

# LiqTech International, Inc.

*Q4 EPS in-line on soft revenue. Progress on water systems business, bookings recovery underway. Raising PT to \$3.40 from \$3.20.*

United States  
Technology

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## COMPANY UPDATE

**Rating: BUY**

Ticker: LIQT

Price: \$1.61

Target: \$3.40  
From 3.20

**Q4 FY24 EPS in-line on soft revenues:** Q4 FY24 (December) revenues of \$3.4 million were down 13% yoy, 10% below our estimate of \$3.8 million, and toward the low end of the guided range of \$3.3-4.3 million. On the bright side, sales were up 36% from the prior quarter, indicating the company has likely passed the low point in quarterly sales. EPS came in at \$(0.38), versus our and consensus estimate of \$(0.37).

**Expense control remains a priority as the company pushes to achieve cash-flow break-even at under \$6 million in quarterly sales:** LIQT continues to exercise cost discipline, including salary and headcount reductions. Operating expenses for Q4 FY24 were contained at \$2.2 million, versus the prior year amount of \$2.6 million, and prior quarter total \$2.4 million. The company now believes it can achieve cash-flow breakeven at a quarterly sales run-rate of \$5.5-\$6 million.

**Large US Oil & Gas water filtration system pilot converted to order:** On December 5, 2024, LiqTech announced a large commercial order for its PureFlow mobile water filtration units through its distributor, Razorback Direct, for the North American Oil & Gas Market. This marks a significant milestone for the company, following a pilot project with Razorback put in place last year. The order will result in revenues in the current quarter (Q1 FY25), and marks progress in the company's efforts to unlock new geographies and verticals for its liquid filtration systems expertise.

**Q1 FY25 Revenue guidance indicates the company is seeing improved bookings:** Management guidance for sales in Q1 FY25 is \$4.3-4.7 million, up 2-11% yoy, and up 26-38% from Q4. Management indicated on its earnings call that it expects sales growth to continue beyond Q1 FY25.

**Adjusting estimates:** We are adjusting our FY25 revenue estimate very slightly to to \$19.0 million from \$19.1 million and introducing a FY26 revenue estimate of \$22 million. We have raised our FY25 EPS estimate to \$(0.60) versus \$(1.00) previously on increased share count. Our FY26 EPS estimate is \$(0.40). Consensus estimates are \$(0.62) on revenues of \$19.1 million for FY25.

**Incremental progress in swimming pool and marine scrubber markets:** Following the good news on its US Oil & Gas order, LiqTech also announced that it had expanded distribution for its swimming pool filtration systems to Ireland and received supplier approval from the Swiss marine engine company, WinGD for its marine scrubber systems. Both announcements highlight the company's focus on winning new filtration system pilots and orders.

**\$10.6 million in cash provides ample runway:** Exiting Q4 FY24, LiqTech had \$10.9 million in cash, enough to sustain operations through FY2026.

**Raising PT to \$3.40 (from \$3.20):** We are raising our 12-month price target to \$3.40 from \$3.20 based on an NPV analysis. We believe that the conversion of pilot projects to orders will ultimately provide a catalyst for stock-price appreciation. We believe the company's undemanding valuation of 0.5x EV/forward sales represents attractive risk/reward, given the company's high growth prospects and large market opportunity. Low visibility and potential dilution remain the biggest risks to our price target.

### 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:	\$1.24-3.20
Shares Outstanding (million):	9.5
Market cap (\$million):	\$15.3
EV (\$million):	\$9.7
Debt (\$million):	\$5.3
Cash (\$million):	\$10.9
Avg. Daily Trading Vol (\$ millions):	\$0.012
Float (million shares):	7.6
Short Interest (million shares):	0.104
Dividend, annual (yield):	NA

### Revenues (US\$ million)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	4.2A		4.5E	
Q2 Jun	4.5A		4.7E	4.8E
Q3 Sep	2.5A		4.8E	5.4E
Q4 Dec	3.4A	3.8E	5.0E	4.8E
Total	14.6A	15.0E	19.0E	19.1E
EV/Rev	0.7x		0.5x	

### Earnings per Share (pro forma)

	2024E (Cur.)	2024E (Old.)	2025E (Cur.)	2025E (Old.)
Q1 Mar	(0.41)A		(0.18)E	(0.30)E
Q2 Jun	(0.37)A		(0.16)E	(0.26)E
Q3 Sep	(0.49)A		(0.12)E	(0.19)E
Q4 Dec	(0.38)A	(0.37)E	(0.14)E	(0.15)E
Total	\$(1.64)A	\$(1.64)E	\$(0.60)E	\$(1.00)E
PE	NA		NA	

