LiqTech Water Projects A/S

Benshøj Industrivej 24, 9500 Hobro

CVR no. 41 56 53 81

Annual report 2024

Approved at the Company's annual general meeting on 22 May 2025

Chair of the meeting:

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David Nørby Foss Kowalczyk

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of LiqTech Water Projects A/S for the financial year 1 January - 31 December 2024.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Hobro, 22 May 2025
Executive Board:

David Nørby Foss Kowalczyk
Director

Board of Directors:

Fei Chen Chairman	David Nørby Foss Kowalczyk	Tobias Baldrian Madsen

Independent auditor's report

To the shareholder of LiqTech Water Projects A/S

Opinion

We have audited the financial statements of LiqTech Water Projects A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 22 May 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Hans B. Vistisen
State Authorised Public Accountant
mne23254

Mads Obel Knøsgaard
State Authorised Public Accountant
mne49041

Management's review

Company details

Name	LiqTech Water Projects A/S
Address, Postal code, City	Benshøj Industrivej 24, 9500 Hobro
CVR no.	41 56 53 81
Established	28 July 2020
Registered office	Mariagerfjord
Financial year	1 January - 31 December
Website	www.liqtech.com
E-mail	info@liqtech.com
Telephone	+45 44 98 66 00
Board of Directors	Fei Chen, Chairman David Nørby Foss Kowalczyk Tobias Baldrian Madsen
Executive Board	David Nørby Foss Kowalczyk, Director
Auditors	EY Godkendt Revisionspartnerselskab Østre Havnegade 65, 9000 Aalborg, Denmark

Management's review

Business review

The Company's principal activity is to engage into commercial partnerships and conduct general sales and aftermarket activities within commercial water treatment as well as activities which, in Management's opinion, are related thereto.

Financial review

The income statement for 2024 shows a loss of DKK 31 thousand against a loss of DKK 6 thousand last year, and the balance sheet at 31 December 2024 shows equity of DKK 455 thousand.

The Danish entities within the LiqTech International, Inc. Group, are all ultimately financed via the parent company, LiqTech International, Inc. The Danish entities have received a letter of support from the parent company which commit itself, for the period of at least 12 months from 10 February 2025, to continue to financially support the Danish entities, so that the entities have sufficient liquidity for the planned activities and operations and sufficient liquidity to meet its obligations as they may mature. Based on this, the Executive Board and Board of Directors have presented the annual report under the assumptions of going concern.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2024	2023
	Gross profit/loss	-31	-5
	Financial income	0	4
	Financial expenses	0	-5
	Profit/loss before tax	-31	-6
	Tax for the year	0	0
	Profit/loss for the year	-31	-6

Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-31	-6
	-31	-6

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	ASSETS		
	Current assets		
	Receivables		
2	Receivables from group enterprises	455	450
	Other receivables	0	538
		455	988
	Cash	0	47
	Total current assets	455	1,035
	TOTAL ASSETS	455	1,035
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500	500
	Retained earnings	-45	-14
	Total equity	455	486
	Liabilities		
	Current liabilities		
	Payables to group enterprises	0	549
	Total current liabilities	0	549
	Total liabilities	0	549
	TOTAL EQUITY AND LIABILITIES	455	1,035

1 Accounting policies
3 Contractual obligations and contingencies, etc.

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2024	500	-14	486
Transfer through appropriation of loss	0	-31	-31
Equity at 31 December 2024	500	-45	455

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of LiqTech Water Projects A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit/loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired.

Cash

Cash at bank and in hand comprise cash.

Equity

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 **Receivables from group enterprises**

Receivables from group enterprises consist of loan to LiqTech Ceramics A/S. It has been agreed between the parties, that the loan is free of interest.

3 **Contractual obligations and contingencies, etc.**

Contingent liabilities

The Company is jointly taxed with its parent company, LiqTech Holding A/S, CVR-no. 25 12 10 31, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

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"By my signature I confirm all dates and content in this document."

Fei Chen
Board of Directors
On behalf of: LiqTech Water Projects AS
Serial number: 9b2820bd-9cf9-4914-b3ce-511d33869b1e
IP: 62.116.xxx.xxx
2025-05-22 08:02:42 UTC

David Nørby Foss Kowalczyk
Executive Board
On behalf of: LiqTech Water Projects AS
Serial number: 330e230c-09d1-422d-a7eb-ed9da4ca14ba
IP: 62.116.xxx.xxx
2025-05-22 13:58:32 UTC

David Nørby Foss Kowalczyk
Chairman
On behalf of: LiqTech Water Projects AS
Serial number: 330e230c-09d1-422d-a7eb-ed9da4ca14ba
IP: 62.116.xxx.xxx
2025-05-22 13:58:32 UTC

David Nørby Foss Kowalczyk
Board of Directors
On behalf of: LiqTech Water Projects AS
Serial number: 330e230c-09d1-422d-a7eb-ed9da4ca14ba
IP: 62.116.xxx.xxx
2025-05-22 13:58:32 UTC

Tobias Baldrian Madsen
Board of Directors
On behalf of: LiqTech Water Projects AS
Serial number: 6f736dc8-cfa3-418a-82ba-58a7e6a29d7d
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Hans Børge Sinding Vistisen
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
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Mads Obel Knøsgaard
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: f04d352a-011d-4f07-9df7-39c863661838
IP: 147.161.xxx.xxx
2025-05-26 06:54:54 UTC