

LIQUIDMETAL TECHNOLOGIES INC  
Form 10-Q/A  
July 20, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q/A**

Amendment No. 1

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

For the quarterly period ended March 31, 2006

OR

**o** **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF  
THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from        to

Commission File No. 001-31332

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**LIQUIDMETAL TECHNOLOGIES, INC.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**33-0264467**  
(I.R.S. Employer  
Identification No.)

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25800 Commercentre Drive, Suite 100  
Lake Forest, California 92630

(address of principal executive office, zip code)

Registrant's telephone number, including area code: **(949) 206-8000**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes  No

Indicate by check whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 26, 2006, there were 44,056,058 shares of the registrant's common stock, \$.001 par value, outstanding.

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**LIQUIDMETAL TECHNOLOGIES, INC.  
AMENDMENT NO. 1 TO FORM 10-Q  
FOR THE QUARTER ENDED MARCH 31, 2006**

**EXPLANATORY NOTE**

We are filing this Amendment No. 1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, as filed with the U.S. Securities and Exchange Commission (SEC) on May 10, 2006, to restate our financial statements to properly account for the conversion feature of the senior convertible notes issued in March 2004.

Other than the changes referred to above, all other information included in the above described Form 10-Q remains unchanged. This amendment does not reflect events occurring after the filing of such Form 10-Q and does not modify or update the disclosures therein in any way other than as required to reflect the amendment as described above and set forth below.

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**FORWARD-LOOKING INFORMATION**

Statements in this report concerning the future sales, expenses, profitability, financial resources, product mix, market demand, product development and other statements in this report concerning the future results of operations, financial condition and business of Liquidmetal Technologies, Inc. are forward-looking statements as defined in the Securities Act of 1933 and Securities Exchange Act of 1934. Investors are cautioned that the Company's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environment, including competition, need for increased acceptance of products, ability to continue to develop and extend our brand identity, ability to anticipate and adapt to a competitive market, ability to effectively manage rapidly expanding operations, amount and timing of operating costs and capital expenditures relating to expansion of our business, operations and infrastructure, ability to provide superior customer service, dependence upon key personnel and the like. The Company's most recent filings with the Securities and Exchange Commission, including Form 10-K, contain additional information concerning many of these risk factors, and copies of these filings are available from the Company upon request and without charge.

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## PART I

## FINANCIAL INFORMATION

## Item 1 Financial Statements

**LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

|   | March 31,<br>2006<br>(Restated)<br>(Unaudited) | December 31,<br>2005<br>(Restated) |
|---|--|------------------------------------|
| <b><u>ASSETS</u></b>  |  |                                    |
| Current Assets:   |  |                                    |
| Cash and cash equivalents   | \$ 1,263                                       | \$ 1,392                           |
| Trade accounts receivables, net of allowance for doubtful accounts of \$69 and \$61   | 3,506  | 2,360                              |
| Inventories   | 1,764  | 1,748                              |
| Prepaid expenses and other current assets   | 561  | 609                                |
| Total current assets  | 7,094  | 6,109                              |
| Property, plant and equipment, net  | 13,300   | 13,437                             |
| Idle equipment  | 199  | 193                                |
| Other intangibles, net  | 1,196  | 1,185                              |
| Other assets  | 547  | 639                                |
| Total assets  | \$ 22,336                                      | \$ 21,563                          |
| <b><u>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</u></b>  |  |                                    |
| Current liabilities:  |  |                                    |
| Accounts payable and accrued expenses   | 7,977  | \$ 6,530                           |
| Settlement payable  |  | 3,331                              |
| Deferred revenue  | 407  | 1,275                              |
| Short-term debt   | 2,286  | 550                                |
| Long-term debt, current portion   | 1,391  | 1,343                              |
| Other liabilities, current portion  | 300  | 483                                |
| Warrant liabilities   | 3,165  | 1,792                              |
| Conversion feature liabilities  | 3,554  | 1,798                              |
| Total current liabilities   | 19,080   | 17,102                             |
| Long-term debt, net of current portion and debt discount of \$7,004 and \$8,259   | 6,359  | 5,433                              |
| Other long-term liabilities, net of current portion   | 391  | 348                                |
| Total liabilities   | 25,830   | 22,883                             |
| Shareholder's equity (deficiency):  |  |                                    |
| Common stock, \$0.001 par value; 100,000,000 shares authorized and 43,956,621 issued and outstanding at March 31, 2006 and 42,187,621 issued and outstanding at December 31, 2005 | 44   | 42                                 |
| Additional paid-in capital  | 134,666  | 130,893                            |
| Accumulated deficit   | (140,574)                                      | (134,525)                          |
| Accumulated other comprehensive income  | 2,370  | 2,270                              |
| Total shareholder's deficiency  | (3,494)  | (1,320)                            |
| Total liabilities and shareholder's deficiency  | \$ 22,336                                      | \$ 21,563                          |

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

**LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

**(in thousands, except per share data)  
(unaudited)**

|                    | For the Three Months<br>Ended March 31,<br>2006<br>(Restated)<br>(Unaudited) | 2005     |
|--------------------|--|----------|
| Revenue            | \$ 6,555   | \$ 2,843 |
| Cost of sales      | 5,324  | 2,835    |
| Gross profit       | 1,231  | 8        |
| Operating expenses |  |          |