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

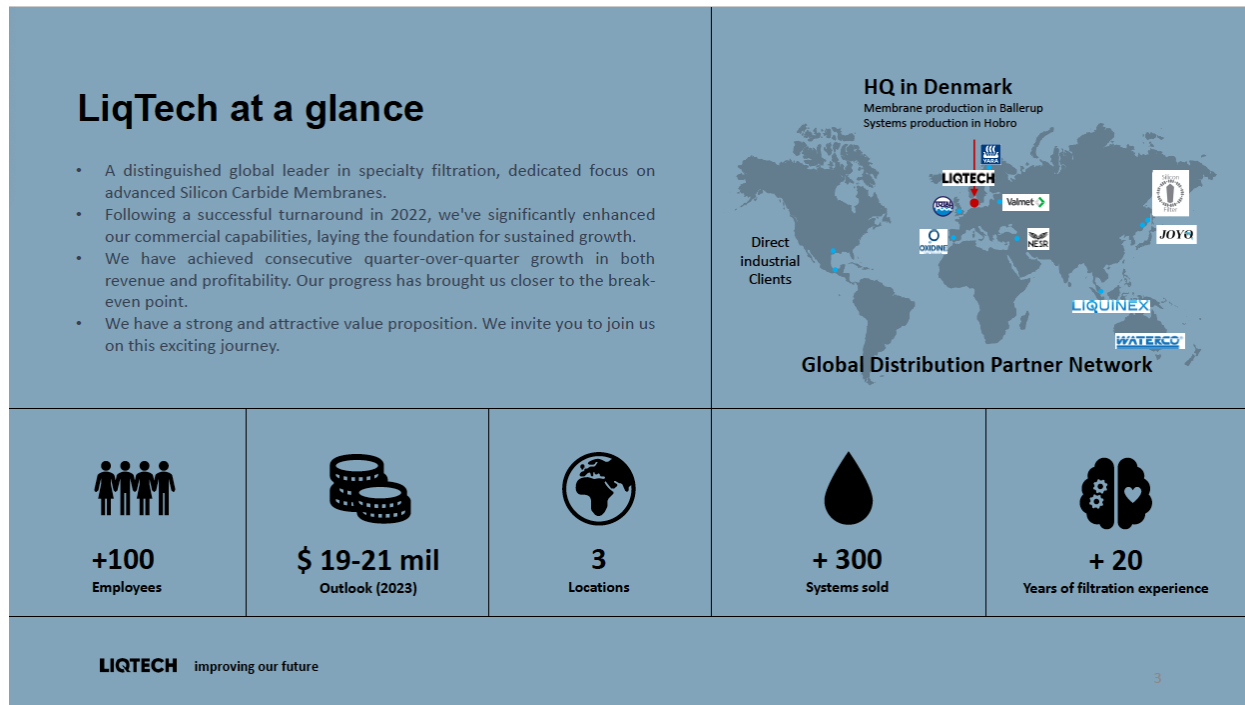
\* reflects a 1:4 reverse stock split in April 2019

### 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.

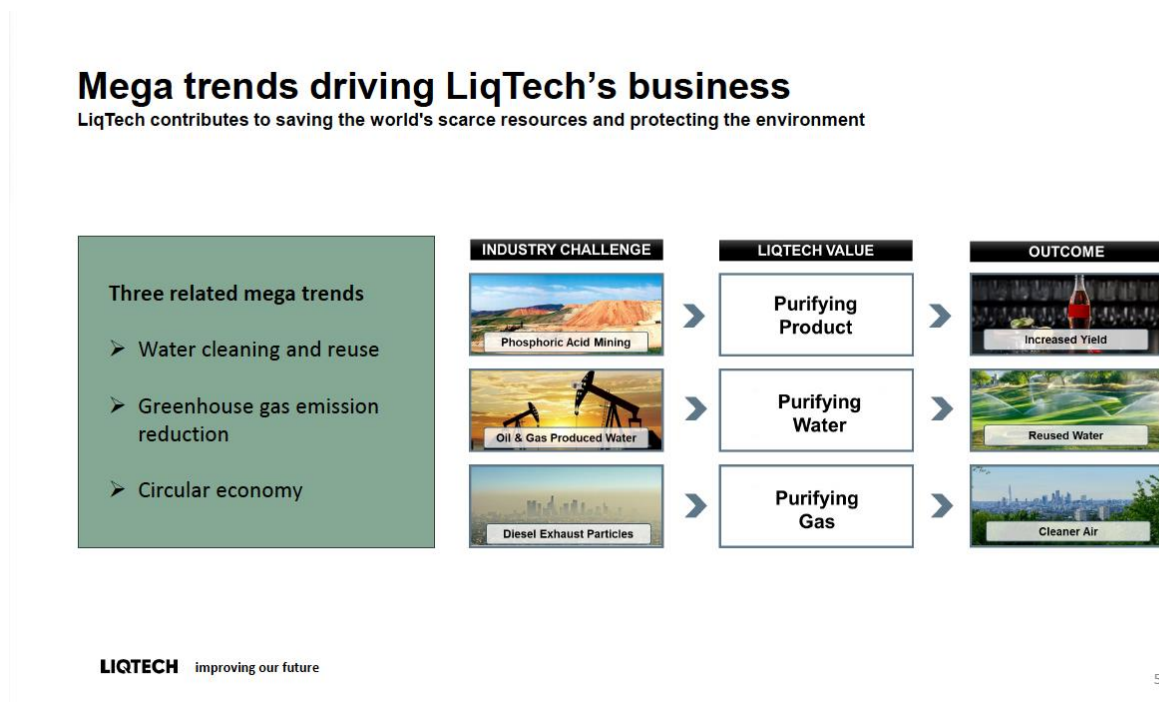
**For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 12.**

