

LiqTech International, Inc. Reports 2017 First Quarter Results

- Management to Host Conference Call Today at 11:00 am EDT -

BALLERUP, Denmark, May 15, 2017 — **LiqTech International, Inc.** (NYSE MKT: LIQT), a clean technology company that manufactures and markets highly specialized filtration technologies, announces today its financial results for the three months ended March 31, 2017.

Financial highlights for the three months ended March 31, 2017

Net sales for the three months ended March 31, 2017 were \$3.0 million compared to \$3.6 million for the same period in 2016, representing a decrease of \$0.6 million or 16.7%.

The decrease in sales consisted of a decrease in sales of liquid filters and systems of \$1.5 million offset by an increase in sales of DPFs of \$0.9 million.

Gross profit for the three months ended March 31, 2017 was \$0.3 million compared to a gross profit of \$0.7 million for same period in 2016, representing a decrease of \$0.4 million or 57.1%.

Included in gross profit is depreciation of \$0.3 million and \$0.4 million for the three months ended March 31, 2017 and 2016, respectively.

Total operating expenses for the three months ended March 31, 2017 were \$1.3 million representing a decrease of \$0.4 million or 23.5%, compared to \$1.7 million for the same period in 2016.

Net loss attributable to the Company for the three months ended March 31, 2017 was a loss of \$0.8 million compared to a loss of \$3.8 million for the comparable period in 2016, representing a decrease in net loss of \$3.0 million.

Total net loss of \$0.8 million for the period ended March 31, 2017 includes non-cash charges for depreciation and amortization, bad debt expense, reserve for obsolete inventory and stock compensation expense charges for a total of approximately \$0.4 million.

Cash on hand and restricted cash for the period ended March 31, 2017 was \$0.5 million compared to \$1.2 million for the year ended December 31, 2016, representing a decrease of \$0.7 million.

Working capital for the period ended March 31, 2017 was \$2.7 million compared to \$3.5 million for the year ended December 31, 2016 representing a decrease of \$0.8

million.

Management Commentary

In discussing the first quarter 2017 results, Mr. Sune Mathiesen, LiqTech CEO, remarked:

“Our results for the first quarter were in line with our expectations. We continue to invest significant resources in the development of the marine scrubber market. We have announced several orders for this industry this year, and we continue to form new relationships to manufacturers of marine scrubbers. We expect that our efforts will lead to an acceleration of our business later this year.”

“We have invested significant resources in developing a standardized system for power plant applications. Over the past quarters our investments have been rewarded and we have announced several orders for this industry. We are encouraged by this development and we are optimistic that we will see further orders.”

“We continue to use our large-scale references within the oil industry for further specification of our technology in new projects. We are in the process of testing our technology with one of China’s largest operators in the hydraulic fracturing industry and we are optimistic that this could be a breakthrough for our technology in the Chinese oil industry.”

“In April we announced that Hunan Yonker Investment Group had submitted their final application for a \$4 million investment in LiqTech to the National Development and Reform Commission (NDRC). NDRC is still reviewing and verifying the submitted documents. To further strengthen our balance sheet we have decided to do a private placement of 6,300,000 new shares that we announced earlier today. The private placement was made directly by LiqTech and we plan to use the net proceeds of approximately \$1.6 million for further acceleration of our business in the marine scrubber industry.”

Conference Call Details

Interested parties may participate in the call by dialing (877) 407-8029 or (201) 689-8029. It is recommended to dial in approximately 10 to 15 minutes prior to the scheduled start time. The conference call will also be available on replay starting at 3:00 p.m. EDT on May 15, 2017 and ending on June 5, 2017. To access the replay, please dial (877) 660-6853 or (201) 612-7415 and enter the conference id# 13662373.

Callers from Denmark can dial in using the following numbers:

Denmark (fixed) ATT 80 25 21 64

Denmark (mobile) ATT 80 25 19 17

CONTACT:

LiqTech International**Aldo Petersen, Chairman,**

+45 2390 0000, ap@liqtech.com

Sune Mathiesen, CEO

+45 5197 0908, sma@liqtech.com

Financial Tables Follow**LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	As of March, 31 2017 Unaudited	As of December 31, 2016
Current Assets:		
Cash	\$ 515,467	\$ 1,208,650
Accounts receivable, net	1,269,240	1,111,759
Other receivables	310,384	306,177
Cost in excess of billing	615,313	642,700
Inventories	5,223,700	5,174,874
Prepaid expenses	122,981	62,161
Total Current Assets	8,057,085	8,506,321
Property and Equipment, net accumulated depreciation	2,482,797	2,633,558
Other Assets:		
Investments at costs	5,354	5,282
Other intangible assets	4,775	5,614
Deposits	264,119	261,553
Total Other Assets	274,248	272,449
Total Assets	\$ 10,814,130	\$ 11,412,328

**LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

	As of March, 31 2017 Unaudited	As of December 31, 2016
Current Liabilities:		
Current portion of notes payable	\$ 14,244	\$ 15,034
Current portion of capital lease obligations	91,405	45,883
Accounts payable	2,489,643	2,262,688
Accrued expenses	2,526,506	2,385,586
Billing in excess of cost	47,145	106,375
Accrued income taxes payable	580	580
Deferred revenue / customers deposits	142,940	192,597
Total Current Liabilities	5,312,463	5,008,743
Long-term notes payable, less current portion	36,821	39,895
Long-term capital lease obligations, less current portion	20,993	93,942
Total Long-Term Liabilities	57,814	133,837

Total Liabilities	5,370,277	5,142,580
Commitment and Contingencies See Note 12		
Stockholders' Equity:		
Common stock; par value \$0.001, 100,000,000 shares authorized 36,929,264 and 36,835,514 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively	36,929	36,836
Additional paid-in capital	36,144,024	36,084,117
Accumulated deficit	(24,844,613)	(24,011,343)
Deferred compensation	(112,383)	(148,561)
Other comprehensive income, net	(5,780,104)	(5,691,301)
Total Stockholders' Equity	5,443,853	6,269,748
Total Liabilities and Stockholders' Equity	\$ 10,814,130	\$ 11,412,328

LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES
(UNAUDITED) CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended
March 31,

	2017	2016
Net Sales	\$ 2,968,074	\$ 3,629,968
Cost of Goods Sold	2,696,657	2,884,010
Gross Profit	271,417	745,958
Operating Expenses:		
Selling expenses	450,383	591,068
General and administrative expenses	593,638	755,994
Non-cash compensation expenses	96,178	167,351
Research and development expenses	139,336	188,513
Total Operating Expense	1,279,535	1,702,926
Loss from Operations	(1,008,118)	(956,968)
Other Income (Expense)		
Interest and other income	226	-
Interest (Expense)	(10,821)	(9,894)
Gain (Loss) on currency transactions	178,675	(12,550)
Gain on sale of fixed assets	6,768	-
Total Other Income (Expense)	174,848	(22,444)
Loss Before Income Taxes	(833,270)	(979,412)
Income Tax Expense (Benefit)	-	2,774,283
Net Loss	(833,270)	(3,753,695)
Less Net Loss Attributable To Non-Controlled Interests in Subsidiaries	-	-
Net Loss Attributable To LiqTech	\$ (833,270)	\$ (3,753,695)
Basic Loss Per Share	\$ (0.02)	\$ (0.10)
Weighted Average Common Shares Outstanding	36,929,264	36,835,514
Diluted Loss Per Share	\$ (0.02)	\$ (0.10)
Weighted Average Common Shares Outstanding Assuming Dilution	36,929,264	36,835,514

ABOUT LIQTECH INTERNATIONAL, INC.

LiqTech International, Inc., a Nevada corporation, is a clean technology company that for more than a decade has developed and provided state-of-the-art technologies for gas and liquid purification using ceramic silicon carbide filters, particularly highly specialized filters for the control of soot exhaust particles from diesel engines and for liquid filtration. Using nanotechnology, LiqTech develops products using proprietary silicon carbide technology. LiqTech's products are based on unique silicon carbide membranes which facilitate new applications and improve existing technologies. In particular, LiqTech Systems A/S (www.provital.dk), the Company's subsidiary, has developed a new standard of water filtration technology to meet the ever increasing demand for higher water quality. By incorporating LiqTech's SiC liquid membrane technology with its longstanding systems design experience and capabilities it offers solutions to the most difficult water pollution problem.

For more information, please visit www.liqtech.com

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Forward-Looking Statements

This press release contains "forward-looking statements." Although the forward-looking statements in this release reflect the good faith judgment of management, forward-looking statements are inherently subject to known and unknown risks and uncertainties that may cause actual results to be materially different from those discussed in these forward-looking statements. Readers are urged to carefully review and consider the various disclosures made by us in the our reports filed with the Securities and Exchange Commission, including the risk factors that attempt to advise interested parties of the risks that may affect our business, financial condition, results of operation and cash flows. If one or more of these risks or uncertainties materialize, or if the underlying assumptions prove incorrect, our actual results may vary materially from those expected or projected. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this release.

To view the original version on PR Newswire,
visit:<http://www.prnewswire.com/news-releases/liqtech-international-inc-reports-2017-first-quarter-results-300457423.html>

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