

LITHIUM TECHNOLOGY CORP
Form 10QSB
May 24, 2004
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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 March 31, 2004

OR

**.. 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 1-10446

LITHIUM TECHNOLOGY CORPORATION

(Name of Small Business Issuer in Its Charter)

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DELAWARE
(State or Other Jurisdiction of

Incorporation or Organization)

13-3411148
(I.R.S. Employer

Identification No.)

5115 CAMPUS DRIVE, PLYMOUTH MEETING, PENNSYLVANIA 19462

(Address of Principal Executive Offices) (Zip Code)

(610) 940-6090

(Issuer's Telephone Number, Including Area Code)

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS

Check whether the issuer has 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 May 24, 2004, 39,060,280 shares of common stock.

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

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LITHIUM TECHNOLOGY CORPORATION AND SUBSIDIARIES

FORM 10-QSB

FOR THE QUARTER ENDED MARCH 31, 2004

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	March 31,	December 31,
	2004	2003
	<hr/>	<hr/>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 146,000	\$ 127,000
Accounts receivable	20,000	16,000
Inventories	106,000	105,000
Related party receivable	119,000	124,000
Prepaid expenses and other current assets	544,000	627,000
	<hr/>	<hr/>
Total current assets	935,000	999,000
Due from related parties	3,177,000	3,203,000
Property and equipment, net	5,315,000	5,635,000
Intangibles, net	8,870,000	9,084,000
Other assets	304,000	20,000
	<hr/>	<hr/>
Total assets	\$ 18,601,000	\$ 18,941,000
	<hr/>	<hr/>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	\$ 2,184,000	\$ 1,381,000
Accrued salaries	486,000	509,000
Notes payable		63,000
Current portion of long term debt	618,000	659,000
Payable to related party	490,000	1,453,000
Other current liabilities and accrued expenses	930,000	440,000
	<hr/>	<hr/>
Total current liabilities	4,708,000	4,505,000
LONG-TERM LIABILITIES, LESS CURRENT PORTION	34,324,000	35,067,000
CONVERTIBLE DEBT SECURITIES	10,220,000	12,609,000
	<hr/>	<hr/>
Total liabilities	49,252,000	52,181,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Preferred stock, par value \$.01 per share, Authorized 100,000 shares; Issued and outstanding: none and 1,000 shares Series A Convertible Preferred Stock	120,000	44,000

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Common stock, par value \$.01 per share, Authorized 125,000,000 shares; Issued and outstanding: 11,989,130 and 4,411,459 shares		
Additional paid-in capital	16,637,000	10,678,000
Cumulative translation adjustments	(5,600,000)	(6,383,000)
Accumulated deficit	(200,000)	(200,000)
Deficit accumulated during development stage	(41,608,000)	(37,379,000)
	<hr/>	<hr/>
Total stockholders' deficit	(30,651,000)	(33,240,000)
	<hr/>	<hr/>
Total liabilities and stockholders' deficit	\$ 18,601,000	\$ 18,941,000
	<hr/>	<hr/>

See accompanying notes to consolidated financial statements.

Table of Contents**LITHIUM TECHNOLOGY CORPORATION AND SUBSIDIARIES****(DEVELOPMENT STAGE COMPANIES)****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	THREE MONTHS ENDED		PERIOD FROM
	MARCH 31,		FEBRUARY 12, 1999
			(INCEPTION OF
			DEVELOPMENT
			STAGE) TO
			MARCH 31,
	2004	2003	2004
REVENUES			
Development contracts and prototype sales	\$ 87,000	\$ 112,000	\$ 437,000
COSTS AND EXPENSES			
Engineering, research and development	1,211,000	1,054,000	14,722,000
General and administrative	924,000	938,000	9,982,000
Depreciation and amortization	408,000	311,000	8,638,000
Stock based compensation expense	85,000		85,000
Intangibles expensed			3,700,000
Loss (gain) on sale of assets			50,000
	2,628,000	2,303,000	37,177,000
OTHER INCOME (EXPENSE)			
Foreign government subsidies	141,000	1,000	2,548,000
Interest expense, net of interest income	(677,000)	(421,000)	(6,264,000)
Interest expense related to beneficial conversion	(1,152,000)		(1,152,000)
	(1,688,000)	(420,000)	(4,868,000)
NET LOSS	\$ (4,229,000)	\$ (2,611,000)	\$ (41,608,000)
OTHER COMPREHENSIVE INCOME (LOSS)			
Currency translation adjustments	783,000	(922,000)	(5,600,000)
COMPREHENSIVE LOSS	\$ (3,446,000)	\$ (3,533,000)	\$ (47,208,000)
Weighted average number of common shares outstanding:	11,989,130	9,978,797	
Basic and diluted net loss per share:	\$ (0.35)	\$ (0.26)	

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See accompanying notes to consolidated financial statements.

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	Convertible						Deficit	
	Preferred Stock		Common Stock		Additional	Cumulative	Accumulated	
					Paid-in	Translations	Accumulated	During
	Shares	Amount	Shares	Amount	Capital	Adjustments	Deficit	Development
Balances at December 31, 2003	1,000	\$	4,411,459	\$ 44,000	\$ 10,678,000	\$ (6,383,000)	\$ (200,000)	\$ (37,379,000)
Common stock issued upon conversion of preferred stock	(1,000)		5,567,027	56,000	(56,000)			
Stock issued upon conversion of convertible notes			1,974,500	20,000	3,930,000			
Issuance of convertible debt with beneficial conversion future					2,000,000			
Stock issued for services			36,144		85,000			
Foreign currency translation adjustments						783,000		
Net loss								(4,229,000)
Balances at March 31, 2004		\$	11,989,130	\$ 120,000	\$ 16,637,000	\$ 5,600,000	\$ 200,000	\$ 41,608,000

See accompanying notes to consolidated financial statements.

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	THREE MONTHS ENDED		PERIOD FROM
	MARCH 31,		FEBRUARY 12, 1999
			(INCEPTION OF
			DEVELOPMENT
			STAGE) TO
	2004	2003	MARCH 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	\$ (4,229,000)	\$ (2,611,000)	\$ (41,608,000)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	408,000	311,000	8,638,000
In-process research and development expensed			3,700,000
Loss on sale of assets	(1,000)		49,000
Non cash interest expense	1,755,000	318,000	5,794,000
Change in operating assets and liabilities, net of business acquisitions:			
Accounts receivable	(4,000)	(2,000)	(19,000)
Inventories	(5,000)	34,000	(88,000)
Prepaid expenses and other current assets	47,000	315,000	