

LiqTech International, Inc. Reports 2017 Third Quarter Results

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

BALLERUP, Denmark, Nov. 14, 2017 — **LiqTech International, Inc. (NYSE AMERICAN: LIQT)**, a clean technology company that manufactures and markets highly specialized filtration technologies, announces today its financial results for the three and nine months ended September 30, 2017.

Financial highlights for the three months ended September 30, 2017

Net sales for the three months ended September 30, 2017 were \$2.5 million compared to \$3.7 million for the same period in 2016, representing a decrease of \$1.2 million or 32.4%.

The decrease in sales consisted of a decrease in sales of liquid filters and systems of \$0.8 million, a decrease in sales of DPFs of \$0.2 million and a decrease in kiln furniture of \$0.2 million.

Gross profit for the three months ended September 30, 2017 was a loss of \$0.3 million compared to a gross profit of \$0.4 million for same period in 2016, representing a decrease of \$0.7 million.

Included in gross profit is depreciation of \$0.3 million and \$0.3 million for the three months ended September 30, 2017 and 2016, respectively.

Total operating expenses for the three months ended September 30, 2017 were \$1.1 million representing a decrease of \$0.2 million or 15.4%, compared to \$1.3 million for the same period in 2016.

Net loss for the three months ended September 30, 2017 was a loss of \$1.5 million compared to a loss of \$0.9 million for the comparable period in 2016, representing an increase in net loss of \$0.6 million.

Total net loss of \$1.5 million for the period ended September 30, 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 \$0.2 million.

Financial highlights for the nine months ended September 30, 2017

Net sales for the nine months ended September 30, 2017 were \$8.4 million compared to \$11.3 million for the same period in 2016, representing a decrease of \$2.9 million or 25.7%.

The decrease in sales consisted of a decrease in sales of liquid filters and systems of \$4.2 million and a decrease in kiln furniture of \$0.1 million offset by an increase in sales of DPFs of \$1.4 million.

Gross profit for the nine months ended September 30, 2017 was \$0.15 million compared to a gross profit of \$2.3 million for same period in 2016, representing a decrease of \$2.15 million or 93.5%.

Included in gross profit is depreciation of \$0.7 million and \$1.0 million for the nine months ended September 30, 2017 and 2016, respectively.

Total operating expenses for the nine months ended September 30, 2017 were \$3.6 million representing a decrease of \$0.7 million or 16.3%, compared to \$4.3 million for the same period in 2016.

Net loss for the nine months ended September 30, 2017 was a loss of \$3.5 million compared to a loss of \$5.0 million for the comparable period in 2016, representing a decrease in net loss of \$1.5 million or 30.0%.

Cash on hand and restricted cash for the period ended September 30, 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 September 30, 2017 was \$2.8 million compared to \$3.5 million for the year ended December 31, 2016 representing a decrease of \$0.7 million or 20.0%.

Total net loss of \$3.5 million for the period ended September 30, 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 \$0.8 million.

Management Commentary

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

“Our results for the third quarter were largely in line with our expectations. In the first nine months of 2017 we have continued to invest significant resources in developing the marine scrubber market. We have been active in this industry for more than 3 years, and following the IMO decision last year to implement a new lower global cap on sulphur emissions from international shipping, we now see that the pace of adoption of scrubber systems is picking up. From 2015 through first half year of 2017 we delivered a total of seven systems for marine scrubbers – In August we announced that we expected this number to more than double in the second half of 2017. We are pleased to note that we are well on track to exceed these expectations.

The fourth quarter so far has been very busy for us. We have already delivered systems for marine scrubbers and other systems for a.o. power plants. We are encouraged by the current positive development in our business, and we believe that our long-term commitment in the

marine scrubber industry has positioned us well to be one of the market leaders for water treatment systems to this industry. Reports from leading markets analysts following the marine industry suggests that the adoption of scrubbers will continue to accelerate over the coming years. Based on the feed-back from our customer we share this belief, and we are ready to continue the ramp-up of our business to match the expected increased demand.

We believe that the marine scrubber industry will be an important part of the future of LiqTech. We are however also continuing our efforts to establish our technology in the swimming pool-, oil & gas-, mining-, drinking water- and aquaculture markets. The long-term goal is to see the same adoption of our technology as we now see in the marine scrubber market. We believe that we will see important orders for some of these industries in 2017.

Today we effected a private placement of 1,617,503 shares of Preferred Stock convertible into 6,470,012 shares of common stock. The net proceeds of approximately \$1.9 million will further strengthen our balance sheet and will provide working capital to manage the current and anticipated ramp-up in our business related to the marine scrubber market.

