, the Company granted warrants to purchase 75,000 shares of common stock at an exercise price of \$4.40 per share, whose total fair value is estimated at approximately \$110,000. Amortization amounted to \$5,000 for the three months ended September 30, 2001.

On September 26, 2001, the Company entered into a consulting agreement for nonexclusive services related to corporate strategies and other matters. The agreement is for a six month term. As compensation under this agreement, the Company will pay a \$2,500 monthly fee, as well as 10,000 shares of common stock, valued at \$34,000, and warrants (50,000 and 50,000 at exercise prices of \$4.50 and \$5.50, respectively), whose fair value is estimated at approximately \$79,000. Amortization of the stock and warrants amounted to \$9,000 for the three months ended September 30, 2001.

### NOTE I - COMMITMENTS AND CONTINGENCIES

Upon the closing of the IPO, the Company entered into a one-year financial consulting agreement for a total fee of \$60,000, commencing February 16, 2001, paid in advance.

The Company entered into a two-year consulting agreement with a firm to work on the development of a global marketing strategy to address opportunities worldwide for the Company's products. The agreement commenced April 1, 2001 and requires monthly payments of \$12,500. A payment of \$150,000 was made upon signing.

On June 1, 2001, the Company entered into a financial consulting agreement with a registered broker-dealer. The agreement provides for a fee consisting of \$1,000 per month over a five-year period and the grant of warrants (see Note H). The agreement also provides the option to prepay all or a portion of the fee on a non-refundable basis and either party may terminate the agreement after six months upon written notice. The Company has elected to pay the fee for the entire five-year period in six monthly installments of \$10,000 beginning June 2001. As a result of the cancellation and non-refundable provisions, the value of these warrants is being amortized over the six-month



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period beginning June 1, 2001.

6

### AQUACELL TECHNOLOGIES, INC. AND SUBSIDIARIES

#### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001 and 2000 (Unaudited)

#### NOTE J - SUBSEQUENT EVENT

On October 9, 2001 the Company entered into distribution and joint venture agreements with a privately held company. In connection with the distribution agreement, which grants exclusive North American distribution and marketing rights, excluding existing customers and existing distribution agreements, the Company acquired 15% of the privately held company in exchange for 451,807 shares of common stock of the Company valued at approximately \$1,500,000. The Company granted warrants (100,000, 100,000, and 100,000 at exercise prices of \$5.00, \$6.00, and \$7.00 per share, respectively) in connection with the distribution agreement valued at approximately \$150,000. In connection with the joint-venture agreement, AquaCell owns 45% with the remaining 55% owned by the privately held company. The Agreement includes a \$100,000 payment to the Company in return for the grant of foreign marketing, distribution and manufacturing rights.

On October 9, 2001 the Company entered into a consulting agreement for nonexclusive services related to corporate strategies and other matters. The agreement is for a six-month term. As compensation under this agreement, the Company will pay a \$2,500 monthly fee, as well as 10,000 shares of common stock and warrants (50,000 and 50,000 at exercise prices of \$4.50 and \$5.50, respectively), whose value is estimated at approximately \$157,000.

On October 23, 2001 the Company signed an agreement to acquire a privately held company, for consideration consisting of common stock with a value of approximately \$1,000,000. Closing of the agreement is conditioned upon the seller successfully negotiating the settlement of at least 70% of the outstanding balance due trade creditors to be paid from the approximately \$1,000,000 of common stock given as consideration. The Company expects to record intangibles from this transaction of approximately \$700,000.

7

#### ITEM 2- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

##### Forward-Looking Statements

When used in this Form 10-QSB and in future filings by the Company with the Commission, the words or phrases "will likely result", "management expects", or "the Company expects", "will continue", "is anticipated", "estimated" or

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similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on any such forward-looking statements, each of which speaks only as of the date made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. The Company has no obligations to publicly release the result of any revisions which may be made to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.

### Overview

The following discussions and analysis should be read in conjunction with the Company's condensed consolidated financial statements and the notes presented following the condensed consolidated financial statements. The discussion of results, causes and trends should not be construed to imply any conclusion that such results or trends will necessarily continue in the future.

