



AQUAPORIN

Offering of up to 2,514,451 shares in Aquaporin A/S

(a public limited liability company incorporated in Denmark registered under CVR no. 28 31 56 94)

This document relates to the initial public offering of up to 2,514,451 shares of DKK 1 nominal value each (the "Offering") of Aquaporin A/S ("Company"). The Company is offering 1,445,087 new shares ("New Shares") in order to raise gross proceeds of DKK 250 million and M. Goldschmidt Capital A/S ("MGC") and Danica Pension, Livsforsikringsaktieselskab ("Danica") (together, the "Main Selling Shareholders") are offering up to 967,364 existing shares of the Company ("Existing Shares") (with MGC offering 2/3 of the existing shares and Danica the remaining 1/3), excluding any shares subject to the overallotment option and up to 102,000 of the Shares are being offered by the Company's CEO, the CFO and a board member (the "Other Selling Shareholders", and together with the Main Selling Shareholders the "Selling Shareholders"), with such number of Shares sold corresponding to raising net proceeds for the three members of the management to fund the exercise of warrants prior to the Admission (as defined below), which expires in September 2021 as well as to fund taxes and fees related to the exercise and sale of Shares from the exercise of these warrants (the New Shares and the shares offered by the Selling Shareholders are together referred to as the "Offer Shares"). The sale of existing Offer Shares will facilitate free float in the Shares since the New Shares have been committed by and pre-allocated to the Cornerstone Investors (as defined below). The exact number of Offer Shares to be sold will be determined by the Company's board of directors ("Board of Directors") and the Main Selling Shareholders in consultation with the Global Coordinator. Assuming completion and the issuance of all New Shares in the Offering, the Company's registered share capital will have a nominal value of DKK 10,047,301 Shares. As used herein, "Shares" shall refer to all outstanding shares of the Company at any given time.

The Offering consists of (i) an initial public offering to retail and institutional investors in Denmark ("Danish Offering") and (ii) private placements to institutional investors and, potentially, a limited number of other investors in the rest of the world (excluding the United States) ("International Offering"). The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") ("Regulation S").

The Company has received irrevocable commitments from MEE Holding ApS, Topsøe Holding A/S, Claus Christiansen, Spar Nord Bank A/S, M. Goldschmidt Capital A/S, and VP Capital N.V. ("Cornerstone Investors") to subscribe for New Shares, equal to an aggregate Offer Price (as defined below) in the amount of DKK 250,000,000 ("Cornerstone Shares"). Accordingly, 1,445,087 New Shares (corresponding to 50% of the Offer Shares assuming full exercise of the Overallotment Facility (as defined below)) will be reserved for allocation to the Cornerstone Investors. M. Goldschmidt Capital A/S has decided to both sell Existing Offer Shares and subscribe for New Shares as a Cornerstone Investor to ensure the Company raises sufficient proceeds while at the same time facilitating free float in connection with the Offering.

As a part of the Offering, the Global Coordinator has been granted a right to overallot (the "Overallotment Facility") up to 377,168 of Shares amounting to a maximum of 15% of the aggregate number of Offer Shares allocated in the Offering (the "Overallotment Shares"), which is facilitated by MGC under a share lending arrangement and a corresponding overallotment option to the Global Coordinator. If the Overallotment Facility is utilized in full, the number of Shares placed in the Offering may amount to a maximum of 2,891,619 Offer Shares (assuming the maximum number of Offer Shares are sold). If the Overallotment Facility is used, the term "Offer Shares" shall, unless specifically stated herein, also include the Overallotment Shares.

Prospective investors are advised to examine all risks and legal requirements described in this Prospectus that might be relevant in connection with an investment in the Offer Shares. See also "Part II—Risk Factors" for a discussion of certain risks that prospective investors should consider before investing in the Offer Shares.

OFFER PRICE: DKK 173 PER OFFER SHARE

The price at which the Offer Shares will be sold ("Offer Price") will be DKK 173 per Offer Share. The offer period ("Offer Period") will commence on 14 June 2021 and will close no later than 25 June 2021 at 11:00 a.m. (CET). The Offer Period may be closed prior to 25 June 2021, however, the Offer Period will not be closed in whole or in part before 23 June 2021 at 00:01 a.m. (CET). If the Offer Period is closed before 25 June 2021, the first day of trading of Temporary Purchase Certificates (as defined below) on Nasdaq Copenhagen A/S ("Nasdaq Copenhagen") and the date of payment and settlement will be moved forward accordingly, subject to agreement with Nasdaq Copenhagen. Any such early closing, in whole or in part, will be announced through Nasdaq Copenhagen.