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



Source: Company Reports

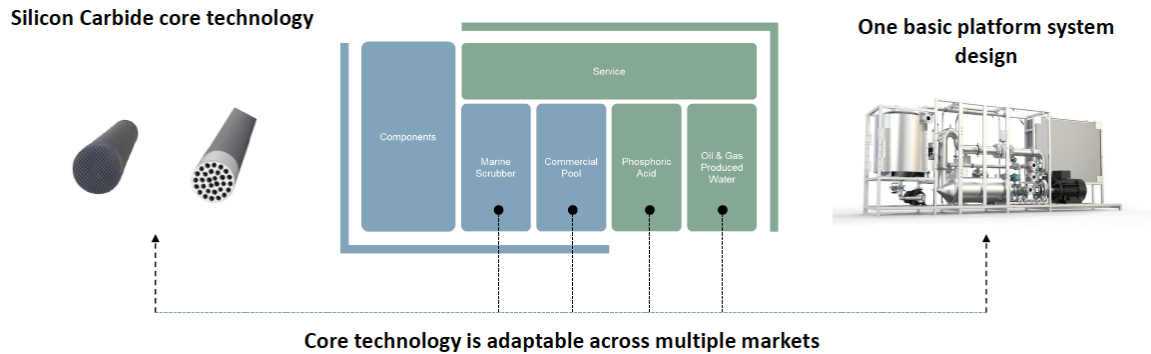
## Exhibit 2: Trends Driving LiqTech's Business



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



**LIQTECH** improving our future

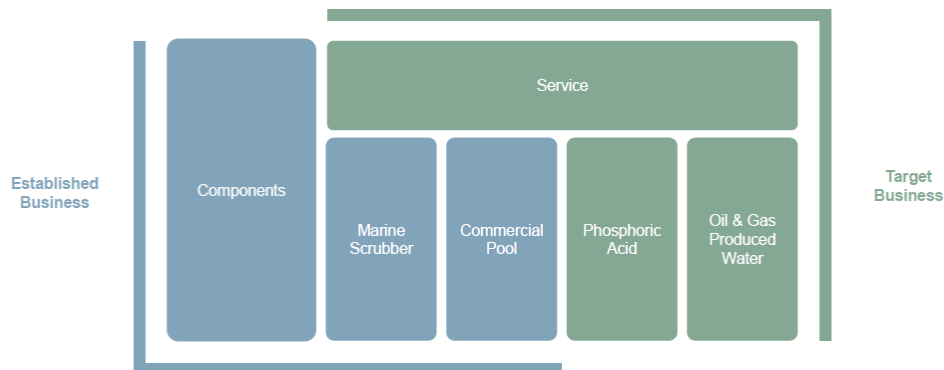
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Source: Company Reports