Through the three months ended September 30, 2001 sales were not significant, as we focused on setting in place the infrastructure upon which to develop and build the future growth of the Company. As discussed below, through our efforts we have established relationships with key marketing partners to facilitate rapid growth while limiting the overhead typically associated with sales and marketing expenses. In addition, we have acquired a company in the water treatment industry to allow us to expand our product offering and manufacturing capabilities. This acquisition will enable AquaCell to be a full service water treatment and purification company.

In July we hired a Vice President of Sales and Marketing from Coors Brewing Company with extensive experience in development and implementation of creative marketing concepts. We anticipate that, through his directed efforts, we will be able to successfully increase revenues through our program with Roto-Rooter Plumbers, our Government Services contract which was awarded in March, 2001 and our Fortune 500 marketing strategy.

During September we announced an expanded relationship with Roto-Rooter Plumbers, beyond performing installations, to include nationwide marketing of our Purific(R) Water Cooler. Under this expanded relationship Roto-Rooter Plumbers will generate leads nationwide for AquaCell's Purific Water Cooler through the distribution of a specially designed brochure to be disseminated to Roto-Rooter's substantial customer base. Additionally, a two-minute video clip describing the Purific Water Cooler will be included on Roto-Rooter's website, and will also be accessible from our website at [www.aquacell.com](http://www.aquacell.com).

In September we announced the formation of a new subsidiary, AquaCell Media, Inc. exclusively dedicated to the selling of advertising space on the label of the permanently attached five-gallon bottle on our Purific Water Cooler, an advertising innovation, whereby we are creating a billboard on a water cooler. We anticipate that the advertising sales will contribute to the future revenues and profits of the Company.

During October we entered into distribution and joint-venture agreements with Corbett Water Technologies, Inc. ("Corbett"), a subsidiary of S&B Technical Products, Inc., for worldwide distribution of our products. S&B Technical Products, Inc. is one of the largest manufacturer and supplier of water gaskets in the world. Under the terms of the agreements we will continue to work and develop our current marketing programs, including Roto-Rooter Plumbers and the Government Services Administration, with Corbett being responsible for all other marketing efforts. The agreements divide domestic marketing and international marketing into two different structures. Under the terms of the domestic sales and marketing agreement, Corbett will distribute our

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products under predetermined pricing while eliminating our incremental sales and marketing expenses. As part of this agreement we have purchased a 15% interest in Corbett for \$1,500,000 in shares of our common stock increasing our shareholders' equity. In addition, we will receive an initial order of \$250,000. Under the terms of the international joint venture agreement, a newly formed joint-venture subsidiary will have both marketing and manufacturing rights for our products. Products will be manufactured in countries around the world in which S&B Technical Products, Inc. currently has operations. AquaCell owns 45% of this newly formed venture with the remaining 55% being owned by Corbett. The agreement includes a \$100,000 payment to AquaCell in exchange for the foreign marketing and manufacturing rights.

Also during October we signed an agreement to acquire Water Science Technologies, Inc. a manufacturing firm in the water filtration and purification industry. As a result, AquaCell has secured immediate expansion of its manufacturing capabilities to meet expected production demands, an employee base with several years of experience in the industry, international expertise and the ability to develop an integrated system to be used in conjunction with our Purific Water Cooler. In our desire to expand our operation and product line, we sought to find a company to acquire that based its products and services on sound scientific principles. The Company now provides a wide range of products and services for water purification and treatment, through systems capable of treating from ten to millions of gallons of water per day to address industrial, commercial, institutional and residential needs. The

8

product line is comprised of both standard systems for conventional needs, as well as custom designed systems built to address particular situations.

The mission of AquaCell's management is to, through utilization of the programs and agreements such as those outlined above, position the Company for long-term profitable growth and enhanced shareholder value.

