

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
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For the quarterly period ended March 31, 2026

OR

☐	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
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For the transition period from to

Commission File No. 001-31332

LIQUIDMETAL TECHNOLOGIES, INC.

(Exact name of Registrant as specified in its charter)

Delaware	33-0264467
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

20321 Valencia Circle
Lake Forest, CA 92630
(Address of principal executive offices, 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 every Interactive Data File required to be submitted 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 such files).
Yes ☒ No ☐

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

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐
Smaller reporting company ☒	Emerging growth company ☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Securities registered pursuant to Section 12(b) of the Exchange Act: None

The number of common shares outstanding as of May 8, 2026 was 917,285,149.

LIQUIDMETAL TECHNOLOGIES, INC.
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2026

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,” “may,” “anticipates,” “plans,” “seeks,” and similar words or 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 results. 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, 2025 entitled “Risk Factors,” as well as the following risks and uncertainties:

•	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;
•	Challenges associated with having products manufactured from our alloys and the use of third parties for manufacturing;
•	Our limited history of licensing our technology to third parties;
•	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;
•	Potential difficulties associated with protecting or expanding our intellectual property position; and

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

TABLE OF CONTENTS

<u>PART I – Financial Information</u>	
<u>Item 1 – Financial Statements</u>	<u>4</u>
<u>Unaudited Consolidated Balance Sheets</u>	<u>4</u>
<u>Unaudited Consolidated Statements of Operations</u>	<u>5</u>
<u>Unaudited Consolidated Statements of Stockholders' Equity</u>	<u>6</u>
<u>Unaudited Consolidated Statements of Comprehensive Income (Loss)</u>	<u>7</u>
<u>Unaudited Consolidated Statements of Cash Flows</u>	<u>8</u>
<u>Notes to Unaudited Consolidated Financial Statements</u>	<u>9</u>
<u>Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>18</u>
<u>Item 3 – Quantitative and Qualitative Disclosures about Market Risk</u>	<u>22</u>
<u>Item 4 – Controls and Procedures</u>	<u>22</u>
<u>PART II – Other Information</u>	<u>23</u>
<u>Item 1 – Legal Proceedings</u>	<u>23</u>
<u>Item 1A – Risk Factors</u>	<u>23</u>
<u>Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>23</u>
<u>Item 3 – Defaults Upon Senior Securities</u>	<u>23</u>
<u>Item 4 – Mine Safety Disclosures</u>	<u>23</u>
<u>Item 5 – Other Information</u>	<u>23</u>
<u>Item 6 – Exhibits</u>	<u>23</u>
<u>Signatures</u>	<u>24</u>

PART I
FINANCIAL INFORMATION

Item 1 – Financial Statements

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

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,404	\$ 7,164
Restricted cash	-	-
Investments in debt securities- short term	6,182	4,917
Trade accounts receivable, net	153	91
Inventories	-	46
Prepaid expenses and other current assets	523	1,302
Total current assets	14,262	13,520
Investments in debt securities- long term	5,575	7,606
Property and equipment, net	7,272	7,050
Patents and trademarks, net	18	21
Other assets	761	108
Operating lease right-of-use asset	681	809
Total assets	\$ 28,569	\$ 29,114
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 410	\$ 152
Accrued liabilities	217	165
Other current liabilities	902	902
Operating lease liability — current	292	309
Total current liabilities	1,821	1,528
Operating lease liability — noncurrent	390	500
Total liabilities	2,211	2,028
Shareholders' equity:		
Common stock, \$0.001 par value; 1,100,000,000 shares authorized; 917,285,149 and 917,285,149 shares issued and outstanding at March 31, 2026 and December 31, 2025, respectively	917	917
Warrants	18,179	18,179
Additional paid-in capital	288,458	288,420
Accumulated deficit	(281,359)	(280,594)
Accumulated other comprehensive income	244	245
Non-controlling interest in subsidiary	(81)	(81)
Total shareholders' equity	26,358	27,086
Total liabilities and shareholders' equity	\$ 28,569	\$ 29,114

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

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(\$ in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Revenue:		
Products	\$ 256	\$ 282
Licensing and royalties	-	-
Total revenue	256	282
Cost of sales	179	204
Gross profit	77	78
Operating expenses:		
Selling, marketing, general and administrative	1,212	975
Research and development	3	4
	1,215	979
Operating loss	(1,138)	(901)
Other income:		
Lease income	196	89
Other income	30	2
Investment income	10	63
Interest income	137	179
	373	333
Loss from operations	(765)	(568)
Income taxes	-	-
Net loss	(765)	(568)
Net loss attributable to non-controlling interest	-	-
Net loss attributable to Liquidmetal Technologies shareholders	<u>\$ (765)</u>	<u>\$ (568)</u>
Per common share basic and diluted:		
Net loss per common share attributable to Liquidmetal Technologies shareholders, basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Number of weighted average shares - basic and diluted	<u>917,285,149</u>	<u>917,285,149</u>

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

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(\$ in thousands, except share and per share data)
(unaudited)

	Preferred Shares	Common Shares	Common Stock	Warrants part of Additional Paid-in Capital	Additional Paid-in Capital	Accumulated Deficit	Accumulated other comprehensive income	Non- controlling Interest	Total
Balance - December 31, 2025	-	917,285,149	\$ 917	\$ 18,179	\$ 288,420	\$ (280,594)	\$ 245	\$ (81)	\$ 27,086
Stock-based compensation	-	-	-	-	38	-	-	-	38
Net loss	-	-	-	-	-	(765)	-	-	(765)
Foreign currency translation adjustment	-	-	-	-	-	-	32	-	32
Other comprehensive loss	-	-	-	-	-	-	(33)	-	(33)
Balance - March 31, 2026	-	917,285,149	\$ 917	\$ 18,179	\$ 288,458	\$ (281,359)	\$ 244	\$ (81)	\$ 26,358
Balance - December 31, 2024	-	917,285,149	\$ 917	\$ 18,179	\$ 288,270	\$ (278,253)	\$ 107	\$ (80)	\$ 29,140
Stock-based compensation	-	-	-	-	54	-	-	-	54
Net loss	-	-	-	-	-	(568)	-	-	(568)
Other comprehensive gain	-	-	-	-	-	-	20	-	20
Balance - March 31, 2025	-	917,285,149	\$ 917	\$ 18,179	\$ 288,324	\$ (278,821)	\$ 127	\$ (80)	\$ 28,646

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

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(\$ in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Net loss	\$ (765)	\$ (568)
Other comprehensive income (loss), net of tax		
Net unrealized gains (losses) on available-for-sale securities	\$ (33)	\$ 20
Gain on foreign currency translation	32	-
Other comprehensive income (loss), net of tax	(1)	20
Comprehensive loss	(766)	(548)
Less: Comprehensive loss attributable to noncontrolling interests	-	-
Comprehensive loss attributable to Liquidmetal Technologies shareholders	<u><u>\$ (766)</u></u>	<u><u>\$ (548)</u></u>

