

LiqTech International, Inc.

Q1 in line. Company focusing on expanding distribution through partnerships. Maintaining PT of \$5.15

United States
Technology

May 22, 2024

Lucas Ward
(561) 427-7788
lward@ascendant.com

COMPANY UPDATE

Q1 FY24 revenues up 6% yoy: Q1 FY24 (Mar) revenues of \$4.2 million were up 6%, in line with our estimate. EPS came in at \$(0.41), versus our estimate of \$(0.43), and consensus of \$(0.29). Total operating expenses for the quarter were \$2.3 million, well below our estimate of \$2.7 million.

Ceramic membrane sales were robust: LiqTech's ceramics segment grew 28% yoy, driven by higher demand for DPFFs from the EU transportation sector, as well as backup power plants for data centers, i.e. AI infrastructure build. Other highlights included swimming pool filtration systems (8 systems delivered in Q1 versus 20 in FY23) and oil and gas pilot projects. Overall sales growth was impacted by a tough compare in the plastics segment, due to a large one-time order in the prior year period.

Guidance remains tempered: Management guidance for sales in Q2 FY24 is \$5-\$5.5 million, representing yoy growth of 0-10%. Though the company indicated design win activity is healthy and affirmed its 'optimism for Q2 and the full year', tepid Q2 sales guidance and lack of a full-year target suggests the company remains somewhat cautious.

Company continues to focus on system sales and new verticals: Management continues to emphasize the development of new target verticals and geographic expansion through distribution partners. The idea is to reduce the portion of lower margin business and cultivate recurring revenues through sales of complete filtration systems. In particular, the company is bullish on oil and gas opportunities, especially in the US market.

New distribution deals announced: Earlier in May, LiqTech announced a deal with Franman to market marine scrubber systems to the Greek shipping market (the world's largest), as well as a deal with Dan Marine Group to distribute marine scrubber systems in China. These partnerships highlight LiqTech's ongoing initiative to expand its market footprint through distributors.

Adjusting estimates: Given slower-than-expected revenue growth and lower gross margins, we are lowering our FY24 EPS estimate to \$(1.53), versus \$(1.47) previously. Our FY25 estimate is now \$(1.46), versus \$(1.21) previously. We are lowering our FY24 and FY25 revenue estimates to \$19.5 million and \$22.4 million (from \$19.9 million and \$23.9 million previously).

Improving fundamentals should catalyze stock-price appreciation: While LiqTech has continued to make progress in improving its business fundamentals, the stock is trading not far off its all-time low of \$2.55. Provided the company can translate its distribution agreements and pilot projects into new orders and deliveries, we believe operational performance will provide ample catalysts for a stock-price re-rating.

12 month cash runway: Exiting Q1 FY24, LiqTech had \$7.7 million in cash. With cash burn currently running at \$1-2 million per quarter, we expect cash to last well into FY25, depending on sales growth.

Maintain PT: We are maintaining our 12-month price target of \$5.15 based on an NPV analysis. This represents 94% upside from the current share price. We believe this valuation appropriately balances out the company's moderate risk profile with the company's high growth prospects and large upside 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:	\$2.55-4.20
Shares Outstanding (million):	5.8
Market cap (\$million):	\$15.5
EV (\$million):	\$16.1
Debt (\$million):	\$8.3
Cash (\$million):	\$7.7
Avg. Daily Trading Vol (\$ millions):	\$0.021
Float (million shares):	NA
Short Interest (million shares):	0.069
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	4.2A	4.2E	4.9E	5.1E
Q2 Jun	5.4E	5.6E	6.3E	6.7E
Q3 Sep	5.5E	5.7E	6.4E	6.8E
Q4 Dec	4.3E	4.4E	4.9E	5.3E
Total	19.5E	19.9E	22.4E	23.9E
EV/Rev	0.8x		0.7x	

Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(0.41)A	(0.43)E	(0.43)E	(0.33)E
Q2 Jun	(0.38)E	(0.37)E	(0.36)E	(0.29)E
Q3 Sep	(0.36)E	(0.34)E	(0.31)E	(0.26)E
Q4 Dec	(0.37)E	(0.34)E	(0.35)E	(0.32)E
Total	\$(1.53)E	\$(1.47)E	\$(1.46)E	\$(1.21)E
PE	NA		NA	

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 13.

