

LiqTech International, Inc.

Q2 revenue soft on swimming pool system pushouts. New partnerships announced, second US Oil & Gas pilot in place. Maintaining PT of \$5.15

United States
Technology

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COMPANY UPDATE

Q2 FY24 revenue miss on pushed-out delivery of swimming pool systems: Q2 FY24 (June) revenues of \$4.5 million were down 10% yoy, versus our estimate of \$5.4 million and company guidance of \$5-5.5 million. The company cited delays in government funding for swimming pool systems as the reason for the revenue softness. EPS came in at \$(0.37), in-line with consensus and ahead of our estimate of \$(0.38). At 16%, gross margins were stronger than expected and up substantially from 6% in Q1. Operating expenses were in-line at \$2.8 million.

2nd pilot in the US Oil & Gas sector announced: With the announcement of a new order from a leading integrated energy company, LiqTech builds on the precedent established last quarter with its first US Oil & Gas pilot obtained through its distribution partner, Razorback Direct. In related news, the company announced it has successfully delivered a commercial pilot unit for the filtration of oil and gas produced water to NESR, an industry-leading provider of integrated energy services in the Middle East and North Africa.

New distribution deals bode well for emerging verticals and geographies: In the past 2 months, LiqTech has announced an MoU with China Haisum Engineering for industrial water treatment applications in China and an agreement with Danbee Marine for marine scrubber solutions for the large South Korean shipping market, the world's second largest. In addition, the company announced NSF certification for US swimming pool systems. Taken together, the flurry of deals in the past 2 quarters represents substantive progress in developing new markets and geographies for its water systems business.

Revenue guidance remains tempered: Management guidance for sales in Q3 FY24 is 'similar to Q2', with expectations of a higher run-rate in Q4. We are trimming our FY24 revenue estimate to \$18.6 million from \$19.5 million and our FY25 revenue estimate to \$21.4 million from \$22.4 million. Consensus for revenues is \$19.2 million and \$25.4 million for FY24 and FY25, respectively.

Adjusting EPS estimates on better margins: Given higher gross margins and ongoing cost control, we are raising our FY24 EPS estimate to \$(1.44), versus \$(1.53) previously. Our FY25 estimate is now \$(1.39), versus \$(1.46) previously, and consensus of \$(1.29) and \$(0.87), respectively.

Improving fundamentals should catalyze stock-price appreciation: While LiqTech has continued to make progress in improving its business fundamentals, LIQT continues to trade near the low end of its range. 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 Q2 FY24, LiqTech had \$5.5 million in cash. With cash burn currently running at \$1-2 million per quarter, the company appear to have runway through Q2 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:	\$1.9-4.20
Shares Outstanding (million):	5.8
Market cap (\$million):	\$15.7
EV (\$million):	\$15.2
Debt (\$million):	\$5.1
Cash (\$million):	\$5.5
Avg. Daily Trading Vol (\$ millions):	\$0.028
Float (million shares):	NA
Short Interest (million shares):	0.083
Dividend, annual (yield):	NA

Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	4.2A		4.9E	
Q2 Jun	4.5A	5.4E	5.2E	6.3E
Q3 Sep	4.7E	5.5E	5.4E	6.4E
Q4 Dec	5.2E	4.3E	6.0E	4.9E
Total	18.6E	19.5E	21.4E	22.4E
EV/Rev	0.7x		0.6x	

Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(0.41)A		(0.38)E	(0.43)E
Q2 Jun	(0.37)A	(0.38)E	(0.38)E	(0.36)E
Q3 Sep	(0.34)E	(0.36)E	(0.32)E	(0.31)E
Q4 Dec	(0.33)E	(0.37)E	(0.31)E	(0.35)E
Total	\$(1.44)E	\$(1.53)E	\$(1.39)E	\$(1.46)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>+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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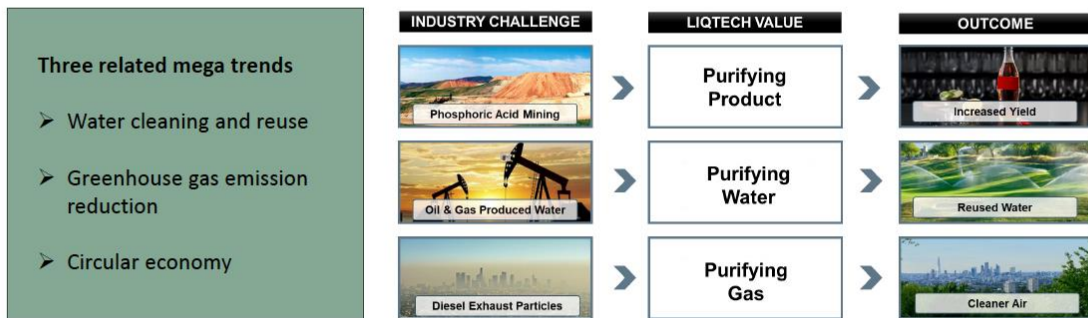
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Source: Company Reports

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



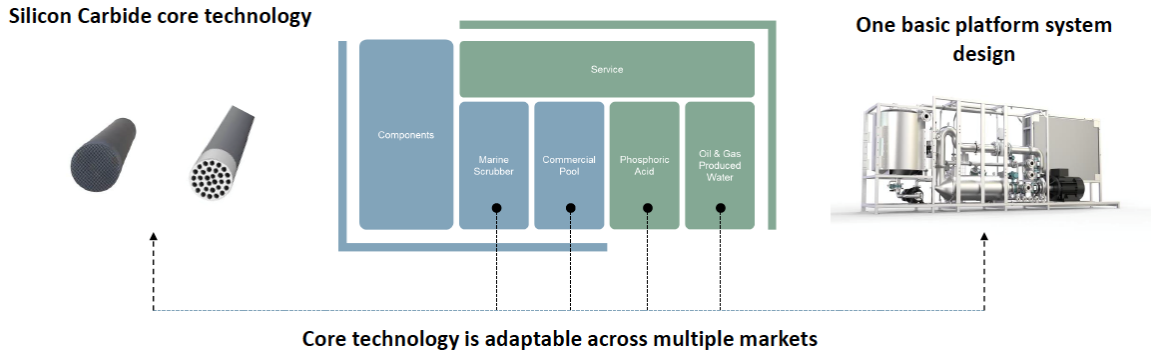
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Source: Company Reports

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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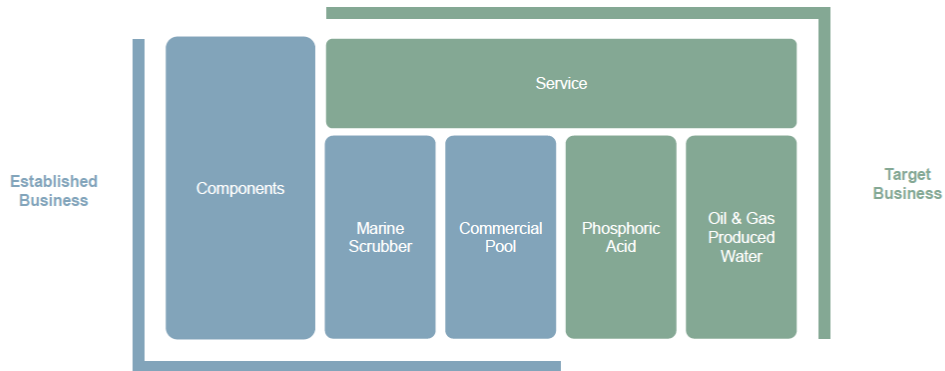
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Source: Company Reports

