

# **LiqTech International Inc. Reports Fourth Quarter And Fiscal Year 2017 Results**

- Management to Conduct Conference Call today, March 21 at 11am EDT -

BALLERUP, Denmark, March 21, 2018 — **LiqTech International, Inc. (NYSE MKT: LIQT)**, a clean technology company that manufactures and markets highly specialized filtration technologies, announced today its financial and operational results for fourth quarter and fiscal year 2017.

## Financial highlights for the three months ended December 31, 2017

- Net sales for the three months ended December 31, 2017 were \$3.0 million compared to \$2.6 million for the same period in 2016, representing an increase of \$0.4 million or 15%.

The increase in net sales was primarily driven by an increase in sales of membranes and systems of \$0.4 million. The sales of diesel particulate filters (DPF) of \$1.5 million was at the same level as the three months ended December 31, 2016.

- Gross profit for the three months ended December 31, 2017 was \$0.1 million compared to a negative gross profit of \$0.8 million for the same period in 2016, representing an improvement of \$0.9 million.

Included in gross profit is depreciation of \$0.2 million and \$0.4 million for the three months ended December 31, 2017 and 2016, respectively.

- Net loss for the three months ended December 31, 2017 was \$1.0 million compared to a loss of \$11.4 million for the same period of 2016, representing an improvement of \$10.4 million.

## Financial highlights for the year ended December 31, 2017

- Net sales for the year ended December 31, 2017 were \$11.3 million compared to \$13.9 million for the same period in 2016, representing a decrease of \$2.6 million or 19%.

The decrease in sales consists of an increase in sales of DPFs of \$1.4 million offset by a decrease in sales of liquid filters of \$3.8 million and a decrease in Kiln furniture of \$0.2.

The increase in demand for our DPFs is mainly due to an increase in market activity in China compared to the same period last year. The decrease in demand for our liquid filters and systems is due to significant larger water filtrations systems sales in 2016 compared to 2017 and the delay in marine scrubber systems sales in 2017 compared to 2016.

- Gross profit for the year ended December 31, 2017 was \$0.2 million compared to \$1.4 million for same period in 2016, representing a decrease of \$1.2 million or 86%.

The decrease in gross profit was due to lower sales activity in general, lower gross margin and due to lower sales activity for our liquid filters and systems, which historically have a higher gross margin, compared to the same period in 2016.

Included in gross profit is depreciation of \$0.9 million and \$1.4 million for the years ended December 31, 2017 and 2016, respectively.

- Net loss for the year ended December 31, 2017 was \$4.5 million compared to a loss of \$16.4 million for the year ended December 31, 2016, representing an improvement of \$11.9 million.
- Cash on hand and restricted cash for the year ended December 31, 2017 was \$2.5 million compared to \$1.2 million for the year ended December 31, 2016, representing an increase of \$1.3 million or 108%.
- Working capital for the year ended December 31, 2017 was \$4.7 million compared to \$3.5 million for the year ended December 31, 2016 representing an increase of \$1.2 million.

In discussing the fourth quarter and fiscal year 2017 results, Mr. Sune Mathiesen, LiqTech CEO, remarked: "Our results for the fourth quarter were largely in line with our expectations. We were happy to note the anticipated and earlier discussed ramp-up in our marine scrubber business. Following the IMO decision in November 2016 to implement a new lower global cap on sulphur emissions from international shipping, we have continued to invest significant resources in developing the marine scrubber market. We have been working in this emerging industry for almost 4 years now and we have made continuous improvements to our technology. Today we offer a very competitive solution for scrubber manufactures and ship owners. Our systems are of modular design and we offer significant advantages in terms of foot-print, quality of discharge, short delivery times, Capex and Opex.

We are encouraged by the development in our marine scrubber business, 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. Even though still in early stages, we have noted an increasing interest from ship owners to install scrubbers. Analysts following the industry expect that the pace of adoption of scrubbers will continue to increase. Based on the feedback from our customers we share this belief, and we are ready to ramp-up our business to match the increased demand. We are happy with the progress we made so far and we believe that we will make further progress in the first half of 2018.

In 2017 we dedicated most of our resources to the marine scrubber industry. We believe that this has proven the right choice. In 2018 we will continue these efforts. In addition to this we will dedicate more resources into the power plant industry. We have been successful in

establishing ourselves in this industry in Denmark and we are planning to broaden this out to other geographical areas. Our systems for power plants are very similar to the systems we have developed for marine scrubbers and we offer the same advantages. We are of course 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 are also continuing our efforts to establish our DPF technology in the Chinese market. We have worked with Chinese and American manufactures of exhaust systems to approve our product to the new higher emission standards that are being implemented in China now, and in February 2018 we announced a new order for China.

We believe that our narrowed focus and the development of standardized systems has proven to be the right choice. 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 pm EDT on March 30, 2017 and ending on April 20, 2017. To access the replay, please dial (877) 660-6853 and enter the conference id # 13658247. The access number for the replay for international callers is (201) 612-7415.