Payment for and settlement of the Offer Shares are expected to take place on or around 30 June 2021 ("Settlement Date") by way of delivery of temporary purchase certificates under the temporary ISIN DK0061555299 ("Temporary Purchase Certificates") against payment in immediately available funds in Danish kroner in book-entry form to investors' accounts with VP Securities A/S ("VP Securities") and through the facilities of Euroclear Bank S.A./N.A., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"). Subject to completion of the Offering and registration of the New Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), the Temporary Purchase Certificates will automatically be exchanged in VP Securities for a corresponding number of Shares, which are expected to be delivered two business days after the Settlement Date under the permanent ISIN DK0061555109 in book-entry form to the holders of the Temporary Purchase Certificates' respective accounts with VP Securities and through the facilities of Euroclear and Clearstream. If the Offering is closed before 25 June 2021 (i.e., the closing of the Offer Period), the Settlement Date, delivery of Offer Shares and Temporary Purchase Certificates, the automatic exchange of Temporary Purchase Certificates for Shares and the first day of trading of the Temporary Purchase Certificates and the subsequent admission for trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. The Offering may be withdrawn after Admission and until settlement of the Offering. All dealings in the Temporary Purchase Certificates and/or the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved. Registration of the New Shares issued by the Company with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) will take place following completion of the Offering on the Settlement Date, which is expected to take place on 30 June 2021.

Prior to the Offering, there has been no public market for the Temporary Purchase Certificates or the Shares. An application has been made for the Temporary Purchase Certificates to be admitted to trading (but not official listing) on Nasdaq Copenhagen under the symbol "AQP TEMP" and for the Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the symbol "AQP" (the "Admission"). The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares, the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect. The first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 28 June 2021 and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 30 June 2021. The first day of trading and official listing of the Shares on Nasdaq Copenhagen is expected to be 1 July 2021.

This document has been prepared under Danish law. The distribution of this document and the offer of the Offer Shares in certain jurisdictions are restricted by law. This document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such a jurisdiction. The Offer Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold outside the United States in compliance with Regulation S.

Global Coordinator

Danske Bank

This document is dated as at 14 June 2021.

IMPORTANT NOTICE RELATED TO THE PROSPECTUS

This prospectus ("Prospectus") is governed by and has been prepared in compliance with Danish law, in compliance with the requirements set out in the Danish Consolidated Act on Capital Markets no. 1767 as of 27 November 2020, as amended (in Danish "Kapitalmarkedsloven") (the "Danish Capital Markets Act"), Regulation (EU) no. 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended ("Prospectus Regulation"), Commission Delegated Regulation (EU) no. 2019/980 of March 14, 2019 as well as Commission Delegated Regulation (EU) 2019/979 of March 14, 2019, and the Nordic Main Market Rulebook for Issuers of Shares on Nasdaq Copenhagen of 1 February 2021 ("Nasdaq Issuer Rules").

References in this Prospectus to the "Company", "Aquaporin", "we", "our" or "ours" are references to Aquaporin A/S, and references to the "Group" are references to Aquaporin A/S together with its wholly owned subsidiaries unless the context requires otherwise. See "Part V—Glossary" for a list of terms and definitions frequently used in this Prospectus.

No representation or warranty, expressed or implied, is made by Danske Bank A/S (the "Global Coordinator") as to the accuracy or completeness of any information contained in this Prospectus.

The information in this Prospectus is as of the date printed on the cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in the Group's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In the event of any significant new factor, material mistake or material inaccuracy relating to the information in this Prospectus that may affect the assessment of the Offer Shares during the period from the date of this Prospectus and the first day of Admission, such changes will be announced to the extent required pursuant to the rules of the Prospectus Regulation, *inter alia*, which governs the publication of prospectus supplements.

NOTICE TO INVESTORS

In making an investment decision, investors must rely on their own assessment of the Group and the terms of this Offering, as described in this Prospectus, including the merits and risks involved. Any subscription for or purchase of the Offer Shares should be based on the assessments of the information in the Prospectus that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offer Shares.

No person has been authorized to give any information or make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Company, the Selling Shareholders or the Global Coordinator. Neither the Company, the Selling Shareholders nor the Global Coordinator accept any liability for any such information or representation.

The distribution of this Prospectus and the offer or sale of the Offer Shares in certain jurisdictions are restricted by law. By subscribing for or purchasing Offer Shares, investors will be deemed to have made certain acknowledgements, representations and agreements as described in this Prospectus. Prospective investors should be aware that they may be required to bear the financial risks of any such investment for an indefinite period of time.