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



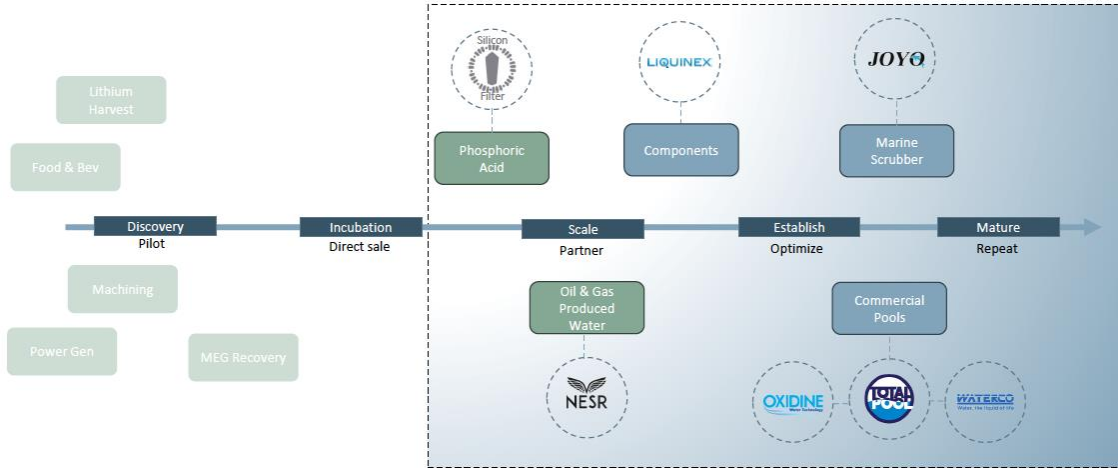
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Source: Company Reports

Exhibit 5: LiqTech International, Inc. Strategic Distribution Partnerships

Commercial scale up by strategic distribution and partnership collaborations



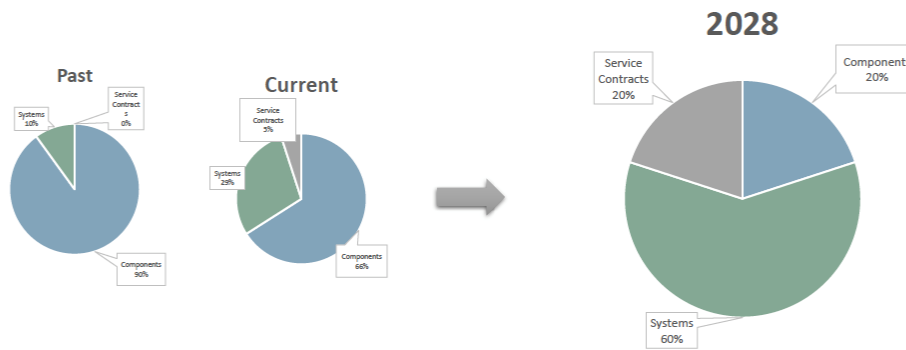
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Source: Company Reports

Exhibit 6: LiqTech International, Inc. Revenue Mix Goals

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



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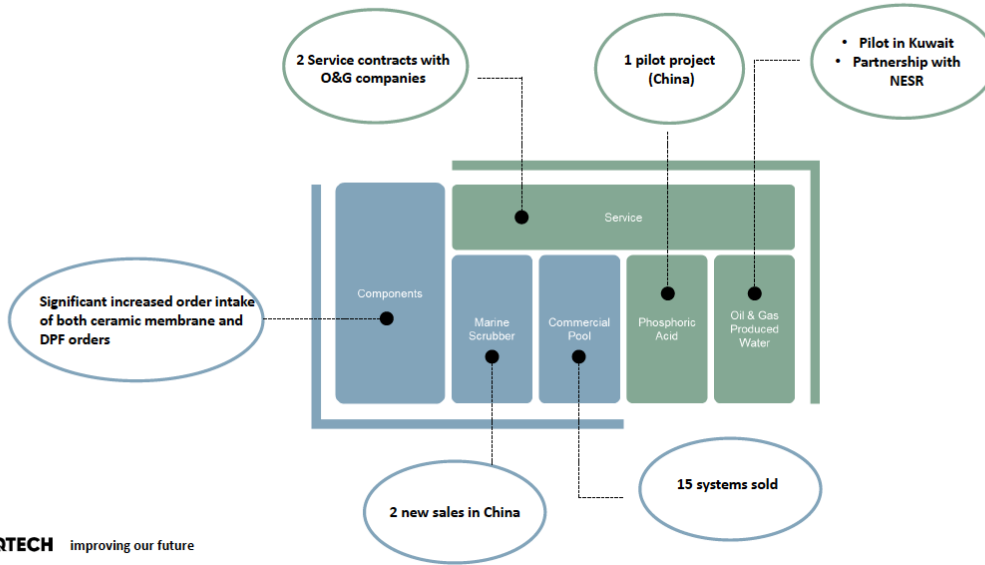
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Source: Company Reports

