

# LiqTech International, Inc.

Q3 revenue impacted by large Oil & Gas system pushout. New lithium extraction order announced, large equity financing underway. Adjusting PT for anticipated dilution, now \$3.20 (from \$5.15).

United States  
Technology

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## COMPANY UPDATE

### Rating: BUY

Ticker: LIQT

Price: \$1.64  
intraday

Target: \$3.20  
From 5.15

#### Q3 FY24 sales impacted by \$1.5 million push-out of US Oil & Gas pilot project:

Q3 FY24 (September) revenues of \$2.5 million were down 51% yoy, and 42% below our estimate of \$4.7 million. The company cited push out of a large oil and gas pilot project in the US from Q3 FY24 to 2H FY25 due to a location change. EPS came in at \$(0.49), versus our estimate of \$(0.34) and consensus of \$(0.30).

#### Expense control continues, lower break-even target announced:

LIQT continues to exercise cost discipline, announcing 10% salary and headcount reductions. Operating expenses for Q3 FY24 were contained at \$2.4 million, versus the prior year amount of \$2.6 million. The company now believes it can achieve cash-flow breakeven at a quarterly sales run-rate of just \$5.5 million, versus the previous target of \$7 million.

#### Revenue guidance for Q4 FY24 remains tempered:

Management guidance for sales in Q4 FY24 is \$3.3-\$4.3 million. The midpoint would put sales flat with the prior year period (\$3.9 million).

#### Adjusting estimates:

We are lowering our FY24 revenue estimate to \$15.0 million from \$18.6 million and trimming our FY25 revenue estimate to \$19.1 million from \$21.4 million. Our new FY24 EPS estimate is \$(1.64) versus \$(1.44) previously. Given ongoing cost control and expected higher share count, we are raising our FY25 EPS estimate to \$(1.00), versus \$(1.39) previously. Consensus estimates are \$(1.08) and \$(0.83) on revenues of \$16.6 million and \$20.5 million for FY24 and FY25, respectively. Our more cautious revenue estimates reflect limited visibility on conversion of new projects to sales, rather than lower confidence in the company's business outlook.

#### US lithium brine pilot foreshadows new market for LiqTech filtration:

With the announcement of an order for from a 'leading technology company' for lithium production in the US, LiqTech breaks ground on an interesting new vertical market for its high-performance filtration technology. Whereas in Oil & Gas applications, the company is typically providing equipment downstream to treat the wastewater produced by extraction, with lithium production, LiqTech's technology will be used upstream to provide a pure input for lithium-ion exchange, which in theory increases the efficiency of the extraction process. This development is a reminder that LiqTech's application opportunities are wide-spread and diversified, and some have yet to be discovered.

#### \$10 million private placement extends runway to FY26:

LiqTech announced it will be executing a private placement of up to \$10 million, subject to shareholder approval. If the full amount goes through, we estimate the company to have over \$14 million in cash exiting Q4 FY24, enough to sustain operations well into FY2026.

#### Adjusting PT for anticipated dilution:

We are maintaining our 12-month full-company NPV estimate but adjusting our price target to reflect anticipated dilution from equity financing. Our investment thesis is that the conversion of pilot projects to new revenue streams will ultimately provide a catalyst for sales growth and stock-price appreciation. We believe the company's undemanding valuation of 0.3x EV/forward sales represents attractive risk/reward, given the company's high growth prospects and large market opportunity.

#### Company Description

Based in Ballerup, Denmark, LiqTech International, Inc. is an industrial company specializing in systems and components for environmental filtration.

#### Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.51-3.74
Shares Outstanding (million):	9.5
Market cap (\$million):	\$15.5
EV (\$million):	\$6.2
Debt (\$million):	\$5.1
Cash (\$million):	\$14.4
Avg. Daily Trading Vol (\$ millions):	\$0.023
Float (million shares):	NA
Short Interest (million shares):	0.074
Dividend, annual (yield):	NA

#### Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	4.2A	4.2A	4.5E	4.9E
Q2 Jun	4.5A	4.5A	4.8E	5.2E
Q3 Sep	2.5A	4.7E	5.4E	5.4E
Q4 Dec	3.8E	5.2E	4.8E	6.0E
Total	15.0E	18.6E	19.1E	21.4E
EV/Rev	0.4x		0.3x	

#### Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(0.41)A	(0.41)A	(0.30)E	(0.38)E
Q2 Jun	(0.37)A	(0.37)A	(0.26)E	(0.38)E
Q3 Sep	(0.49)A	(0.34)E	(0.19)E	(0.32)E
Q4 Dec	(0.37)E	(0.33)E	(0.15)E	(0.31)E
Total	\$(1.64)E	\$(1.44)E	\$(1.00)E	\$(1.39)E
PE	NA		NA	

\* reflects a 1:8 reverse stock split in May 2023

\* reflects a 1:4 reverse stock split in April 2019

#### Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.

**Exhibit 1: LiqTech International, Inc. at a Glance**

### LiqTech at a glance

- A distinguished global leader in specialty filtration, dedicated focus on advanced Silicon Carbide Membranes.
- Following a successful turnaround in 2022, we've significantly enhanced our commercial capabilities, laying the foundation for sustained growth.
- We have achieved consecutive quarter-over-quarter growth in both revenue and profitability. Our progress has brought us closer to the break-even point.
- We have a strong and attractive value proposition. We invite you to join us on this exciting journey.

**HQ in Denmark**  
 Membrane production in Ballerup  
 Systems production in Hobro

**Global Distribution Partner Network**

<p><b>+100</b> Employees</p>	<p><b>\$ 19-21 mil</b> Outlook (2023)</p>	<p><b>3</b> Locations</p>	<p><b>+ 300</b> Systems sold</p>	<p><b>+ 20</b> Years of filtration experience</p>
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Source: Company Reports

**Exhibit 2: Trends Driving LiqTech's Business**

### Mega trends driving LiqTech's business

LiqTech contributes to saving the world's scarce resources and protecting the environment

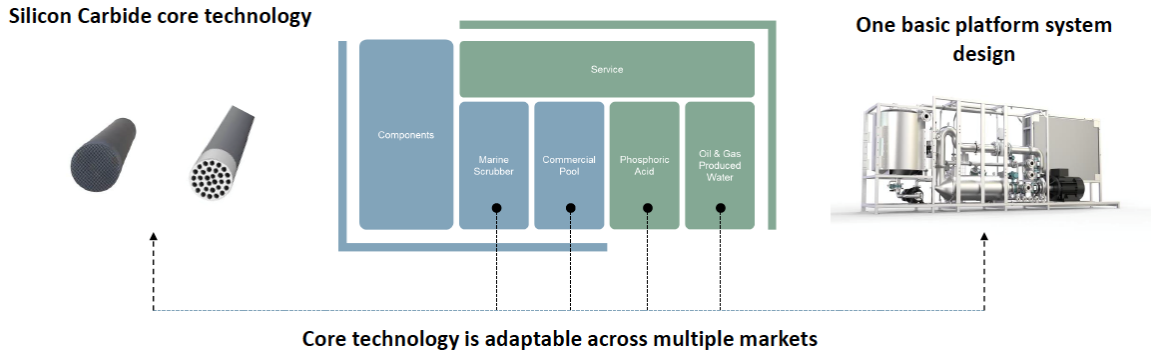
	INDUSTRY CHALLENGE	LIQTECH VALUE	OUTCOME
<div style="background-color: #e0f2f1; padding: 10px;"> <p>Three related mega trends</p> <ul style="list-style-type: none"> <li>➤ Water cleaning and reuse</li> <li>➤ Greenhouse gas emission reduction</li> <li>➤ Circular economy</li> </ul> </div>	<p>Phosphoric Acid Mining</p>	<div style="border: 1px solid black; padding: 5px;"> <p><b>Purifying Product</b></p> </div>	<p>Increased Yield</p>
	<p>Oil &amp; Gas Produced Water</p>	<div style="border: 1px solid black; padding: 5px;"> <p><b>Purifying Water</b></p> </div>	<p>Reused Water</p>
	<p>Diesel Exhaust Particles</p>	<div style="border: 1px solid black; padding: 5px;"> <p><b>Purifying Gas</b></p> </div>	<p>Cleaner Air</p>