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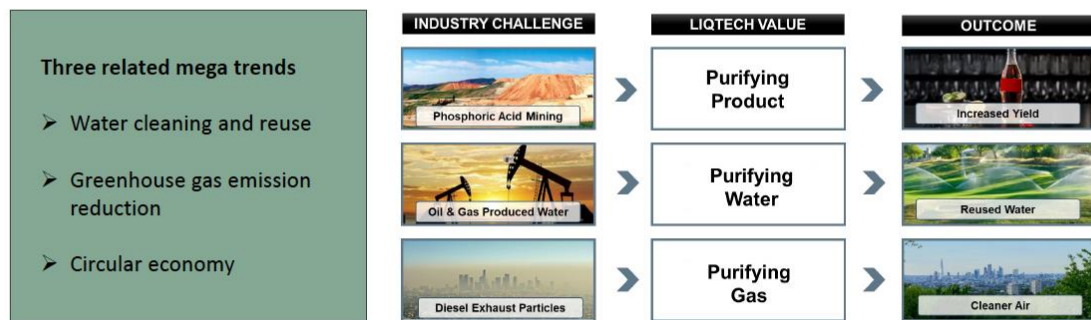
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Source: Company Reports

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



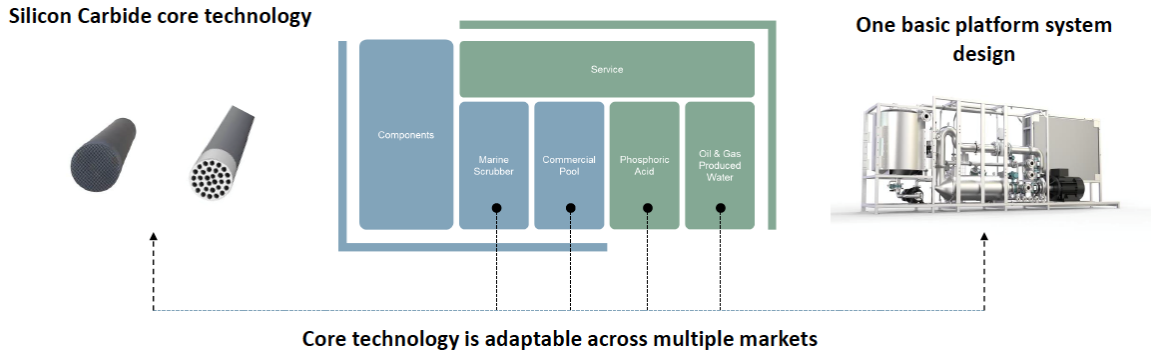
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Source: Company Reports

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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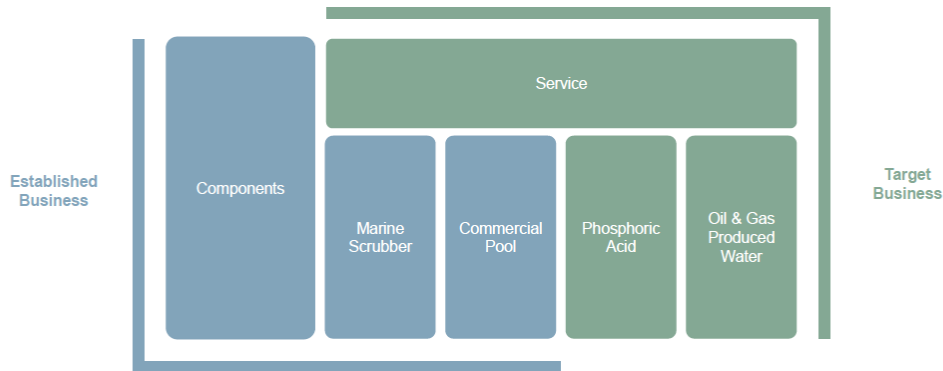
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Source: Company Reports