### 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



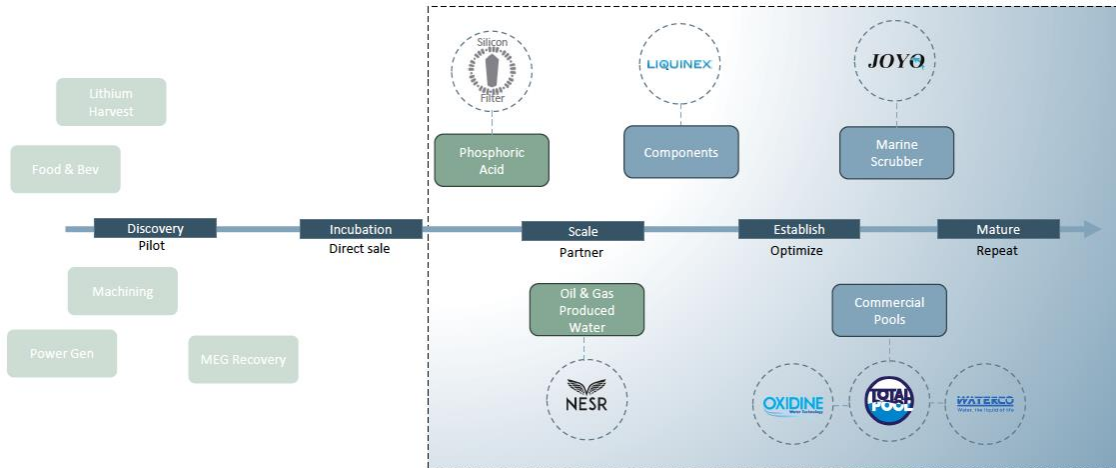
**LIQTECH** improving our future

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Source: Company Reports

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

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



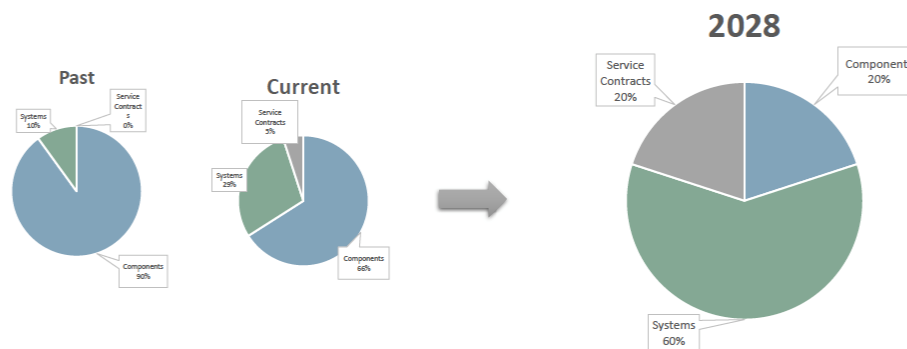
**LIQTECH** improving our future

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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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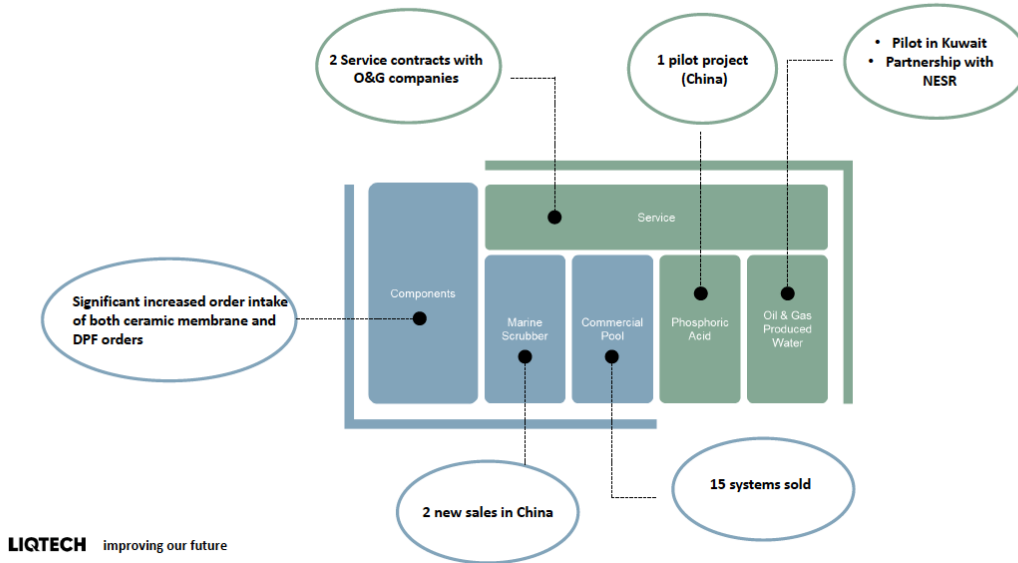
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Source: Company Reports

## 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



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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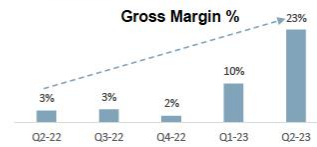
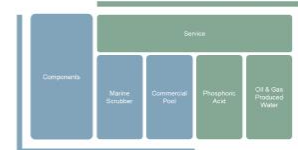
Source: Company Reports

## 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

4/2/25

### Revenue (USD million)

	<u>FY2025E</u>	<u>FY2026E</u>
Q1 Mar	\$4.5E	
Q2 Jun	\$4.8E	
Q3 Sep	\$5.4E	
Q4 Dec	\$4.8E	
Total	\$19.1E	NA

### EPS (USD)

	<u>FY2025E</u>	<u>FY2026E</u>
Q1 Mar	\$(0.30)E	
Q2 Jun	\$(0.26)E	
Q3 Sep	\$(0.19)E	
Q4 Dec	\$(0.15)E	
Total	\$(0.62)E	NA