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

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

	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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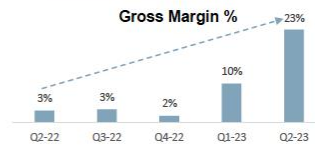
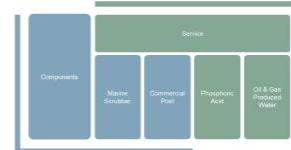
Source: Company Reports

Exhibit 11: LiqTech International, Inc. 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

8/19/24

Revenue (USD million)

	<u>FY2024E</u>	<u>FY2025E</u>
Q1 Mar	\$4.2A	\$4.9E
Q2 Jun	\$4.5A	\$6.4E
Q3 Sep	\$5.0E	\$7.3E
Q4 Dec	\$5.0E	\$6.9E
Total	\$19.2E	\$25.4E

EPS (USD)

	<u>FY2024E</u>	<u>FY2025E</u>
Q1 Mar	\$(0.47)A	\$(0.33)E
Q2 Jun	\$(0.37)A	\$(0.23)E
Q3 Sep	\$(0.30)E	\$(0.15)E
Q4 Dec	\$(0.27)E	\$(0.16)E
Total	\$(1.29)E	\$(0.87)E

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/>

FINANCIAL MODEL

LiqTech International, Inc. (LIQT)