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



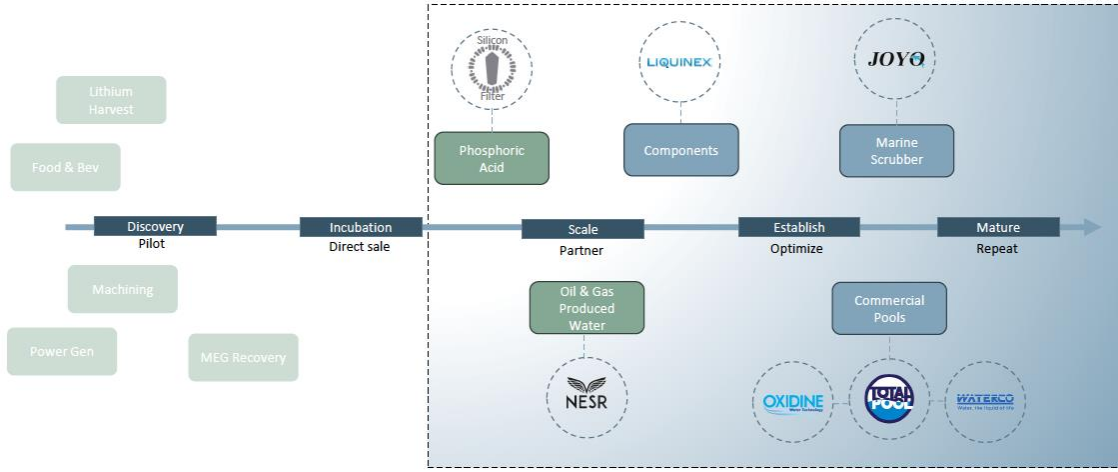
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Source: Company Reports

Exhibit 5: LiqTech International, Inc. Strategic Distribution Partnerships

Commercial scale up by strategic distribution and partnership collaborations



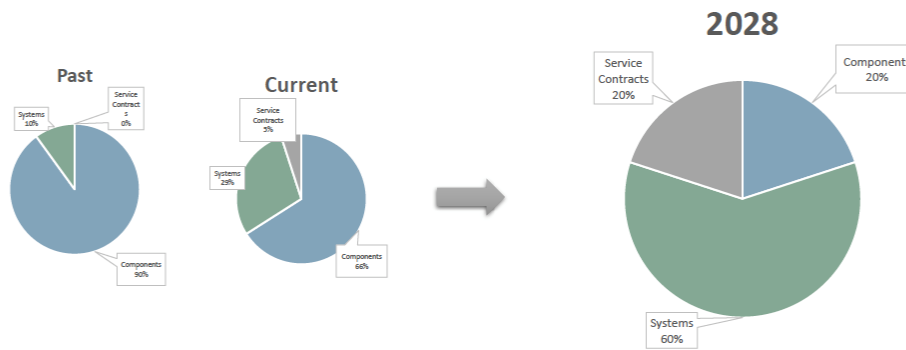
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Source: Company Reports

Exhibit 6: LiqTech International, Inc. Revenue Mix Goals

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



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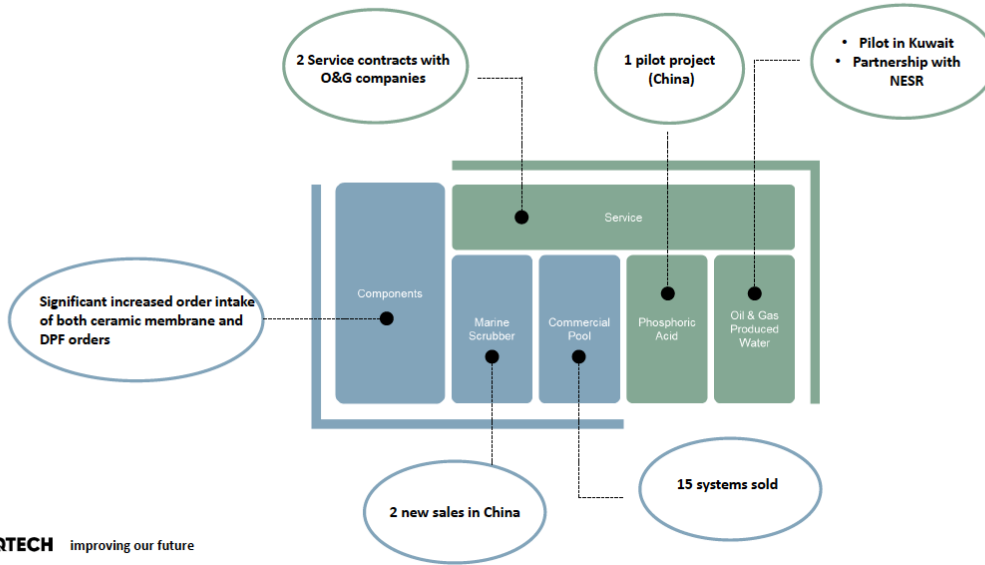
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Source: Company Reports

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

Revitalized leadership team to lead the journey

Since Sep-2022	Since Dec-2021	Since Dec-2022	Since Nov-2022	Since Jun-2023	Since Jan-2014	Since May-2023	Since Jan-2023
33 yrs.	16 yrs.	16 yrs.	25 yrs.	18 yrs.	12 yrs.	32 yrs.	23 yrs.