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Source: Company Reports

**Exhibit 3: LiqTech International, Inc. Core Technology and System Design**

**Our core technology and system design enable us to prioritize commercial development**



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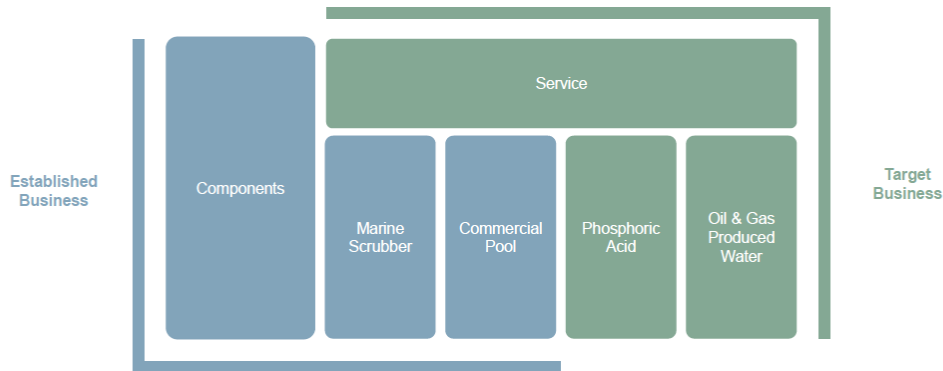
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Source: Company Reports

**Exhibit 4: LiqTech International, Inc. New Commercial Strategy**

**New commercial strategy is implemented**

Focus is the key word – **Delivering revenue** on established business and **Driving growth** through expansion into additional target markets



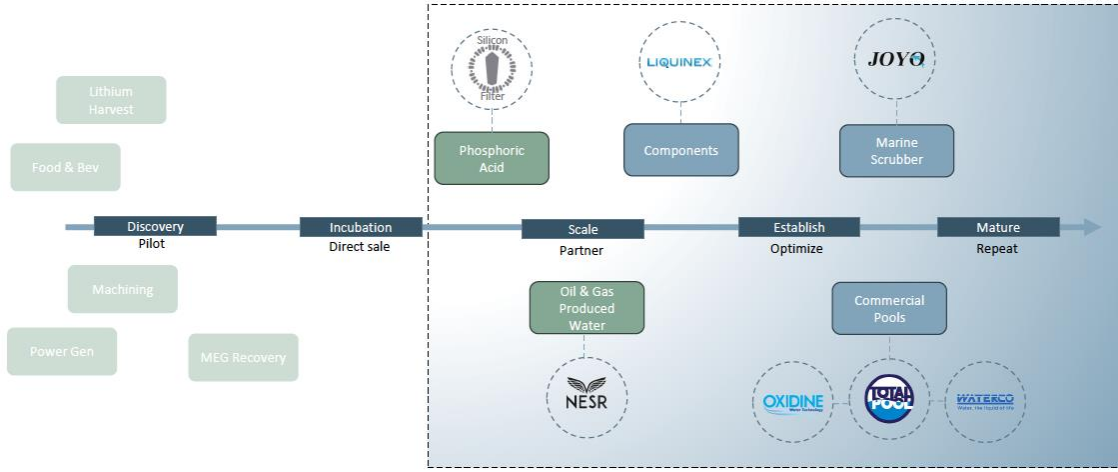
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Source: Company Reports