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 (\$ mils)	2021	2022	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	FY-A	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Water revenue (as % of total)	39%	33%	43%	37%	42%	28%	42%	38%										
Ceramics revenue (as % of total)	39%	43%	35%	43%	37%	43%	32%	39%										
Plastics revenue (as % of total)	20%	22%	21%	21%	21%	27%	26%	23%										
Other revenue (as % of total)	2%	2%	2%	0%	0%	2%	0%	0%										
Water revenue (yoy growth)	-47%	-26%	45%	8%	-10%	-74%	-9%	-28%										
Ceramics revenue (yoy growth)	27%	-5%	-9%	28%	-7%	-33%	-24%	-10%										
Plastics revenue (yoy growth)	37%	-2%	6%	-25%	-16%	1%	13%	-10%										
Water (Systems and service)	7.2	5.3	7.7	1.5	1.9	0.7	1.4	5.5										
Ceramics (DPFs and Membranes)	7.2	6.8	6.2	1.8	1.7	1.1	1.1	5.6										
Plastics (Components)	3.6	3.5	3.7	0.9	0.9	0.7	0.9	3.4										
Other	0.3	0.3	0.3	-	-	0.0	(0.0)	0.0										
<b>Total revenue</b>	<b>18.3</b>	<b>16.0</b>	<b>18.0</b>	<b>4.2</b>	<b>4.5</b>	<b>2.5</b>	<b>3.4</b>	<b>14.6</b>	<b>4.5</b>	<b>4.7</b>	<b>4.8</b>	<b>5.0</b>	<b>19.0</b>	<b>5.2</b>	<b>5.5</b>	<b>5.6</b>	<b>5.8</b>	<b>22.0</b>
Total cost of goods sold	16.7	15.4	15.2	4.0	3.8	2.7	3.9	14.4	4.0	4.0	4.0	4.3	16.3	4.3	4.4	4.2	4.5	17.4
<b>Gross profit (loss)</b>	<b>1.6</b>	<b>0.6</b>	<b>2.8</b>	<b>0.3</b>	<b>0.7</b>	<b>(0.2)</b>	<b>(0.5)</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>	<b>2.7</b>	<b>0.9</b>	<b>1.1</b>	<b>1.3</b>	<b>1.3</b>	<b>4.6</b>
<u>Operating expenses</u>																		
Selling expenses	4.6	3.7	4.3	0.5	0.9	0.6	0.7	2.7	0.4	0.7	0.5	0.6	2.3	0.4	0.7	0.5	0.6	2.3
General and administrative expenses	5.8	5.7	4.9	1.5	1.5	1.5	1.1	5.7	1.0	1.0	1.0	0.9	3.9	1.0	1.0	1.0	0.9	3.9
Research and development expenses	1.9	1.8	1.4	0.3	0.4	0.3	0.4	1.4	0.2	0.3	0.2	0.3	1.1	0.2	0.3	0.2	0.3	1.1
Restructuring costs	-	1.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	12.3	13.1	10.6	2.3	2.8	2.4	2.2	9.7	1.7	2.1	1.8	1.9	7.4	1.7	2.1	1.8	1.9	7.4
<b>Loss from operations</b>	<b>(10.7)</b>	<b>(12.5)</b>	<b>(7.8)</b>	<b>(2.0)</b>	<b>(2.1)</b>	<b>(2.6)</b>	<b>(2.8)</b>	<b>(9.5)</b>	<b>(1.1)</b>	<b>(1.4)</b>	<b>(1.0)</b>	<b>(1.1)</b>	<b>(4.6)</b>	<b>(0.7)</b>	<b>(1.0)</b>	<b>(0.4)</b>	<b>(0.6)</b>	<b>(2.7)</b>
<u>Other income (expense)</u>																		
Interest and other income	0.4	0.4	0.4	0.1	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.2
Gain on modification of earn-out liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(0.7)	(0.4)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)
Amortization discount on Notes	(0.8)	(2.4)	(0.4)	(0.1)	(0.2)	(0.2)	(0.2)	(0.6)	(0.1)	(0.2)	(0.2)	(0.2)	(0.6)	(0.1)	(0.2)	(0.2)	(0.2)	(0.6)
Fair value adjustment of warrants	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-	-	-	-	0.0