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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

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

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

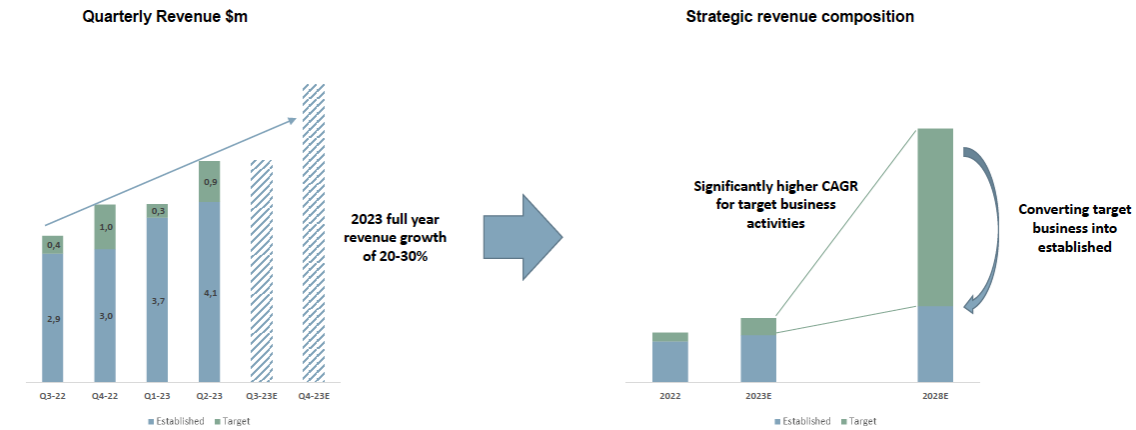
Leaf filters are commonly used in phosphoric acid purification and they are usually the bottleneck in plants due to high maintenance frequency

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Source: Company Reports

Exhibit 11: LiqTech International, Inc. 2023 Revenue Guidance and Goals

Our positive development leads to a full year revenue growth of 20-30% in 2023



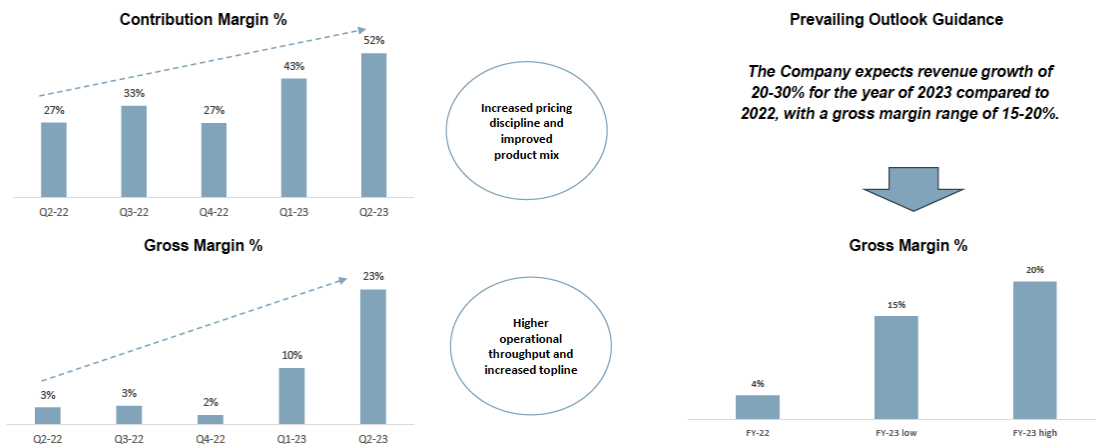
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Source: Company Reports

Exhibit 12: LiqTech International, Inc. Margin Guidance

A gross margin range of 15-20% in 2023 brings us closer to achieving near-term breakeven



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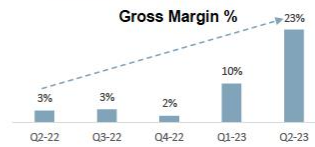
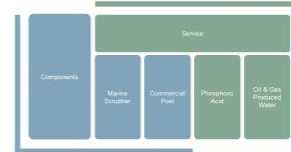
Source: Company Reports

Exhibit 13: 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 14: LiqTech International, Inc. Consensus Revenue and Earnings Estimates

