

Ascent Solar Technologies, Inc.  
Form 10-Q  
May 07, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2009

or

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

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-32919

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**Ascent Solar Technologies, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

12300 Grant Street, Thornton, CO

**20-3672603**  
(I.R.S. Employer  
Identification No.)

80241

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(Address of principal executive offices)

(Zip Code)

Registrant's telephone number including area code: **303-285-9885**

**8120 Shaffer Parkway, Littleton, CO 80127**

(Former Name, former address and former fiscal year, if changed since last report)

Indicate by check mark 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 report(s), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 20, 2009, there were 20,974,203 shares of our common stock issued and outstanding.

ASCENT SOLAR TECHNOLOGIES, INC.

Quarterly Report on Form 10-Q

Quarterly Period Ended March 31, 2009

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## PART I. FINANCIAL INFORMATION

## Item 1. Condensed Financial Statements

## ASCENT SOLAR TECHNOLOGIES, INC.

(A Development Stage Company as Defined by SFAS No. 7)

## CONDENSED BALANCE SHEETS

|  | March 31,<br>2009<br>(unaudited) | December 31,<br>2008 |
|--|----------------------------------|----------------------|
| <b>ASSETS</b>  |                                  |                      |
| <b>Current Assets:</b>   |                                  |                      |
| Cash and cash equivalents  | \$ 29,316,393                    | \$ 32,913,304        |
| Restricted cash  | 2,300,000                        | 2,300,000            |
| Investments  | \$ 39,603,387                    | \$ 52,136,902        |
| Accounts receivable  | 448,713                          | 336,236              |
| Related party receivable   | 24,765                           |                      |
| Other current assets   | 678,275                          | 746,687              |
| Total current assets   | 72,371,533                       | 88,433,129           |
| <b>Property and Equipment:</b>   | 30,333,875                       | 28,446,433           |
| Less accumulated depreciation and amortization   | (1,970,359)                      | (1,521,922)          |
|  | 28,363,516                       | 26,924,511           |
| <b>Other Assets</b>  |                                  |                      |
| Deposits on manufacturing equipment  | 49,439,372                       | 38,644,881           |
| Patents, net of amortization of \$7,674 and \$2,558, respectively  | 140,524                          | 137,781              |
| Other non-current assets   | 70,625                           | 71,563               |
|  | 49,650,521                       | 38,854,225           |
| <b>Total Assets</b>  | \$ 150,385,570                   | \$ 154,211,865       |
| <b>LIABILITIES AND STOCKHOLDERS EQUITY</b>   |                                  |                      |
| <b>Current Liabilities:</b>  |                                  |                      |
| Accounts payable   | 234,732                          | \$ 265,415           |
| Related party payables   | 365,119                          | 263,280              |
| Accrued expenses   | 993,017                          | 934,433              |
| Accrued property and equipment   | 5,292,229                        | 5,115,163            |
| Current portion of long-term debt  | 206,987                          | 187,150              |
| Forward contract liabilities   | 612,212                          | 766,403              |
| Total current liabilities  | 7,704,296                        | 7,531,844            |
| <b>Deferred Rent</b>   | 10,010                           | 12,012               |
| <b>Long-Term Debt</b>  | 7,259,819                        | 7,049,902            |
| <b>Commitments and Contingencies (Notes 8 &amp; 14)</b>  |                                  |                      |
| <b>Stockholders Equity:</b>  |                                  |                      |
| Preferred stock, \$0.0001 par value, 25,000,000 shares authorized, no shares outstanding   |                                  |                      |
| Common stock, \$0.0001 par value, 75,000,000 shares authorized; 20,973,870 and 20,946,382 shares issued and outstanding at March 31, 2009 and December 31, 2008, | 2,097                            | 2,095                |

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respectively

|   |                       |                       |
|---|-----------------------|-----------------------|
| Additional paid in capital                        | 164,802,491           | 164,391,585           |
| Deficit accumulated during the development stage  | (29,519,199)          | (25,106,641)          |
| Accumulated other comprehensive income            | 126,056               | 331,068               |
| Total stockholders' equity                        | 135,411,445           | 139,618,107           |
| <b>Total Liabilities and Stockholders' Equity</b> | <b>\$ 150,385,570</b> | <b>\$ 154,211,865</b> |

The accompanying notes are an integral part of these condensed financial statements.

