

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 26, 2023**

AVALON GLOBOCARE CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38728
(Commission File Number)

47-1685128
(IRS Employer
Identification No.)

4400 Route 9 South, Suite 3100
Freehold, NJ 07728
(Address of principal executive offices)

Registrant's telephone number, including area code: **(732) 780-4400**

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	ALBT	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Explanatory Note.

Unless otherwise stated or unless the context otherwise requires, the terms “we,” “us,” “our,” “Avalon,” and the “Company” refer to Avalon GloboCare Corp., a Delaware corporation.

On February 9, 2023 (the “Closing Date”), the Company entered into and closed an Amended and Restated Membership Interest Purchase Agreement (the “Amended MIPA”), by and among Avalon Laboratory Services, Inc., a wholly-owned subsidiary of the Company (the “Buyer”), SCBC Holdings LLC (the “Seller”), the Zoe Family Trust, Bryan Cox and Sarah Cox as individuals (each an “Owner” and collectively, the “Owners”), and Laboratory Services MSO, LLC (“Laboratory Services MSO”). Pursuant to the terms and conditions set forth in the Amended MIPA, Buyer acquired, on the Closing Date, forty percent (40%) of all the issued and outstanding equity interests of Laboratory Services MSO (the “Purchased Interests”) from the Seller, free and clear of all liens (the “Transaction”). The Amended MIPA was filed as Exhibit 2.1 to the Current Report on Form 8-K with the Securities Exchange Commission (the “SEC”) on February 13, 2023 (the “Form 8-K”).

On April 26, 2023, in connection with the Transaction, the Company filed an amendment to the Form 8-K in order to include: (i) the audited consolidated financial statements of Laboratory Services MSO for the fiscal years ended December 31, 2022 and 2021, respectively, and the related notes thereto; and (ii) the unaudited pro forma condensed combined financial information of the Company and Laboratory Services MSO, as of and for the fiscal year ended December 31, 2022 (the “Form 8-K/A”).

Item 2.02. Results of Operations and Financial Condition.

On April 27, 2023, the Company issued a press release regarding the audited consolidated financial statements of Laboratory Services MSO for the fiscal years ended December 31, 2022 and 2021, respectively, and the related notes thereto, as set forth in the 8-K/A. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated by reference herein.

The information contained in this Item 2.02 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Cautionary Note Regarding Forward-Looking Statements.

This report, including Exhibit 99.1 furnished herewith, contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements typically are identified by use of terms such as “may,” “will,” “should,” “plan,” “expect,” “anticipate,” “estimate” and similar words, and the opposites of such words, although some forward-looking statements are expressed differently. Forward-looking statements involve known and unknown risks and uncertainties that exist in the Company’s operations and business environment, which may be beyond the Company’s control, and which may cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward- looking statements. For example, forward-looking statements include, without limitation: statements regarding prospects for additional customers; market forecasts; projections of earnings, revenues, synergies, accretion or other financial information; and plans, strategies and objectives of management for future operations. The risks and uncertainties referred to above include, but are not limited to, risks detailed from time to time in the Company’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended December 31, 2022. These risks could cause actual results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company. Forward-looking statements represent the judgment of management of the Company regarding future events. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at the time that they are made, the Company can give no assurance that such expectations will prove to be correct. Unless otherwise required by applicable law, the Company assumes no obligation to update any forward-looking statements, and expressly disclaims any obligation to do so, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished herewith:

Exhibit No.	Exhibit
99.1*	Press Release issued by the Company, dated April 27, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVALON GLOBOCARE CORP.

Date: April 27, 2023

By: /s/ Luisa Ingargiola
Name: Luisa Ingargiola
Title: Chief Financial Officer



Avalon GloboCare Reports Laboratory Services MSO Revenue of \$14.7 Million and Net Income of \$6.3 Million in 2022

40% Profit Sharing Arrangement with Laboratory Services MSO is Expected to Result in Significant Future Cash Flow to the Company

FREEHOLD, N.J., April 27, 2023 (GLOBE NEWSWIRE) – Avalon GloboCare Corp. (“Avalon” or the “Company”) (NASDAQ: ALBT), a developer of innovative cell-based technology, cellular therapy and precision diagnostics, today reported financial results for Laboratory Services MSO, LLC (“LSM”) for the twelve months ended December 31, 2022. In February 2023, Avalon acquired a 40% interest in LSM, a premier clinical diagnostics and reference laboratory.

LSM 2022 Financial Highlights

- Revenue was \$14.7 million
- Gross profit was \$8.1 million
- Total operating expense was \$2.4 million
- Net income was \$6.3 million

“We are pleased to report strong financial results and profitability for LSM in 2022, which we believe is further validation of our strategic investment,” stated David Jin, M.D., Ph.D., President and Chief Executive Officer of Avalon GloboCare. “LSM offers an extensive test menu, from general bloodwork to anatomic pathology, urine toxicology, pharmacogenomics (PGx) testing and more, with quick turnaround times. Our goal is to continue to grow LSM’s top and bottom line by taking advantage of a unique roll-up opportunity within the highly fragmented market for laboratory testing and services. By targeting laboratories with exceptional performance, a positive revenue track record and niche-market advantage, we believe we can effectively leverage LSM’s experience and infrastructure to achieve significant synergies.”