Gain (Loss) on currency transactions	0.7	0.4	(0.4)	0.3	0.1	(0.1)	(0.1)	0.2	-	-	-	-	0.0	-	-	-	-	0.0
Gain on lease termination	-	0.1	-	-	-	-	(0.5)	(0.5)	-	-	-	(0.5)	(0.5)	-	-	-	(0.5)	(0.5)
Gain (Loss) on assets held for sale	-	-	(0.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of fixed assets	0.0	0.0	0.0	(0.5)	0.0	(0.0)	0.5	-	(0.5)	0.0	(0.0)	0.5	0.0	(0.5)	0.0	(0.0)	0.5	0.0
Income before taxes	(11.2)	(14.4)	(8.8)	(2.4)	(2.1)	(2.9)	(3.0)	(10.4)	(1.7)	(1.5)	(1.2)	(1.3)	(5.7)	(1.3)	(1.1)	(0.6)	(0.8)	(3.8)
Taxes	(0.1)	(0.2)	(0.2)	(0.0)	0.0	(0.0)	(0.0)	(0.0)	-	-	-	-	0.0	-	-	-	-	0.0
<b>Net loss</b>	<b>(11.1)</b>	<b>(14.2)</b>	<b>(8.6)</b>	<b>(2.4)</b>	<b>(2.1)</b>	<b>(2.8)</b>	<b>(3.0)</b>	<b>(10.3)</b>	<b>(1.7)</b>	<b>(1.5)</b>	<b>(1.2)</b>	<b>(1.3)</b>	<b>(5.7)</b>	<b>(1.3)</b>	<b>(1.1)</b>	<b>(0.6)</b>	<b>(0.8)</b>	<b>(3.8)</b>
Weighted average shares out	2.7	4.4	5.7	5.8	5.8	5.8	7.8	6.3	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Shares, Diluted	2.7	4.4	5.7	5.8	5.8	5.8	7.8	6.3	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
EPS Basic (pro forma)	(4.13)	(3.20)	(1.51)	(0.41)	(0.37)	(0.49)	(0.38)	(1.64)	(0.18)	(0.16)	(0.12)	(0.14)	(0.60)	(0.14)	(0.12)	(0.06)	(0.08)	(0.40)
EPS Diluted (pro forma)	(4.13)	(3.20)	(1.51)	(0.41)	(0.37)	(0.49)	(0.38)	(1.64)	(0.18)	(0.16)	(0.12)	(0.14)	(0.60)	(0.14)	(0.12)	(0.06)	(0.08)	(0.40)
<b>Margins</b>																		
Gross margin	9%	4%	15%	6%	16%	-8%	-15%	2%	12%	14%	16%	15%	14%	18%	20%	24%	22%	21%
General and admin	25%	23%	24%	12%	19%	25%	22%	19%	10%	15%	11%	13%	12%	8%	13%	9%	11%	11%
Sales and marketing	32%	36%	27%	36%	34%	60%	32%	39%	22%	21%	21%	18%	21%	19%	18%	18%	16%	18%
Operating margin	-58%	-78%	-43%	-48%	-47%	-105%	-81%	-65%	-25%	-30%	-21%	-23%	-24%	-14%	-18%	-8%	-10%	-12%
Tax rate, GAAP	0%	-1%	-1%	0%	0%	0%	-1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-61%	-89%	-48%	-56%	-48%	-115%	-87%	-71%	-38%	-33%	-24%	-26%	-30%	-25%	-20%	-11%	-13%	-17%
<b>Y/Y % change</b>																		
Revenue	-19%	-13%	13%	5%	-10%	-51%	-13%	-19%	6%	5%	94%	47%	30%	16%	16%	16%	16%	16%
COGS	-18%	-8%	-1%	10%	-2%	-35%	8%	-6%	0%	7%	50%	8%	13%	8%	8%	5%	6%	7%
Gross Profit	-27%	-64%	389%	-31%	-38%	-122%	-293%	-91%	99%	-8%	-467%	-242%	982%	74%	66%	74%	70%	71%
Selling expenses	56%	-20%	17%	-56%	-17%	-37%	-34%	-37%	-15%	-15%	-15%	-15%	-15%	0%	0%	0%	0%	0%
General and administrative expenses	-6%	-2%	-15%	46%	12%	19%	-7%	17%	-35%	-35%	-33%	-17%	-31%	0%	0%	0%	0%	0%
Total operating expenses	18%	7%	-19%	-10%	1%	-10%	-13%	-8%	-29%	-26%	-26%	-16%	-15%	0%	0%	0%	0%	0%
Operating Income	29%	17%	-38%	-7%	30%	52%	20%	22%	-45%	-32%	-62%	-59%	-51%	-36%	-31%	-58%	-47%	-41%
Net income	13%	27%	-40%	0%	38%	101%	-7%	21%	-28%	-28%	-59%	-57%	-45%	-23%	-28%	-49%	-41%	-34%
EPS	12%	-22%	-53%	-3%	34%	97%	-32%	9%	-56%	-56%	-75%	-64%	-63%	-23%	-28%	-49%	-41%	-34%

