

LITHIUM TECHNOLOGY CORP
Form 10QSB
November 19, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-QSB

(Mark One)

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For The Quarterly Period Ended September 30, 2003

.. TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-10446

LITHIUM TECHNOLOGY CORPORATION

(Exact Name of Small Business Issuer as Specified in Its Charter)

DELAWARE
(State or Other Jurisdiction of

13-3411148
(I.R.S. Employer

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Incorporation or Organization)

Identification No.)

5115 CAMPUS DRIVE, PLYMOUTH MEETING, PA 19462

(Address of Principal Executive Offices)

(610) 940-6090

(Issuer's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Yes ☒ No ☐

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS 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: As of November 18, 2003: 4,411,459 shares of Common Stock.

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

LITHIUM TECHNOLOGY CORPORATION AND SUBSIDIARIES

FORM 10-QSB

FOR THE QUARTER ENDED SEPTEMBER 30, 2003

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL INFORMATION

LITHIUM TECHNOLOGY CORPORATION AND SUBSIDIARIES

(DEVELOPMENT STAGE COMPANIES)

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	September 30, 2003	December 31, 2002
	<u> </u>	<u> </u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 31,000	\$ 165,000
Accounts receivable	15,000	17,000
Inventories, net	88,000	114,000
Related party receivable	115,000	103,000
Prepaid expenses and other current assets	600,000	641,000
	<u> </u>	<u> </u>
Total current assets	849,000	1,040,000
Due from related parties	2,943,000	2,593,000
Property and equipment, net	5,224,000	4,875,000
Intangibles, net	9,282,000	9,923,000
Other assets	21,000	21,000
	<u> </u>	<u> </u>
Total assets	\$ 18,319,000	\$ 18,452,000
	<u> </u>	<u> </u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,440,000	\$ 1,088,000
Accrued salaries	529,000	232,000
Notes payable	51,000	63,000
Current portion of long term debt	603,000	368,000
Payable to related party	715,000	497,000
Other current liabilities and accrued expenses	268,000	514,000
	<u> </u>	<u> </u>
Total current liabilities	3,606,000	2,762,000
LONG-TERM LIABILITIES, LESS CURRENT PORTION	32,543,000	28,407,000
CONVERTIBLE DEBT SECURITIES	10,478,000	5,537,000
	<u> </u>	<u> </u>
Total liabilities	46,627,000	36,706,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Preferred stock, par value \$.01 per share, Authorized-100,000 shares; Issued and outstanding 1,000 shares Series A Convertible Preferred Stock		
Common stock, par value \$.01 per share, Authorized-125,000,000 shares; Issued and outstanding 4,411,770 shares	44,000	44,000
Additional paid-in capital	10,679,000	10,679,000
Cumulative translation adjustments	(4,168,000)	(1,589,000)
Accumulated deficit	(200,000)	(200,000)
Deficit accumulated during development stage	(34,663,000)	(27,188,000)

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Total stockholders' deficit	(28,308,000)	(18,254,000)
Total liabilities and stockholders' deficit	\$ 18,319,000	\$ 18,452,000

See accompanying notes to condensed consolidated financial statements.

LITHIUM TECHNOLOGY CORPORATION AND SUBSIDIARIES

(DEVELOPMENT STAGE COMPANIES)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,		PERIOD FROM FEBRUARY 12, 1999 (INCEPTION OF DEVELOPMENT STAGE) TO SEPTEMBER 30,
	2003	2002	2003	2002	2003
REVENUES					
Development contracts and prototype sales	\$ 126,000	\$ 82,000	\$ 285,000	\$ 102,000	\$ 406,000
COSTS AND EXPENSES					
Engineering, research and development	1,182,000	524,000	3,326,000	1,371,000	12,454,000
General and administrative	845,000	298,000	2,689,000	962,000	8,082,000
Depreciation and amortization	369,000	114,000	1,123,000	314,000	7,864,000
In process research and development					3,700,000
Loss (gain) on sale of assets	11,000		(5,000)	12,000	38,000
	2,407,000	936,000	7,133,000	2,659,000	32,138,000
OTHER INCOME (EXPENSE)					
Foreign government subsidies	239,000	114,000	645,000	421,000	2,167,000
Interest expense, net of interest income	(388,000)	(347,000)	(1,272,000)	(899,000)	(5,098,000)
	(149,000)	(233,000)	(627,000)	(478,000)	(2,931,000)
NET LOSS	\$ (2,430,000)	\$ (1,087,000)	\$ (7,475,000)	\$ (3,035,000)	\$ (34,663,000)
OTHER COMPREHENSIVE INCOME (LOSS)					
Currency translation adjustments	(337,000)	91,000	(2,579,000)	(1,912,000)	(4,168,000)
COMPREHENSIVE LOSS	\$ (2,767,000)	\$ (996,000)	\$ (10,054,000)	\$ (4,947,000)	\$ (38,831,000)
Weighted average number of common shares outstanding:	9,978,797	5,567,027	9,978,797	5,567,027	
Basic and diluted net loss per share:	\$ (0.24)	\$ (0.20)	\$ (0.75)	\$ (0.55)	

See accompanying notes to condensed consolidated financial statements.

LITHIUM TECHNOLOGY CORPORATION AND SUBSIDIARIES

(DEVELOPMENT STAGE COMPANIES)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	NINE MONTHS ENDED SEPTEMBER 30,		PERIOD FROM FEBRUARY 12, 1999 (INCEPTION OF DEVELOPMENT STAGE) TO SEPTEMBER 30, 2003
	2003	2002	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (7,475,000)	\$ (3,035,000)	\$ (34,663,000)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	1,123,000	314,000	7,864,000
In-process research and development expensed			3,700,000
Loss (gain) on sale of assets	(5,000)	12,000	38,000
Non cash interest expense	1,104,000	759,000	3,347,000
Change in operating assets and liabilities, net of business acquisitions:			
Accounts receivable	2,000		(15,000)
Inventories	36,000	19,000	(75,000)
Prepaid expenses and other current assets	51,000	86,000	(177,000)
Accounts payable and accrued expenses	526,000	219,000	1,722,000
Net cash used in operating activities	(4,638,000)	(1,626,000)	(18,259,000)