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

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(\$ in thousands, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Operating activities:		
Net loss	\$ (765)	\$ (568)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	96	81
Realized investment gains (loss), net	(10)	(63)
Unrealized investment gain (loss), net	(33)	20
Stock-based compensation	38	54
Gain on foreign currency translation	32	-
Gain on sale of equipment	(5)	-
Changes in operating assets and liabilities:		
Trade accounts receivable	(62)	(50)
Inventories	46	52
Prepaid expenses and other current assets	779	118
Other assets and liabilities	(652)	-
Accounts payable and accrued liabilities	310	57
Deferred revenue	-	-
Net cash used in operating activities	(226)	(299)
Investing Activities:		
Purchases of debt securities	(570)	(4,658)
Proceeds from sales of debt securities	1,346	3,846
Purchase of property and equipment	(315)	-
Proceeds from sale of equipment	5	-
Net cash provided by (used in) investing activities	466	(812)
Net increase (decrease) in cash, cash equivalents, and restricted cash	240	(1,111)
Cash, cash equivalents, and restricted cash at beginning of period	7,164	6,011
Cash, cash equivalents, and restricted cash at end of period	\$ 7,404	\$ 4,900
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

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

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2026 and 2025
(numbers in thousands, except percentages, share and per share data)
(unaudited)

1. DESCRIPTION OF BUSINESS

Liquidmetal Technologies, Inc. (the “Company”) is a materials technology and manufacturing company focused on the development and commercialization of products made from proprietary amorphous alloys and/or utilizing proprietary amorphous alloy manufacturing technologies. In addition to developing the Company’s manufacturing facility through our subsidiary in China, the Company works with third-party manufacturing and commercial partners to develop and commercial products made from proprietary amorphous alloys.

Amorphous alloys are, in general, unique materials that are distinguished by their ability to retain a random atomic structure when they solidify, in contrast to the crystalline atomic structure that forms in other metals and alloys when they solidify. Liquidmetal alloys are proprietary amorphous alloys that possess a combination of performance, processing, and potential cost advantages that the Company believes will make them preferable to other materials in a variety of applications. The amorphous atomic structure of bulk alloys enables them to overcome certain performance limitations caused by inherent weaknesses in crystalline atomic structures, thus facilitating performance and processing characteristics superior in many ways to those of their crystalline counterparts. The Company believes that the alloys and the molding technologies it employs may result in components, for many applications, that exhibit: exceptional dimensional control and repeatability that rivals precision machining, excellent corrosion resistance, brilliant surface finish, high strength, high hardness, high elastic limit, alloys that are non-magnetic, and the ability to form complex shapes common to the injection molding of plastics. Interestingly, all of these characteristics are achievable from the molding process, so design engineers often do not have to select specific alloys to achieve one or more of the characteristics as is the case with crystalline materials. The Company believes these advantages could result in Liquidmetal alloys supplanting high-performance alloys, such as titanium and stainless steel, and other incumbent materials in a wide variety of applications. Moreover, the Company believes these advantages could enable the introduction of entirely new products and applications that are not possible or commercially viable with other materials.

The Company’s revenues are derived from i) selling bulk Liquidmetal alloy products to customers who produce medical devices, automotive assemblies, sports and leisure goods, and non-consumer electronic devices, ii) selling tooling and prototype parts such as demonstration parts and test samples for customers with products in development, iii) product licensing and royalty revenue, and iv) research and development revenue. The Company expects that these sources of revenue will continue to significantly change the character of the Company’s revenue mix.

2. BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS

The accompanying unaudited interim consolidated financial statements as of and for the three months ended March 31, 2026 and 2025 have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q. Accordingly, they do not include all of the information and notes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. All intercompany balances and transactions have been eliminated in consolidation. Operating results for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for any future periods or the year ending December 31, 2026. The accompanying unaudited consolidated financial statements should be read in conjunction with the Company’s 2025 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 12, 2026.

Investments in Debt Securities

The Company will invest excess funds to maximize investment yield, while maintaining liquidity and minimizing credit risk. Debt securities are carried at fair value and consist primarily of investments in obligations of the United States Treasury, various U.S. and foreign corporations, and certificates of deposits. The Company classifies its investments in debt securities as available-for-sale with all unrealized gains or losses included as part of other comprehensive income. The Company evaluates its debt securities with unrealized losses on a quarterly basis for potential other-than-temporary impairments in value. As a result of this assessment, the Company did not recognize any other-than-temporary impairment losses considered to be credit related for the three months ended March 31, 2026 and 2025.

Fair Value Measurements

The estimated fair values of financial instruments reported in the consolidated financial statements have been determined using available market information and valuation methodologies, as applicable. The fair value of cash and restricted cash approximate their carrying value due to their short maturities and are classified as Level 1 instruments within the fair value hierarchy.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value based upon the following fair value hierarchy:

Level 1 —	Quoted prices in active markets for identical assets or liabilities;
Level 2 —	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
Level 3 —	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of March 31, 2026, the following table represents the Company's fair value hierarchy for items that are required to be measured at fair value on a recurring basis:

	Fair Value	Level 1	Level 2	Level 3
Investments in debt securities (short-term)	\$ 6,182	\$ 5,758	\$ 424	\$ -
Investments in debt securities (long-term)	5,575	4,035	1,540	-

As of December 31, 2025, the following table represents the Company's fair value hierarchy for items that are required to be measured at fair value on a recurring basis:

	Fair	Level 1	Level 2	Level 3
Investments in debt securities (short-term)	4,917	4,817	100	-
Investments in debt securities (long-term)	7,606	5,481	2,125	-

Operating Leases

The Company adopted FASB Accounting Standards Codification, or ASC, Topic 842, Leases ("ASC 842") which requires the recognition of the right-of-use assets and relating operating and finance lease liabilities on the balance sheet. Under ASC 842, all leases are required to be recorded on the balance sheet and are classified as either operating leases or finance leases. The lease classification affects the expense recognition in the income statement. Operating lease charges are recorded entirely in operating expenses. Finance lease charges are split, where amortization of the right-of-use asset is recorded in operating expenses and an implied interest component is recorded in interest expense.

Foreign Currency Translation

The Company has operations in China. Accounting records in foreign operations are maintained in local currencies and remeasured to the US dollars during the consolidation. Nonmonetary assets and liabilities are translated at historical rates, and monetary assets and liabilities are translated at exchange rates in effect at the end of the year. Income statement accounts are translated at average rates for the year. Gains or losses from remeasurement of foreign currency financial statements into the US dollars are included in current results of comprehensive income.

