

LiqTech Receives \$8.4 Million Marine Scrubber Filtration Order from Large Shipowner and Provides Outlook for Year

BALLERUP, Denmark, Aug. 26, 2019 — **LiqTech International, Inc. (NASDAQ: LIQT) (“LiqTech”)**, a clean technology company that manufactures and markets highly specialized filtration technologies, today announced the receipt of the Company’s largest single order to date for its proprietary ceramic silicon carbide water filtration systems for marine scrubber applications. The order was placed by one of the world’s three largest shipping companies and follows the recent installation and system deployment by this same customer on the two largest container ships in the world. The new orders are expected to be delivered starting in late 2019, with completion in 2020.

Sune Mathiesen, CEO of LiqTech International, commented, “We are very pleased to have received this additional \$8.4 million marine scrubber order from one of the world’s largest and most successful shipping companies, as it reinforces LiqTech’s position as a leading supplier of ceramic silicon carbide water filtration systems for marine scrubbers. This particular shipping customer has placed multiple orders over the last three years for LiqTech’s proprietary water filtration systems and we are pleased to report that to date, we have received orders representing over 95% of their planned or completed scrubber installations. We continue to see strength in marine scrubbers as an effective compliance solution to IMO 2020 regulations, particularly from new Asian suppliers who have recently entered the market and are utilizing LiqTech systems as an effective solution for closed loop applications.”

Outlook

LiqTech will be meeting with investors for a series of non-deal roadshow meetings this coming week and have further investment conference presentations planned. Consequently, management is providing the following update:

- Revenue for the third quarter 2019 is expected to be approximately \$10 million, representing another quarter of sequential record revenue growth, despite the holiday season in Europe. The Company is anticipating further sequential revenue growth in the fourth quarter.
- The Company’s margin optimization program, which delivered a 500 bps scrubber system margin improvement in the second quarter 2019, should generate further improvement in the third quarter. Key drivers to this margin increase include design improvements for more efficient manufacturing and greater operating efficiencies. The Company is targeting its overall gross margin to exceed 30% in the first half of 2020.
- Bookings during the third quarter 2019 for marine applications remain strong, evidenced by the recent \$8.4 million order. As clarification to the Company’s recent earnings release on August 14, the Company defines marine book-to-bill as new marine

orders received during the quarter for future delivery, compared to reported marine revenue for the quarter.

- The planned expansion in manufacturing operations remains on track and, as previously reported, is expected to triple the Company's current manufacturing capacity by July 2020. The manufacturing expansion will meet the current and anticipated demand for the marine scrubber market, as well as provide capacity for new products and applications the Company is currently developing.
- The recently announced planned acquisition of BS Plastics A/S is on track to close during the third quarter. This small acquisition will be funded with cash on hand.
- Based on industry data, the Company currently maintains a significant market share for closed loop marine scrubber filtration installations or planned installations. New regulatory mandates in China, Singapore and other countries that ban in port open loop scrubbers is driving additional demand for closed loop scrubbers. By the end of 2019, industry forecasters estimate approximately 4,000 open loop installations or planned installations for new ship builds and retrofits of which LiqTech believes that many of these open loop scrubber installations will likely need future conversion to closed loop systems.

Mr. Mathiesen continued, "I am pleased that LiqTech continues to strengthen its market leading position for marine scrubbers and with the growth we are seeing in new orders from some of the world's most prestigious shipowners. Despite the recent market volatility in our share price, we remain focused on managing the business with an eye on both revenue growth and increasing profitability as we continue to implement our new product and margin optimization initiatives. The addressable market opportunity remains strong for our solutions and we continue to receive numerous orders from both new and existing customers which underscores the high quality of the LiqTech system. I look forward to continued progress in the next year and the report of our third quarter financial results in November."

About LiqTech International, Inc.

LiqTech International, Inc., a Nevada corporation, is a clean technology company that provides state-of-the-art ceramic silicon carbide filtration technologies for gas and liquid purification. LiqTech's silicon carbide membranes are designed to be used in the most challenging water purification applications and its silicon carbide filters are used to control diesel exhaust soot emissions. Using nanotechnology, LiqTech develops products using its proprietary silicon carbide technology, resulting in a wide range of component membranes, membrane systems and filters for both microfiltration and ultrafiltration applications. By incorporating LiqTech's SiC liquid membrane technology with the Company's extensive systems design experience and capabilities, LiqTech offers unique, turnkey solutions for the most difficult water purification applications.

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 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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