### Results of Operations

During the three months ended September 30, 2001 we generated minimal revenues because management devoted all of its time to setting in place the infrastructure upon which to develop and build the future growth of the Company, which included establishing worldwide distribution agreements for our products and the acquisition of an operating company in the water treatment industry. On a consolidated basis we increased revenues by 45.8% to \$70,000 for the three months ended September 30, 2001 as compared to \$48,000 for the similar period of the preceding year and our gross profit remained at 60% for the three months ended September 30, 2001.

Net loss for the three months ended September 30, 2001 was \$748,000 or \$.10 per share as compared to \$699,000 or \$.14 per share for the same period of the prior year. Of this amount, operating expenses consisting of salaries and wages and other selling, general and administrative expenses, exclusive of depreciation and amortization of \$13,000 were \$464,000 or \$.06 per share for the three months ended September 30, 2001 as compared to \$254,000 or \$.05 per share for the comparable three months of the prior year. Of the current period operating expenses, \$171,000 or \$.02 per share represented the cost of increased staff, primarily in manufacturing, sales and marketing. In addition, \$353,000 or \$.05 per share represented legal, accounting and other professional expenses for the three months ended September 30, 2001 compared to \$59,000 or \$.01 per share for the three months ended September 30, 2000. Of the current period expense \$199,000 or \$.03 per share was stock based compensation representing the amortization of common shares and warrants issued in connection with consulting

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agreements primarily for investment banking purposes. Of this amount \$196,000 represents amortization in connection with warrants. If exercised, these warrants will provide additional capital of up to \$1,670,000 to the Company, replacing capital not realized as a result of the reduction of the size of our initial public offering due to market conditions. The increase in legal, accounting and other professional expenses also includes \$130,000 or \$.02 per share attributed to the issuance of marketing and consulting agreements primarily for the operating subsidiary put in place after the completion of the initial public offering, from which we expect to generate growth and enhanced shareholder value.

There was no amortization of debt discount for the three-month period ended September 30, 2001 because the warrants issued in connection with the notes payable were exercised and converted to equity through the retirement of the notes, as compared to \$359,000 for the three months ended September 30, 2000. The Company incurred no interest expense during the three-month period ended September 30, 2001 as compared to \$54,000 for the three months ended September 30, 2000, and recognized interest income of \$40,000 on notes receivable for the three months ended September 30, 2001.

### Liquidity and Capital Resources

During the three months ended September 30, 2001 we financed our operations from the remaining proceeds of the initial public offering and the interest income of \$81,000 received from the notes receivable. A net repayment of officer loans amounted to \$1,000 during the period.

Cash used by operations during the three months ended September 30, 2001 amounted to \$227,000. Net loss of \$748,000 was reduced by non-cash stock based compensation in the amount of \$199,000 and depreciation and amortization of \$13,000. Cash used by operations was further increased by an increase in accounts receivable in the amount of \$8,000 and decreased by accounts payable and accrued expenses in the amount of \$217,000 resulting from use of the proceeds from the initial offering to eliminate Company debt. Net loss was further decreased by net changes in accrued interest receivable, prepaid expenses and inventories amounting to \$100,000.

9

We have granted warrants, subsequent to our initial public offering in connection with consulting and marketing agreements that may generate additional capital of up to approximately \$4,000,000 if exercised.

Cash used by investing activities during the three months ended September 30, 2001 represented expenditures for property and equipment in the amount of \$4,000.

In connection with the \$1,750,000 notes receivable restructured into twelve-month installment notes, at the time of the restructuring, the Company received all interest payments due through the September restructuring date, and in October received the October and November, 2001 payments of principal and interest.

Management believes that the collections on notes receivable and cash flows expected to be generated from future operations will be sufficient to meet presently anticipated needs for working capital and capital expenditures through at least the next 12 months; however, there can be no assurance in that regard. The Company presently has no material commitments for future capital expenditures.

10

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Part II. Other Information

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Reports on Form 8-K: None

Signature

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AquaCell Technologies, Inc.  
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Registrant

Date: November 14, 2001

/s/ Gary S. Wolff  
-----

Gary S. Wolff  
Chief Financial Officer