**Exhibit 5: LiqTech International, Inc. Strategic Distribution Partnerships**

**Commercial scale up by strategic distribution and partnership collaborations**



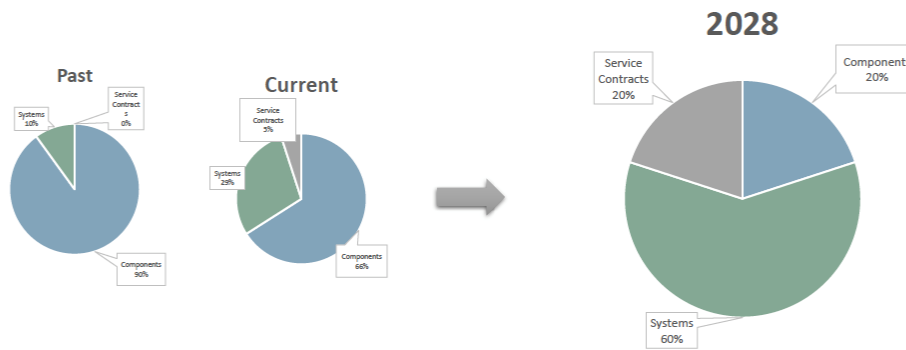
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Source: Company Reports

**Exhibit 6: LiqTech International, Inc. Revenue Mix Goals**

**Transforming into a balanced business including system, service and component sales**



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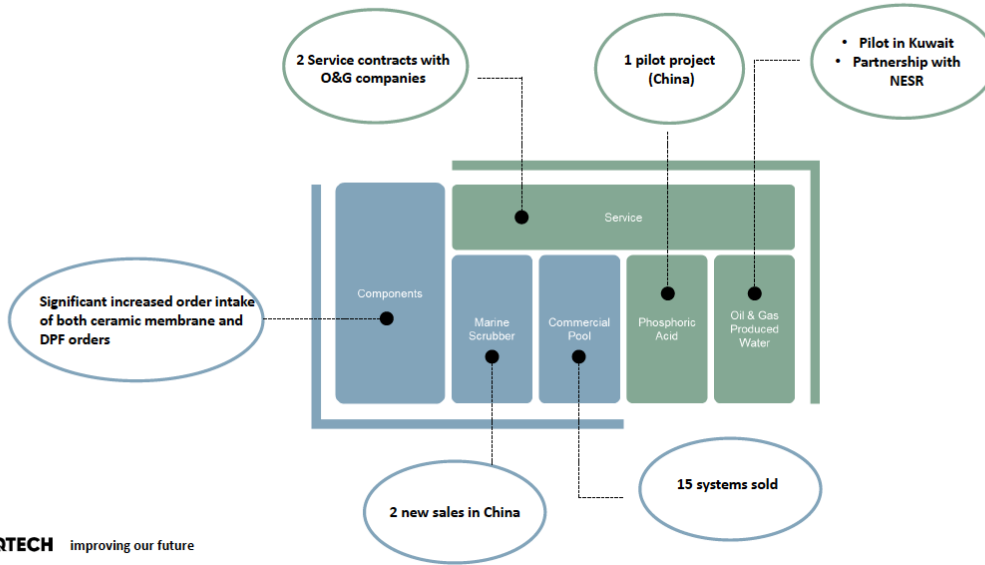
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Source: Company Reports

**Exhibit 7: LiqTech International, Inc. Recent Design Wins by Segment**

**Recent wins**

Our new commercial strategy is showing good results



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Source: Company Reports

**Exhibit 8: LiqTech International, Inc. Senior Management Team**

**Strong new leadership team in place**

Since Sep-2022	Since Feb-2022	Since Dec-2022	To be filled	Since Jan-2024	Since Jan-2014	Since Feb-2024	Since Jan-2023
			<i>To be filled</i>				
TOPSOE	VEKTUS	AUGURY		MOTOROLA		mater	PANDORA
GRUNDFOS	K.W. BRUUN IMPORT	GRUNDFOS		GRUNDFOS	crowdForce	Vestas	IC COMPANY S
novazyme	inforevision	Deloitte		CISCO		PANDORA	ARRIVA
33 yrs.	11 yrs.	16 yrs.	xx yrs.	36 yrs.	12 yrs.	20 yrs.	23 yrs.

