LIQTECH

LiqTech International Announces Financial Results for Fourth Quarter and Full Year 2024

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BALLERUP, Denmark, March 28, 2025 /PRNewswire/ -- LiqTech International, Inc. (Nasdaq: LIQT) ("LiqTech"), a clean technology company that manufactures and markets highly specialized filtration technologies, today announced its financial results for the fourth quarter and fiscal year 2024 for the period ended December 31, 2024.

Recent Financial Highlights

- Q4 2024 revenue of $3.4 million, a sequential increase of 37% from $2.5 million in Q3 2024, and a 13% decrease from $3.9 million in Q4 2023. FY 2024 revenue of $14.6 million, a 19% decrease from $18.0 million in FY 2023.
- Q4 2024 net loss of $(3.0) million compared to $(3.2) million in Q4 2023. FY 2024 net loss of $(10.3) million compared to $(8.6) million in FY 2023.
- Ending cash balance of $10.9 million on December 31, 2024.

Outlook

- The Company expects Q1 2025 revenue to be between $4.3 million and $4.7 million which would equate to a 26% to 38% sequential increase from Q4 2024, and a 2% to 10% year-over-year improvement from Q1 2024.
- Implemented a cost reduction strategy aimed at lowering the Company's break-even target, measured on an adjusted EBITDA basis, to a quarterly revenue of approximately $5.5 to $6.0 million. The strategy includes a 10% reduction in headcount, a 10% reduction in base salaries for senior management in 2025, a 50% reduction in cash compensation for the board of directors in 2025, as well as other cost-saving initiatives.

Recent Operational Highlights

- Received a record commercial order from Razorback Direct for LiqTech's PureFlow™ mobile units for the North American energy sector. The order delivered in Q1 2025 and will contribute to the strong sequential growth anticipated during the quarter.
- Three pilot units are currently operational across a variety of addressable end markets, including for lithium harvesting pretreatment in the U.S. The rental-based agreements contributed to revenue in Q4 2024 and are expected to contribute in 2025 as well.
- Delivered two swimming pool systems during Q4 2024 to UK and Spain and entered into an agreement with PoolCourt Engineering Ltd. to expand the Company's presence in the Irish commercial swimming pool market.
- Received supplier approval for WinGD, a leading global marine engine manufacturer, for their 2-stroke dual-fuel engines in gas- and diesel- mode.
- Entered into a joint venture with Jiangsu JiTRI Marine Equipment Co., Ltd. ("JiTRI") to develop and sell silicon carbide ceramic membrane-based water treatment system for marine ships in China.
- Appointed David Kowalczyk as Chief Financial and Chief Operating Officer, effective March 1, 2025.

Management Commentary

"The 37% sequential revenue growth experienced during Q4 2024 came within the expectations we provided back in November 2024 as we expanded the number of pilot systems in operation and saw improvement in our swimming pool business. Since that time, we received a record commercial order for our PureFlow Mobile Units to the

oil and gas industry which will be completed and contribute to further sequential revenue growth expected during Q1 2025. All told, our expectation for Q1 2025 shows sequential revenue growth of 26% to 38% as recent orders received during the past few months are shipped," commented Fei Chen, CEO of LiqTech. "Further, we have implemented a cost reduction strategy aimed at lowering our break-even target, measured on an adjusted EBITDA basis, to a quarterly revenue of approximately $5.5 to $6.0 million. These initiatives include a reduction in headcount, reduction in basic salary for senior management, and a reduction in cash compensation by the board of directors. With revenue growth expected and cost savings implemented, we are on the pathway to profitability, a key management objective for 2025."

"The landmark commercial oil and gas order in North America is a remarkable milestone for LiqTech as we continue to validate our solutions in the global energy industry. Energy operations often face significant challenges in managing water quality due to the highly variable nature of water sources, harsh environmental conditions, and the remote locations of many sites. The LiqTech PureFlow™ units are designed to excel in some of the most demanding environments and can help unlock opportunities in a wide variety of addressable markets. Specifically, I believe this order highlights the growing confidence in our ability to deliver cutting-edge solutions tailored to the unique needs of our customers within oil and gas and look forward to leveraging this success in the coming months and years."

"With growing market adoption in key market verticals, particularly within oil and gas and swimming pools, reentering marine water treatment system, coupled with pilot unit testing underway across a variety of new addressable end markets, I believe we are making incremental commercial progress that will translate into widespread adoption of our leading-edge filtration technology. Backed by a strong balance sheet with more than $10 million in cash and a commitment to driving profitability, I look forward to a positive year at LiqTech."

FY 2024 Financial Results

Revenue for the year ended December 31, 2024, was $14.6 million compared to $18.0 million for the same period in 2023, representing a decrease of 18.9%. The decline was mainly due to reduced deliveries of liquid filtration systems, plastics products, ceramic membranes and aftermarket sales, partly offset by increased sales of DPFs. The decrease in deliveries of liquid filtration systems was mainly driven by reduced deliveries of pool filtration systems and marine scrubber systems. The decline in aftermarket sales was primarily due to remediation work executed in the same period in 2023. The reduction in sales of plastic products was largely due to a significant one-time sale recorded in 2023 that did not recur in the current period. The increase in sales of DPFs was primarily driven by the effective execution of strategies designed to capitalize on the increased market demand for DPFs.