The Offering will be completed under Danish law, and no action has been or will be taken by the Company, the Selling Shareholders or the Global Coordinator to permit a public offering in any jurisdiction other than Denmark. Persons into whose possession this Prospectus may come are required by the Company, the Selling Shareholders and the Global Coordinator to inform themselves about and to observe such restrictions. This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful. For further information with regard to restrictions on offers and sales of the Offer Shares and the distribution of this Prospectus, see "Part IV—Section 5.16 Jurisdictions in which the Offering will be announced and restrictions applicable to the Offering". This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer. This Prospectus may not be forwarded, reproduced or in any other way redistributed by anyone but the Company, the Selling Shareholders or the Global Coordinator. Investors may not reproduce or distribute this Prospectus, in whole or in part, and investors may not disclose the content of this Prospectus or use any information herein for any purpose other than considering the subscription for or purchase of Offer Shares. Investors agree to the foregoing by accepting delivery of this Prospectus.

Notice to investors in the United States

The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold outside the United States in compliance with Regulation S. For certain restrictions on transfer of the Offer Shares, see "Part IV—Section 5.16 Jurisdictions in which the Offering will be announced and restrictions applicable to the Offering"

European Economic Area restrictions

In relation to each member state of the European Economic Area (other than Denmark) (each a "Relevant State"), no shares have been offered or will be offered to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation. Notwithstanding the foregoing an offering of Offer Shares in a Relevant State may be made under the following exemptions under the Prospectus Regulation:

1. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

2. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Global Coordinator for any such offer; or
3. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company or the Global Coordinator to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to subscribe for or purchase any Offer Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom restrictions

No Offer Shares, have been offered or will be offered pursuant to the Offering to the public in the United Kingdom, except that the Offer Shares may be offered to the public in the United Kingdom at any time: (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK Prospectus Regulation"); (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Global Coordinator for any such offer; or (c) in any other circumstances falling within Section 86 of the UK Financial Services and Markets Act 2000; provided that no such offer of the Offer Shares, shall require the Company or the Global Coordinator to publish a prospectus pursuant to Section 85 of the UK Financial Services and Markets Act 2000 or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares.

In the United Kingdom, this Prospectus is being distributed only to, and is directed only at, and any offer in relation to any Offer Shares is only directed at, persons who are: (A) "qualified investors" (as defined in Article 2(e) of the UK Prospectus Regulation) and who are also: (B) (i) persons having professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order; and/or (iii) persons to whom it may otherwise lawfully be communicated under the Order (all such persons together being referred to as "Relevant Persons"). This Prospectus must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons. Any person in the United Kingdom who participates in the Offering will be deemed to have represented, warranted and acknowledged to the Company and the Global Coordinator that: (i) it is a Relevant Person (as defined above) and undertakes that it will purchase or subscribe for, hold, manage or dispose of any Offer Shares that are allocated to it for the purposes of its business; (ii) it is purchasing or subscribing for the Offer Shares for its own account or is purchasing or subscribing for the Offer Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties and acknowledgements contained herein; and (iii) if it is a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, that any Offer Shares purchased or subscribed for by it in the Offering will not be purchased or subscribed for on a non-discretionary basis on behalf of, nor will they be purchased or subscribed for with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in the United Kingdom or a member state of the EEA to "qualified investors" (as defined in Article 2(e) of the UK Prospectus Regulation or the Prospectus Regulation, as applicable), or in circumstances in which the prior consent of the Global Coordinator has been given to each such proposed offer or resale.

Information Regarding Investors' NPID or LEI Number

In order to participate in the Offering, investors will need a global identification code according to the MiFID II to be able to carry out securities transactions. Physical persons will need a so called NPID-number (National Personal ID or National Client Identifier) and legal entities will need a so called Legal Entity Identifier ("LEI") in order to be able to subscribe for or acquire Offer Shares in the Offering. Please note that it is the investor's legal status that determines whether a LEI-code or NPID-number is required, and that the Global Coordinator may not be able to execute the transaction for the person in question if a LEI-code or NPID-number (as applicable) is not presented.

NPID code for physical persons: Physical persons will need a NPID code to participate in a financial market transaction, i.e. a global identification code for physical persons. For physical persons with only a Danish citizenship, the NPID code is the 10 digit personal ID (DK: CPR number). If the person in question has multiple citizenships or another citizenship than Danish, another relevant NPID code can be used. Investors are encouraged to contact their bank for further information.

LEI code for legal entities: Legal entities will need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorized LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. Legal entities needing to acquire a LEI-code can turn to any of the suppliers available on the market. Instructions regarding the global LEI-system can be found on www.gleif.org/en/about-lei/how-to-get-an-lei-find-lei-issuing-organizations. The information included on the aforementioned website does not form part of and is not incorporated by reference into this Prospectus.