## ASCENT SOLAR TECHNOLOGIES, INC.

(A Development Stage Company as Defined by SFAS No. 7)

## CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

|   | For the Three Months Ended<br>March 31, |                  | For the Period<br>from inception<br>(October 18,<br>2005) through<br>March 31,<br>2009 |
|---|---|------------------|--|
|   | 2009                                    | 2008             |  |
| <b>Research and Development Revenues</b>                              | \$ 516,133                              | \$ 304,898       | \$ 3,018,536   |
| <b>Costs and Expenses</b>   |   |                  |  |
| Research and development  | 3,195,653                               | 1,824,970        | 18,897,137   |
| General and administrative  | 1,580,878                               | 1,191,152        | 15,123,982   |
| <b>Total Costs and Expenses</b>                                       | <b>4,776,531</b>                        | <b>3,016,122</b> | <b>34,021,119</b>  |
| <b>Loss from Operations</b>   | \$ (4,260,398)                          | \$ (2,711,224)   | \$ (31,002,583)  |
| <b>Other Income/(Expense)</b>   |   |                  |  |
| Interest expense  | (83,345)                                | (39,514)         | (1,170,638)  |
| Interest income   | 333,367                                 | 352,047          | 4,177,140  |
| Realized loss on investments  |   |                  | (32,103)   |
| Realized loss on forward contracts                                    | (556,373)                               |                  | (878,803)  |
| Unrealized gain (loss) on forward contracts                           | 154,191                                 |                  | (612,212)  |
|   | (152,160)                               | 312,533          | 1,483,384  |
| <b>Net Loss</b>   | \$ (4,412,558)                          | \$ (2,398,691)   | \$ (29,519,199)  |
| <b>Net Loss Per Share (Basic and diluted)</b>                         | \$ (0.21)                               | \$ (0.20)        |  |
| <b>Weighted Average Common Shares Outstanding (Basic and diluted)</b> | 20,960,497                              | 11,807,789       |  |

The accompanying notes are an integral part of these condensed financial statements.

## ASCENT SOLAR TECHNOLOGIES, INC.

(A Development Stage Company as Defined by SFAS No. 7)

## CONDENSED STATEMENTS OF STOCKHOLDERS EQUITY AND COMPREHENSIVE INCOME (LOSS)

For the Period from inception (October 18, 2005) through December 31, 2008 (Audited) and for the Three Months Ended March 31, 2009 (Unaudited)

|   | Common Stock<br>Shares | Common Stock<br>Amount | Preferred Stock<br>Shares | Preferred Stock<br>Amount | Additional<br>Paid-In<br>Capital | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Income | Total<br>Stockholders<br>Equity |
|---|------------------------|------------------------|---------------------------|---------------------------|----------------------------------|------------------------|---|---------------------------------|
| <b>Balance at inception,<br/>October 18, 2005</b>   |                        |                        |                           |                           |                                  |                        |   |                                 |
| Proceeds from sale of<br>common stock (11/05<br>@ \$.04 per share)  | 972,000                | \$ 97                  |                           | \$                        | \$ 38,783                        | \$                     | \$  | \$ 38,880                       |
| Stock based compensation:   |                        |                        |                           |                           |                                  |                        |   |                                 |
| Founders stock  |                        |                        |                           |                           | 933,120                          |                        |   | 933,120                         |
| Stock options   |                        |                        |                           |                           | 26,004                           |                        |   | 26,004                          |
| Net loss  |                        |                        |                           |                           |                                  | (1,207,234)            |   | (1,207,234)                     |
| <b>Balance, December 31,<br/>2005</b>   | 972,000                | \$ 97                  |                           | \$                        | \$ 997,907                       | \$ (1,207,234)         | \$  | \$ (209,230)                    |
| Transfer of assets at<br>historical cost (1/06<br>@ \$0.03 per share)   | 1,028,000              | 103                    |                           |                           | 31,097                           |                        |   | 31,200                          |
| Proceeds from IPO (7/06<br>@ \$5.50 per unit)   | 3,000,000              | 300                    |                           |                           | 16,499,700                       |                        |   | 16,500,000                      |
| IPO costs   |                        |                        |                           |                           | (2,392,071)                      |                        |   | (2,392,071)                     |
| Stock issued to bridge loan<br>lenders (7/06 @ \$2.75 per<br>share)   | 290,894                | 29                     |                           |                           | 799,971                          |                        |   | 800,000                         |
| Exercise of stock options<br>(9/06 & 12/06 @ \$0.10<br>per share)   | 31,200                 | 3                      |                           |                           | 3,117                            |                        |   | 3,120                           |
| Stock based<br>compensation stock options   |                        |                        |                           |                           | 348,943                          |                        |   | 348,943                         |
| Net loss  |                        |                        |                           |                           |                                  | (4,180,912)            |   | (4,180,912)                     |
| <b>Balance, December 31,<br/>2006</b>   | 5,322,094              | \$ 532                 |                           | \$                        | \$ 16,288,664                    | \$ (5,388,146)         | \$  | \$ 10,901,050                   |
| Exercise of stock options<br>(1/07 - 12/07 @ \$.10)<br>(7/07 - 12/07 @ \$4.25)<br>(9/07 - 12/07 @ \$2.51 -<br>\$2.76) | 169,963                | 17                     |                           |                           | 346,417                          |                        |   | 346,434                         |
| Conversion of Class A<br>public warrants at \$6.60  | 3,098,382              | 310                    |                           |                           | 20,449,011                       |                        |   | 20,449,321                      |
| Redemption of Class A<br>public warrants at \$0.25<br>per share   |                        |                        |                           |                           | (48,128)                         |                        |   | (48,128)                        |
| Conversion of Class B<br>public warrants at \$11.00<br>per share  | 11,000                 | 1                      |                           |                           | 120,999                          |                        |   | 121,000                         |
| Stock based compensation<br>stock options   |                        |                        |                           |                           | 1,734,879                        |                        |   | 1,734,879                       |

