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## **Aquaporin announces intention to launch Initial Public Offering on Nasdaq Copenhagen and raise capital to support commercial strategy with primary offering fully backed by cornerstone investors**

**(Kgs. Lyngby, Denmark, 27 May 2021)** Aquaporin A/S (“the Company” or “Aquaporin” or, together with its subsidiaries, the “Group”), a water technology company with the aim of contributing to a more sustainable world by encouraging responsible consumption of water, today announces its intention to launch an Initial Public Offering (“IPO” or “Offering”) and to admit its shares to trading and official listing on Nasdaq Copenhagen.

The offering will consist of an initial public offering of new and existing shares to retail and institutional investors in Denmark as well as private placements to institutional investors and, potentially, a limited number of other investors in the rest of the world (excluding the United States). The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933.

### **IPO highlights**

Should the Company proceed with an IPO, the current expectation is that:

- New shares will be issued to fund Aquaporin’s global commercialization strategy within its three primary segments: Drinking Water, Industrial Water and Food & Beverage
- The Company will receive DKK 250 million in gross proceeds
- The subscription for new shares is fully and irrevocably committed by a group of cornerstone investors
- Existing shares will be offered by M. Goldschmidt Capital A/S and Danica Pension, Livsforsikringsaktieselskab. The size of the secondary offering will be communicated in connection with publication of the Prospectus
- The offer share price will be fixed at DKK 173 per share, corresponding to a total market value of all issued shares of the Company of approximately DKK 1.5 billion as of the date of this announcement and before completion of the Offering. The fixed price corresponds to the subscription price at the latest equity financing round completed in November 2020
- The Company will be included in the Nasdaq Copenhagen Mid Cap Segment

## Cornerstone investors

The Company has received irrevocable commitments from Topsøe Holding A/S, Claus Christiansen, MEE Holding ApS, Spar Nord Bank A/S, M. Goldschmidt Capital A/S and VP Capital N.V. to subscribe for new shares, equal to an aggregate amount of DKK 250 million at the offer price of DKK 173 per share.

### **Niels Heering, Chairman of the Board of Aquaporin, said:**

*“An initial public offering and listing on Nasdaq Copenhagen is the right next step for Aquaporin. Investors are increasingly looking for companies with a sustainable purpose, and Aquaporin directly contributes to alleviating global environmental challenges such as water scarcity and increasing waste streams. A public listing will provide a strong platform for the company’s global growth ambitions by enhancing its visibility, strengthen the brand and reinforce relationships with partners and customers. The support from our impressive group of cornerstone investors, including, among others, Topsøe Holding, Claus Christiansen, MEE Holding and Spar Nord is a testament to the company’s strong strategic position.”*

### **Peter Holme Jensen, Co-Founder and CEO of Aquaporin, commented:**

*“Since the foundation in 2005, Aquaporin has been driven by a vision to change the world for the better by creating ground-breaking industrial solutions based on nature’s own inventions. As a company, we act and think globally. But we are also a Danish company dedicated to creating local value. A public listing on Nasdaq Copenhagen emphasizes that ambition and at the same time, it will engage more people in our pursuit for making the world more sustainable.”*

### **Jakob Haldor Topsøe, Chairman of Topsøe Holding A/S and cornerstone investor in the Offering, said:**

*“Having been a shareholder of Aquaporin since 2020, it has been a pleasure to follow the company and its recent development, including the scale-up of production, piloting and recent product launches within drinking water. Aquaporin has spent considerable R&D efforts and possesses a strong IP and know-how position in one of the most interesting and important areas for the world; clean water. This positions Aquaporin uniquely for its commercialization journey that will now be accelerated.”*

## Use of proceeds

The net proceeds from the issuance of new shares are expected to be used for the purpose of funding and further expanding the Company’s existing commercial activities, increasing the Company’s production capacity in certain areas and financing day-to-day operations as well as for working capital and general corporate purposes.

The Company currently expects the net proceeds from the IPO to be sufficient to support the Company’s current commercialisation strategy.

## Company highlights

- Aquaporin is a global water technology company with operations in Denmark (HQ), Singapore and the United States
- The Company is dedicated to a more sustainable world by encouraging responsible consumption of water, and contributes directly to several of UN’s Sustainable Development Goals
- The Company has built and tested a highly sophisticated water filtration membrane, which

is now ready for commercialization. As one of the first movers in applying aquaporins to industrial membranes, the Company has received multiple awards for its innovation, including the European Biomimetic Membranes Technology Innovation in 2009 and the European Inventor Award 2014. In 2014, the Company was also named the most innovative small/medium-sized entity in Europe by the European Patent Office

- Aquaporin works with customers and partners around the globe to enhance drinking water quality and accessibility, sustainably treat industrial wastewater, and enhance quality of or develop new food & beverage products
- The Company estimates that by 2022 the total addressable and prioritised market for reverse osmosis and forward osmosis membranes and systems within drinking water (premium), industrial water and food and beverage amounts to approximately EUR 18 billion with an annual growth rate of in the range of approximately 5-10 %, with the drinking water segment being in the top of the range and industrial water as well as food and beverage being at the lower end of the range.

### **Aquaporin strategic strengths**

Aquaporin has a strong sustainability profile, and its markets are supported by global megatrends. Important milestones have been achieved in recent years, and the Company is now ready to accelerate commercialization of its membrane technology and water treatment systems to private households and industries, including the textile and food & beverage industries.

The Company's products contribute directly to the United Nations Sustainable Development Goals by improving access to clean water, making wastewater treatment more sustainable and reducing the need for plastic bottles for drinking water.