Stabilization

IN CONNECTION WITH THE OFFERING, DANSKE BANK A/S, AS THE STABILIZING MANAGER, OR ITS AGENTS, ON BEHALF OF THE GLOBAL COORDINATOR, MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SHARES FOR UP TO 30 DAYS FROM THE COMMENCEMENT OF TRADING AND OFFICIAL LISTING OF THE TEMPORARY PURCHASE CERTIFICATES ON NASDAQ COPENHAGEN. SPECIFICALLY, THE GLOBAL COORDINATOR MAY OVERALLOT OFFER SHARES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SHARES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. THE STABILIZING MANAGER AND ITS AGENTS ARE NOT REQUIRED TO ENGAGE IN ANY OF THESE ACTIVITIES AND, AS SUCH, THERE IS NO ASSURANCE THAT THESE ACTIVITIES WILL BE UNDERTAKEN; IF UNDERTAKEN, THE STABILIZING MANAGER OR ITS AGENTS MAY END ANY OF THESE ACTIVITIES AT ANY TIME AND THEY MUST BE BROUGHT TO AN END AT THE END OF THE 30-DAY PERIOD MENTIONED ABOVE. SAVE AS REQUIRED BY LAW OR REGULATION, THE STABILIZING MANAGER DOES NOT INTEND TO DISCLOSE THE EXTENT OF ANY STABILIZATION TRANSACTIONS UNDER THE OFFERING. SEE “*Part IV—Section 5.14 stabilization*”.

Information to distributors

European Union Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) Directive 2014/65/EU of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing MiFID II with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities that are the subject of the Offering have been subject to a product approval process, which has determined that the Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Global Coordinator will only procure investors who meet the criteria of professional clients and eligible counterparties (except for a public offering to investors in Denmark conducted pursuant to this Prospectus that has been approved by and registered with the Danish FSA).

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

UK Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) Regulation (EU) 600/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (b) the FCA Handbook Product Intervention and Product Governance Sourcebook, (together, the “**UK MiFIR Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of UK MiFIR) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that the Offer Shares are: (a) compatible with an end target market of investors who meet the criteria of eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR; and (b) eligible for distribution through all distribution channels as are permitted by UK MiFIR (the “**UK Target Market Assessment**”). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties for the purposes of the UK MiFIR Product Governance Rules.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of the UK MiFIR Product Governance Rules; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own UK Target Market Assessment in respect of the Offer Shares and determining appropriate distribution channels.

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RESPONSIBILITY STATEMENT

The Company's Responsibility

The Company is responsible for this Prospectus in accordance with Danish law.

The Company's Statement

We hereby declare that we, as the persons responsible for this Prospectus on behalf of the Company, have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of its contents.

We furthermore declare that this Prospectus has been approved by the Danish FSA as competent authority under the Prospectus Regulation. The Danish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

14 June 2021

Aquaporin A/S

Board of Directors

Niels Heering
Chairman

Søren Bjørn Hansen
Deputy Chairman

Anne Broeng
Board Member

Jianwen Cai
Board Member

Jens Denkov
Board Member

Lars Hansen
Board Member

Michael Frank
Board Member

Weiming Jiang
Board Member

Niels Heering: Senior general counsel at Danske Bank A/S and professional board member
Søren Bjørn Hansen: CEO at M. Goldschmidt Holding A/S

Anne Broeng: Professional board member

Jens Denkov: Chief Investment Director at Danske Bank A/S and provides investment and asset management services for Danica

Jianwen Cai: Global Vice President of Finance and alignment at Sinocare Incorporation

Lars Hansen: Executive Director at Villum Foundation

Michael Frank: Investment Director at Syddansk Innovation A/S

Weiming Jiang: Special advisor to CO-CEO of Royal DSM

Executive Management

Peter Holme Jensen
CEO

Maciej Boczkowski
Deputy CEO and CCO

Bo Karmark
CFO

Joerg Hess
COO

PART I—SUMMARY

Section A—Introduction and warnings

Introduction	
Warnings	<p>This summary should be read as an introduction to this Prospectus. Any decision to invest in the Offer Shares should be based on consideration of the Prospectus as a whole by the investor. Prospective investors in the Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, under the national legislation of the European Economic Area member states, the plaintiff investor might have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares.</p>
Issuer information	<p>Aquaporin A/S is the issuer of the Offer Shares in the Offering under this Prospectus. The Temporary Purchase Certificates will be admitted to trading on Nasdaq Copenhagen under the temporary ISIN DK0061555299 and the Shares will be admitted to trading and official listing on Nasdaq Copenhagen A/S ("Nasdaq Copenhagen"), which is a regulated market in accordance with the Prospectus Regulation, under the permanent ISIN DK0061555109. The Company has the LEI no. 894500AW5ZWMYUZN1V70. The Nasdaq Copenhagen symbol for the Temporary Purchase Certificates is "AQP TEMP" and for the Shares is "AQP".</p> <p>The address and contact details of the Company are Nymøllevej 78, 2800 Kgs. Lyngby, Denmark, telephone number: (+45) 82 30 30 82, email aquaporin@aquaporin.com.</p>
Competent authority	<p>The Prospectus has been approved on 14 June 2021 by the Danish FSA as competent authority under the Prospectus Regulation. The address and other contact details of the Danish FSA are Århusgade 110, 2100 Copenhagen Ø, Denmark, telephone number +45 33 55 82 82, email finanstilsynet@ftnet.dk.</p>