Source: Company Reports

**Exhibit 9: LiqTech International, Inc. Recent Design Wins**

**Recent wins**

Our new commercial strategy is showing good results



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Source: Company Reports

**Exhibit 10: LiqTech International, Inc. Case Studies**

**CASE STUDY**

**Commercial Pools**

UK Commercial pool market benchmark made by our partner Total Pool

	<b>Vs.</b>	
Sand filter	<b>Payback ~ 3 yrs</b>	Aqua Solution®
\$ 26,260	<b>Annual Electricity Cost</b>	\$ 10,980
\$ 6,690	<b>Annual Water Cost</b>	\$ 1,352
\$ 8,711	<b>Annual Heating Cost</b>	\$ 1,760

Sand filters are commonly used in Swimming pool filtration and they are usually expensive and very manual to operate

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**Phosphoric Acid**

Major Phosphoric Acid producer for the soft drink industry in USA

	<b>Vs.</b>	
Leaf filter	<b>Payback ~ 0.5 yrs</b>	PurePhos
24 days	<b>Annual Downtime</b>	0 days
> \$ 10 mil	<b>Annual Downtime cost</b>	\$ 0
> \$ 1.8 mil	<b>Annual Carbon filter cost</b>	\$ 300k

Leaf filters are commonly used in phosphoric acid purification and they are usually the bottleneck in plants due to high maintenance frequency

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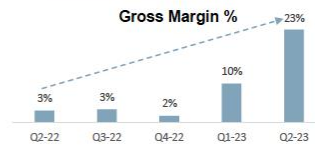
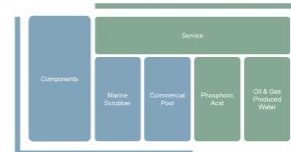
Source: Company Reports

**Exhibit 11: LiqTech International, Inc. Key Takeaways**

**Key takeaways**

- 1 Investments have been made to transform LiqTech.
- 2 Our new commercial strategy has already yielded positive outcomes.
- 3 We have a new leadership team in place.

**OUR VISION**  
LiqTech will become a leading provider of advanced and sustainable filtration solutions



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Source: Company Reports

**Exhibit 12: LiqTech International, Inc. Consensus Revenue and Earnings Estimates**

Consensus Estimates

11/21/24

**Revenue (USD million)**

	<u>FY2024E</u>	<u>FY2025E</u>
Q1 Mar	\$4.2A	\$4.0E
Q2 Jun	\$4.5A	\$5.2E
Q3 Sep	\$2.5A	\$5.3E
Q4 Dec	\$5.0E	\$6.2E
<b>Total</b>	<b>\$16.6E</b>	<b>\$20.5E</b>

**EPS (USD)**

	<u>FY2024E</u>	<u>FY2025E</u>
Q1 Mar	\$(0.47)A	\$(0.27)E
Q2 Jun	\$(0.37)A	\$(0.26)E
Q3 Sep	\$(0.45)A	\$(0.19)E
Q4 Dec	\$(0.25)E	\$(0.17)E
<b>Total</b>	<b>\$(1.08)E</b>	<b>\$(0.83)E</b>