Callers from Denmark can dial in using the following numbers:

Denmark (fixed) ATT 802 521 64

Denmark (mobile) ATT 802 519 17

### **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](http://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](http://www.liqtech.com)

Follow LiqTech on LinkedIn: <http://www.linkedin.com/company/liqtech-international>

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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 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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-Financial Tables Follow-

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

	<b>As of December 31, 2017</b>	<b>As of December 31, 2016</b>
<b>Current Assets:</b>		
Cash	\$ 2,486,199	\$ 1,208,650
Accounts receivable, net	1,124,842	1,111,759
Other receivables	636,539	306,177
Cost in excess of billing	490,100	642,700
Inventories	4,661,866	5,174,874
Prepaid expenses	28,151	62,161
Total Current Assets	9,427,697	8,506,321
<b>Property and Equipment, net accumulated depreciation</b>	<b>1,959,205</b>	<b>2,633,558</b>
<b>Other Assets:</b>		

Investments at costs	6,001	5,282
Other intangible assets	3,349	5,614
Deposits	283,686	261,553
Total Other Assets	293,036	272,449
<b>Total Assets</b>	<b>\$ 11,679,938</b>	<b>\$ 11,412,328</b>

(Continued)

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

	<b>As of December 31, 2017</b>	<b>As of December 31, 2016</b>
<b>Current Liabilities:</b>		
Current portion of notes payable	\$ -	\$ 15,034
Current portion of capital lease obligations	26,186	45,883
Accounts payable	1,775,230	2,262,688
Accrued expenses	1,724,986	2,385,586
Billing in excess of cost	306,845	106,375
Accrued income taxes payable	580	580
Deferred revenue / customers deposits	933,994	192,597
Total Current Liabilities	4,767,821	5,008,743
Long-term notes payable, less current portion	-	39,895
Long-term capital lease obligations, less current portion	-	93,942
Total Long-Term Liabilities	-	133,837
Total Liabilities	4,767,821	5,142,580
Commitment and Contingencies See Note 10		
<b>Stockholders' Equity:</b>		
Series A Mandatory Convertible Preferred stock; par value \$0.001, 10,000,000 shares authorized, 2,200,837 and 0 shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively	2,201	-
Common stock; par value \$0.001, 100,000,000 shares authorized 44,229,264 and 36,835,514 shares issued and outstanding at December 31, 2017 and December 31, 2016, respectively	44,430	36,836
Additional paid-in capital	40,457,907	36,084,117
	(28,471,696)	(24,011,343)
Accumulated deficit	)	)
Deferred compensation	(79,933 )	(148,561 )
	(5,040,792)	(5,691,301)
Other comprehensive income, net	)	)
Total Stockholders' Equity	6,912,117	6,269,748
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 11,679,938</b>	<b>\$ 11,412,328</b>

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

**For the Years Ended  
December 31,**

	<b>2017</b>	<b>2016</b>
<b>Net Sales</b>	<b>\$ 11,343,177</b>	<b>\$ 13,906,394</b>
<b>Cost of Goods Sold</b>	<b>11,136,426</b>	<b>12,473,965</b>
<b>Gross Profit</b>	<b>206,751</b>	<b>1,432,429</b>
<b>Operating Expenses:</b>		
Selling expenses	1,944,989	2,164,780
General and administrative expenses	2,153,225	3,997,304
Non-cash compensation expenses	178,944	435,794
Research and development expenses	536,848	626,147
Impairment write down	-	7,343,208
Total Operating Expense	4,814,006	14,567,233
<b>Loss from Operations</b>	<b>(4,607,255 )</b>	<b>(13,134,804 )</b>
<b>Other Income (Expense)</b>		

Interest and other income	1,515	968
Interest expense	(45,888 )	(38,945 )
Loss on investments	-	(16,621 )
Loss on currency transactions	(102,470 )	(9,555 )
Loss on sale of fixed assets	(24,065 )	-
Total Other Income (Expense)	(170,908 )	(64,153 )
<b>Loss Before (Income) Taxes</b>	<b>(4,778,163 )</b>	<b>(13,198,957 )</b>
<b>Income Tax Expense (Benefit)</b>	<b>(317,810 )</b>	<b>3,219,677</b>
<b>Net Loss</b>	<b>(4,460,353 )</b>	<b>(16,418,634 )</b>
<b>Basic Loss Per Share</b>	<b>\$ (0.11 )</b>	<b>\$ (0.45 )</b>
<b>Weighted Average Common Shares Outstanding</b>	<b>41,595,856</b>	<b>36,835,514</b>
<b>Diluted Loss Per Share</b>	<b>\$ (0.11 )</b>	<b>\$ (0.45 )</b>
<b>Weighted Average Common Shares Outstanding Assuming Dilution</b>	<b>41,595,856</b>	<b>36,835,514</b>

**LIQTECH INTERNATIONAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**  
**For the Years Ended**  
**December 31,**

	<b>2017</b>	<b>2016</b>
<b>Net Loss</b>	(4,460,353 )	(16,418,634 )
<b>Currency Translation, Net</b>	650,509	(314,696 )
<b>Other Comprehensive Loss</b>	<b>\$ (3,809,844 )</b>	<b>\$ (16,733,330 )</b>

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content:<http://www.prnewswire.com/news-releases/liqtech-international-inc-reports-fourth-quarter-and-fiscal-year-2017-results-300617249.html>

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