

## **Aquaporin announces Q3 Trading Statement: Increased market traction but delay in the timing of revenue causing adjustment in guidance for FY2021**

Company announcement no. 23/2021

### **Financial highlights as of 30 September 2021**

Comparative figures for 2020 are shown in brackets throughout the report.

- Revenue amounted to DKK 0.7 million in Q3 2021 (DKK 0.4 million). Revenue was DKK 3.5 million YTD.
- EBITDA before special items was negative DKK 17.3 million in Q3 2021 (negative DKK 16.8 million) and negative DKK 55.0 million YTD.
- EBIT before special items was negative DKK 21.4 million in Q3 2021 (negative DKK 19.9 million) and negative DKK 67.7 million YTD.
- Cash and cash equivalents were DKK 169.1 million as of 30 September 2021.
- Revenue adjusted downwards to DKK 6-10 million (previously DKK 15-20 million). Guidance on EBITDA and EBIT (both before special items) maintained at negative DKK 70-80 million and negative DKK 90-100 million, respectively.

### **Commercial highlights**

- Order of 2,500 purifiers in Drinking Water with Turkish conglomerate Vestel, the largest single-order in Aquaporin's history (see company announcement from 16 July 2021).
- Point-of-Use product "One" in Drinking Water successfully approved by local government in India, pre-approving the product for local public projects (schools, universities, etc.).
- Momentum building in Industrial Water with one new pilot project commenced in India for resource recovery as well as positive test results on two separate pilot projects in India.
- New Food & Beverage mobile piloting system fully operational as of October 2021. Ongoing discussions with customers are positioning Aquaporin for a strong order uptake for Q4 of 2021 or early 2022.
- Closed flagship order for flat sheet in Drinking Water with a global consumer brand in China in November 2021.
- Advanced discussions with a global key account for a strategic collaboration agreement in Drinking Water, and commercial activity significantly higher than previous years.

## Financial outlook

Ongoing discussions with customers are positioning Aquaporin for a strong order uptake in Q4 of 2021 or early 2022. This positive momentum is primarily seen in Drinking Water and Industrial Water, where we continue to have visibility on order generation of DKK 15-20 million in FY2021, but will not be fully recognized in FY2021. In addition, we are experiencing some supply chain and logistics challenges that may delay shipments out of Q4 2021. Therefore, we now expect revenue in the range of DKK 6-10 million (previously DKK 15-20 million) for FY2021. EBITDA and EBIT (both before special items) guidance is maintained at negative DKK 70-80 million and negative DKK 90-100 million, respectively.

## Commentary to Q3 2021 performance

Measured on revenue and compared to previous quarters, Aquaporin had a slow Q3 in FY2021. Commercial interest in Aquaporin's technology and product offering is increasing, underlined by a growing number of commercial dialogues with potential customers in Drinking Water, Industrial Water, and Food & Beverage.

We are executing on our commercial strategy as demonstrated by an increase in sales, customer service and product management FTEs. We have grown our order book and positioned strategic opportunities with three key accounts that we expect to close in Q4. We have also generated momentum on Industrial Water applications. Through high visibility programs, such as Fashion For Good, we have increased brand awareness of Aquaporin in the industrial water space. This is supported by three key opportunities that are expected to materialize in the field of leachate treatment, resource recovery and wastewater treatment respectively. In Food & Beverage we continued working on developing applications in the aroma and ingredient sectors. In addition, we have developed our first small filtration unit that will be deployed in Q4 for customer evaluations.

## Forward looking statements

Matters discussed in this report may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions, as well as other statements regarding future events or prospects. Specifically, this report includes information with respect to projections, estimates and targets that also constitute forward-looking statements. The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties and other important factors include, among others: limited experience in commercialization of the Company's products, failure to successfully implement strategies, dependence on third parties for manufacturing certain product components and the supply of certain raw materials, the ongoing COVID-19 pandemic, manufacturing disruptions, strategic collaboration, protection of the Company's intellectual property rights and other risks disclosed in Aquaporin's annual reports and company



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Q3 trading statement, 1 July – 30 September 2021

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