Section B—Key information on the issuer

Who is the issuer of the securities?	<p>The Company is incorporated in Denmark and operates as a public limited liability company (A/S) under the laws of Denmark with the Company's registered domicile at Nymøllevej 78, 2800 Kgs. Lyngby, Denmark. The Company has the LEI no. 894500AW5ZWMYUZN1V70.</p>
Principal activities	<p>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 Group uses this proprietary Aquaporin Inside technology ("Aquaporin Inside") to develop and produce (i) water purification membranes that it supplies to system providers who can incorporate these membranes in their own end-products and (ii) water purification systems (for instance to purify drinking water and to be used in food and beverage processing). The Group's products are sold directly from the Group's headquarters in Denmark or through distributors to end-users.</p> <p>The Company's products can be used in multiple industries and in various applications. The Group's product portfolio reflects product development for several market segments and sub-segments at different maturity stages. The Company currently is focused on bringing the Group's products to market (i) in the drinking water segment where it will produce clean drinking water for residential purposes, (ii) in the industrial water segments for wastewater treatment (including the textile industry); and (iii) in the food and beverage segment to concentrate liquid products. The Group targets these segments first and foremost as the Group believes the Group's product portfolio is well-positioned to meet the technology needs of these industries. In addition, the Company is supplementing these focus segments by developing market intelligence and products for other market segments, such as medical devices, including for hemodialysis, and desalination. The Company markets the Group's products through the Company's Aquaporin Inside brand, which was established in 2011 and uses a network of commercial partners, distributors and research collaborators to reach customers across the world.</p>

	<p>The Group is also a United Nations (UN) Global Compact signatory and is committed to its ten principles. The Group supports UN Global Compact to drive business awareness and action in support of achieving the Sustainable Development Goals ("SDGs") by 2030.</p> <p>Aquaporin Inside is based on the aquaporin protein, which is a protein that can be found in living cells and transports water across cell membranes. Aquaporins were discovered in 1992 by Peter Agre (a Bloomberg Distinguished Professor at the Johns Hopkins Bloomberg School of Public Health and Johns Hopkins School of Medicine) who received a Nobel Prize for this discovery in 2003. The Company has produced a stable and active formulation for this aquaporin protein, which allows the protein to stay functional. As a result of this, the Company is able to produce industrial membranes that mimic nature's way of filtering water. The Company produces both (i) reverse osmosis membranes, which produce clean water through application of external (hydraulic) pressure, a technique that is widely implemented by various industry stakeholders for a wide range of applications, including purifying industrial wastewater and desalination, and (ii) forward osmosis membranes that concentrate substances by extracting water using osmotic pressure, a method which is not widely used today. As of the date of this Prospectus, the Company holds 17 patents across 14 patent families.</p>																				
Major Shareholders	<p>As of the date of this Prospectus, the Company has received notifications of holdings of 5% or more of the share capital or voting rights from the shareholders below:</p> <table border="1"> <thead> <tr> <th>Shareholder</th><th>Number of Shares</th><th>Ownership interest</th><th>Voting rights</th></tr> </thead> <tbody> <tr> <td>M. Goldschmidt Capital A/S</td><td>3,675,202</td><td>43.51%</td><td>43.51%</td></tr> <tr> <td>Danica Pension, Livsforsikringsaktieselskab</td><td>1,929,734</td><td>22.84%</td><td>22.84%</td></tr> <tr> <td>InterChina Water Treatment Hong Kong Company Ltd</td><td>809,590</td><td>9.58%</td><td>9.58%</td></tr> <tr> <td>VP Capital N.V.</td><td>459,738</td><td>5.44%</td><td>5.44%</td></tr> </tbody> </table> <p>Other than the Major Shareholders, the Company is not aware of any person who, directly or indirectly, owns or controls an interest in the Company's share capital or voting rights that is notifiable under Danish law.</p>	Shareholder	Number of Shares	Ownership interest	Voting rights	M. Goldschmidt Capital A/S	3,675,202	43.51%	43.51%	Danica Pension, Livsforsikringsaktieselskab	1,929,734	22.84%	22.84%	InterChina Water Treatment Hong Kong Company Ltd	809,590	9.58%	9.58%	VP Capital N.V.	459,738	5.44%	5.44%
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VP Capital N.V.	459,738	5.44%	5.44%																		
Managing directors	<p>The Company has a two-tier governance structure consisting of the Board of Directors and the Executive Management.</p> <p>The members of the Board of Directors are: Niels Heering, Chairman, Søren Bjørn Hansen, Deputy Chairman as well as members, Anne Broeng, Jianwen Cai, Lars Hansen, Jens Denkov, Weiming Jiang and Michael Frank.</p> <p>The members of the Executive Management are: Peter Holme Jensen, CEO, Maciej Boczkowski, Deputy CEO and CCO, Bo Karmark, CFO and Joerg Hess, COO.</p>																				
Statutory auditors	<p>The statutory auditors of the Company are PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab ("PwC"). The independent auditor's reports included in the audited Consolidated Financial Statements and in the unaudited Interim Financial Statements were signed by State Authorised Public Accountants, Gert Fisker Tomczyk (mne9777) and René Otto Poulsen (mne26718).</p>																				
What is the key financial information regarding the issuer?	<p>The key financial information shown below has been derived from the Group's unaudited, but reviewed, condensed consolidated interim financial statements of the Group as at and for the three months ended 31 March 2021 with unreviewed comparative figures as at and for the three months ended 31 March 2020 ("Interim Financial Statements") and the Group's audited consolidated financial statements of the Group as at and for the years ended 31 December 2020, 2019 and 2018, respectively ("Consolidated Financial Statements"). The interim Financial Statements have been prepared in accordance with IAS 34 and reviewed by the Group's independent auditors, PwC, and the Consolidated Financial Statements have been prepared in accordance with IFRS and audited by the Group's independent auditors, PwC.</p>																				

