



AQUAPORIN

Aquaporin A/S issues warrants under the existing incentive program and a new program

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Company announcement

No. 07/2022

Inside information

Copenhagen, Denmark, May 24, 2022 – Aquaporin A/S (ticker:AQP.CO) (“Aquaporin” or the “Company”), an innovative water technology company dedicated to natural water treatment, today announced that the Board of Directors of Aquaporin has decided to grant warrants to Aquaporin’s Executive Management team and certain employees under Aquaporin’s existing long-term incentive program (the “2021 LTIP”) described in company announcement no. 13/2021 on July 5, 2021 as well as under a newly established extraordinary warrant program (“2022 Extraordinary Warrant Program”) on the terms described below.

2022 Extraordinary Warrant Program

For the purpose of retaining the Company’s management and employees, create long-term shareholder value, and ensure achievement of Aquaporin’s long-term strategic goals, the Board of Directors has deemed it appropriate to establish a new 2022 Extraordinary Warrant Program in addition to the three-year 2021 LTIP program. It is intended that the program will further align the interests of the Executive Management and certain employees of Aquaporin with the Company’s shareholders by allowing the participants to exercise warrants within the foreseeable future at an exercise price of DKK 100.64 per share.

Warrants are granted pursuant to the authorization to the Board of Directors set out in section 4.15 of the Company’s Articles of Association and in accordance with the following terms:

- A total of 214,000 warrants are granted of which Matt Boczkowski, Chief Executive Officer, receives 40,000 warrants, each of Klaus Juhl Wulff, Chief Financial Officer, and Joerg Hess, Chief Operating Officer, receives 15,000 warrants, and Peter Holme Jensen, Chief Innovation Officer, receives 7,500 warrants. The remaining 136,500 warrants will be distributed amongst select employees of Aquaporin
- The 214,000 granted warrants give the holders the right to subscribe for a total of 214,000 shares of a nominal value DKK 1 per share upon vesting, corresponding to approximately 2.11% of the Company’s current total outstanding share capital
- Warrants granted under the program vest two years after grant
- Exercise of the warrants may take place during open trading windows following publication of the Company’s annual report, the half-year interim report, and quarterly trading statements in the period from vesting of the warrants until two years after vesting
- The warrants have been granted without consideration
- The warrants granted under the 2022 Extraordinary Warrant Program are not subject to satisfaction of certain KPIs but contain customary leaver provisions
- The exercise price for the warrants comprised by the 2022 Extraordinary Warrant Program has been determined to be DKK 100.64 per share corresponding to the volume-weighted average trading price (VWAP) of the Aquaporin shares on Nasdaq Copenhagen for the past 30 business days from the day of publication of the Company’s Q1 Trading Statement
- For the purpose of determining the fair value of share-based compensation, the Company applies the Black-Scholes pricing model. The calculated fair value and subsequent compensation expenses for the Group’s share-based compensation are subject to significant assumptions and estimates including expected volatility, market share price at year of grant, expected future dividend yield per share, expected life of warrants in years, and annual risk-free interest rate. The calculated theoretical value of the 2022 Extraordinary Warrant Program is DKK 5.9 million
- The actual value of warrants, which may be exercised by the Executive Management, is capped at a maximum value of the warrants at 400% of the annual fixed salary at the time of grant. If the cap is reached, the number of warrants that may be exercised will be adjusted downwards accordingly

2021 LTIP

The 2021 LTIP was established in July 2021 following the completion of Aquaporin’s Initial Public Offering (“IPO”) as a three-

year long-term warrant incentive program and with an exercise price of DKK 173 corresponding to the offer price in the IPO with the aim of aligning the interests of the participants with those of the shareholders and to incentivize all participants to contribute to the Company's value creation.

Warrants are granted pursuant to the authorization to the Board of Directors set out in section 4.15 of the Company's Articles of Association and in accordance with the program and terms described in the prospectus published on June 14, 2021, with the following terms:

- A total of 15,497 warrants are granted in May 2022 under the 2021 LTIP of which Matt Boczkowski, Chief Executive Officer, receives 3,519 warrants, Peter Holme Jensen, Chief Innovation Officer, receives 3,563 warrants, and Joerg Hess, Chief Operating Officer, receives 2,692 warrants. The remaining 5,723 warrants have been granted to a group of employees
- The 15,497 granted warrants give the holders the right to subscribe for a total of 15,497 shares of a nominal value DKK 1 per share upon vesting, corresponding to 0.15% of the Company's current total outstanding share capital
- Warrants granted under the program vest three years after grant
- Exercise of the warrants may take place during open trading windows following publication of the Company's annual report, the half-year interim report, and quarterly trading statements in the period from vesting of the warrants until two years after vesting
- The warrants have been granted without consideration
- The exercise price for the warrants comprised by the 2021 LTIP has been determined to be DKK 173 per share corresponding to the offer price in Aquaporin's IPO in 2021
- For the purpose of determining the fair value of share-based compensation, the Company applies the Black-Scholes pricing model. The calculated fair value and subsequent compensation expenses for the Group's share-based compensation are subject to significant assumptions and estimates including expected volatility, market share price at grant year, expected future dividend yield per share, expected life of warrants in years, and annual risk-free interest rate. The calculated theoretical value of the grant in 2022 is DKK 0.3 million
- The actual value of warrants, which may be exercised by the Executive Management is capped at a maximum value of the warrants at 400% of the annual fixed salary at the time of grant. If the cap is reached the number of warrants that may be exercised will be adjusted downwards accordingly
- The grant of the 15,497 warrants is the second grant of three in the 2021 LTIP over a three-year period and has been determined by the Board of Directors on the basis of KPIs relating to Revenue and EBITDA before special items. The third and last grant will occur in 2023 following approval of the annual report and subject to satisfaction of certain KPIs relating to Revenue and EBITDA before special items

For further information, please contact:

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About Aquaporin A/S

Aquaporin is an innovative water technology company dedicated to natural water treatment with operations in Denmark (HQ), Singapore, and the United States. Aquaporin works to preserve the Earth's most valuable resource – water – by combining advanced bioengineering, open innovation, and natural aquaporins – nature's own water purifiers – which they embed into water purification membranes. Their proprietary technology, Aquaporin Inside®, is based on Nobel Prize-winning research and used to clean and reuse water in industries, in our homes, and even by NASA in space. Aquaporin works with customers and partners around the globe to sustainably treat industrial wastewater, concentrate food & beverage products, and enhance drinking water quality and accessibility.

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", "intend", "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 announcements. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations, projections, estimates, and targets expressed or implied in this report by such forward-looking statements. The information, opinions, and forward-looking statements contained in this report speak only as at its date and are subject to change without notice. Aquaporin expressly disclaims any obligation to update or revise any forward-looking statements, except as required by law.

Attachments

- [Download announcement as PDF.pdf](#)