Source: Company Reports, Capital IQ, Ascendant Capital Markets Estimates

**Exhibit 13: LIQT Daily Stock Price Chart, past 5 years**



\* reflects a 1:8 reverse stock split in May 2023

\* reflects a 1:4 reverse stock split in April 2019

Source: <https://bigcharts.marketwatch.com/>





**LiqTech International, Inc. (LIQT)**

Balance Sheet (\$ mils)	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Current assets</b>													
Cash	16.6	14.3	12.6	11.8	10.4	7.7	5.5	4.5	14.5	12.3	10.8	9.8	9.0
Accounts receivable, net	2.3	2.7	3.0	3.9	3.2	2.7	2.8	2.3	3.1	3.6	3.9	4.0	3.9
Inventories, net	4.1	4.4	4.4	4.6	5.3	5.5	5.6	6.3	4.5	5.2	5.4	5.5	5.3
Contract assets	2.3	2.4	2.4	2.6	2.9	2.8	2.9	2.5	2.5	2.5	2.5	2.5	2.5
Prepaid expenses and other assets	1.7	2.1	2.8	1.3	0.3	0.6	0.4	0.3	0.3	0.4	0.4	0.4	0.4
Other current assets	0.7	0.7	0.7	0.4	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>27.7</b>	<b>26.7</b>	<b>25.9</b>	<b>24.6</b>	<b>22.1</b>	<b>19.4</b>	<b>17.2</b>	<b>16.0</b>	<b>24.9</b>	<b>24.0</b>	<b>23.1</b>	<b>22.3</b>	<b>21.2</b>
Property and equipment, net	8.3	7.9	7.5	8.6	9.0	7.3	6.9	7.1	6.4	5.7	5.2	4.6	4.2
Operating lease right-of-use assets	3.3	3.2	3.0	2.8	4.1	3.8	3.7	4.9	4.9	4.9	4.9	4.9	4.9
Deposits and other assets	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Goodwill	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other assets	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>40.1</b>	<b>38.7</b>	<b>37.3</b>	<b>36.8</b>	<b>36.0</b>	<b>31.4</b>	<b>28.6</b>	<b>28.7</b>	<b>37.0</b>	<b>35.5</b>	<b>33.9</b>	<b>32.7</b>	<b>31.0</b>
<b>Liabilities and Stockholders' Equity</b>													
<b>Current liabilities</b>													
Accounts payable	1.4	2.2	2.0	2.2	2.4	2.2	1.8	1.7	2.3	2.6	2.8	2.8	2.7
Accrued expenses	3.1	2.7	3.0	3.8	3.6	3.0	3.2	3.0	3.0	3.0	3.0	3.0	3.0
Current portion of finance lease obligations	0.4	0.4	0.4	0.6	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Current portion of operating lease liabilities	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
Contract liabilities	0.6	0.7	0.9	0.5	0.4	0.6	0.3	0.2	0.1	0.1	0.0	(0.0)	(0.1)
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>6.1</b>	<b>6.6</b>	<b>6.8</b>	<b>7.7</b>	<b>7.5</b>	<b>6.6</b>	<b>6.3</b>	<b>6.0</b>	<b>6.5</b>	<b>6.8</b>	<b>6.9</b>	<b>6.9</b>	<b>6.8</b>
Finance lease obligations, net of current portion	2.4	2.3	2.2	2.9	2.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Operating lease liabilities, net of current portion	2.7	2.6	2.5	2.3	3.5	3.3	3.2	4.3	4.2	4.1	4.0	3.9	3.8
Senior promissory notes payable, net	5.5	5.6	5.7	4.5	4.7	4.8	5.0	5.1	5.1	5.1	5.1	5.1	5.1
Other liabilities	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total liabilities</b>	<b>16.8</b>	<b>17.3</b>	<b>17.3</b>	<b>17.6</b>	<b>18.7</b>	<b>16.8</b>	<b>16.3</b>	<b>17.3</b>	<b>17.7</b>	<b>17.9</b>	<b>17.9</b>	<b>17.8</b>	<b>17.6</b>
<b>Stockholders' Equity</b>													
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	97.0	97.1	97.3	98.7	98.8	99.0	99.1	100.3	110.3	110.3	110.3	110.3	110.3
Accumulated deficit	(67.4)	(69.7)	(71.3)	(72.7)	(75.9)	(78.3)	(80.4)	(83.3)	(85.4)	(87.2)	(88.7)	(89.8)	(91.2)
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive loss	(6.3)	(5.9)	(6.0)	(6.7)	(5.6)	(6.1)	(6.4)	(5.6)	(5.6)	(5.6)	(5.6)	(5.6)	(5.6)
<b>Total stockholders' equity</b>	<b>23.3</b>	<b>21.5</b>	<b>20.0</b>	<b>19.3</b>	<b>17.3</b>	<b>14.5</b>	<b>12.3</b>	<b>11.4</b>	<b>19.3</b>	<b>17.5</b>	<b>16.0</b>	<b>14.9</b>	<b>13.5</b>
<b>Total liabilities and stockholders' equity</b>	<b>40.1</b>	<b>38.7</b>	<b>37.3</b>	<b>36.8</b>	<b>36.0</b>	<b>31.4</b>	<b>28.6</b>	<b>28.7</b>	<b>37.0</b>	<b>35.5</b>	<b>33.9</b>	<b>32.7</b>	<b>31.0</b>