		Consolidated statement of profit and loss					
		For three months ended 31 March		For financial year ended 31 December			
DKK thousand		2021	2020	2020	2019	2018	
Net revenue		2,221	789	5,499	6,078	7,894	
Cost of goods sold		(1,608)	(329)	(1,426)	(691)	(185)	
Gross profit		613	460	4,073	5,387	7,709	
Sales and distribution costs		(6,726)	(5,148)	(20,811)	(19,948)	(16,784)	
Research and development costs		(13,478)	(14,793)	(56,072)	(57,198)	(51,614)	
Administrative costs		(3,047)	(4,000)	(13,059)	(17,660)	(16,471)	
EBIT		(22,638)	(23,481)	(85,869)	(89,419)	(77,160)	
Share of net earnings of associate		—	—	24	(2,874)	(4,737)	
Net financial items		(1,128)	(642)	(3,467)	(3,664)	(3,006)	
Financial income		126	78	3,587	152	157	
Finance costs		(1,254)	(720)	(7,054)	(3,816)	(3,163)	
Earnings before tax		(23,766)	(24,123)	(89,312)	(95,957)	(84,903)	
Income tax		(1)	—	(34,044)	25,328	13,330	
Result for the period		(23,767)	(24,123)	(123,356)	(70,629)	(71,573)	
Consolidated balance sheet							
		As at 31 March		As at 31 December			
DKK thousand		2021	2020	2020	2019	2018	
Total non-current assets		211,866	256,827	214,017	256,558	233,889	
Total current assets		25,970	30,947	32,799	32,898	33,335	
Total assets		237,836	287,774	246,816	289,456	267,224	
Equity		91,325	167,575	107,322	164,062	110,819	
Total liabilities		146,511	120,199	139,494	125,394	156,405	
Consolidated cash flow statement							
		For three months ended 31 March		For financial year ended 31 December			
DKK thousand		2021	2020	2020	2019	2018	
Cash flow from operating activities		(18,051)	(19,722)	(59,027)	(64,064)	(78,062)	
Cash flow from investing activities		(2,553)	(4,906)	(16,723)	(22,357)	(14,091)	
Investments in intangible assets		(1,631)	(3,295)	(12,162)	(13,814)	(7,641)	
Investments in tangible assets		(918)	(1,684)	(4,595)	(8,674)	(3,062)	
Investments in associates and joint arrangements		—	—	—	—	(3,326)	
Cash flow from financing activities		19,691	24,320	75,790	86,684	46,870	
Net cash flow for the period		(913)	(308)	40	263	(45,283)	
Cash and cash equivalents		605	1,055	1,504	1,382	1,091	
Key ratios (Non-IFRS)							
		For three months ended 31 March		For financial year ended 31 December			
DKK thousand		2021	2020	2020	2019	2018	
Equity share ⁽¹⁾		38%	43%	43%	57%	41%	
Earnings per share ⁽²⁾		(3)	(3)	(15)	(10)	(10)	
Diluted earnings per share ⁽³⁾		(3)	(3)	(14)	(9)	(9)	
Average number of FTEs		74	90	83	83	73	
(1) Equity share is calculated as the equity divided by the total assets as of the balance sheet date.							
(2) Earnings per share is calculated as the net result for the period divided by the total nominal number of shares as of the balance sheet date.							
(3) Diluted earnings per share is calculated as the net result for the period divided by the weighted-average number of ordinary shares outstanding during the period adjusted by the dilutive effect of warrants.							
What are the key risks that are specific to the issuer?	<ul style="list-style-type: none"> The Group has historically had a limited commercial infrastructure and, as a result, has not yet commercialized all the Group's products. The Group may not be successful in the Group's commercialization efforts if, among other factors, the Group is not able to expand sales and marketing capabilities or enter into agreements with third parties to sell and market the Group's products. 						

