

LIQUIDMETAL TECHNOLOGIES INC
Form 10-Q
May 15, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2012

OR

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

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.)

30452 Esperanza
Rancho Santa Margarita, CA 92688
(Address of principal executive office, zip code)

Registrant's telephone number, including area code: (949) 635-2100

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 the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of common shares outstanding as of May 1, 2012 was [161,548,906].

EXPLANATORY NOTE

In our 2011 Annual Report on Form 10-K (“Form 10-K”) as filed with the U.S. Securities and Exchange Commission (“SEC”) on March 30, 2012, we restated our consolidated financial statements for the fiscal year ended December 31, 2010 as originally filed with the SEC on Form 10-K on December 6, 2011, and each of the interim quarterly periods ended March 31, 2011, June 30, 2011 and September 30, 2011, as filed with the SEC on Form 10-Q on May 16, 2011, August 10, 2011 and November 10, 2011, respectively, to properly account for certain previously issued warrants and to include required earnings per share disclosures.

LIQUIDMETAL TECHNOLOGIES, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2012

FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q of Liquidmetal Technologies, Inc. contains “forward-looking statements” that may state our management’s plans, future events, objectives, current expectations, estimates, forecasts, assumptions or projections about the company and its business. Any statement in this report that is not a statement of historical fact is a forward-looking statement, and in some cases, words such as “believes,” “estimates,” “projects,” “expects,” “intends,” “anticipate,” “plans,” “seeks,” and similar expressions identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual outcomes and results to differ materially from the anticipated outcomes or result. These statements are not guarantees of future performance, and undue reliance should not be placed on these statements. It is important to note that our actual results could differ materially from what is expressed in our forward-looking statements due to the risk factors described in the section of our Annual Report on Form 10-K for the year ended December 31, 2011 titled “Risk Factors” as well as the following risks and uncertainties:

- Our ability to fund our operations in the short and long term through financing transactions on terms acceptable to us, or at all;
- Our history of operating losses and the uncertainty surrounding our ability to achieve or sustain profitability;
 - Our limited history of developing and selling products made from our bulk amorphous alloys;
 - Lengthy customer adoption cycles and unpredictable customer adoption practices;
 - Our ability to identify, develop, and commercialize new product applications for our technology;
 - Competition from current suppliers of incumbent materials or producers of competing products;
 - Our ability to identify, consummate, and/or integrate strategic partnerships;
 - The potential for manufacturing problems or delays; and
 - Potential difficulties associated with protecting or expanding our intellectual property position.

We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I

FINANCIAL INFORMATION

Item 1 – Financial Statements

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (in thousands, except par value and share data)

| | March 31, 2012 (Unaudited) | December 31, 2011 (Audited) |
|--|----------------------------------|--------------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 297 | \$ 122 |
| Trade accounts receivable, net of allowance of \$0 and \$0, respectively | 194 | 241 |
| Related party notes receivable | 200 | 200 |
| Prepaid expenses and other current assets | 177 | 248 |
| Total current assets | \$ 868 | \$ 811 |
| Property, plant and equipment, net | 150 | 162 |
| Patents and trademarks, net | 965 | 968 |
| Other assets | 36 | 52 |
| Total assets | \$ 2,019 | \$ 1,993 |
| LIABILITIES AND SHAREHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Accounts payable | 1,041 | 803 |
| Accrued liabilities | 231 | 457 |
| Accrued dividends | 222 | 571 |
| Deferred revenue | 48 | 67 |
| Short-term debt | 2,462 | 1,712 |
| Total current liabilities | \$ 4,004 | \$ 3,610 |
| Other long-term liabilities | 857 | 609 |
| Total liabilities | \$ 4,861 | \$ 4,219 |
| Shareholders' deficit: | | |
| Convertible, redeemable Series A Preferred Stock, \$0.001 par value; 10,000,000 shares authorized; 506,936 and 1,299,151 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively | - | 1 |
| Common stock, \$0.001 par value; 300,000,000 shares authorized; 160,137,306 and 134,467,554 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively | 156 | 130 |
| Warrants | 24,438 | 24,438 |
| Additional paid-in capital | 149,490 | 149,064 |
| Accumulated deficit | (176,926) | (175,859) |
| Total shareholders' deficit | \$ (2,842) | \$ (2,226) |

| | | |
|---|---------|---------|
| Total liabilities and shareholders' deficit | \$2,019 | \$1,993 |
|---|---------|---------|

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

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LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except per share and share data)

(unaudited)

| | For the Three Months Ended March 31, | |
|--|---|--------------------|
| | 2012 | 2011 (Restated) |
| Revenue | | |
| Products | \$ 183 | \$ 123 |
| Licensing and royalties | 13 | 381 |
| Total revenue | 196 | 504 |
| Cost of sales | 81 | 106 |
| Gross profit | 115 | 398 |
| Operating expenses | | |
| Selling, marketing, general and administrative | 959 | 1,026 |
| Research and development | | |