5/18/24

Revenue (USD million)			EPS (USD)		
	<u>FY2024E</u>	<u>FY2025E</u>		<u>FY2024E</u>	<u>FY2025E</u>
Q1 Mar	\$4.2A	\$5.5E	Q1 Mar	\$(0.47)A	\$(0.22)E
Q2 Jun	\$5.5E	\$6.9E	Q2 Jun	\$(0.37)E	\$(0.17)E
Q3 Sep	6.0E	\$8.3E	Q3 Sep	\$(0.34)E	\$(0.10)E
Q4 Dec	\$5.7E	\$8.2E	Q4 Dec	\$(0.34)E	\$(0.10)E
Total	\$21.2E	\$28.8E	Total	\$(1.47)E	\$(0.59)E

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

Exhibit 15: LIQT Daily Stock Price Chart, past 5 years



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

FINANCIAL MODEL

LiqTech International, Inc. (LIQT)

Income Statement (\$ mils)	2021	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	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Water revenue (as % of total)	39%	33%	36%	41%	52%	40%	43%	37%										
Ceramics revenue (as % of total)	39%	43%	35%	36%	32%	36%	35%	43%										
Plastics revenue (as % of total)	20%	22%	29%	23%	13%	20%	21%	21%										
Other revenue (as % of total)	2%	2%	0%	0%	3%	4%	2%	0%										
Water revenue (yoy growth)	-47%	-26%	142%	-3%	235%	-12%	45%	8%										
Ceramics revenue (yoy growth)	27%	-5%	-25%	-1%	-13%	10%	-9%	28%										
Plastics revenue (yoy growth)	37%	-2%	3%	9%	-1%	14%	6%	-25%										
Water (Systems and service)	7.2	5.3	1.4	2.1	2.6	1.6	7.7	1.5	2.3	2.9	1.7	8.4	1.8	2.6	3.3	2.0	9.6	
Ceramics (DPFs and Membranes)	7.2	6.8	1.4	1.8	1.6	1.4	6.2	1.8	2.0	1.8	1.6	7.1	2.1	2.2	2.0	1.8	8.1	
Plastics (Components)	3.6	3.5	1.2	1.1	0.7	0.8	3.7	0.9	1.2	0.7	0.9	3.7	1.0	1.4	0.8	1.0	4.2	
Other	0.3	0.3	-	0.0	0.2	0.1	0.3	-	0.0	0.2	0.2	0.4	-	0.0	0.2	0.2	0.4	
Total revenue	18.3	16.0	4.0	5.0	5.1	3.9	18.0	4.2	5.4	5.5	4.3	19.5	4.9	6.3	6.4	4.9	22.4	
Total cost of goods sold	16.7	15.4	3.6	3.8	4.1	3.7	15.2	4.0	4.9	5.0	3.9	17.8	4.3	5.5	5.5	4.2	19.5	
Gross profit (loss)	1.6	0.6	0.4	1.2	0.9	0.3	2.8	0.3	0.5	0.5	0.4	1.7	0.5	0.8	0.9	0.7	2.9	
Operating expenses																		
Selling expenses	4.6	3.7	1.2	1.0	1.0	1.1	4.3	0.5	1.0	0.9	1.1	3.5	0.5	1.0	1.0	1.1	3.7	
General and administrative expenses	5.8	5.7	1.1	1.4	1.3	1.2	4.9	1.5	1.3	1.2	1.1	5.2	1.6	1.4	1.3	1.2	5.5	
Research and development expenses	1.9	1.8	0.3	0.4	0.4	0.3	1.4	0.3	0.3	0.4	0.3	1.3	0.3	0.4	0.4	0.3	1.4	
Restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total operating expenses	12.3	13.1	2.6	2.8	2.6	2.6	10.6	2.3	2.7	2.6	2.5	10.1	2.4	2.8	2.7	2.6	10.6	
Loss from operations	(10.7)	(12.5)	(2.2)	(1.6)	(1.7)	(2.3)	(7.8)	(2.0)	(2.2)	(2.1)	(2.1)	(8.4)	(1.9)	(2.1)	(1.8)	(1.9)	(7.7)	
Other income (expense)																		
Interest and other income	0.4	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	
Gain on modification of earn-out liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest expense	(0.7)	(0.4)	(0.0)	(0.0)	(0.0)	(0.1)	(0.2)	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)	(0.1)	(0.0)	(0.0)	(0.1)	(0.2)	