Income Statement (\$ mls)	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	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Water revenue (as % of total)	39%	33%	36%	41%	52%	40%	43%	37%	42%									
Ceramics revenue (as % of total)	39%	43%	35%	36%	32%	36%	35%	43%	37%									
Plastics revenue (as % of total)	20%	22%	29%	23%	13%	20%	21%	21%	21%									
Other revenue (as % of total)	2%	2%	0%	0%	3%	4%	2%	0%	0%									
Water revenue (yoy growth)	-47%	-26%	142%	-3%	235%	-12%	45%	8%	-10%									
Ceramics revenue (yoy growth)	27%	-5%	-25%	-1%	-13%	10%	-9%	28%	-7%									
Plastics revenue (yoy growth)	37%	-2%	3%	9%	-1%	14%	6%	-25%	-16%									
Water (Systems and service)	7.2	5.3	1.4	2.1	2.6	1.6	7.7	1.5	1.9									
Ceramics (DPFs and Membranes)	7.2	6.8	1.4	1.8	1.6	1.4	6.2	1.8	1.7									
Plastics (Components)	3.6	3.5	1.2	1.1	0.7	0.8	3.7	0.9	0.9									
Other	0.3	0.3	-	0.0	0.2	0.1	0.3	-	-									
Total revenue	18.3	16.0	4.0	5.0	5.1	3.9	18.0	4.2	4.5	4.7	5.2	18.6	4.9	5.2	5.4	6.0	21.4	
Total cost of goods sold	16.7	15.4	3.6	3.8	4.1	3.7	15.2	4.0	3.8	4.0	4.4	16.1	4.1	4.3	4.5	5.0	18.0	
Gross profit (loss)	1.6	0.6	0.4	1.2	0.9	0.3	2.8	0.3	0.7	0.7	0.8	2.5	0.8	0.8	0.9	1.0	3.4	
Operating expenses																		
Selling expenses	4.6	3.7	1.2	1.0	1.0	1.1	4.3	0.5	0.9	1.0	1.1	3.5	0.5	0.9	1.0	1.2	3.6	
General and administrative expenses	5.8	5.7	1.1	1.4	1.3	1.2	4.9	1.5	1.5	1.3	1.2	5.5	1.6	1.6	1.3	1.2	5.7	
Research and development expenses	1.9	1.8	0.3	0.4	0.4	0.3	1.4	0.3	0.4	0.4	0.3	1.4	0.3	0.4	0.4	0.3	1.4	
Restructuring costs	-	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total operating expenses	12.3	13.1	2.6	2.8	2.6	2.6	10.6	2.3	2.8	2.6	2.6	10.3	2.4	2.9	2.7	2.7	10.7	
Loss from operations	(10.7)	(12.5)	(2.2)	(1.6)	(1.7)	(2.3)	(7.8)	(2.0)	(2.1)	(1.9)	(1.8)	(7.9)	(1.6)	(2.1)	(1.9)	(1.7)	(7.2)	
Other income (expense)																		
Interest and other income	0.4	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.0	0.1	0.1	0.3	0.1	0.0	0.1	0.1	0.3	
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)	(0.2)	(0.1)	(0.1)	(0.5)	(0.1)	(0.2)	(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	0.1	-	-	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)	-	-	-	-	(0.4)	(0.5)	0.0	-	0.0	(0.4)	
Gain on sale of fixed assets	-	-	-	-	-	0.0	0.0	(0.5)	0.0	-	0.0	(0.4)	(0.5)	0.0	-	0.0	(0.4)	
Income before taxes	(11.2)	(14.4)	(2.4)	(1.6)	(1.4)	(3.4)	(8.8)	(2.4)	(2.1)	(2.0)	(1.9)	(8.4)	(2.2)	(2.2)	(1.9)	(1.8)	(8.1)	
Taxes	(0.1)	(0.2)	(0.0)	(0.0)	(0.0)	(0.2)	(0.2)	(0.0)	0.0	-	-	0.0	-	-	-	-	0.0	
Net loss	(11.1)	(14.2)	(2.4)	(1.6)	(1.4)	(3.2)	(8.6)	(2.4)	(2.1)	(2.0)	(1.9)	(8.4)	(2.2)	(2.2)	(1.9)	(1.8)	(8.1)	
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)	(0.37)	(0.34)	(0.33)	(1.44)	(0.38)	(0.38)	(0.32)	(0.31)	(1.39)	
EPS Diluted (pro forma)	(4.13)	(3.20)	(0.42)	(0.27)	(0.25)	(0.56)	(1.51)	(0.41)	(0.37)	(0.34)	(0.33)	(1.44)	(0.38)	(0.38)	(0.32)	(0.31)	(1.39)	
Margins																		
Gross margin	9%	4%	10%	23%	19%	7%	15%	6%	16%	15%	15%	13%	16%	16%	16%	16%	16%	
General and admin	25%	23%	29%	21%	19%	29%	24%	12%	19%	21%	22%	19%	11%	17%	18%	19%	17%	
Sales and marketing	32%	36%	26%	28%	25%	30%	27%	36%	34%	27%	22%	30%	33%	31%	24%	20%	26%	
Operating margin	-58%	-78%	-55%	-32%	-34%	-59%	-43%	-48%	-47%	-41%	-35%	-42%	-33%	-40%	-34%	-28%	-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%	-48%	-42%	-37%	-45%	-46%	-42%	-35%	-30%	-38%	
Y/Y % change																		
Revenue	-19%	-13%	10%	-1%	53%	-2%	13%	5%	-10%	-7%	32%	3%	15%	15%	15%	15%	15%	
COGS	-18%	-8%	7%	-21%	29%	-8%	-1%	10%	-2%	-3%	21%	6%	3%	15%	14%	14%	11%	
Gross Profit	-27%	-64%	59%	685%	784%	313%	389%	-31%	-38%	-26%	186%	-11%	187%	15%	23%	23%	39%	
Selling expenses	56%	-20%	12%	-14%	43%	52%	17%	-56%	-17%	0%	0%	-19%	3%	3%	3%	3%	3%	
General and administrative expenses	-6%	-2%	-45%	9%	-12%	7%	-15%	46%	12%	0%	0%	13%	3%	3%	3%	3%	3%	
Total operating expenses	18%	7%	-28%	-42%	11%	8%	-19%	-10%	1%	0%	0%	0%	3%	3%	3%	3%	3%	
Operating Income	29%	17%	-34%	-65%	-25%	-1%	-38%	-7%	30%	14%	-22%	1%	-21%	-1%	-4%	-6%	-8%	
Net income	13%	27%	-36%	-76%	-19%	49%	-40%	0%	38%	39%	-41%	-2%	-7%	2%	-4%	-5%	-4%	
EPS	12%	-22%	-70%	-83%	-22%	43%	-53%	-3%	34%	36%	-42%	-4%	-7%	2%	-4%	-5%	-4%	