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|  |            |          |    |               |    |              |               |
|--|------------|----------|----|---------------|----|--------------|---------------|
| Proceeds from private placement:                                     |            |          |    |               |    |              |               |
| Common stock (3/07 @ \$5.77 and 8/07 @ \$7.198)                      | 2,534,462  | 254      |    | 15,962,003    |    |              | 15,962,257    |
| Class B public warrants (8/07 @ \$1.91)                              |            |          |    | 3,754,468     |    |              | 3,754,468     |
| Private placement costs  |            |          |    | (75,807)      |    |              | (75,807)      |
| Exercise of representative warrants (9/07 - 11/07 @ \$6.60 per unit) | 300,000    | 30       |    | 1,979,970     |    |              | 1,980,000     |
| Net loss   |            |          |    |               |    | (6,503,419)  | (6,503,419)   |
| <b>Balance, December 31, 2007</b>                                    | 11,435,901 | \$ 1,144 | \$ | \$ 60,512,476 | \$ | (11,891,565) | \$ 48,622,055 |

The accompanying notes are an integral part of these condensed financial statements.

## ASCENT SOLAR TECHNOLOGIES, INC.

(A Development Stage Company as Defined by SFAS No. 7)

## CONDENSED STATEMENTS OF STOCKHOLDERS EQUITY AND COMPREHENSIVE INCOME (LOSS)

(Continued)

For the Period from inception (October 18, 2005) through December 31, 2008 (Audited) and for the Three Months Ended March 31, 2009 (Unaudited)

|  | Common Stock<br>Shares | Common Stock<br>Amount | Preferred Stock<br>Shares | Preferred Stock<br>Amount | Additional<br>Paid-In<br>Capital | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Income | Total<br>Stockholders<br>Equity |
|--|------------------------|------------------------|---------------------------|---------------------------|----------------------------------|------------------------|---|---------------------------------|
| <b>Balance, December 31, 2007</b>  | 11,435,901             | \$ 1,144               |                           | \$                        | \$ 60,512,476                    | \$ (11,891,565)        |   | \$ 48,622,055                   |
| Exercise of stock options<br>(1/08 - 12/08 @ \$0.10,<br>\$2.73, \$2.90 & \$4.25) | 133,137                | 13                     |                           |                           | 120,520                          |                        |   | 120,533                         |
| Issuance of Restricted<br>Stock  | 69,846                 | 7                      |                           |                           | (7)                              |                        |   |                                 |
| Conversion of Class B<br>public warrants at \$11.00<br>per share                 | 98,800                 | 10                     |                           |                           | 1,086,790                        |                        |   | 1,086,800                       |
| Stock based compensation   |                        |                        |                           |                           | 1,881,399                        |                        |   | 1,881,399                       |
| Proceeds from private<br>placement:  |                        |                        |                           |                           |                                  |                        |   |                                 |
| Common stock (3/08<br>@ \$9.262 & 10/08 @<br>\$6.176)                            | 4,763,698              | 476                    |                           |                           | 36,647,217                       |                        |   | 36,647,693                      |
| Class B public warrants<br>(3/08 @ \$3.954)                                      |                        |                        |                           |                           | 6,681,884                        |                        |   | 6,681,884                       |
| Exercise of representative<br>warrants (1/08 @ \$6.60<br>per unit)               | 75,000                 | 8                      |                           |                           | 494,992                          |                        |   | 495,000                         |
| Proceeds from shareholder<br>under Section 16(b)                                 |                        |                        |                           |                           | 148,109                          |                        |   | 148,109                         |
| Proceeds from secondary<br>public offering (5/08<br>@ \$14.00)                   | 4,370,000              | 437                    |                           |                           | 61,179,563                       |                        |   | 61,180,000                      |
| Costs of secondary public<br>offering  |                        |                        |                           |                           | (4,361,358)                      |                        |   | (4,361,358)                     |
| <b>Components of<br/>comprehensive loss</b>                                      |                        |                        |                           |                           |                                  |                        |   |                                 |
| Net loss   |                        |                        |                           |                           |                                  | (13,215,076)           |   | (13,215,076)                    |
| Unrealized gain on<br>investments  |                        |                        |                           |                           |                                  |                        | 331,068   | 331,068                         |
| <b>Total comprehensive loss</b>  |                        |                        |                           |                           |                                  | (13,215,076)           | 331,068   | (12,884,008)                    |
| <b>Balance, December 31, 2008</b>  | 20,946,382             | \$ 2,095               |                           | \$                        | \$ 164,391,585                   | \$ (25,106,641)        | 331,068   | \$ 139,618,107                  |
| Exercise of stock options<br>(1/09 - 3/09 @ \$0.10)                              | 11,002                 | 1                      |                           |                           | 1,099                            |                        |   | 1,100                           |
| Issuance of Restricted<br>Stock  | 16,486                 | 1                      |                           |                           | (1)                              |                        |   |                                 |
| Stock based compensation   |                        |                        |                           |                           | 409,808                          |                        |   | 409,808                         |