Other Recent Pronouncements

In June 2016, the FASB issued an accounting standards update which changes the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. This update replaces the existing incurred loss impairment model with an expected loss model (referred to as the Current Expected Credit Loss model, or "CECL"). The standard update, and its related amendments, will become effective for the fiscal year beginning on January 1, 2023. This did not have a material impact on its consolidated financial statements as of and for the year ended December 31, 2025. Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

3. SIGNIFICANT TRANSACTIONS

Hangzhou Feifeng Liquidmetal Co., Ltd. Joint Venture

On July 4, 2025, Liquidmetal Asia Holdings Limited (“Liquidmetal Asia”), a Hong Kong based, wholly owned subsidiary of the Company, entered into a shareholders agreement with Mr. Chong Liu, an individual investor to form a new joint venture company named Hangzhou Feifeng Liquidmetal Co. Ltd., a limited liability company formed under the Peoples Republic of China (the “Joint Venture Company”). The Joint Venture Company was formed for the principal purpose of developing a manufacturing facility in Hangzhou, China for the manufacture of amorphous metal products. The Joint Venture Company is owned 70% by Liquidmetal Asia and 30% by Mr. Liu and has been capitalized with \$6.0 million USD of initial capital, of which \$4.2 million has been contributed by Liquidmetal Asia, and \$1.8 million will be contributed by Mr. Liu on or before May 25, 2028.

Yihao Manufacturing Agreement

On January 12, 2022, the Company entered into a manufacturing agreement (“Manufacturing Agreement”) with Dongguan Yihao Metal Materials Technology Co. Ltd. (“Yihao”) to become an outsourced contract manufacturer of the Company’s products. Under the Manufacturing Agreement, which has a term of five years, Yihao has agreed to serve as a non-exclusive contract manufacturer for amorphous alloy parts offered and sold by the Company at prices determined on a “cost-plus” basis. Yihao is an affiliate of Dongguan Eontec Co. Ltd. and Professor Lugee Li, our chairman and largest beneficial owner of the Company’s capital stock.

Corporate Facility Purchase and Lease

On February 16, 2017, the Company purchased a 41,000 square foot facility (the “Facility”) located in Lake Forest, CA for \$7,818.

On January 23, 2020, 20321 Valencia, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company that owns the Facility, entered into a lease agreement pursuant to which the Company leased to MatterHackers, Inc., a Delaware corporation (“Tenant”), an approximately 32,534 square foot portion of the Facility. The lease term was for 5 years and 2 months and expired on April 30, 2025. The base rent payable under the lease was \$32,534 per month initially and was subject to periodic increases up to a maximum of approximately \$54,000 per month. Tenant paid approximately 79% of common operating expenses.

On March 26, 2025, the Company entered into a new lease agreement (the “Facility Lease”) for a 5 year term commencing on May 1, 2025 and expanded the leased square footage to 40,090 square feet. The base rent payable under the Facility Lease is \$51,716 per month initially and is subject to periodic increases up to a maximum of approximately \$58,000 per month. Tenant will pay approximately 98% of building operating expenses. The Facility Lease grants the Company or Tenant the right to terminate the Facility Lease after two and a half years into the lease term and has other customary provisions, including provisions relating to default and usage restrictions.

2016 Purchase Agreement

On March 10, 2016, the Company entered into a Securities Purchase Agreement (the “2016 Purchase Agreement”) with Liquidmetal Technology Limited, a Hong Kong company (the “Investor”), which is controlled by the Company’s Chairman, Professor Li. The 2016 Purchase Agreement provided for the purchase by the Investor of a total of 405,000,000 shares of the Company’s common stock for an aggregate purchase price of \$63,400. The transaction occurred in multiple closings, with the Investor having purchased 105,000,000 shares at a purchase price of \$8,400 (or \$0.08 per share) at the initial closing on March 10, 2016 and the remaining 200,000,000 shares at \$0.15 per share and 100,000,000 shares at \$0.25 per share for an aggregate purchase price of \$55,000 on October 26, 2016. On October 10, 2024, the Investor sold 179,787,888 to various buyers leaving 225,212,112 shares of our common stock owned by the Investor as of March 31, 2026.

In addition to the shares issuable under the 2016 Purchase Agreement, the Company issued to the Investor a warrant to acquire 10,066,809 shares of common stock. The warrant expired March 10, 2026.

Eontec License Agreement

On March 10, 2016, in connection with the 2016 Purchase Agreement, the Company and DongGuan Eontec Co., Ltd., a Hong Kong corporation (“Eontec”), entered into a Parallel License Agreement (the “License Agreement”) pursuant to which the Company and Eontec agreed to cross-license their respective technologies. The Company’s Chairman, Professor Li, is also the Chairman of Eontec.

The License Agreement provides for the cross-license of certain patents, technical information, and trademarks between the Company and Eontec. In particular, the Company granted to Eontec a paid-up, royalty-free, perpetual license to the Company’s patents and related technical information to make, have made, use, offer to sell, sell, export, and import products in certain geographic areas outside of North America and Europe. In turn, Eontec granted to the Company a paid-up, royalty-free, perpetual license to Eontec’s patents and related technical information to make, have made, use, offer to sell, sell, export, and import products in certain geographic areas outside of specified countries in Asia. The license granted by the Company to Eontec is exclusive (including to the exclusion of the Company) in the countries of Brunei, Cambodia, China (P.R.C and R.O.C.), East Timor, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Singapore, South Korea, Thailand, and Vietnam. The license granted by Eontec to the Company is exclusive (including to the exclusion of Eontec) in North America and Europe. The cross-licenses are non-exclusive in geographic areas outside of the foregoing exclusive territories.

Apple License Transaction

On August 5, 2010, the Company entered into a license transaction with Apple Inc. (“Apple”) pursuant to which (i) the Company contributed substantially all of its intellectual property assets to a newly organized special-purpose, wholly-owned subsidiary, called Crucible Intellectual Property, LLC (“CIP”), (ii) CIP granted to Apple a perpetual, worldwide, exclusive license to commercialize such intellectual property in the field of consumer electronic products, as defined in the license agreement, in exchange for a one-time, upfront license fee, and (iii) CIP granted back to the Company a perpetual, worldwide, fully-paid, exclusive license to commercialize such intellectual property in all other fields of use.

Under the agreements relating to the license transaction with Apple, the Company was obligated to contribute, to CIP, all intellectual property developed through February 2016. The Company is also obligated to maintain certain limited liability company formalities with respect to CIP at all times after the closing of the license transaction.

Liquidmetal Golf Sublicense Agreement

Liquidmetal Golf Inc. (“Liquidmetal Golf” or “LMG”) is a majority-owned subsidiary which has the exclusive right and license to utilize our Liquidmetal alloy technology for purposes of golf equipment applications. This right and license is set forth in an intercompany license agreement dated January 1, 2002 between Liquidmetal Technologies and Liquidmetal Golf. This license agreement provides that Liquidmetal Golf has a perpetual and exclusive license to use Liquidmetal alloy technology for the purpose of manufacturing, marketing, and selling golf club components and other products used in the sport of golf. The Company owns 79% of the outstanding common stock in Liquidmetal Golf.