	<ul style="list-style-type: none"> • The Group is also targeting risk averse industries with high barriers of entry and therefore the Group's products and services may take a long time (or fail) to achieve the degree of market acceptance necessary for commercial success. • If the Group is unsuccessful in developing the right business strategies, executing on it or in expanding the Group's business through various organic or inorganic growth opportunities, the Group's business could be materially and adversely affected. • The Group is dependent on strategic collaborations with third parties for the development and commercialization of the Group's products. If such collaborations are not successful, this may delay commercialization of the Group's products. • The Group is currently dependent on third parties for manufacturing certain product components and the supply of certain raw materials, semi-finished and finished goods. If such third-party manufacturers or suppliers do not deliver their products or services in time, this could have a material adverse effect on the Group's business. • Manufacturing disruptions or wrong use of the group's products by its customers could seriously harm future revenue and financial condition and increase costs and expenses. • Failure to retain the Company's existing senior management, skilled technical, engineering, sales and other key personnel or the inability to attract and retain new qualified personnel could materially and adversely affect the Group's ability to operate or grow the Group's business. The Group's employees and sub-contractors may fail to operate in accordance with high ethical and safety standards or third parties may trespass on the Group's sites and damage or disrupt an on-going project. • The Group is dependent on strategic collaborations with third parties for the development and commercialization of the Group's products. If such collaborations are not successful, this may delay commercialization of the Group's products. • Effluent water or fluid variability can vary significantly, and, therefore, the Group may have to spend significant time and resources by working closely with customers and local partners to ensure a tailored solution. • The Group will need to strengthen its financial foundation to ensure the Group can execute the Group's strategy, including commercialization plans and planned operational growth, such as the expected increase of HFFO production capacity. • The assumptions on which the Group's prospective financial information for 2021 and medium-term aspirations are based on the Group's current estimates and therefore may not be indicative for the Group's future results. In addition, the intangible assets line item included in the previously published financial results might not be representative for the underlying actual value and any provisions for warranty claims may not suffice. • If the Group does not or cannot adequately protect the Group's intellectual property and third parties infringe the Group's intellectual property rights, the Group may suffer competitive injury, expend significant resources enforcing the Group's rights or defending against such claims, or be prevented from selling products or services. • The Group operates in a fragmented landscape of competitors and customers for membrane suppliers, which makes it challenging to compete successfully in the markets the Group targets. Even if the Group competes effectively, the Group may be required to reduce prices for the Group's products and services.
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Section C—Key information on the securities

What are the main features of the securities?	As of the date of this Prospectus, the Company's registered share capital is nominally DKK 8,447,214 divided into 8,447,214 Shares of nominally DKK 1 each, which are all issued and fully paid up. In connection with the Offering, the Company is offering 1,445,087 New Shares. The Shares are not and will not be divided into share classes. The Shares are denominated in DKK. The Offer Shares will be settled by delivering Temporary Purchase Certificates, which will initially be traded under the temporary ISIN DK0061555299. Upon the automatic exchange of the Temporary Purchase Certificates into Shares, the Shares will be traded on Nasdaq Copenhagen under the permanent ISIN DK0061555109.
Rights attached to the Offer Shares	All Shares will have the same rights and rank <i>pari passu</i> in respect of, <i>inter alia</i> , voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the articles of association of the Company ("Articles of Association") or eligibility to receive dividends or proceeds in the event of dissolution and liquidation. No Shares carry special rights, restrictions or limitations pursuant to the Company's Articles of Association. Each Share with a nominal value of DKK 1 gives the holder the right to one vote at the Company's general meetings.

Restrictions	The Shares are negotiable instruments, and no restrictions under Danish law apply to the transferability of the Shares.
Dividend policy	The Company has never declared or paid any dividends. The Company currently intends to retain all available financial resources and any earnings generated by the Group's operations for use in the Group's business and further commercialization, research and product development and does not anticipate paying any dividends in the near term.
Where will the securities be traded?	An application has been made for the Temporary Purchase Certificates to be admitted to trading (but not official listing) on Nasdaq Copenhagen under the symbol "AQP TEMP" and for the Shares to be admitted to trading and official listing under the symbol "AQP" on Nasdaq Copenhagen. The Admission is subject to, among other things, Nasdaq Copenhagen's approval of the distribution of the Offer Shares, the Offering not being withdrawn prior to the settlement of the Offering, and the Company making an announcement to that effect. Trading on Nasdaq Copenhagen of the Temporary Purchase Certificates will commence before the latter two conditions are met and will be suspended if the Offering is not completed.
What are the key risks that are specific to the securities?	<p>The key risks that are specific to the Shares are:</p> <ul style="list-style-type: none"> There can be no assurance that an active and liquid market for the Company's Shares will develop and future sales of Shares, or the perception that such sales might occur, could depress the price of the Shares. The Company currently intends to retain available funds and any future earnings to fund the development and expansion of the Group's business and does not intend to pay dividends and accordingly, a shareholder's ability to achieve a return on investment will depend on an appreciation in the price of the Shares.