Amortization discount on Notes	(0.8)	(2.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	
Fair value adjustment of warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
Gain (Loss) on currency transactions	0.7	0.4	(0.2)	0.0	0.3	(0.5)	(0.4)	0.3	-	-	-	0.3	-	-	-	-	0.0	
Gain on lease termination	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	
Gain (Loss) on assets held for sale	0.0	0.0	-	-	-	(0.4)	(0.4)	-	-	-	-	-	-	-	-	-	0.0	
Gain on sale of fixed assets	-	-	-	-	-	0.0	0.0	(0.5)	-	-	-	0.0	(0.5)	-	-	-	(0.5)	
Income before taxes	(11.2)	(14.4)	(2.4)	(1.6)	(1.4)	(3.4)	(8.8)	(2.4)	(2.2)	(2.1)	(2.2)	(8.9)	(2.5)	(2.1)	(1.8)	(2.0)	(8.5)	
Taxes	(0.1)	(0.2)	(0.0)	(0.0)	(0.0)	(0.2)	(0.2)	(0.0)	-	-	-	0.0	-	-	-	-	0.0	
Net loss	(11.1)	(14.2)	(2.4)	(1.6)	(1.4)	(3.2)	(8.6)	(2.4)	(2.2)	(2.1)	(2.2)	(8.9)	(2.5)	(2.1)	(1.8)	(2.0)	(8.5)	
Weighted average shares out	2.7	4.4	5.7	5.7	5.7	5.7	5.7	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	
Shares, Diluted	2.7	4.4	5.7	5.7	5.7	5.7	5.7	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	5.8	
EPS Basic (pro forma)	(4.13)	(3.20)	(0.42)	(0.27)	(0.25)	(0.56)	(1.51)	(0.41)	(0.38)	(0.36)	(0.37)	(1.53)	(0.43)	(0.36)	(0.31)	(0.35)	(1.46)	
EPS Diluted (pro forma)	(4.13)	(3.20)	(0.42)	(0.27)	(0.25)	(0.56)	(1.51)	(0.41)	(0.38)	(0.36)	(0.37)	(1.53)	(0.43)	(0.36)	(0.31)	(0.35)	(1.46)	
Margins																		
Gross margin	9%	4%	10%	23%	19%	7%	15%	6%	9%	9%	10%	9%	11%	12%	14%	14%	13%	
General and admin	25%	23%	29%	21%	19%	29%	24%	12%	18%	17%	25%	18%	11%	17%	15%	23%	17%	
Sales and marketing	32%	36%	26%	28%	25%	30%	27%	36%	25%	22%	26%	27%	33%	22%	20%	24%	25%	
Operating margin	-58%	-78%	-55%	-32%	-34%	-59%	-43%	-48%	-40%	-37%	-48%	-43%	-39%	-33%	-28%	-39%	-34%	
Tax rate, GAAP	0%	-1%	0%	0%	0%	-4%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Net margin	-61%	-89%	-60%	-31%	-28%	-82%	-48%	-56%	-41%	-38%	-51%	-46%	-52%	-33%	-29%	-41%	-38%	
Y/Y % change																		
Revenue	-19%	-13%	10%	-1%	53%	-2%	13%	5%	9%	9%	9%	9%	15%	15%	15%	15%	15%	
COGS	-18%	-8%	7%	-21%	29%	-8%	-1%	10%	29%	22%	5%	17%	9%	11%	9%	10%	10%	
Gross Profit	-27%	-64%	59%	685%	784%	313%	389%	-31%	-58%	-48%	57%	-39%	98%	53%	79%	61%	70%	
Selling expenses	56%	-20%	12%	-14%	43%	52%	17%	-56%	-3%	-3%	-3%	-18%	5%	5%	5%	5%	5%	
General and administrative expenses	-6%	-2%	-45%	9%	-12%	7%	-15%	46%	-3%	-3%	-3%	8%	5%	5%	5%	5%	5%	
Total operating expenses	18%	7%	-28%	-42%	11%	8%	-19%	-10%	-3%	-3%	-3%	-3%	5%	5%	5%	5%	5%	
Operating Income	29%	17%	-34%	-65%	-25%	-1%	-38%	-7%	37%	22%	-10%	7%	-7%	-6%	-13%	-7%	-8%	
Net income	13%	27%	-36%	-76%	-19%	49%	-40%	0%	42%	48%	-32%	4%	5%	-6%	-13%	-6%	-5%	
EPS	12%	-22%	-70%	-83%	-22%	43%	-53%	-3%	39%	45%	-33%	1%	5%	-6%	-13%	-6%	-5%	

