

LIQUIDMETAL TECHNOLOGIES INC  
Form 424B3  
August 09, 2006

Prospectus Supplement Filed pursuant to Rule 424(b)(3)  
**Registration No. 333-130251**

**PROSPECTUS SUPPLEMENT NO. 1**  
**DATED AUGUST 9, 2006**  
**(To Prospectus Dated August 7, 2006)**

## **LIQUIDMETAL TECHNOLOGIES, INC.**

11,614,322 Shares of Common Stock

This prospectus supplement supplements information contained in, and should be read in conjunction with, that certain Prospectus, dated August 7, 2006, of Liquidmetal Technologies, Inc. This prospectus supplement is not complete without, and may not be delivered or used except in connection with, the original Prospectus. The Prospectus relates to the public sale, from time to time, of up to 11,614,322 shares of our common stock by the selling shareholders identified in the Prospectus.

The information attached to this prospectus supplement modifies and supersedes, in part, the information in the Prospectus. Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus, except as modified or superseded by this prospectus supplement.

This prospectus supplement includes the attached Quarterly Report on Form 10-Q, as filed by us with the Securities and Exchange Commission on August 9, 2006.

We may amend or supplement the Prospectus from time to time by filing amendments or supplements as required. You should read the entire Prospectus and any amendments or supplements carefully before you make an investment decision.

**The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this Prospectus Supplement (or the original Prospectus dated August 7, 2006) is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus supplement is August 9, 2006.

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**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 June 30, 2006

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

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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.)

**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

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As of August 4, 2006, there were 44,085,018 shares of the registrant's common stock, \$.001 par value, outstanding.

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As of August 4, 2006, there were 44,085,018 shares of the registrant's common stock, \$.001 par value, outstanding.

**LIQUIDMETAL TECHNOLOGIES, INC.**  
**FORM 10-Q**  
**FOR THE QUARTER ENDED JUNE 30, 2006**

**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.

TABLE OF CONTENTS

**PART I**

Item 1 Financial Statements

Condensed Consolidated Balance Sheets (unaudited)

Condensed Consolidated Statements of Operations and Comprehensive Loss (unaudited)

Condensed Consolidated Statements of Shareholders' Deficiency (unaudited)

Condensed Consolidated Statements of Cash Flows (unaudited)

Notes to Condensed Consolidated Financial Statements (unaudited)

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

Item 3 Quantitative and Qualitative Disclosures about Market Risk

Item 4 Controls and Procedures

**PART II Other Information**

Item 1 Legal Proceedings

Item 1A Risk Factors

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

Item 3 Defaults Upon Senior Securities

Item 4 Submission of Matters to a Vote of Security Holders

Item 5 Other Information

Item 6 Exhibits

Signatures

Certifications

**PART I**  
**FINANCIAL INFORMATION**

**Item 1 Financial Statements**

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

	June 30, 2006 (Unaudited)	December 31, 2005 (Restated)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,225	\$ 1,392
Trade accounts receivables, net of allowance for doubtful accounts of \$101 and \$61	4,338	2,360
Inventories	2,316	1,748
Prepaid expenses and other current assets	1,255	609
Total current assets	10,134	6,109
Property, plant and equipment, net	13,061	13,437
Idle equipment	191	193
Other intangibles, net	1,192	1,185
Other assets	408	639
Total assets	\$ 24,986	\$ 21,563
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>		
Current liabilities:		
Accounts payable and accrued expenses	9,014	6,530
Settlement payable		3,331
Deferred revenue	474	1,275
Short-term debt, net of debt discounts of \$43 and \$0	2,830	550
Long-term debt, current portion, net of debt discounts of \$5,638 and \$0	7,962	1,343
Warrant liabilities	5,497	1,792
Conversion feature liabilities	5,691	1,798
Other liabilities, current portion	294	483
Total current liabilities	31,762	17,102
Long-term debt, net of current portion and debt discounts of \$807 and \$8,259	3,688	5,433
Other long-term liabilities, net of current portion	428	348
Total liabilities	35,878	22,883
Shareholder's equity (deficiency):		
Common stock, \$0.001 par value; 100,000,000 shares authorized and 44,085,018 issued and outstanding at June 30, 2006 and 42,187,621 issued and outstanding at December 31, 2005	44	42
Additional paid-in capital	135,105	130,893
Accumulated deficit	(148,438)	(134,525)
Accumulated other comprehensive income	2,397	2,270
Total shareholders' deficiency	(10,892)	(1,320)
Total liabilities and shareholders' deficiency	\$ 24,986	\$ 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)**

<b>For the Three Months</b>		<b>For the Six Months</b>	
<b>Ended June 30,</b>		<b>Ended June 30,</b>	
<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>(Restated)</b>		<b>(Restated)</b>

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