On January 13, 2022, Liquidmetal Golf entered into a sublicense agreement (“LMG Sublicense Agreement”) with Amorphous Technologies Japan, Inc. (“ATJ”), a newly formed Japanese entity that was established by Twins Corporation, a sporting goods company operating in Japan. Under the agreement, LMG granted to ATJ a nonexclusive worldwide sublicense to the Company’s amorphous alloy technology and related trademarks to manufacture and sell golf clubs and golf related products. The LMG Sublicense Agreement had an initial term of three years and has been extended for another three year term that provides for the payment of a running royalty to LMG of 3% of the net sales price of licensed products.

Swatch Group License

In March 2009, the Company entered into a license agreement with Swatch Group, Ltd. (“Swatch”) under which Swatch was granted a non-exclusive license to the Company’s technology to produce and market watches and certain other luxury products. In March 2011, this license agreement was amended to grant Swatch exclusive rights as to watches as against all third parties (including the Company), but non-exclusive as to Apple. The Company will receive royalty payments over the life of the contract on all Liquidmetal products produced and sold by Swatch. The license agreement with Swatch will expire on the expiration date of the last-to-expire licensed patent.

4. INVESTMENTS IN DEBT SECURITIES

The following table sets forth amortized cost fair value, and unrealized gains (losses) of investments in debt securities (short-term and long-term):

	Longest Maturity Date	Amortized Cost		Fair Value	
		March 31,	December 31,	March 31,	December 31,
		2026	2025	2026	2025
U.S. government and agency securities	2029	\$ 8,771	\$ 9,254	\$ 8,896	\$ 9,402
Corporate bonds	2031	2,820	3,062	2,861	3,121
Certificates of deposit	One-year				
		<u>\$ 11,591</u>	<u>\$ 12,316</u>	<u>\$ 11,757</u>	<u>\$ 12,523</u>

Income from these investments totaled \$129 and \$242 during the three months ended March 31, 2026 and 2025, respectively. Such amounts are included as a portion of interest and investment income on the Company's consolidated statements of operations.

Based on the Company's review of its debt securities that are individually in an unrealized loss position at March 31, 2026, it was determined that the losses were primarily the result current economic factors, impacting all global debt and equity markets, that are the result of global macro events. The impact of the Company's investment portfolio is considered to be temporary, rather than a deterioration of overall credit quality. As of March 31, 2026, all investments are current on their scheduled interest and dividend payments. The Company does not intend to sell and it is not likely that the Company will be required to sell these securities prior to recovering their amortized cost. As such, the Company does not consider these securities to be other-than-temporarily impaired as of March 31, 2026.

Investment in debt securities activities consisted of the following:

	Three months ended March 31,	
	2026	2025
Investment in debt securities – beginning balance	\$ 12,523	\$ 16,330
Purchases	570	4,658
Sales at cost	(1,300)	(3,809)
Realized gain from sale of investment in debt securities	10	63
Interest and dividend income	129	188
Unrealized gain	200	127
Professional management fees and other fees	(10)	(14)
Withdrawals from debt securities	(365)	(338)
Investment in debt securities – ending balance	11,757	17,205
Less – current portion	(6,182)	(8,097)
Investment in debt securities – non-current	<u>\$ 5,575</u>	<u>\$ 9,108</u>

5. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable were comprised of the following:

	March 31, 2026	December 31, 2025
Accounts receivables	\$ 153	\$ 91
AR allowance	-	-
Total	<u>\$ 153</u>	<u>\$ 91</u>

6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets were comprised of the following:

	March 31, 2026	December 31, 2025
Prepaid service invoices	\$ 93	\$ 956
Prepaid insurance premiums	131	210
Prepaid rent	97	-
Prepaid lease costs and receivables- short term	42	33
Interest and other receivables	160	103
Total	<u>\$ 523</u>	<u>\$ 1,302</u>

7. INVENTORIES

Inventories were comprised of the following:

	March 31, 2026	December 31, 2025
Work in progress	\$ -	\$ -
Finished goods	-	46
Total	<u>\$ -</u>	<u>\$ 46</u>

8. PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following:

	March 31, 2026	December 31, 2025
Land, building, and improvements	\$ 9,903	\$ 9,613
Machinery and equipment	1,233	1,304
Computer equipment	277	272
Office equipment, furnishings, and improvements	53	51
Total	11,466	11,240
Accumulated depreciation	(4,194)	(4,190)
Total	<u>\$ 7,272</u>	<u>\$ 7,050</u>

Depreciation expense for three months ended March 31, 2026 and 2025 were \$93 and \$78, respectively. Such amounts were included in selling, marketing, general, and administrative expenses within Company's consolidated statements of operations.

During the three months ended March 31, 2026, the Company disposed of equipment with a cost and accumulated depreciation of \$90. As the net book value of the assets was zero, the company recognized a gain on disposal of \$5.

9. PATENTS AND TRADEMARKS, NET

Patents and trademarks were comprised of the following:

	March 31, 2026	December 31, 2025
Purchased and licensed patent rights	\$ 566	\$ 566
Internally developed patents	1,686	1,686
Trademarks	148	148
Total	2,400	2,400
Accumulated depreciation	(2,382)	(2,379)
Total	<u>\$ 18</u>	<u>\$ 21</u>

Purchased patent rights represent the exclusive right to commercialize the bulk amorphous alloy and other amorphous alloy technology acquired from California Institute of Technology ("Caltech"), through a license agreement with Caltech and other institutions. All fees and other amounts payable by the Company for these rights and licenses have been paid or accrued in full, and no further royalties, license fees, or other amounts will be payable in the future under the license agreement. In addition to the purchased and licensed patents, the Company has internally developed patents. Internally developed patents include legal and registration costs incurred to obtain the respective patents. The Company currently holds various patents and numerous pending patent applications in the United States, as well as numerous foreign counterparts to these patents outside of the United States.

The Company amortizes capitalized patents and trademarks over an average of 10-to-17-year periods. Amortization expense for patents and trademarks was \$3 and \$4 for the three months ended March 31, 2026 and 2025, respectively.

10. OTHER ASSETS

Other assets were comprised of the following:

	March 31, 2026	December 31, 2025
Equipment deposits	\$ 679	\$ 27
Lease deposits	68	67
Utility deposits	14	14
Total	<u>\$ 761</u>	<u>\$ 108</u>

11. ACCRUED LIABILITIES

Accrued liabilities were comprised of the following:

	March 31, 2026	December 31, 2025
Accrued payroll, vacation, and bonuses	\$ 159	\$ 115
Accrued audit fees	58	50
	<u>\$ 217</u>	<u>\$ 165</u>

12. OTHER CURRENT LIABILITIES

Other current liabilities was \$902 as of March 31, 2026 and December 31, 2025, and consisted of \$859 of long-term, aged payables to vendors, individuals, and other third parties that have been outstanding for more than 5 years. Also included in the balance is \$43 in tenant deposits under the Facility Lease.