Source: Company reports, Ascendant Capital Markets estimates

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	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Current assets													
Cash	16.6	14.3	12.6	11.8	10.4	7.7	4.7	3.0	3.2	0.2	(3.5)	(5.2)	(4.9)
Accounts receivable, net	2.3	2.7	3.0	3.9	3.2	2.7	4.4	4.5	3.5	3.9	5.0	5.1	4.0
Inventories, net	4.1	4.4	4.4	4.6	5.3	5.5	6.5	6.6	5.0	5.7	7.2	7.2	5.5
Contract assets	2.3	2.4	2.4	2.6	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Prepaid expenses and other assets	1.7	2.1	2.8	1.3	0.3	0.6	0.5	0.5	0.4	0.4	0.5	0.5	0.4
Other current assets	0.7	0.7	0.7	0.4	-	-	-	-	-	-	-	-	-
Total current assets	27.7	26.7	25.9	24.6	22.1	19.4	18.9	17.4	14.9	13.1	12.1	10.5	7.9
Property and equipment, net													
Property and equipment, net	8.3	7.9	7.5	8.6	9.0	7.3	6.6	5.9	5.3	4.8	4.3	3.9	3.5
Operating lease right-of-use assets	3.3	3.2	3.0	2.8	4.1	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
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	0.1	0.1	0.1	0.1	0.1	0.1
Total assets	40.1	38.7	37.3	36.8	36.0	31.4	30.2	28.0	24.9	22.5	21.1	19.1	16.1
Liabilities and Stockholders' Equity													
Current liabilities													
Accounts payable	1.4	2.2	2.0	2.2	2.4	2.2	3.3	3.4	2.6	2.9	3.7	3.7	2.8
Accrued expenses	3.1	2.7	3.0	3.8	3.6	3.0	3.0	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	0.4	0.4	0.4	0.4	0.4	0.4
Current portion of operating lease liabilities	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Contract liabilities	0.6	0.7	0.9	0.5	0.4	0.6	0.5	0.5	0.4	0.4	0.3	0.3	0.2
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	6.1	6.6	6.8	7.7	7.5	6.6	7.7	7.7	6.9	7.2	7.9	7.8	7.0
Finance lease obligations, net of current portion													
Finance lease obligations, net of current portion	2.4	2.3	2.2	2.9	2.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Operating lease liabilities, net of current portion	2.7	2.6	2.5	2.3	3.5	3.3	3.2	3.1	3.0	2.9	2.8	2.7	2.6
Senior promissory notes payable, net	5.5	5.6	5.7	4.5	4.7	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
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
Total liabilities	16.8	17.3	17.3	17.6	18.7	16.8	17.8	17.7	16.8	17.0	17.6	17.4	16.4
Stockholders' Equity													
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	99.0	99.0	99.0	99.0	99.0	99.0	99.0
Accumulated deficit	(67.4)	(69.7)	(71.3)	(72.7)	(75.9)	(78.3)	(80.5)	(82.6)	(84.8)	(87.3)	(89.4)	(91.2)	(93.2)
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive loss	(6.3)	(5.9)	(6.0)	(6.7)	(5.6)	(6.1)	(6.1)	(6.1)	(6.1)	(6.1)	(6.1)	(6.1)	(6.1)
Total stockholders' equity	23.3	21.5	20.0	19.3	17.3	14.5	12.3	10.2	8.1	5.6	3.5	1.7	(0.4)
Total liabilities and stockholders' equity	40.1	38.7	37.3	36.8	36.0	31.4	30.2	28.0	24.9	22.5	21.1	19.1	16.1

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	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Book & Cash Value (per share)													
Book Value per Share (diluted)	4.2	3.8	3.5	3.4	3.0	2.6	2.1	1.8	1.4	1.0	0.6	0.3	(0.1)
Cash per Share (diluted)	3.3	2.9	2.7	2.3	1.9	1.5	0.9	0.6	0.6	0.1	(0.5)	(0.8)	(0.8)
Net cash per Share (diluted)	2.0	1.5	1.2	1.3	1.0	0.5	(0.0)	(0.3)	(0.3)	(0.8)	(1.5)	(1.7)	(1.7)