Gross profit for the year ended December 31, 2024, was $0.3 million, reflecting a gross profit margin of 1.7%, compared to $2.8 million, or a gross profit margin of 15.4%. This decline in gross profit can be attributed to the decrease in revenue, resulting in lower overall activity levels and underutilization of our manufacturing capacity, as well as an unfavorable sales mix, which resulted in a lower proportion of high-margin products such as liquid filtration systems and ceramic membranes. Specifically, the deliveries of containerized oil and gas pilot systems to the Middle East and the U.S. contributed to lower-than-usual margins, reflecting a strategic decision aimed at demonstrating and validating the value proposition associated with our technology and seeding the

market for future growth. This approach has proven successful, securing an order for a full-scale system scheduled for delivery in 2025. Additionally, a thorough inventory review led to necessary adjustments for obsolescence and slow-moving items. The decline in gross profit was partly offset by decreased depreciation as well as continued initiatives aimed at optimizing manufacturing processes, which have improved profitability within DPF and ceramic membrane production. Included in the gross profit was depreciation of $1.8 million and $2.6 million for the years ended December 31, 2024, and 2023, respectively.

Total operating expenses for the year ended December 31, 2024, were $9.7 million, representing a decrease of $0.8 million, or 7.9%, compared to $10.6 million for the same period in 2023. Selling expenses for the year ended December 31, 2024, were $2.7 million, compared to $4.3 million for the same period in 2023, representing a decrease of $1.6 million, or 36.6%. This decline was primarily driven by a reduction in executive officers, along with reductions in bonus payouts, travel costs, marketing expenses, and expenditures related to external sales consultancy services. General and administrative expenses for the year ended December 31, 2024, were $5.6 million compared to $4.9 million for the same period in 2023, representing an increase of $0.8 million, or 16.6%. The increase was primarily due to newly created positions in supply chain and project management, as well as higher legal expenses, insurance costs, and recruitment costs associated with the resignations of our CFO and VP of Sales. Additionally, one-time expenses were incurred for the relocation of our plastics production facility. The increase was also partially attributable to the release of bonus provisions in the comparable period of 2023. Research and development expense for the year ended December 31, 2024, was $1.3 million compared to $1.4 million for the same period in 2023, representing a decrease of $0.1, or 4.7%. The decrease was primarily due to a more focused R&D strategy with fewer ongoing projects and a reduced average number of employees engaged in external research and development activities, as the Company streamlined and centralized its R&D function. This was partially offset by one-time exit costs associated with a loss-making external development project.

Total Other expense for the year ended December 31, 2024, was $0.9 million compared to $1.0 million for the comparable period in 2023, representing decreased expense of $0.1 million, or 8.4%. The decrease was primarily attributable to a gain on currency transactions resulting from the EUR/DKK decline against the USD during the period and a loss on assets held for sale in the comparable period in 2023. This decrease in other expenses was partially offset by a non-cash loss related to the disposal of property and equipment, decreased interest income, and higher debt discount amortization costs due to the extension of the maturity date for the senior promissory notes, with additional warrants issued as consideration for the extension.

Net loss for the year ended December 31, 2024 was $(10.3) million, compared to $(8.6) million in the prior year.

Cash on hand (including restricted cash) on December 31, 2024 was $10.9 million.

Q1 2025 Outlook

The Company expects Q1 2025 revenue to be between $4.3 million and $4.7 million which would equate to a 26% to 38% sequential increase from Q4 2024, and a 2% to 10% year-over-year improvement from Q1 2024.

Conference Call Details

Date and Time: Friday, March 28, 2025, at 9:00 a.m. ET

Call-in Information: Interested parties can access the conference call by dialing (833) 535-2206 or (412) 902-6741.

Webcast: Interested parties can access the conference call via a live webcast, which is available in the Investor Relations section of the Company's website at https://www.liqtech.com/investor-relations/ or at https://app.webinar.net/lxVnLq6XOqZ.

Replay: A teleconference replay of the call will be available for seven days, at (877) 344-7529 or (412) 317-0088, replay access code 9257410. A webcast replay will be available at https://app.webinar.net/lxVnLq6XOqZ.

About LiqTech International Inc.

LiqTech International, Inc., a Nevada corporation, is a high-tech filtration 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 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, modular designed filtration solutions for the most difficult water purification applications.

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 to reflect any event or circumstance that may arise after the date of this release.

Latest releases

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Aug. 12, 2026
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LiqTech Secures Follow-On Order from a US-based Steel Manufacturer for Expanded Industrial

Wastewater Filtration Capacity

Aug. 10, 2026
LiqTech Secures U.S. Industrial Wastewater Reuse Order for QureFlow™ System

Aug. 06, 2026
LiqTech to Discuss Second Quarter 2026 Results on Wednesday, August 12, 2026

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