

LiqTech International, Inc. Reports 2018 First Quarter Results

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

BALLERUP, Denmark, May 15, 2018 — **LiqTech International, Inc. (NYSE AMERICAN: LIQT) (“LiqTech”)**, a clean technology company that manufactures and markets highly specialized filtration technologies, announced today its financial results for the three months ended March 31, 2018.

Financial highlights for the three months ended March 31, 2018

Net sales for the three months ended March 31, 2018 were \$2.4 million compared to \$3.0 million for the same period in 2017, representing a decrease of \$0.6 million or 20%.

The decrease in sales consisted of a decrease in sales of liquid filters and systems of \$0.2 million and a decrease in sales of DPFs of \$0.4 million.

Gross profit for the three months ended March 31, 2018 was \$(0.1) million compared to a gross profit of \$0.3 million for the same period in 2017, representing a decrease of \$0.4 million.

Included in gross profit is depreciation of \$0.2 million and \$0.3 million for the three months ended March 31, 2018 and 2017, respectively.

Total operating expenses for the three months ended March 31, 2018 were \$1.3 million, representing an increase of \$0.06 million, or 4.7%, compared to \$1.3 million for the same period in 2017.

Net loss for the three months ended March 31, 2018 was \$1.5 million compared to a loss of \$0.8 million for the comparable period in 2017, representing an increased loss of \$0.7 million.

Cash on hand and restricted cash for the period ended March 31, 2018 was \$0.8 million compared to \$2.5 million for the year ended December 31, 2017, representing a decrease of \$1.7 million.

Working capital for the period ended March 31, 2018 was \$3.5 million compared to \$4.7 million for the year ended December 31, 2017, representing a decrease of \$1.2 million.

Management Commentary

In discussing the financial results in the first quarter of 2018, Mr. Sune Mathiesen, LiqTech CEO, remarked:

“Our results for the first quarter were below our expectations, which was largely attributable to delayed deliveries of our marine scrubber water treatment systems.

In the first quarter of 2018, we have experienced a significant ramp-up in inquiries for our marine scrubber water treatment systems. We are encouraged by this development, and we believe that our long-term commitment has positioned us well to be one of the market leaders for water treatment systems to this industry. Importantly, also in the first quarter of 2018, we have entered into significant contracts that should facilitate large orders in future periods:

- On March 21, 2018, we announced that the Company had signed a framework agreement with one of the world’s largest manufactures of marine scrubbers. The framework agreement has an initial term for 2018 and 2019, and it provides that more than 95 systems are estimated to be delivered during the initial term.
- On April 11, 2018, we announced that the Company had signed another framework agreement with a large marine scrubber manufacturer. The framework agreement has an initial term for 2018 and 2019, and it provides that a minimum of 35 systems are estimated to be delivered during the initial term.
- On April 11, 2018, we announced that the Company had signed a Letter of Intent with one of the world’s largest marine scrubber manufactures. The Letter of Intent provides that the parties intend to enter into a definitive partnership agreement no later than July 1, 2018.

Although still in early stages, we have noted that more ship owners are considering, or have already taken the decision, to install scrubbers. We believe that we will see first orders from a number of ship owners in the second quarter, and that the early adopters are now ready to place multiple system orders. We are pleased with the progress we made so far, and we believe that we will continue to make sustained progress as we reinforce our position in this industry.

Additionally, we have been successful in establishing technology in the power plant industry in Denmark. On March 27, 2018, the Company announced that we had won a EU tender to supply a turn-key water treatment system to a large power plant in Finland. This was our first large international order for this industry, and in 2018, we will continue our efforts to establish our technology in several international markets.

We are pleased to note our progress in the marine scrubber and power plant industries. The positive development has, however, raised the need for further working capital, and on April 12, 2018, we successfully completed a public offering of new shares. The net proceeds of over \$6 million has strengthened our balance sheet and will enable us to service the abovementioned agreements.

We believe that our narrowed focus and the development of standardized systems have

proven to be the right strategy. We are continuing our efforts to turn the Company profitable, and we believe 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. EDT on May 15, 2018 and ending on June 5, 2018. To access the replay, please dial (877) 660-6853 or (201) 612-7415 and enter the conference id# 13679717.

Callers from Denmark can dial in using the following numbers:

Denmark (fixed) 80 25 2164
Denmark (mobile) 80 25 1917

Financial Tables Follow

LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	As of March 31, 2018	As of December 31, 2017
	Unaudited	
Current Assets		
Cash	\$ 827,120	\$ 2,486,199
Accounts receivable, net	1,144,247	1,124,842
Other receivables	386,738	636,539
Contract assets	533,927	490,100
Inventories	4,843,737	4,661,866
Prepaid expenses	126,711	28,151
Total Current Assets	7,862,480	9,427,697
Property and Equipment, net accumulated depreciation	1,810,954	1,959,205
Other Assets:		
Investments at costs	6,198	6,001
Other intangible assets	2,770	3,349
Deposits	332,738	283,686
Total Other Assets	341,706	293,036
Total Assets	\$ 10,015,140	\$ 11,679,938

LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	As of March 31, 2018	As of December 31, 2017
	Unaudited	
Current Liabilities:		
Current portion of capital lease obligations	\$ 13,866	\$ 26,186
Accounts payable	2,073,702	1,775,230
Accrued expenses	1,291,561	1,724,986
Contract liabilities	559,954	306,845
Accrued income taxes payable	580	580
Deferred revenue/ customers deposits	443,507	933,994
Total Current Liabilities	4,383,170	4,767,821
Total Liabilities	4,383,170	4,767,821

Agreements and Contingencies See Note 9

Stockholders' Equity:

Series A Convertible Preferred stock; par value \$0.001, 10,000,000 shares authorized, 2,200,837 and 2,200,837 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	2,201	2,201
Common stock; par value \$0,001, 100,000,000 shares authorized 44,488,670 and 44,429,264 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	44,489	44,430
Additional paid-in capital	40,517,848	40,457,907
Accumulated deficit	{30,004,983}	(28,471,696)
Deferred compensation	(61,660)	(79,933)
Other comprehensive income, net	{4,865,925}	(5,040,792)
Total Stockholders' Equity	5,631,970	6,912,117
Total Liabilities and Stockholders' Equity	\$ 10,015,140	\$ 11,679,938

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

**For the Three Months Ended
March 31,**

	2018	2017
Net Sales	\$ 2,391,382	\$ 2,968,074
Cost of Goods Sold	2,450,974	2,696,657
Gross Profit	(59,592)	271,417
Operating Expenses:		
Selling expenses	409,792	450,383
General and administrative expenses	684,166	593,638
Non-cash compensation expenses	78,273	96,178
Research and development expenses	169,396	139,336
Total Operating Expense	1,341,627	1,279,535
Loss from Operations	(1,401,219)	(1,008,118)
Other Income (Expense)		
Interest and other income	3,284	226
Interest expense	(56,300)	(10,821)
Gain (Loss) on currency transactions	(79,054)	178,675
Gain (Loss) on sale of fixed assets		6,768
Total Other Income (Expense)	(132,070)	174,848
Loss Before (Income) Taxes	(1,533,289)	(833,270)
Income Tax Expense (Income)		
Net Loss	\$ (1,533,289)	\$ (833,270)
Basic Loss Per Share	\$ (0.03)	\$ (0.02)
Weighted Average Common Shares Outstanding	44,487,350	36,929,264
Diluted Loss Per Share	\$ (0.03)	\$ (0.02)
Weighted Average Common Shares Outstanding Assuming Dilution	44,487,350	36,929,264

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, Provital Solutions 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 Statement

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 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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