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	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
<u>Cash flow from operating activities</u>																	
Net Income (Loss)	(14.2)	(2.4)	(1.6)	(1.4)	(3.2)	(8.6)	(2.4)	(2.2)	(2.1)	(2.2)	(8.9)	(2.5)	(2.1)	(1.8)	(2.0)	(8.5)	
Adjustments:											10%					10%	
Depreciation and amortization	2.6	0.8	0.8	0.8	0.8	3.1	0.5	0.7	0.7	0.6	2.5	0.5	0.5	0.4	0.4	1.8	
Amortization of discount on convertible notes payable	2.4	0.1	0.1	0.1	0.1	0.4	0.1	-	-	-	0.1	-	-	-	-	-	
Non-cash compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Stock-based compensation	0.9	0.2	0.2	0.1	0.1	0.6	0.2	-	-	-	0.2	-	-	-	-	-	
Amortization of right-of-use assets	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	
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)	-	-	-	-	-	
Gain on lease termination	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loss on disposal of assets held for sale	-	-	-	-	0.4	0.4	0.5	-	-	-	-	-	-	-	-	-	
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	(1.7)	(0.1)	1.0	(0.4)	(0.5)	(1.1)	(0.1)	1.2	(0.5)	
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory	1.0	(0.3)	(0.0)	(0.3)	(0.5)	(1.0)	(0.4)	(1.0)	(0.1)	1.5	0.1	(0.6)	(1.5)	0.1	1.6	(0.5)	
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contract assets	(0.5)	(0.2)	0.0	(0.5)	(0.2)	(0.8)	(0.0)	-	-	-	(0.0)	-	-	-	-	-	
Prepaid expenses and other current assets	(0.4)	(0.3)	(0.7)	1.5	1.0	1.4	(0.4)	0.2	(0.0)	0.1	(0.1)	(0.1)	(0.1)	(0.0)	0.1	(0.1)	
Accounts payable	(0.2)	0.8	(0.2)	0.3	0.1	1.0	(0.2)	1.1	0.1	(0.8)	0.2	0.3	0.8	(0.0)	(0.8)	0.3	
Accrued expenses	(1.6)	(0.4)	0.3	1.2	(0.4)	0.6	(0.5)	-	-	-	(0.5)	-	-	-	-	-	
Operating lease liabilities	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	
Contract liabilities	(0.2)	0.0	0.0	(0.2)	(0.2)	(0.3)	0.2	(0.1)	(0.1)	(0.1)	0.0	(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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash used in operating activities	(12.0)	(2.3)	(1.5)	0.8	(1.2)	(4.2)	(2.0)	(3.0)	(1.7)	0.1	(7.0)	(3.0)	(3.7)	(1.6)	0.3	(7.9)	
<u>Investing Activities</u>																	
Purchase of property and equipment	(1.7)	(0.0)	(0.3)	(2.0)	(0.6)	(2.9)	(0.4)	-	-	-	(0.4)	-	-	-	-	-	
Purchase of other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from sale of fixed assets	0.0	-	-	-	0.0	0.0	0.9	-	-	-	0.9	-	-	-	-	-	
Net cash paid for acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash used in investing activities	(1.7)	(0.0)	(0.3)	(2.0)	(0.6)	(2.9)	0.6	-	-	-	0.6	-	-	-	-	-	
<u>Financing Activities</u>																	
Payments on finance lease obligation	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(1.0)	-	-	-	(1.0)	-	-	-	-	-	
Proceeds from Sale and Leaseback Agreements	-	-	-	1.0	(0.0)	1.0	-	-	-	-	-	-	-	-	-	-	
Proceeds from issuance of Common Stock and preferred	24.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash provided by financing activities	13.7	(0.1)	(0.1)	0.9	(0.1)	0.6	(1.0)	-	-	-	(1.0)	-	-	-	-	-	
Gain (Loss) on Currency Translation	(0.9)	0.1	0.1	(0.5)	0.6	0.3	(0.3)	-	-	-	(0.3)	-	-	-	-	-	
Net cash increase (decrease)	(0.9)	(2.3)	(1.7)	(0.8)	(1.4)	(6.2)	(2.7)	(3.0)	(1.7)	0.1	(7.8)	(3.0)	(3.7)	(1.6)	0.3	(7.9)	
Cash balance at beginning of period	17.5	16.6	14.3	12.6	11.8	16.6	10.4	7.7	4.7	3.0	10.4	3.2	0.2	(3.5)	(5.2)	3.2	
Cash balance at end of period	16.6	14.3	12.6	11.8	10.4	10.4	7.7	4.7	3.0	3.2	3.2	0.2	(3.5)	(5.2)	(4.9)	(4.9)	

Source: Company reports, Ascendant Capital Markets estimates

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LiqTech International, Inc.

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Sell	1	2%	0	0%
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