13. STOCK COMPENSATION PLANS

On June 28, 2012, the Company adopted the 2012 Equity Incentive Plan ("2012 Plan"), with the approval of the shareholders, which provided for the grant of stock options to officers, employees, consultants and directors of the Company and its subsidiaries. Under this plan, the Company had outstanding grants of options to purchase 2,380,000 and 2,432,500 shares of the Company's common stock as of March 31, 2026 and December 31, 2025, respectively. The 2012 Plan expired in June 2022.

On January 27, 2015, the Company adopted its 2015 Equity Incentive Plan ("2015 Plan"), which provided for the grant of stock options to officers, employees, consultants and directors of the Company and its subsidiaries. A total of 40,000,000 shares of the Company's common stock were available for issuance under the 2015 Plan. All options granted under the 2015 Plan had exercise prices that were equal to the fair market value on the dates of grant. Under this plan, the Company had outstanding grants of options to purchase 22,461,667 and 22,861,667 as of March 31, 2026 and December 31, 2025, respectively. The 2015 Plan expired in January 2025.

FASB ASC 718, Compensation – Stock Compensation, requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. Under ASC 718, the Company is required to measure the cost of employee services received in exchange for stock options and similar awards based on the grant-date fair value of the award and recognize this cost in the income statement over the period during which an employee is required to provide service in exchange for the award.

Stock based compensation expense attributable to these plans was \$38 and \$54 for the three months ended March 31, 2026 and 2025, respectively.

Expected volatilities are based on historical volatility expected over the expected life of the options. The Company uses historical data to estimate option exercise and employee termination within the valuation model. The expected term of options granted represents the period of time that options granted are expected to be outstanding. Expected forfeiture rates are determined based on historical forfeitures over a five-year period. The risk-free rate used for the period within the expected life of the options is based on U.S. Treasury rates in effect at the time of grant.

14. FACILITY LEASES

Amounts collected under the Facility Lease are comprised of base rents and reimbursements for direct facility expenses (property taxes and insurance), common area maintenance, and utilities. Amounts recorded to lease income are comprised of base rents and direct facility expenses, recorded on a straight-line basis over the lease term. Reimbursements for common area maintenance and utility expense are recorded as reductions to like expenses within sales, general, and administrative costs.

The future minimum rents due to the Company under the Facility Lease are as follows:

Year	Base Rents
2026 (remaining nine months)	\$ 571
2027	776
2028	796
2029	816
Thereafter	274
	<u>\$ 3,233</u>

15. OPERATING LEASE

On July 4, 2025, the Company entered into a non-cancelable facility lease commencing and expiring on July 3, 2028, for approximately 6,600 square meters of industrial space in Hangzhou, China. The lease term is 36 months and includes a three-month rent-free period from July 4, 2025 through October 3, 2025, during which only property management fees and utilities are payable. Base rent is \$27 per month. The lease is denominated in Renminbi (“RMB” or “yuan”), and the lease liability and right-of-use asset are initially measured in RMB and translated into U.S. dollars for consolidated financial reporting purposes in accordance with ASC830.

For the Three Months Ended March 31,	2026	2025
Operating lease expense	\$ 81	\$ -
Total lease expense	<u>\$ 81</u>	<u>\$ -</u>

In accordance with ASC 842, other information related to leases was as follows:

For the Three Months Ended March 31,	2026	2025
Operating cash flows from operating leases	\$ 81	\$ -
Cash paid for amounts included in the measurement of lease liabilities	<u>\$ 81</u>	<u>\$ -</u>

In accordance with ASC 842, the components of lease expense were as follows:

2026 (remaining nine months)	\$ 244
2027	326
2028	163
2029	-
2030	-
Thereafter	-
Total undiscounted cash flows	<u>\$ 733</u>

Reconciliation of lease liabilities:

Weighted-average remaining lease terms	2.1 years
Weighted-average discount rate	6.0%
Present values	<u>\$ 682</u>

Lease liabilities—current	292
Lease liabilities—long-term	390
Lease liabilities—total	<u>682</u>

Difference between undiscounted and discounted cash flows	<u>\$ 51</u>
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16. LOSS PER COMMON SHARE

Basic earnings per share (“EPS”) is computed by dividing earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding for the periods. Diluted EPS reflects the potential dilution of securities that could share in the earnings.

Options to purchase 39,841,667 shares of common stock at prices ranging from \$0.05 to \$0.38 per share were outstanding at March 31, 2026, but were not included in the computation of diluted EPS for the same period as the inclusion would have been antidilutive, given the Company’s net loss. Options to purchase 40,892,992 shares of common stock at prices ranging from \$0.05 to \$0.38 per share were outstanding at March 31, 2025, but were not included in the computation of diluted EPS for the same period as the inclusion would have been antidilutive, given the Company’s net loss.

17. RELATED PARTY TRANSACTIONS

On March 10, 2016, the Company entered into the 2016 Purchase Agreement with Liquidmetal Technology Limited, providing for the purchase of 405,000,000 shares of the Company’s common stock for an aggregate purchase price of \$63,400. Liquidmetal Technology Limited is owned by our Chairman, Professor Li. In connection with the 2016 Purchase Agreement and also on March 10, 2016, the Company and Eontec entered into a license agreement, pursuant to which the Company and Eontec entered into a cross-license of their respective technologies. Eontec is an affiliate of Yihao which is currently the Company’s primary contract manufacturer. As of March 31, 2026 and December 31, 2025, Professor Li is a greater-than 5% beneficial owner of the Company and serves as the Company’s Chairman. Equipment and services procured from Yihao were \$105 and \$117 during the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026 and December 31, 2025, the Company has outstanding payables to Yihao of \$0 and \$47, respectively.

18. SUBSEQUENT EVENTS

The Company follows the guidance in FASB ASC Topic 855, Subsequent Events (“ASC 855”), which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before the consolidated financial statements are issued or are available to be issued. ASC 855 sets forth (i) the period after the balance sheet date during which management of a reporting entity evaluates events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements, (ii) the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its consolidated financial statements, and (iii) the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. Accordingly, the Company did not have any subsequent events that require disclosure.

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

This management’s discussion and analysis should be read in conjunction with the consolidated financial statements and notes included elsewhere in this report on Form 10-Q. All amounts described in this section are in thousands, except percentages, periods of time, and share and per share data.

This management’s discussion and analysis, as well as other sections of this report on Form 10-K, may contain “forward-looking statements” that involve risks and uncertainties, including statements regarding our plans, future events, objectives, expectations, estimates, forecasts, assumptions or projections. Any statement that is not a statement of historical fact is a forward-looking statement, and in some cases, words such as “believe,” “estimate,” “project,” “expect,” “intend,” “may,” “anticipate,” “plan,” “seek,” and similar expressions identify forward-looking statements. These statements involve risks and uncertainties that could cause actual outcomes and results to differ materially from the anticipated outcomes or results, and undue reliance should not be placed on these statements. These risks and uncertainties include, but are not limited to, the matters discussed in Part II herein, under the heading “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 and other risks and uncertainties discussed in filings made with the Securities and Exchange Commission (including risks described in subsequent reports on Form 10-Q, Form 10-K, Form 8-K, and other filings).