**Balance Sheet Drivers**

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Book &amp; Cash Value (per share)</b>													
Book Value per Share (diluted)	4.2	3.8	3.5	3.4	3.0	2.6	2.1	2.0	3.3	3.0	2.7	2.6	1.4
Cash per Share (diluted)	3.3	2.9	2.7	2.3	1.9	1.5	1.0	0.8	2.5	2.2	1.9	1.8	1.0
Net cash per Share (diluted)	2.0	1.5	1.2	1.3	1.0	0.5	0.1	(0.1)	1.6	1.2	1.0	0.8	0.4

Source: Company reports, Ascendant Capital Markets estimates

**LiqTech International, Inc. (LIQT)**

Cash Flow Statement (\$ mils)	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	
Fiscal Year End: December 31	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<u>Cash flow from operating activities</u>																	
<b>Net Income (Loss)</b>	<b>(14.2)</b>	<b>(2.4)</b>	<b>(1.6)</b>	<b>(1.4)</b>	<b>(3.2)</b>	<b>(8.6)</b>	<b>(2.4)</b>	<b>(2.1)</b>	<b>(2.8)</b>	<b>(2.2)</b>	<b>(9.5)</b>	<b>(1.7)</b>	<b>(1.5)</b>	<b>(1.1)</b>	<b>(1.4)</b>	<b>(5.8)</b>	
Adjustments:									(growth factor)		10%			(growth factor)		10%	
Depreciation and amortization	2.6	0.8	0.8	0.8	0.8	3.1	0.5	0.5	0.6	0.7	2.3	0.6	0.6	0.5	0.5	2.2	
Amortization of discount on convertible notes payable	2.4	0.1	0.1	0.1	0.1	0.4	0.1	0.2	0.2		0.5					-	
Non-cash compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Stock-based compensation	0.9	0.2	0.2	0.1	0.1	0.6	0.2	0.2	0.2		0.5					-	
Amortization of right-of-use assets	-	-	-	-	-	-	0.1	0.1	0.2		-					-	
Change in fair value of warrant liability	-	-	-	-	-	-	-	-	-		-					-	
Gain on modification of earn-out liability	-	-	-	-	-	-	-	-	-		-					-	
Change in deferred tax asset / liability	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)		(0.0)					-	
Gain on lease termination	(0.1)	-	-	-	-	-	-	-	-		-					-	
Loss on disposal of assets held for sale	-	-	-	-	0.4	0.4	0.5	(0.0)	0.0		-					-	
Gain on sale of fixed assets	(0.0)	-	-	-	(0.0)	(0.0)	-	-	-		-					-	
Reserve for obsolete inventory	-	-	-	-	-	-	-	-	-		-					-	
WC changes	-	-	-	-	-	-	-	-	-		-					-	
Accounts receivable	(0.5)	(0.4)	(0.2)	(1.0)	0.9	(0.8)	0.4	(0.1)	0.6	(0.7)	0.1	(0.6)	(0.2)	(0.2)	0.2	(0.8)	
Other receivables	-	-	-	-	-	-	-	-	-		-					-	
Inventory	1.0	(0.3)	(0.0)	(0.3)	(0.5)	(1.0)	(0.4)	(0.2)	(0.4)	1.8	0.9	(0.7)	(0.2)	(0.1)	0.2	(0.9)	
Deposits	-	-	-	-	-	-	-	-	-		-					-	
Contract assets	(0.5)	(0.2)	0.0	(0.5)	(0.2)	(0.8)	(0.0)	(0.1)	0.5	-	0.4	-	-	-	-	-	
Prepaid expenses and other current assets	(0.4)	(0.3)	(0.7)	1.5	1.0	1.4	(0.4)	0.1	0.1	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	0.0	(0.1)	
Accounts payable	(0.2)	0.8	(0.2)	0.3	0.1	1.0	(0.2)	(0.3)	(0.2)	0.6	(0.2)	0.4	0.1	0.0	(0.1)	0.4	
Accrued expenses	(1.6)	(0.4)	0.3	1.2	(0.4)	0.6	(0.5)	0.3	(0.3)	-	(0.5)	-	-	-	-	-	
Operating lease liabilities	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)	(0.1)	(0.1)	(0.2)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	
Contract liabilities	(0.2)	0.0	0.0	(0.2)	(0.3)	(0.3)	0.2	(0.2)	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	
Assets held for sale	(0.7)	0.0	0.0	0.3	(0.0)	0.3	-	-	-	-	-	-	-	-	-	-	