### **Key strengths**

1. The Company's membrane technology has a strong value proposition across the Group's core markets
  - The Aquaporin Inside® technology is a sustainable alternative to traditional water filtration by delivering e.g., high water flux, high rejection rates, and low cost-of-ownership.
2. The addressable markets for the Company's core technology are large and supported by global megatrends
  - Within the global water purification market, the Company is currently commercially active in three addressable primary markets, which the Company estimates will have a total addressable market size of approximately EUR 18 billion by 2022. There is an increasing demand for water and wastewater treatment underpinned by global megatrends such as urbanization and industrialization. The addressable markets are expected by the Company to show attractive annual growth rates in the range of approximately 5-10%.
3. The Company's management team has deep expertise, and a strong operational backbone is in place
  - Aquaporin's CEO is founder, and significant capabilities have been added to the Executive Management team in recent years, including global experience with new market development, commercialization in the water sector, and financial management in listed companies. The organization is characterized by its diversity with more than 20 nationalities.

4. Aquaporin has a flexible asset-light business model
  - The Company's production process has been set up as a flexible asset-light platform, aiming to keep only the core value-adding manufacturing steps, proprietary technology and know-how in-house, and outsourcing other manufacturing steps to contract manufacturing organizations
  
5. A strong commercialization platform with extensive patent protection and product quality certifications
  - Aquaporin is a pioneer in commercially applying the aquaporin protein in industrial membranes. The Group's patent portfolio gives a proprietary position with respect to its Aquaporin Inside® technology. In 2020, the Company secured a positive evaluation from the US Food and Drug Agency (FDA) for its Aquaporin Inside® membranes enabling the use of the Group's membranes in the food and beverage industry in the United States and Europe.

### Shareholders

At the date of this announcement, M. Goldschmidt Capital A/S owns approximately 43 % of the share capital and voting rights, Danica Pension, Livsforsikringsaktieselskab owns approximately 23 %, InterChina Water Treatment Hong Kong Company Ltd owns approximately 10 % and VP Capital N.V. owns approximately 5 %. The Board of Directors and Executive Management owns a total of approximately 2 % of the current share capital and voting rights prior to any exercise of their outstanding warrants.

### Financial guidance

For the financial year ending 31 December 2021, Aquaporin targets:

- Revenue: DKK 15-20 million
- EBITDA (before special items): Loss of DKK 70-80 million
- EBIT (before special items): Loss of DKK 90-100 million

### Financial aspirations 2024

The Company's financial aspirations for 2024 are based on the execution of a tailored-go-to-market approach and a considerable strengthening of the Company's commercial organization to accelerate sales and expand customer reach, building on strong momentum across launched products and final-stage pilot projects. The Group aspires to increase its revenue to generate up to approximately DKK 450 million in revenue and become EBITDA positive by the end of 2024 based on the following segmented aspirations:

DKK million	Revenue	Gross margin
Drinking water	250-300	35-45 %
Industrial water	60-80	30-40 %
Food & Beverage	75-100	55-65 %

These medium-term financial aspirations are not guarantees of future financial performance and the Company's actual and future results could differ materially from those expressed or implied by these aspirations as these aspirations are based on a number of factors, estimates, uncertainties and assumptions, many of which are outside of the Company's control or influence.

## Bank syndicate

Danske Bank is appointed to act as Global Coordinator in the contemplated offering.

## For further information, please contact:

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## About Aquaporin

The Company is a water technology company headquartered in Denmark with operations in Denmark, Singapore and the United States. The aim of the Company's technology is to contribute to a more sustainable world by focusing on encouraging responsible consumption of water. As a result, the Company is committed to developing and providing cost-efficient, sustainable and environmentally responsible solutions to the growing need for access to clean drinking water, treating and reusing wastewater and improving concentration and separation performance. For this purpose, the Company has developed a proprietary and patent-protected formulation for the protein aquaporin, which enables a high rejection rate of pollutants, high recovery rate of clean water and low energy consumption. The Company's proprietary technology, Aquaporin Inside®, is based on Nobel Prize-winning research and used to clean and reuse water in our homes and in the industrial water and food and beverage industry. Aquaporin works with customers and partners around the globe to sustainably treat industrial wastewater, concentrate food and beverage products and enhance drinking water quality and accessibility. Read more on [www.aquaporin.com](http://www.aquaporin.com)

## Important notice

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In any member state of the European Economic Area ("EEA Member State"), other than Denmark, this announcement is only addressed to, and is only directed at, investors in that EEA Member State who fulfil the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of Regulation (EU) No. 2017/1129 of 14 June 2017.

This announcement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) "qualified investors" (as defined in the UK Prospectus Regulation) who are (a) investment professionals falling within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (b) high net worth entities falling within Article 49(2)(a) – (d) of the Order (the persons described in (i) and (ii) above together being referred to as "relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents. The "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

Danske Bank A/S (the "Global Coordinator") and its respective affiliates are acting exclusively for the Company and the selling shareholders and no-one else in connection with the potential offering. The Global Coordinator will not regard any other person as its respective clients in relation to the potential offering and will not be responsible to anyone other than the Company and the selling shareholders for providing the protections afforded to its respective clients, nor for providing advice in relation to the potential offering, the contents of this announcement or any transaction, arrangement and/or other matter referred to herein. In connection with the potential offering, the Global Coordinator and any of its affiliates, acting as investors for their own accounts, may purchase or subscribe for shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related investments in connection with the potential offering or otherwise. Accordingly, references in the prospectus, if published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Global Coordinator and any of its affiliates acting as investors for their own accounts. The Global Coordinator does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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