Liquidmetal Technologies, Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Overview

We are a materials technology and manufacturing company focused on the development and commercialization of products made from proprietary amorphous alloys and/or utilizing proprietary amorphous alloy manufacturing technologies. In addition to developing our own manufacturing facility through our subsidiary in China, we work with third-party manufacturing and commercial partners to develop and commercial products made from our proprietary amorphous alloys.

Amorphous alloys are, in general, unique materials that are distinguished by their ability to retain a random atomic structure when they solidify, in contrast to the crystalline atomic structure that forms in other metals and alloys when they solidify. Liquidmetal alloys are proprietary amorphous alloys that possess a combination of performance, processing, and potential cost advantages that we believe will make them preferable to other materials in a variety of applications. The amorphous atomic structure of bulk alloys enables them to overcome certain performance limitations caused by inherent weaknesses in crystalline atomic structures, thus facilitating performance and processing characteristics superior in many ways to those of their crystalline counterparts. We believe the alloys and the molding technologies we employ can result in components for many applications that exhibit exceptional dimensional control and repeatability that rivals precision machining, excellent corrosion resistance, brilliant surface finish, high strength, high hardness, high elastic limit, alloys that are non-magnetic, and the ability to form complex shapes common to the injection molding of plastics. All of these characteristics are achievable from the molding process, so design engineers often do not have to select specific alloys to achieve one or more of the characteristics as is the case with crystalline materials. We believe these advantages could result in Liquidmetal alloys supplanting high-performance alloys, such as titanium and stainless steel, and other incumbent materials in a wide variety of applications. Moreover, we believe these advantages could enable the introduction of entirely new products and applications that are not possible or commercially viable with other materials.

Our revenues are derived from i) selling our bulk amorphous alloy custom products and parts for applications which include, but are not limited to, non-consumer electronic devices, medical products, automotive components, and sports and leisure goods; ii) selling tooling and prototype parts such as demonstration parts and test samples for customers with products in development; and iii) product licensing and royalty revenue.

Our cost of sales consists primarily of the costs of manufacturing, which include raw alloy and direct labor costs. Selling, general, and administrative expenses currently consist primarily of salaries and related benefits, travel, consulting and professional fees, depreciation and amortization, insurance, office and administrative expenses, and other expenses related to our operations.

Research and development expenses represent salaries, related benefits expenses, consulting and contract services, expenses incurred for the design and testing of new processing methods, expenses for the development of sample and prototype products, and other expenses related to the research and development of Liquidmetal bulk alloys. Costs associated with research and development activities are expensed as incurred. We plan to enhance our competitive position by improving our existing technologies and developing advances in amorphous alloy technologies. We believe that our research and development efforts will focus on the discovery of new alloy compositions, the development of improved processing technology, and the identification of new applications for our alloys.

SIGNIFICANT TRANSACTIONS

Hangzhou Feifeng Liquidmetal Co., Ltd. Joint Venture

On July 4, 2025, Liquidmetal Asia Holdings Limited (“Liquidmetal Asia”), a Hong Kong incorporated wholly owned subsidiary, entered into a shareholders agreement with Mr. Chong Liu, an individual investor to form a new joint venture company named Hangzhou Feifeng Liquidmetal Co. Ltd., a limited liability company formed under the Peoples Republic of China (the “Joint Venture Company”). The Joint Venture Company was formed for the principal purpose of developing a manufacturing facility in Hangzhou, China for the manufacture of amorphous metal products. The Joint Venture Company is owned 70% by Liquidmetal Asia and 30% by Mr. Liu and has been capitalized with \$6.0 million USD of initial capital, of which \$4.2 million has been contributed by Liquidmetal Asia, and \$1.8 million will be contributed by Mr. Liu on or before May 25, 2028.

Yihao Manufacturing Agreement

On January 12, 2022, Liquidmetal Technologies entered into a manufacturing agreement (“Manufacturing Agreement”) with Dongguan Yihao Metal Materials Technology Co. Ltd. (“Yihao”) to become an outsourced manufacturer of the Company’s products. Under the Manufacturing Agreement, which has a term of five years, Yihao has agreed to serve as a non-exclusive contract manufacturer for amorphous alloy parts offered and sold by the Company at prices determined on a “cost-plus” basis. Yihao is an affiliate of Dongguan Eontec Co. Ltd. and Professor Lugee Li, our Chairman and largest beneficial owner of the Company’s capital stock.

Liquidmetal Golf License

On January 13, 2022, our Liquidmetal Golf subsidiary entered into a sublicense agreement (“LMG Sublicense Agreement”) with Amorphous Technologies Japan, Inc. (“ATJ”), a newly formed Japanese entity that was established by Twins Corporation, a sporting goods company operating in Japan. Under the agreement, LMG granted to ATJ a nonexclusive worldwide sublicense to the Company’s amorphous alloy technology and related trademarks to manufacture and sell golf clubs and golf related products. The LMG Sublicense Agreement had an original term of three years and has been extended for an additional three year term that provides for the payment of a running royalty to LMG of 3% of the net sales price of licensed products.

Corporate Facility Purchase and Lease

On February 16, 2017, we purchased a 41,000 square foot facility (the “Facility”) located in Lake Forest, CA for \$7,818.

On January 23, 2020, 20321 Valencia, LLC, a Delaware limited liability company and our wholly owned subsidiary that owns the Facility entered into a lease agreement pursuant to which we leased to MatterHackers, Inc., a Delaware corporation (“Tenant”), an approximately 32,534 square foot portion of the Facility. The lease term was for 5 years and 2 months and expired on April 30, 2025. The base rent payable under the lease was \$33 per month initially and was subject to periodic increases up to a maximum of approximately \$54 per month. Tenant paid approximately 79% of common operating expenses.

On March 26, 2025, we entered into a new lease agreement (the “Facility Lease”) for a 5 year term commencing on May 1, 2025 and expanded the leased square footage to 40,090 square feet. The base rent payable under the Facility Lease is \$52 per month initially and is subject to periodic increases up to a maximum of approximately \$58 per month. Tenant will pay approximately 98% of building operating expenses. The Facility Lease grants us or Tenant the right to terminate the Facility Lease after two and a half years into the lease term and has other customary provisions, including provisions relating to default and usage restrictions.

2016 Purchase Agreement

On March 10, 2016, we entered into a Securities Purchase Agreement (the “2016 Purchase Agreement”) with Liquidmetal Technology Limited, a Hong Kong company (the “Investor”), which is controlled by our Chairman, Professor Lugee Li (“Professor Li”). The 2016 Purchase Agreement provided for the purchase by the Investor of a total of 405,000,000 shares of our common stock for an aggregate purchase price of \$63,400. The transaction occurred in multiple closings, with the Investor having purchased 105,000,000 shares at a purchase price of \$8,400 (or \$0.08 per share) at the initial closing on March 10, 2016, and the remaining 200,000,000 shares at \$0.15 per share and 100,000,000 shares at \$0.25 per share for an aggregate purchase price of \$55,000 on October 26, 2016. On October 10, 2024, the Investor sold 179,787,888 to various buyers leaving 226,572,262 shares of our common stock owned by the Investor as of March 31, 2026.