Headquartered in Costa Mesa, California, LSM provides a broad portfolio of diagnostic tests including drug testing, toxicology, pharmacogenetics, and a broad array of test services, from general bloodwork to anatomic pathology. Specific capabilities include STAT blood testing, qualitative drug screening, genetic testing, urinary testing, sexually transmitted disease testing and more. LSM has a sophisticated and state-of-the-art facility for clinical diagnostics and reference laboratory. It has also developed a premier reputation for customer service satisfaction and fast turnaround time in the industry. LSM has completed over 600,000 tests since inception and currently has two operational locations in California.

About Avalon GloboCare Corp.

Avalon GloboCare Corp. (NASDAQ: ALBT) is a clinical-stage biotechnology company dedicated to developing and delivering innovative, transformative cellular therapeutics, precision diagnostics, and clinical laboratory services. Avalon also provides strategic advisory and outsourcing services to facilitate and enhance its clients’ growth and development, as well as competitiveness in healthcare and CellTech industry markets. Through its subsidiary structure with unique integration of verticals from innovative R&D to automated bioproduction and accelerated clinical development, Avalon is establishing a leading role in the fields of cellular immunotherapy (including CAR-T/NK), exosome technology (ACTEX™), and regenerative therapeutics. For more information about Avalon GloboCare, please visit www.avalon-globocare.com.

For the latest updates on Avalon GloboCare's developments, please follow our twitter at @avalongc_avco

Forward-Looking Statements

Certain statements contained in this press release may constitute "forward-looking statements." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact, including statements regarding LSM. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors as disclosed in our filings with the Securities and Exchange Commission located at their website (<http://www.sec.gov>). In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. The forward-looking statements included in this press release represent the Company's views as of the date of this press release and these views could change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of the press release.

Contact Information:

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Investor Relations:

Crescendo Communications, LLC
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albt@crescendo-ir.com

(tables follow)

LABORATORY SERVICES MSO, LLC AND AFFILIATES
COMBINED BALANCE SHEETS

	December 31,	
ASSETS	2022	2021
CURRENT ASSETS:		
Cash	\$ 439,778	\$ 607,982
Accounts receivable	4,088,069	3,086,966
Other current assets	86,277	-
Total Current Assets	4,614,124	3,694,948
NON-CURRENT ASSETS:		
Operating lease right-of-use assets, net	1,758,063	-
Finance lease right-of-use assets, net	291,419	-
Property and equipment, net	14,667	18,667
Total Non-current Assets	2,064,149	18,667
Total Assets	\$ 6,678,273	\$ 3,713,615
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 573,395	\$ 184,139
Accrued payroll liability	38,589	42,077
Operating lease obligation	229,874	-
Finance lease obligation	112,457	-
Total Current Liabilities	954,315	226,216
NON-CURRENT LIABILITIES:		
Operating lease obligation - noncurrent portion	1,680,017	-
Finance lease obligation - noncurrent portion	178,962	-
Total Non-current Liabilities	1,858,979	-
Total Liabilities	2,813,294	226,216
Commitments and Contingencies (Note 8)		
MEMBER'S EQUITY	3,864,979	3,487,399
Total Liabilities and Member's Equity	\$ 6,678,273	\$ 3,713,615

See accompanying notes to the combined financial statements.

LABORATORY SERVICES MSO, LLC AND AFFILIATES
COMBINED STATEMENTS OF INCOME

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
REVENUE	\$ 14,689,747	\$ 18,278,430
COST OF REVENUE	<u>6,612,268</u>	<u>5,002,674</u>
GROSS PROFIT	<u>8,077,479</u>	<u>13,275,756</u>
OPERATING EXPENSES:		
Selling and marketing expense	1,344,552	480,269
Professional fees	714,662	375,667
Other general and administrative expenses	<u>296,704</u>	<u>281,128</u>
Total Operating Expenses	<u>2,355,918</u>	<u>1,137,064</u>
OPERATING INCOME	<u>5,721,561</u>	<u>12,138,692</u>
OTHER INCOME (EXPENSE)		
Forgiveness of Paycheck Protection Program loan	-	95,000
Employee Retention Tax Credit	609,634	-
Other income	<u>11,938</u>	<u>24,330</u>
Total Other Income, net	<u>621,572</u>	<u>119,330</u>
INCOME BEFORE INCOME TAXES	6,343,133	12,258,022
INCOME TAXES	<u>-</u>	<u>-</u>
NET INCOME	<u>\$ 6,343,133</u>	<u>\$ 12,258,022</u>

See accompanying notes to the combined financial statements.