Source: Company reports, Ascendant Capital Markets estimates reflects a 1:8 reverse stock split in May 2023

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

Balance Sheet (\$ mils)	Dec-22	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Current assets</b>														
Cash	16.6	10.4	7.7	5.5	4.5	10.9	9.9	8.6	7.7	6.4	5.2	4.1	3.7	2.7
Accounts receivable, net	2.3	3.2	2.7	2.8	2.3	2.4	3.6	3.8	3.9	4.0	4.2	4.4	4.5	4.7
Inventories, net	4.1	5.3	5.5	5.6	6.3	5.5	5.2	5.3	5.3	5.6	5.6	5.7	5.5	5.9
Contract assets	2.3	2.9	2.8	2.9	2.5	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Prepaid expenses and other assets	1.7	0.3	0.6	0.4	0.3	0.2	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Other current assets	0.7	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>27.7</b>	<b>22.1</b>	<b>19.4</b>	<b>17.2</b>	<b>16.0</b>	<b>20.6</b>	<b>20.8</b>	<b>19.7</b>	<b>19.0</b>	<b>18.1</b>	<b>17.1</b>	<b>16.3</b>	<b>15.8</b>	<b>15.4</b>
Property and equipment, net	8.3	9.0	7.3	6.9	7.1	6.6	6.0	5.4	4.8	4.3	3.9	3.5	3.2	2.8
Operating lease right-of-use assets	3.3	4.1	3.8	3.7	4.9	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Deposits and other assets	0.5	0.5	0.5	0.5	0.5	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	0.2
Other assets	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>40.1</b>	<b>36.0</b>	<b>31.4</b>	<b>28.6</b>	<b>28.7</b>	<b>32.4</b>	<b>31.9</b>	<b>30.3</b>	<b>28.9</b>	<b>27.7</b>	<b>26.2</b>	<b>25.0</b>	<b>24.2</b>	<b>23.5</b>
<b>Liabilities and Stockholders' Equity</b>														
<b>Current liabilities</b>														
Accounts payable	1.4	2.4	2.2	1.8	1.7	1.3	2.6	2.7	2.7	2.8	2.9	2.9	2.8	3.0
Accrued expenses	3.1	3.6	3.0	3.2	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Current portion of finance lease obligations	0.4	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Current portion of operating lease liabilities	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Contract liabilities	0.6	0.4	0.6	0.3	0.2	0.1	0.1	0.0	(0.0)	(0.1)	(0.1)	(0.2)	(0.2)	(0.3)
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>6.1</b>	<b>7.5</b>	<b>6.6</b>	<b>6.3</b>	<b>6.0</b>	<b>4.9</b>	<b>6.2</b>	<b>6.2</b>	<b>6.1</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>	<b>6.1</b>	<b>6.2</b>
Finance lease obligations, net of current portion	2.4	2.9	1.9	1.8	1.8	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Operating lease liabilities, net of current portion	2.7	3.5	3.3	3.2	4.3	3.9	3.8	3.7	3.6	3.5	3.4	3.3	3.2	3.1
Senior promissory notes payable, net	5.5	4.7	4.8	5.0	5.1	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
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	0.1
<b>Total liabilities</b>	<b>16.8</b>	<b>18.7</b>	<b>16.8</b>	<b>16.3</b>	<b>17.3</b>	<b>15.8</b>	<b>17.0</b>	<b>16.9</b>	<b>16.7</b>	<b>16.7</b>	<b>16.6</b>	<b>16.5</b>	<b>16.3</b>	<b>16.3</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	0.0
Additional paid-in capital	97.0	98.8	99.0	99.1	100.3	109.3	109.3	109.3	109.3	109.3	109.3	109.3	109.3	109.3
Accumulated deficit	(67.4)	(75.9)	(78.3)	(80.4)	(83.3)	(86.3)	(88.0)	(89.5)	(90.7)	(92.0)	(93.3)	(94.4)	(95.0)	(95.8)
Deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated other comprehensive loss	(6.3)	(5.6)	(6.1)	(6.4)	(5.6)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
<b>Total stockholders' equity</b>	<b>23.3</b>	<b>17.3</b>	<b>14.5</b>	<b>12.3</b>	<b>11.4</b>	<b>16.7</b>	<b>14.9</b>	<b>13.4</b>	<b>12.2</b>	<b>10.9</b>	<b>9.6</b>	<b>8.5</b>	<b>7.9</b>	<b>7.2</b>
<b>Total liabilities and stockholders' equity</b>	<b>40.1</b>	<b>36.0</b>	<b>31.4</b>	<b>28.6</b>	<b>28.7</b>	<b>32.4</b>	<b>31.9</b>	<b>30.3</b>	<b>28.9</b>	<b>27.7</b>	<b>26.2</b>	<b>25.0</b>	<b>24.2</b>	<b>23.5</b>

**Balance Sheet Drivers**

	Dec-22	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
	Q4A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
<b>Book &amp; Cash Value (per share)</b>														
Book Value per Share (diluted)	4.2	3.0	2.6	2.1	2.0	2.1	1.6	1.4	1.3	1.2	1.0	0.9	0.8	0.8
Cash per Share (diluted)	3.3	1.9	1.5	1.0	0.8	1.4	1.1	0.9	0.9	0.7	0.6	0.5	0.4	0.3
Net cash per Share (diluted)	2.0	1.0	0.5	0.1	(0.1)	0.7	0.5	0.3	0.2	0.1	(0.0)	(0.1)	(0.2)	(0.3)

