

LITHIUM TECHNOLOGY CORP  
Form 10QSB  
August 19, 2003  
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## SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

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### FORM 10-QSB

(Mark One)

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

For The Quarterly Period Ended June 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

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## LITHIUM TECHNOLOGY CORPORATION

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

**DELAWARE**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**13-3411148**  
(I.R.S. Employer  
Identification No.)

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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)

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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 August 15, 2003: 4,411,459 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 JUNE 30, 2003**

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## PART 1 FINANCIAL INFORMATION

## ITEM 1. FINANCIAL INFORMATION

## LITHIUM TECHNOLOGY CORPORATION AND SUBSIDIARIES

## (DEVELOPMENT STAGE COMPANIES)

## CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

	June 30, 2003	December 31, 2002
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 70,000	\$ 165,000
Accounts receivable	11,000	17,000
Inventories	144,000	114,000
Related party receivable	114,000	103,000
Prepaid expenses and other current assets	357,000	641,000
	<u>          </u>	<u>          </u>
Total current assets	696,000	1,040,000
Due from related parties	2,930,000	2,593,000
Property and equipment, net	5,184,000	4,875,000
Intangibles, net	9,489,000	9,923,000
Other assets	21,000	21,000
	<u>          </u>	<u>          </u>
Total assets	\$ 18,320,000	\$ 18,452,000
	<u>          </u>	<u>          </u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 1,201,000	\$ 1,088,000
Accrued salaries	431,000	232,000
Notes payable	55,000	63,000
Current portion of long term debt	574,000	368,000
Payable to related party	692,000	497,000
Other current liabilities and accrued expenses	297,000	514,000
	<u>          </u>	<u>          </u>
Total current liabilities	3,250,000	2,762,000
LONG-TERM LIABILITIES, LESS CURRENT PORTION	31,908,000	28,407,000
CONVERTIBLE DEBT SECURITIES	8,703,000	5,537,000
	<u>          </u>	<u>          </u>
Total liabilities	43,861,000	36,706,000
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>STOCKHOLDERS' DEFICIT</b>		
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

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Cumulative translation adjustments	(3,831,000)	(1,589,000)
Accumulated deficit	(200,000)	(200,000)
Deficit accumulated during development stage	(32,233,000)	(27,188,000)
	<u>                    </u>	<u>                    </u>
Total stockholders' deficit	(25,541,000)	(18,254,000)
	<u>                    </u>	<u>                    </u>
Total liabilities and stockholders' deficit	\$ 18,320,000	\$ 18,452,000
	<u>                    </u>	<u>                    </u>

See accompanying notes to condensed consolidated financial statements.

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LITHIUM TECHNOLOGY CORPORATION  
AND SUBSIDIARIES  
(DEVELOPMENT STAGE COMPANIES)

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS  
(UNAUDITED)

	THREE MONTHS ENDED		SIX MONTHS ENDED		PERIOD FROM
	JUNE 30,		JUNE 30,		FEBRUARY 12, 1999
	2003	2002	2003	2002	(INCEPTION OF DEVELOPMENT STAGE) TO JUNE 30,
	2003	2002	2003	2002	2003
<b>REVENUES</b>					
Development contracts and prototype sales	\$ 47,000	\$ 20,000	\$ 159,000	\$ 20,000	\$ 280,000
<b>COSTS AND EXPENSES</b>					
Engineering, research and development	1,090,000	486,000	2,145,000	847,000	11,273,000
General and administrative	906,000	420,000	1,843,000	664,000	7,236,000
Depreciation and amortization	443,000	103,000	755,000	200,000	7,496,000
Intangibles expensed					3,700,000
Loss (gain) on sale of assets	(16,000)	12,000	(16,000)	12,000	27,000
	2,423,000	1,021,000	4,727,000	1,723,000	29,732,000
<b>OTHER INCOME (EXPENSE)</b>					
Foreign government subsidies	405,000	299,000	406,000	307,000	1,928,000
Interest expense, net of interest income	(462,000)	(294,000)	(883,000)	(552,000)	(4,709,000)
	(57,000)	5,000	(477,000)	(245,000)	(2,781,000)
<b>NET LOSS</b>	<b>\$ (2,433,000)</b>	<b>\$ (996,000)</b>	<b>\$ (5,045,000)</b>	<b>\$ (1,948,000)</b>	<b>\$ (32,233,000)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Currency translation adjustments	(1,320,000)	(2,488,000)	(2,242,000)	(2,003,000)	(3,831,000)
<b>COMPREHENSIVE LOSS</b>	<b>\$ (3,753,000)</b>	<b>\$ (3,484,000)</b>	<b>\$ (7,287,000)</b>	<b>\$ (3,951,000)</b>	<b>\$ (36,064,000)</b>
Weighted average number of common shares outstanding:	9,978,797	5,567,027	9,978,797	5,567,027	

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Basic and diluted net loss per share:	\$	(0.24)	\$	(0.18)	\$	(0.51)	\$	(0.35)
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See accompanying notes to condensed consolidated financial statements.

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LITHIUM TECHNOLOGY CORPORATION  
AND SUBSIDIARIES  
(DEVELOPMENT STAGE COMPANIES)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	SIX MONTHS ENDED		PERIOD FROM
	JUNE 30,		FEBRUARY 12, 1999
			(INCEPTION OF
			DEVELOPMENT
			STAGE) TO
	2003	2002	JUNE 30, 2003
	<u>          </u>	<u>          </u>	<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	\$ (5,045,000)	\$ (1,948,000)	\$ (32,233,000)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	755,000	200,000	7,496,000
In-process research and development expensed			3,700,000
Loss (gain) on sale of assets	(16,000)	12,000	27,000
Non cash interest expense	769,000	449,000	3,012,000
Change in operating assets and liabilities, net of business acquisitions:			
Accounts receivable	6,000		(11,000)
Inventories	(18,000)		(129,000)
Prepaid expenses and other current assets	320,000	27,000	92,000
Accounts payable and accrued expenses	173,000	(143,000)	1,369,000
	<u>          </u>	<u>          </u>	<u>          </u>
Net cash used in operating activities	(3,056,000)	(1,403,000)	