

ACORN ENERGY, INC.  
Form 10-Q  
November 14, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 10-Q**

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

**For the quarterly period ended September 30, 2018**

Commission file number: **001-33886**

**ACORN ENERGY, INC.**

(Exact name of registrant as specified in charter)

**Delaware**

**22-2786081**

(State or other jurisdiction

(I.R.S. Employer

of incorporation or organization)

Identification No.)

**1000 N West Street, Suite 1200, Wilmington, Delaware 19801**

(Address of principal executive offices)

(Zip Code)

**302-656-1708**

**(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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class

Outstanding  
at

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November  
8, 2018

Common Stock, \$0.01 par value per share 29,555,786

**ACORN ENERGY, INC.**

**Quarterly Report on Form 10-Q**

**for the Quarterly Period Ended September 30, 2018**

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Certain statements contained in this report are forward-looking in nature. These statements are generally identified by the inclusion of phrases such as “we expect”, “we anticipate”, “we believe”, “we estimate” and other phrases of similar meaning. Whether such statements ultimately prove to be accurate depends upon a variety of factors that may affect our business and operations. Many of these factors are described in our most recent Annual Report on Form 10-K as filed with the Securities and Exchange Commission.



**PART I****ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****ACORN ENERGY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)****(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)**

	As of September 30, 2018	As of December 31, 2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,422	\$ 481
Restricted cash	300	—
Accounts receivable, net	787	1,103
Inventory, net	325	229
Investment in DSIT	—	5,800
Deferred charges	861	999
Other current assets	200	91
Total current assets	3,895	8,703
Property and equipment, net	90	139
Other assets	572	380
Total assets	\$ 4,557	\$ 9,222
<b>LIABILITIES AND EQUITY (DEFICIT)</b>		
Current liabilities:		
Short-term credit	\$ 199	\$ 313
Accounts payable	385	489
Accrued expenses	525	466
Deferred revenue	2,795	2,753
Due to Acorn directors (former directors as of August 6, 2018)	220	1,690
Due to DSIT		1,624
Other current liabilities	166	185
Total current liabilities	4,290	7,520
Non-current liabilities:		
Deferred revenue	1,092	811
Due to Acorn director (former director as of August 6, 2018)	103	
Other non-current liabilities	25	139
Total non-current liabilities	1,220	950
Commitments and contingencies		

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Equity (Deficit):

Acorn Energy, Inc. shareholders

Common stock - \$0.01 par value per share:

Authorized – 42,000,000 shares; Issued – 30,357,706 and 30,302,271 shares at September 30, 2018 and December 31, 2017, respectively	304	303
Additional paid-in capital	99,853	99,819
Warrants	1,600	1,600
Accumulated deficit	(99,819 )	(98,215 )
Treasury stock, at cost – 801,920 shares at September 30, 2018 and December 31, 2017	(3,036 )	(3,036 )
Total Acorn Energy, Inc. shareholders' equity (deficit)	(1,098 )	471
Non-controlling interests	145	281
Total equity (deficit)	(953 )	752
Total liabilities and equity (deficit)	\$ 4,557	\$ 9,222

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

**ACORN ENERGY, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)****(IN THOUSANDS, EXCEPT PER SHARE DATA)**

	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Revenue	\$3,776	\$3,226	\$1,337	\$1,085
Cost of sales	1,464	1,389	506	456
Gross profit	2,312	1,837	831	629
Operating expenses:				
Research and development expenses	399	390	139	122
Selling, general and administrative expenses				