We believe that our narrowed focus and the development of standardized systems has proven to be the right choice, and we expect an improved fourth quarter. We believe that the current ramp-up in business will continue and that 2018 will prove to be a turning point in our business.”

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. EST on November 14, 2017 and ending on December 5, 2017. To access the replay, please dial (877) 660-6853 or (201) 612-7415 and enter the conference id# 13673141

Callers from Denmark can dial in using the following numbers:

Denmark (fixed) ATT	80 25 21 64
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Financial Tables Follow

LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	As of September, 30 2017	As of December 31, 2016
	Unaudited	
Current Assets:		
Cash	\$ 528,566	\$ 1,208,650

Accounts receivable, net	1,613,668	1,111,759
Other receivables	342,556	306,177
Cost in excess of billing	753,615	642,700
Inventories	4,810,497	5,174,874
Prepaid expenses	16,383	62,161
Total Current Assets	8,065,285	8,506,321
Property and Equipment, net accumulated depreciation	2,123,429	2,633,558
Other Assets:		
Investments at costs	5,909	5,282
Other intangible assets	3,963	5,614
Deposits	297,719	261,553
Total Other Assets	307,591	272,449
Total Assets	\$ 10,496,305	\$ 11,412,328

(Continued)

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

	As of September, 30 2017	As of December 31, 2016
Current Liabilities:		
Current portion of notes payable	\$ 16,061	\$ 15,034
Current portion of capital lease obligations	7,808	45,883
Accounts payable	2,290,345	2,262,688
Accrued expenses	2,197,993	2,385,586
Billing in excess of cost	15,224	106,375
Accrued income taxes payable	580	580
Customers deposits	720,561	192,597
Total Current Liabilities	5,248,572	5,008,743
Long-term notes payable, less current portion	32,521	39,895
Long-term capital lease obligations, less current portion	21,054	93,942
Total Long-Term Liabilities	53,575	133,837
Total Liabilities	5,302,147	5,142,580
Stockholders' Equity:		
Common stock; par value \$0,001, 100,000,000 shares authorized 44,229,264 and 36,835,514 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	44,230	36,836
Additional paid-in capital	37,961,723	36,084,117
Accumulated deficit	(27,516,432)	(24,011,343)
Deferred compensation	(58,548)	(148,561)
Other comprehensive income, net	(5,236,815)	(5,691,301)
Total Stockholders' Equity	5,194,158	6,269,748
Total Liabilities and Stockholders' Equity	\$ 10,496,305	\$ 11,412,328

**LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES
(UNAUDITED) CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Sales	\$ 2,456,484	\$ 3,689,511	\$ 8,350,758	\$ 11,338,817
Cost of Goods Sold	2,772,451	3,303,042	8,202,634	9,078,036
Gross Profit	(315,967)	386,469	148,124	2,260,781
Operating Expenses:				
Selling expenses	521,627	558,105	1,506,369	1,661,352

General and administrative expenses	433,368	498,358	1,518,935	1,830,260
Non-cash compensation expenses	24,055	104,416	150,013	377,140
Research and development expenses	121,680	124,165	375,026	476,734
Total Operating Expense	1,100,730	1,285,044	3,550,343	4,345,486
Loss from Operations	(1,416,697)	(898,575)	(3,402,219)	(2,084,705)
Other Income (Expense)				
Interest and other income	2,790	-	3,093	-
Interest expense	(3,781)	(7,347)	(23,308)	(23,843)
Loss on currency transactions	(26,913)	(14,060)	(54,600)	(26,219)
Loss on sale of fixed assets	(34,824)	-	(28,056)	-
Total Other Income (Expense)	(62,728)	(21,407)	(102,871)	(50,062)
Loss Before (Income) Taxes	(1,479,425)	(919,982)	(3,505,090)	(2,134,767)
Income Tax Expense (Income)	-	17,646	-	2,885,932
Net Loss	(1,479,425)	(937,628)	(3,505,090)	(5,020,699)
Basic Loss Per Share	\$ (0.03)	\$ (0.02)	\$ (0.09)	\$ (0.13)
Weighted Average Common Shares Outstanding	44,229,264	39,532,035	40,604,129	39,532,035
Diluted Loss Per Share	\$ (0.03)	\$ (0.02)	\$ (0.09)	\$ (0.13)
Weighted Average Common Shares Outstanding Assuming Dilution	44,229,264	39,532,035	40,604,129	39,532,035

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.

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