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|   |            |    |       |    |    |             |             |              |             |         |    |             |
|---|------------|----|-------|----|----|-------------|-------------|--------------|-------------|---------|----|-------------|
| <b>Components of comprehensive loss</b> |            |    |       |    |    |             |             |              |             |         |    |             |
| Net loss                                |            |    |       |    |    |             | (4,412,558) |              | (4,412,558) |         |    |             |
| Unrealized loss on investments          |            |    |       |    |    |             | (205,012)   |              | (205,012)   |         |    |             |
| <b>Total comprehensive loss</b>         |            |    |       |    |    |             | (4,412,558) | (205,012)    | (4,617,570) |         |    |             |
| <b>Balance, March 31, 2009</b>          | 20,973,870 | \$ | 2,097 | \$ | \$ | 164,802,491 | \$          | (29,519,199) | \$          | 126,056 | \$ | 135,411,445 |

The accompanying notes are an integral part of these condensed financial statements.

## ASCENT SOLAR TECHNOLOGIES, INC.

(A Development Stage Company as Defined by SFAS No. 7)

## CONDENSED STATEMENTS OF CASH FLOWS

(Unaudited)

|   | For the Three Months Ended<br>March 31, |                | For the Period<br>from inception<br>(October 18, 2005)<br>through<br>March 31, 2009 |
|---|---|----------------|---|
|   | 2009                                    | 2008           |   |
| <b>Operating Activities:</b>  |   |                |   |
| Net loss  | \$ (4,412,558)                          | \$ (2,398,691) | \$ (29,519,199)   |
| Adjustments to reconcile net loss to cash used in operating activities: |   |                |   |
| Depreciation and amortization   | 450,655                                 | 268,142        | 1,982,409   |
| Stock based compensation  | 409,808                                 | 171,393        | 5,334,153   |
| Realized loss on forward contract                                       | 556,373                                 |                | 878,803   |
| Unrealized (gain)loss on forward contracts                              | (154,191)                               |                | 612,212   |
| Charge off of deferred financing costs to interest expense              |   |                | 198,565   |
| Charge off of bridge loan discount to interest expense                  |   |                | 800,000   |
| Changes in operating assets and liabilities:                            |   |                |   |
| Accounts receivable   | (112,476)                               | (58,751)       | (448,712)   |
| Related party receivables   | (24,765)                                | (1,305)        | (24,765)  |
| Other current assets  | 68,412                                  | 31,777         | (678,275)   |
| Accounts payable  | (30,683)                                | 202,405        | 234,732   |
| Related party payable   | 101,838                                 | (58,121)       | 365,118   |
| Deferred rent   | (2,002)                                 | (2,002)        | 10,010  |
| Accrued expenses  | 58,585                                  | 236,961        | 993,019   |
| Net cash used in operating activities                                   | (3,091,004)                             | (1,608,192)    | (19,261,930)  |
| <b>Investing Activities:</b>  |   |                |   |
| Purchases of available-for-sale-securities                              | (55,441,495)                            | (46,267,031)   | (751,115,244)   |
| Maturities and sales of available for-sale securities                   | 67,769,996                              | 50,321,965     | 711,637,911   |
| Purchase of property and equipment                                      | (3,451,896)                             | (5,886,368)    | (29,715,449)  |
| Deposits on manufacturing equipment                                     | (9,609,345)                             | (398,073)      | (45,538,130)  |
| Restricted cash for manufacturing equipment                             |   |                | (2,300,000)   |
| Patent activity costs   | (4,021)                                 | (3,193)        | (123,240)   |
| Deposit on Building   |   |                | (100,000)   |
| Net cash used in investing activities                                   | (736,761)                               | (2,232,700)    |   |