Source: Company reports, Ascendant Capital Markets estimates

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

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

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	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Current assets													
Cash	16.6	14.3	12.6	11.8	10.4	7.7	5.5	4.3	2.2	0.9	(1.4)	(3.3)	(5.7)
Accounts receivable, net	2.3	2.7	3.0	3.9	3.2	2.7	2.8	3.8	4.2	3.9	4.2	4.4	4.8
Inventories, net	4.1	4.4	4.4	4.6	5.3	5.5	5.6	5.2	5.8	5.4	5.7	5.9	6.6
Contract assets	2.3	2.4	2.4	2.6	2.9	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Prepaid expenses and other assets	1.7	2.1	2.8	1.3	0.3	0.6	0.4	0.4	0.4	0.4	0.4	0.5	0.5
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	17.2	16.6	15.5	13.5	11.8	10.4	9.1
Property and equipment, net	8.3	7.9	7.5	8.6	9.0	7.3	6.9	6.2	5.6	5.1	4.6	4.1	3.7
Operating lease right-of-use assets	3.3	3.2	3.0	2.8	4.1	3.8	3.7	3.7	3.7	3.7	3.7	3.7	3.7
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	28.6	27.3	25.6	23.0	20.8	18.9	17.3
Liabilities and Stockholders' Equity													
Current liabilities													
Accounts payable	1.4	2.2	2.0	2.2	2.4	2.2	1.8	2.7	3.0	2.7	2.9	3.0	3.4
Accrued expenses	3.1	2.7	3.0	3.8	3.6	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.2
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	0.3	0.3	0.2	0.2	0.1	0.1	0.0
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	6.1	6.6	6.8	7.7	7.5	6.6	6.3	7.1	7.3	7.0	7.1	7.2	7.5
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	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	5.0	5.0	5.0	5.0	5.0	5.0	5.0
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	16.3	17.0	17.1	16.8	16.8	16.8	16.9
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	99.1	99.1	99.1	99.1	99.1	99.1	99.1
Accumulated deficit	(67.4)	(69.7)	(71.3)	(72.7)	(75.9)	(78.3)	(80.4)	(82.4)	(84.3)	(86.5)	(88.7)	(90.6)	(92.4)
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive loss	(6.3)	(5.9)	(6.0)	(6.7)	(5.6)	(6.1)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
Total stockholders' equity	23.3	21.5	20.0	19.3	17.3	14.5	12.3	10.3	8.4	6.2	4.0	2.1	0.3
Total liabilities and stockholders' equity	40.1	38.7	37.3	36.8	36.0	31.4	28.6	27.3	25.6	23.0	20.8	18.9	17.3

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	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	1.1	0.7	0.4	0.1
Cash per Share (diluted)	3.3	2.9	2.7	2.3	1.9	1.5	1.0	0.8	0.5	0.2	(0.2)	(0.5)	(0.9)
Net cash per Share (diluted)	2.0	1.5	1.2	1.3	1.0	0.5	0.1	(0.1)	(0.5)	(0.7)	(1.1)	(1.4)	(1.8)