In addition to the shares issuable under the 2016 Purchase Agreement, we issued to the Investor a warrant to acquire 10,066,809 shares of common stock. The warrant expired on March 10, 2026.

Eontec License Agreement

On March 10, 2016, in connection with the 2016 Purchase Agreement, we entered into a Parallel License Agreement (the “License Agreement”) with DongGuan Eontec Co., Ltd., a Hong Kong corporation (“Eontec”) pursuant to which we each entered into a cross-license of our respective technologies. Our Chairman, Professor Li, is also the Chairman of Eontec.

The License Agreement provides for the cross-license of certain patents, technical information, and trademarks between us and Eontec. In particular, we granted to Eontec a paid-up, royalty-free, perpetual license to our patents and related technical information to make, have made, use, offer to sell, sell, export, and import products in certain geographic areas outside of North America and Europe. In turn, Eontec granted to us a paid-up, royalty-free, perpetual license to Eontec's patents and related technical information to make, have made, use, offer to sell, sell, export, and import products in certain geographic areas outside of specified countries in Asia. The license granted by us to Eontec is exclusive (including to the exclusion of us) in the countries of Brunei, Cambodia, China (P.R.C and R.O.C.), East Timor, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Singapore, South Korea, Thailand, and Vietnam. The license granted by Eontec to us is exclusive (including to the exclusion of Eontec) in North America and Europe. The cross-licenses are non-exclusive in geographic areas outside of the foregoing exclusive territories.

Apple License Transaction

On August 5, 2010, we entered into a license transaction with Apple pursuant to which (i) we contributed substantially all of our intellectual property assets to a newly organized special-purpose, wholly-owned subsidiary, Crucible Intellectual Property, LLC ("CIP"), (ii) CIP granted to Apple a perpetual, worldwide, fully-paid, exclusive license to commercialize such intellectual property in the field of consumer electronic products, as defined in the license agreement, in exchange for a license fee, and (iii) CIP granted back to us a perpetual, worldwide, fully-paid, exclusive license to commercialize such intellectual property in all other fields of use.

Under the agreements relating to the license transaction with Apple, we were obligated to contribute to CIP all intellectual property that we developed through February 2016. We are also obligated to maintain certain limited liability company formalities with respect to CIP at all times after the closing of the license transaction.

Liquidmetal Golf License

On January 13, 2022, our Liquidmetal Golf subsidiary ("Liquidmetal Golf" or "LMG") entered into a sublicense agreement ("LMG Sublicense Agreement") with Amorphous Technologies Japan, Inc. ("ATJ"), a newly formed Japanese entity that was established by Twins Corporation, a sporting goods company operating in Japan. Under the agreement, LMG granted ATJ a nonexclusive worldwide sublicense to our amorphous alloy technology and related trademarks to manufacture and sell golf clubs and golf related products. The original term of three years was extended to have automatic, annual renewals and provided for the payment of a running royalty to LMG of 3% of the net sales price of licensed products.

Swatch Group License

In March 2009, we entered into a license agreement with Swatch Group, Ltd. ("Swatch") under which Swatch was granted a non-exclusive license to our technology to produce and market watches and certain other luxury products. In March 2011, this license agreement was amended to grant Swatch exclusive rights as to watches, but non-exclusive as to Apple. We will receive royalty payments over the life of the contract on all Liquidmetal products produced and sold by Swatch. The license agreement with Swatch will expire on the expiration date of the last-to-expire licensed patent.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions.

We believe that the following accounting policies are the most critical to our consolidated financial statements since these policies require significant judgment or involve complex estimates that are important to the portrayal of our financial condition and operating results:

	•	Revenue recognition
	•	Impairment of long-lived assets and definite-lived intangibles
	•	Deferred tax assets
	•	Share based compensation

Our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Annual Report") contains further discussions on our critical accounting policies and estimates.

RESULTS OF OPERATIONS

Comparison of the three months ended March 31, 2026 and 2025

	Three Months Ended March 31,				Changes	
	2026		2025		Amount	% of Change
	Amount	% of Revenue	Amount	% of Revenue		
Revenue:						
Products	\$ 256	100.0%	\$ 282	100.0%	\$ (26)	-9.2%
Licensing and royalties	-	0.0%	-	0.0%	-	0.0%
Total revenue	256	100.0%	282	100.0%	(26)	-9.2%
Cost of sales	179	69.9%	204	72.3%	(25)	-12.3%
Gross profit	77	30.1%	78	27.7%	(1)	-1.3%
Operating expenses:						
Selling, marketing, general and administrative	1,212	473.4%	975	345.7%	237	24.3%
Research and development	3	1.2%	4	1.4%	(1)	-25.0%
	1,215	474.6%	979	347.2%	236	24.1%
Operating loss	(1,138)	-444.5%	(901)	-319.5%	(237)	26.3%
Other income (expense):						
Lease income	196	76.6%	89	31.6%	107	120.2%
Other income	30	11.7%	2	0.7%	28	1400.0%
Investment income	10	3.9%	63	22.3%	(53)	-84.1%
Interest income	137	53.5%	179	63.5%	(42)	-23.5%
	373	145.7%	333	118.1%	40	12.0%
Loss from operations	(765)	-298.8%	(568)	-201.4%	(197)	34.7%
Income taxes	-	0.0%	-	0.0%	-	0.0%
Net loss	(765)	-298.8%	(568)	-201.4%	(197)	34.7%
Net loss attributable to non-controlling interest	-	0.0%	-	0.0%	-	0.0%
Net loss attributable to Liquidmetal Technologies shareholders	<u>\$ (765)</u>	<u>-298.8%</u>	<u>\$ (568)</u>	<u>-201.4%</u>	<u>\$ (197)</u>	<u>34.7%</u>

Revenue and operating expenses

Revenue. Total revenue decreased by \$26 to \$256 for the three months ended March 31, 2026 from \$282 for the three months ended March 31, 2025. The decrease was attributable to decrease in product shipments primarily related to recurring customer orders and medical device orders.

Cost of Sales. Cost of sales was \$179, or 69.9% of total revenue, for the three months ended March 31, 2026, as compared to \$204, or 72.3% of total revenue, for the three months ended March 31, 2025. The decrease in our cost of sales was primarily driven by lower product revenues during Q1 2026 compared to Q1 2025. Once we are able to sustain and increase shipments of routine, commercial products and parts through our contract manufacturers, we expect our cost of sales percentages to decrease, stabilize, and be more predictable.