Source: Company reports, Ascendant Capital Markets estimates

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

Cash Flow Statement (\$ mils)	2022	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
<b>Cash flow from operating activities</b>																	
<b>Net Income (Loss)</b>	(14.2)	(8.6)	(2.4)	(2.1)	(2.8)	(3.0)	(10.3)	(1.7)	(1.5)	(1.2)	(1.3)	(5.7)	(1.3)	(1.1)	(0.6)	(0.8)	(3.8)
Adjustments:												10%					10%
Depreciation and amortization	2.6	3.1	0.5	0.5	0.6	0.5	2.2	0.7	0.6	0.5	0.5	2.3	0.4	0.4	0.4	0.3	1.5
Amortization of discount on convertible notes payable	2.4	0.4	0.1	0.2	0.2	0.2	0.6										
Non-cash compensation	-	-	-	-	-	-	-										
Stock-based compensation	0.9	0.6	0.2	0.2	0.2	0.1	0.7										
Amortization of right-of-use assets	-	-	0.1	0.1	0.2	0.1	0.6										
Change in fair value of warrant liability	-	-	-	-	-	-	-										
Gain on modification of earn-out liability	-	-	-	-	-	-	-										
Change in deferred tax asset / liability	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)										
Gain on lease termination	(0.1)	-	-	-	-	-	-										
Loss on disposal of assets held for sale	-	0.4	0.5	(0.0)	0.0	(0.5)	-										
Gain on sale of fixed assets	(0.0)	(0.0)	-	-	-	0.5	0.5										
Reserve for obsolete inventory	-	-	-	-	-	-	-										
WC changes	-	-	-	-	-	-	-										
Accounts receivable	(0.5)	(0.8)	0.4	(0.1)	0.6	(0.2)	0.6	(1.2)	(0.2)	(0.1)	(0.2)	(1.6)	(0.2)	(0.2)	(0.1)	(0.2)	(0.6)
Other receivables	-	-	-	-	-	-	-										
Inventory	1.0	(1.0)	(0.4)	(0.2)	(0.4)	0.3	(0.6)	0.4	(0.1)	0.0	(0.3)	(0.0)	(0.0)	(0.1)	0.2	(0.4)	(0.4)
Deposits	-	-	-	-	-	-	-										
Contract assets	(0.5)	(0.8)	(0.0)	(0.1)	0.5	0.7	1.1	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	(0.4)	1.4	(0.4)	0.1	0.1	0.1	0.0	(0.2)	(0.0)	(0.0)	(0.0)	(0.3)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Accounts payable	(0.2)	1.0	(0.2)	(0.3)	(0.2)	(0.3)	(1.1)	1.3	0.1	(0.0)	0.1	1.5	0.0	0.1	(0.1)	0.2	0.2
Accrued expenses	(1.6)	0.6	(0.5)	0.3	(0.3)	(0.4)	(0.9)	-	-	-	-	-	-	-	-	-	-
Operating lease liabilities	(0.5)	(0.6)	(0.1)	(0.1)	(0.2)	(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)	(0.3)	0.2	(0.2)	(0.2)	(0.1)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Assets held for sale	(0.7)	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash used in operating activities</b>	(12.0)	(4.2)	(2.0)	(1.9)	(1.7)	(2.0)	(7.5)	(1.0)	(1.3)	(0.9)	(1.3)	(4.3)	(1.3)	(1.1)	(0.4)	(1.0)	(3.7)
<b>Investing Activities</b>																	
Purchase of property and equipment	(1.7)	(2.9)	(0.4)	(0.2)	(0.4)	(0.4)	(1.4)	-	-	-	-	-	-	-	-	-	-
Purchase of other intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	0.0	0.0	0.9	0.0	0.0	(0.0)	0.9	-	-	-	-	-	-	-	-	-	-
Net cash paid for acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash used in investing activities</b>	(1.7)	(2.9)	0.6	(0.2)	(0.4)	(0.4)	(0.4)	-	-	-	-	-	-	-	-	-	-
<b>Financing Activities</b>																	
Payments on finance lease obligation	0.1	(0.4)	(1.0)	(0.1)	(0.1)	(0.2)	(1.4)	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale and Leaseback Agreements	-	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of Common Stock and preferred	24.4	-	-	-	1.1	8.8	9.9	-	-	-	-	-	-	-	-	-	-
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>	13.7	0.6	(1.0)	(0.1)	1.0	8.6	8.5	-	-	-	-	-	-	-	-	-	-
<b>Gain (Loss) on Currency Translation</b>	(0.9)	0.3	(0.3)	(0.1)	0.2	0.1	(0.1)	-	-	-	-	-	-	-	-	-	-
<b>Net cash increase (decrease)</b>	(0.9)	(6.2)	(2.7)	(2.3)	(1.0)	6.4	0.4	(1.0)	(1.3)	(0.9)	(1.3)	(4.3)	(1.3)	(1.1)	(0.4)	(1.0)	(3.7)
Cash balance at beginning of period	17.5	16.6	10.4	7.7	5.5	4.5	10.4	10.9	9.9	8.6	7.7	10.9	6.4	5.2	4.1	3.7	6.4
<b>Cash balance at end of period</b>	16.6	10.4	7.7	5.5	4.5	10.9	10.9	9.9	8.6	7.7	6.4	6.4	5.2	4.1	3.7	2.7	2.7

Source: Company reports, Ascendant Capital Markets estimates

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## **LiqTech International, Inc.**



Report	Date	PT	Rating
1	24-Feb-24	\$5.15	BUY
2	27-Mar-24	\$5.15	BUY
3	22-May-24	\$5.15	BUY
4	21-Aug-24	\$5.15	BUY
5	25-Nov-24	\$3.20	BUY
6	4-Apr-25	\$3.40	BUY

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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	56	98%	20	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	57	100%	20	35%

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