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	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																	
Net Income (Loss)	(14.2)	(2.4)	(1.6)	(1.4)	(3.2)	(8.6)	(2.4)	(2.1)	(2.0)	(1.9)	(8.4)	(2.2)	(2.2)	(1.9)	(1.8)	(8.1)	
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	0.7	0.6	2.4	0.6	0.5	0.5	0.4	1.9	
Amortization of discount on convertible notes payable	2.4	0.1	0.1	0.1	0.1	0.4	0.1	0.2			0.3						
Non-cash compensation	-	-	-	-	-	-	-	-			-						
Stock-based compensation	0.9	0.2	0.2	0.1	0.1	0.6	0.2	0.2			0.4						
Amortization of right-of-use assets	-	-	-	-	-	-	0.1	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)			(0.0)						
Gain on lease termination	(0.1)	-	-	-	-	-	-	-			-						
Loss on disposal of assets held for sale	-	-	-	-	0.4	0.4	0.5	(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)	(1.0)	(0.4)	(1.1)	0.3	(0.2)	(0.2)	(0.5)	(0.6)	
Other receivables	-	-	-	-	-	-	-	-			-						
Inventory	1.0	(0.3)	(0.0)	(0.3)	(0.5)	(1.0)	(0.4)	(0.2)	0.4	(0.6)	(0.7)	0.4	(0.3)	(0.3)	(0.6)	(0.8)	
Deposits	-	-	-	-	-	-	-	-			-						
Contract assets	(0.5)	(0.2)	0.0	(0.5)	(0.2)	(0.8)	(0.0)	(0.1)	-	-	(0.1)	-	-	-	-	-	
Prepaid expenses and other current assets	(0.4)	(0.3)	(0.7)	1.5	1.0	1.4	(0.4)	0.1	(0.0)	(0.0)	(0.3)	0.0	(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)	0.9	0.3	0.6	(0.2)	0.2	0.1	0.3	0.4	
Accrued expenses	(1.6)	(0.4)	0.3	1.2	(0.4)	0.6	(0.5)	0.3	-	-	(0.3)	-	-	-	-	-	
Operating lease liabilities	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.6)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	
Contract liabilities	(0.2)	0.0	0.0	(0.2)	(0.2)	(0.3)	0.2	(0.2)	(0.1)	(0.1)	(0.1)	(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)	(1.8)	(1.2)	(2.1)	(7.7)	(1.3)	(2.2)	(1.9)	(2.4)	(7.7)	
Investing Activities																	
Purchase of property and equipment	(1.7)	(0.0)	(0.3)	(2.0)	(0.6)	(2.9)	(0.4)	(0.2)	-	-	(0.6)	-	-	-	-	-	
Purchase of other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds from sale of fixed assets	0.0	-	-	-	0.0	0.0	0.9	0.0	-	-	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	(0.2)	-	-	0.3	-	-	-	-	-	
Financing Activities																	
Payments on finance lease obligation	0.1	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(1.0)	(0.1)	-	-	(1.1)	-	-	-	-	-	
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)	(0.1)	-	-	(1.1)	-	-	-	-	-	
Gain (Loss) on Currency Translation	(0.9)	0.1	0.1	(0.5)	0.6	0.3	(0.3)	(0.1)	-	-	(0.4)	-	-	-	-	-	
Net cash increase (decrease)	(0.9)	(2.3)	(1.7)	(0.8)	(1.4)	(6.2)	(2.7)	(2.2)	(1.2)	(2.1)	(8.9)	(1.3)	(2.2)	(1.9)	(2.4)	(7.7)	
Cash balance at beginning of period	17.5	16.6	14.3	12.6	11.8	16.6	10.4	7.7	5.5	4.3	10.4	2.2	0.9	(1.4)	(3.3)	2.2	
Cash balance at end of period	16.6	14.3	12.6	11.8	10.4	10.4	7.7	5.5	4.3	2.2	2.2	0.9	(1.4)	(3.3)	(5.7)	(5.7)	

Source: Company reports, Ascendant Capital Markets estimates

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Sell	1	2%	0	0%
Total	59	100%	21	36%

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