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash used in operating activities</b>	<b>(12.0)</b>	<b>(2.3)</b>	<b>(1.5)</b>	<b>0.8</b>	<b>(1.2)</b>	<b>(4.2)</b>	<b>(2.0)</b>	<b>(1.8)</b>	<b>(1.7)</b>	<b>(0.0)</b>	<b>(6.3)</b>	<b>(2.2)</b>	<b>(1.5)</b>	<b>(1.0)</b>	<b>(0.8)</b>	<b>(5.4)</b>	
<u>Investing Activities</u>																	
Purchase of property and equipment	(1.7)	(0.0)	(0.3)	(2.0)	(0.6)	(2.9)	(0.4)	(0.2)	(0.4)	-	(1.0)	-	-	-	-	-	
Purchase of other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from sale of fixed assets	0.0	-	-	-	0.0	0.0	0.9	0.0	0.0	-	0.9	-	-	-	-	-	
Net cash paid for acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash used in investing activities</b>	<b>(1.7)</b>	<b>(0.0)</b>	<b>(0.3)</b>	<b>(2.0)</b>	<b>(0.6)</b>	<b>(2.9)</b>	<b>0.6</b>	<b>(0.2)</b>	<b>(0.4)</b>	<b>-</b>	<b>(0.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<u>Financing Activities</u>																	
Payments on finance lease obligation	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(1.0)	(0.1)	(0.1)	-	(1.2)	-	-	-	-	-	
Proceeds from Sale and Leaseback Agreements	-	-	-	1.0	(0.0)	1.0	-	-	-	-	-	-	-	-	-	-	
Proceeds from issuance of Common Stock and prefu	24.4	-	-	-	-	-	-	-	1.1	10.0	11.1	-	-	-	-	-	
Proceeds from issuance of Senior Promissory Notes	6.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payment of stock offering costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payments on Convertible Note	(16.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest payments on convertible note	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from exercise of stock options	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash provided by financing activities</b>	<b>13.7</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>0.9</b>	<b>(0.1)</b>	<b>0.6</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>1.0</b>	<b>10.0</b>	<b>9.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Gain (Loss) on Currency Translation</b>	<b>(0.9)</b>	<b>0.1</b>	<b>0.1</b>	<b>(0.5)</b>	<b>0.6</b>	<b>0.3</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>0.2</b>	<b>-</b>	<b>(0.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Net cash increase (decrease)</b>	<b>(0.9)</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(0.8)</b>	<b>(1.4)</b>	<b>(6.2)</b>	<b>(2.7)</b>	<b>(2.2)</b>	<b>(1.0)</b>	<b>10.0</b>	<b>3.3</b>	<b>(2.2)</b>	<b>(1.5)</b>	<b>(1.0)</b>	<b>(0.8)</b>	<b>(5.4)</b>	
Cash balance at beginning of period	17.5	16.6	14.3	12.6	11.8	16.6	10.4	7.7	5.5	4.5	10.4	14.5	12.3	10.8	9.8	14.5	
<b>Cash balance at end of period</b>	<b>16.6</b>	<b>14.3</b>	<b>12.6</b>	<b>11.8</b>	<b>10.4</b>	<b>10.4</b>	<b>7.7</b>	<b>5.5</b>	<b>4.5</b>	<b>14.5</b>	<b>14.5</b>	<b>12.3</b>	<b>10.8</b>	<b>9.8</b>	<b>9.0</b>	<b>9.0</b>	

Source: Company reports, Ascendant Capital Markets estimates

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Total return is defined as price appreciation plus dividend yield.

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	Investment Banking Services Past 12 Months			
	Count	Percent	Count	Percent
Buy	58	98%	21	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
<b>Total</b>	<b>59</b>	<b>100%</b>	<b>21</b>	<b>36%</b>

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