Gross Profit. Our gross profit decreased by \$1 from \$78 for the three months ended March 31, 2025 to \$77 for the three months ended March 31, 2026. Our gross margin percentage increased slightly from Q1 2025 to Q1 2026. Our gross profit percentages have fluctuated and may continue to fluctuate based on production volumes and quoted production prices per unit and may not be representative of our future business. If we are able to sustain and increase shipments of routine, commercial products and parts through future orders to third party contract manufacturers, we expect our gross profit percentages to stabilize, increase, and be more predictable.

Selling, marketing, general, and administrative expenses. Selling, marketing, general, and administrative expenses increased by \$237 to \$1,212, or 473.4% of revenue, for the three months ended March 31, 2026 from \$975, or 345.7% of revenue, for the three months ended March 31, 2025. The increase in expenses was primarily attributable to increase in payroll expenses and expenses related to our factory build out in China in Q1 2026 compared to Q1 2025. Stock Based compensation decreased by \$16 to \$38 for the three months ended March 31, 2026 from \$54 for the three months ended March 31, 2025. The decrease was attributable to no new stock option issuances in the current quarter.

Research and development expenses. Research and development expenses decreased to \$3, or 1.2% of revenue, for the three months ended March 31, 2026, and \$4, or 1.4% of revenue, for the three months ended March 31, 2025. This was primarily due to continuing efforts to perform research and development on new Liquidmetal alloys and related processing capabilities, albeit on a reduced basis.

We continue to invest in our technology infrastructure to expedite the adoption of our technology, but we have experienced long sales lead times for customer adoption of our technology. Until that time when we can either (i) increase our revenues with shipments of routine, commercial products and parts through third party contract manufacturers or (ii) obtain significant licensing revenues, we expect to continue to have operating losses for the foreseeable future.

Non-operational income and expenses

Investment income. Investment income relates to realized gains earned from our investments in debt securities for the respective periods. Investment income was \$10 and \$63 for the three months ended March 31, 2026 and 2025, respectively. The decrease during the three months ended March 31, 2026 is primarily due to withdrawals from debt securities.

Interest income. Interest income relates to interest earned from our cash deposits and investments in debt securities for the respective periods. Interest income was \$137 and \$179 for the three months ended March 31, 2026 and 2025, respectively. The decrease during the three months ended March 31, 2026 is primarily due to withdrawals from debt securities to fund our new joint venture.

Lease income. Lease income relates to straight-line rental income received under the Facility Lease. Such amounts were \$196 and \$89 for the three months ended March 31, 2026 and 2025, respectively. The increase during the three months ended March 31, 2026 was primarily due to amendment of the Facility Lease on May 1, 2025 and the related increase in leased square footage.

Net loss. Our annual net losses of \$765 for the three months ended March 31, 2026 and \$568 for the three months ended March 31, 2025 are primarily reflective of operating expenses associated with our on-going business as well as non-operational income, discussed above. Inventory was \$0 as of March 31, 2026, as all inventory had been shipped before period end.

LIQUIDITY AND CAPITAL RESOURCES

Cash used in operating activities

Cash used in operating activities totaled \$226 and \$299 for the three months ended March 31, 2026 and 2025, respectively. The cash was primarily used to fund operating expenses related to our business and product development efforts.

Cash provided by (used in) investing activities

Cash provided by investing activities totaled \$466 and cash used in \$812 for the three months ended March 31, 2026 and 2025, respectively. Investing inflows primarily consist of proceeds from the sale of debt securities. Investing outflows primarily consist of purchases of debt securities and purchases of fixed assets for our factory in China

Financing arrangements and outlook

We have a relatively limited history of selling bulk amorphous alloy products and components on a mass-production scale. Furthermore, the ability of future contract manufacturers to produce our products in desired quantities and at commercially reasonable prices is uncertain and is dependent on a variety of factors that are outside of our control, including the nature and design of the component, the customer's specifications, and required delivery timelines. These factors have previously required that we engage in equity sales under various stock purchase agreements to support its operations and strategic initiatives.

However, as of March 31, 2026, we had \$7,404 in cash and restricted cash, as well as \$11,757 in investments in debt securities. We view this total of \$19,161 as readily available sources of liquidity in the event needed to advance our existing strategy, and/or pursue an alternative strategy. As such, we anticipate that our current capital resources, when considering expected losses from operations, will be sufficient to fund our operations for the foreseeable future. Accordingly, we have concluded that there is no substantial doubt about the Company's ability to continue as a going concern.

Item 3 – Quantitative and Qualitative Disclosures about Market Risk

None.

Item 4 – Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer (our Principal Executive Officer and Principal Financial Officer), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of March 31, 2026. Based on their evaluation, our Chief Executive Officer has concluded that our disclosure controls and procedures were effective as of March 31, 2026.

Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting (as that term is defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1 – Legal Proceedings

None.

Item 1A – Risk Factors

For a detailed discussion of the risk factors that should be understood by any investor contemplating an investment in our stock, please refer to Part I, Item 1A “Risk Factors” in the 2025 Annual Report. There have been no material changes from the risk factors previously disclosed in Part I, Item 1A “Risk Factors” in the 2025 Annual Report.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

During the period covered by this Quarterly Report on Form 10-Q, we did not issue or sell any unregistered equity securities.

Item 3 – Defaults Upon Senior Securities

None.

Item 4 – Mine Safety Disclosures

None.

Item 5 – Other Information

None.

Item 6 – Exhibits

The following documents are filed as exhibits to this Report:

Exhibit Number	Description of Document
31.1	Certification of Principal Executive Officer and Principal Financial Officer, Tony Chung, as required by Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Principal Financial Officer, Tony Chung, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1	The following financial statements from Liquidmetal Technologies, Inc.’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 (unaudited), formatted in Inline XBRL: (i) Consolidated Balance Sheets as of March 31, 2026 and December 31, 2025, (ii) Consolidated Statements of Operations for the three months ended March 31, 2026 and 2025, (iii) Consolidated Statements of Stockholders’ Equity for the three months ended March 31, 2026 and 2025, (iv) Consolidated Statements of Comprehensive Loss for the three months ended March 31, 2026 and 2025, (v) Consolidated Statements of Cash Flows for the three months ended March 31, 2026 and 2025, and (vi) Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	LIQUIDMETAL TECHNOLOGIES, INC.	
	(Registrant)	
Date: May 8, 2026	/s/ Tony Chung	
	Tony Chung	
	Chief Executive Officer	
	(Principal Executive Officer and Principal Financial Officer)	

CERTIFICATIONS

I, Tony Chung, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liquidmetal Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 8, 2026

/s/ Tony Chung

Tony Chung
Chief Executive Officer
(Principal Executive Officer and
Principal Financial Officer)

**WRITTEN STATEMENT
PURSUANT TO 18 U.S.C. 1350**

Solely for the purposes of complying with 18 U.S.C. 1350, I, the undersigned Chief Executive Officer and Principal Financial Officer of Liquidmetal Technologies, Inc. (the “Company”) hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Tony Chung

Tony Chung, Chief Executive Officer and Principal Financial Officer

May 8, 2026