

PLUG POWER INC  
Form 10-Q  
May 11, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**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, 2015**

**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: 1-34392**

# PLUG POWER INC.

(Exact name of registrant as specified in its charter)

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

**22-3672377**  
(I.R.S. Employer  
Identification Number)

**968 ALBANY SHAKER ROAD, LATHAM, NEW YORK 12110**

(Address of Principal Executive Offices, including Zip Code)

**(518) 782-7700**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), 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 the 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

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

The number of shares of common stock, par value of \$.01 per share, outstanding as of May 8, 2015 was 173,439,521.

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Table of Contents**PART 1. FINANCIAL INFORMATION****Item 1 Interim Financial Statements (Unaudited)****Plug Power Inc. and Subsidiaries****Consolidated Balance Sheets****(Unaudited)**

	March 31, 2015	December 31, 2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 131,537,210	\$ 146,205,071
Accounts receivable	7,770,863	16,094,788
Inventory	32,092,915	24,735,601
Prepaid expenses and other current assets	6,422,763	5,709,766
Total current assets	177,823,751	192,745,226
Restricted cash	1,218,181	500,000
Property, plant, and equipment, net	5,195,295	5,311,907
Leased property under capital lease, net	1,807,703	1,936,826
Note receivable	431,489	447,408
Intangible assets, net	881,875	1,490,319
Other assets	1,907,664	1,719,055
Total assets	\$ 189,265,958	\$ 204,150,741
<b>Liabilities, Redeemable Preferred Stock, and Stockholders Equity</b>		
Current liabilities:		
Accounts payable	\$ 8,616,761	\$ 10,185,085
Accrued expenses	7,051,257	8,749,356
Product warranty reserve	1,227,369	1,311,442
Deferred revenue	2,701,200	3,318,919
Obligations under capital lease	396,061	586,879
Other current liabilities	2,137,736	1,554,960
Total current liabilities	22,130,384	25,706,641
Deferred revenue	6,863,347	6,771,485
Common stock warrant liability	7,649,618	9,418,413
Finance obligation	2,408,294	2,426,028
Other liabilities		392,335
Total liabilities	39,051,643	44,714,902
Redeemable preferred stock		
Series C redeemable convertible preferred stock, \$0.01 par value per share (aggregate involuntary liquidation preference \$16,663,782) 10,431 shares authorized; Issued and outstanding: 5,231 at March 31, 2015 and December 31, 2014	1,152,720	1,152,720
Stockholders equity:		
Common stock, \$0.01 par value per share; 450,000,000 shares authorized; Issued (including shares in treasury): 173,793,580 at March 31, 2015 and 173,644,532 at December 31, 2014	1,737,936	1,736,445

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Additional paid-in capital	1,098,246,504	1,096,391,668
Accumulated other comprehensive income	897,807	897,807
Accumulated deficit	(949,158,617)	(938,080,766)
Less common stock in treasury: 378,116 at March 31, 2015 and at December 31, 2014	(2,662,035)	(2,662,035)
Total stockholders' equity	149,061,595	158,283,119
Total liabilities, redeemable preferred stock, and stockholders' equity	\$ 189,265,958	\$ 204,150,741

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

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**Plug Power Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	<b>Three months ended</b>	
	<b>2015</b>	<b>March 31,</b>
		<b>2014</b>
Product revenue	\$ 4,067,476	\$ 3,162,327
Service revenue	5,303,063	2,065,715
Research and development contract revenue	45,000	346,399
<b>Total revenue</b>	<b>9,415,539</b>	<b>5,574,441</b>
Cost of product revenue	3,837,935	3,444,964
Cost of service revenue	7,637,863	4,018,382
Cost of research and development contract revenue	51,153	417,917
Research and development expense	2,900,944	1,253,396
Selling, general and administrative expenses	7,140,969	3,252,009
Amortization of intangible assets	608,444	565,944
<b>Operating loss</b>	<b>(12,761,769)</b>	<b>(7,378,171)</b>
Interest and other income	31,176	45,009
Change in fair value of common stock warrant liability	1,768,795	(68,433,468)
Interest and other expense	(90,023)	(90,469)
<b>Net loss attributable to the Company</b>	<b>\$ (11,051,821)</b>	<b>\$ (75,857,099)</b>
Preferred stock dividends declared	(26,030)	(51,909)
<b>Net loss attributable to common shareholders</b>	<b>\$ (11,077,851)</b>	<b>\$ (75,909,008)</b>
Loss per share:		
Basic and diluted	\$ (0.06)	\$ (0.57)
<b>Weighted average number of common shares outstanding</b>	<b>173,365,830</b>	<b>133,750,522</b>

**The accompanying notes are an integral part of these unaudited interim consolidated financial statements.**

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**Plug Power Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Loss**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2015</b>	<b>2014</b>
Net loss attributable to the Company	\$ (11,051,821)	\$ (75,857,099)
Other comprehensive income (loss)		
Comprehensive Loss	\$ (11,051,821)	\$ (75,857,099)

**The accompanying notes are an integral part of these unaudited interim consolidated financial statements.**

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**Plug Power Inc. and Subsidiaries**  
**Consolidated Statements of Stockholders Equity**  
**(Unaudited)**

	Common Stock		Additional Paid- in-Capital	Accumulated Other Comprehensive Income	Treasury Stock		Accumulated Deficit	Total Stockholders Equity
	Shares	Amount			Shares	Amount		
<b>December 31, 2014</b>	173,644,532	\$ 1,736,445	\$ 1,096,391,668	\$ 897,807	378,116	\$ (2,662,035)	\$ (938,080,766)	\$ 158,283,119
Net loss attributable to the Company							(11,051,821)	(11,051,821)
Stock based compensation	23,280	233	1,696,897					1,697,130
Stock option exercises	116,667	1,167	132,000					133,167
Stock dividend	9,101	91	25,939				(26,030)	
<b>March 31, 2015</b>	173,793,580	\$ 1,737,936	\$ 1,098,246,504	\$ 897,807	378,116	\$ (2,662,035)	\$ (949,158,617)	\$ 149,061,595

**The accompanying notes are an integral part of these unaudited interim consolidated financial statements.**

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**Plug Power Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**(Unaudited)**

	Three months ended March 31,	
	2015	2014
<b>Cash Flows From Operating Activities:</b>		
Net loss attributable to the Company	\$ (11,051,821)	\$ (75,857,099)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property, plant and equipment, and investment in leased property	475,194	457,735
Amortization of intangible assets	608,444	565,944
Stock-based compensation	1,697,130	648,750
Change in fair value of common stock warrant liability	(1,768,795)	68,433,468
Changes in operating assets and liabilities that provide (use) cash:		
Accounts receivable	8,323,925	87,084
Inventory	(7,357,314)	(1,537,404)
Prepaid expenses and other assets	(901,606)	(945,646)
Note receivable	15,919	15,465
Accounts payable, accrued expenses, product warranty reserve and other liabilities	(3,160,055)	(1,115,631)
Deferred revenue	(525,857)	360,324
Net cash used in operating activities	(13,644,836)	(8,887,010)
<b>Cash Flows From Investing Activities:</b>		
Purchases of property, plant and equipment	(229,459)	(286,451)
Net cash used in investing activities	(229,459)	(286,451)