Section D—Key information on the offering and the admission

Under which conditions and timetable can I invest in this security?	<p>The Offer Period will commence on 14 June 2021 and will close no later than 25 June 2021 at 11:00 a.m. (CET). The Offer Period may be closed prior to 25 June 2021; however, the Offer Period will not be closed in whole or in part before 23 June 2021 at 00:01 a.m. (CET). The Offer Period in respect of applications for purchases of amounts up to, and including, DKK 3 million may be closed before the remainder of the Offering is closed. If the Offer Period is closed before 25 June 2021, the first day of trading of Temporary Purchase Certificates on Nasdaq Copenhagen A/S ("Nasdaq Copenhagen") and the date of payment and settlement will be moved forward accordingly, subject to agreement with Nasdaq Copenhagen. Any such early closing, in whole or in part, will be announced through Nasdaq Copenhagen. Payment for and settlement of the Offer Shares are expected to take place on 30 June 2021 ("Settlement Date") by way of delivery of Temporary Purchase Certificates. The first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 28 June 2021 and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 30 June 2021. The first day of trading and official listing of the Shares on Nasdaq Copenhagen is expected to be 1 July 2021. Subject to completion of the Offering and registration of the new Offer Shares with the Danish Business Authority, the Temporary Purchase Certificates representing Offer Shares will automatically be exchanged in VP Securities for a corresponding number of Shares, which are expected to be delivered on 2 July 2021. Registration of the New Shares issued by the Company with the Danish Business Authority will take place following completion of the Offering on the Settlement Date, which is expected to take place on 30 June 2021.</p>
Terms and conditions of the Offering	<p>The Offering comprises an offering of 1,445,087 New Shares issued by the Company in order to raise gross proceeds of DKK 250 million and up to 1,069,364 existing Offer Shares sold by the Selling Shareholders, excluding any shares subject to the Overallotment Facility. The Offer Price is DKK 173 per Offer Share.</p> <p>As a part of the Offering, the Global Coordinator has been granted a right to overallot (the "Overallotment Facility") a number of Shares amounting to a maximum of 15% of the aggregate number of Offer Shares allocated in the Offering (the "Overallotment Shares"). In order to facilitate delivery in respect of any such overallotments made, M. Goldschmidt Capital A/S ("MGC") has granted the Global Coordinator a right to borrow a corresponding number of existing Shares ("Lending Shares") under a share lending agreement (the "Share Lending Agreement"). If the Overallotment Facility is utilized in full, the number of Shares placed in the Offering may amount to a maximum of 2,891,619 Offer Shares (assuming the maximum number of Offer Shares are sold). In order to facilitate for settlement of any borrowed Shares under the Share Lending Agreement, MGC has granted the Global Coordinator an option ("Overallotment Option") to acquire a number of existing Shares amounting up to the number of Overallotment Shares placed, at the Offer Price ("Option Shares"), exercisable, in whole or in part, from the date of Admission until 30 calendar days thereafter. If the Overallotment Facility is exercised, the term "Offer Shares" shall, unless specifically stated herein, also include the Overallotment Shares.</p>

	<p>The Offering consists of (i) an initial public offering to retail and institutional investors in Denmark (the “Danish Offering”) and (ii) private placements to institutional investors and, potentially, a limited number of other investors in the rest of the world (excluding the United States) (the “International Offering”). The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) (“Regulation S”).</p> <p>The Company has received irrevocable commitments from MEE Holding ApS, Topsøe Holding A/S, Claus Christiansen, Spar Nord Bank A/S, M. Goldschmidt Capital A/S and VP Capital N.V. (the “Cornerstone Investors”) to subscribe for New Shares, equal to an aggregate amount of DKK 250,000,000 at the Offer Price (as defined below) (the “Cornerstone Shares”). Accordingly, 1,445,087 New Shares (corresponding to 50% of the Offer Shares assuming full exercise of the Overallotment Facility (as defined below)) will be reserved for allocation to the Cornerstone Investors.</p> <p>Applications by Danish investors to purchase amounts of up to and including DKK 3 million should be made to the investor’s own account holding bank either electronically through online banking or by submitting the application form enclosed in the Prospectus during the Offer Period or such shorter period as may be announced through Nasdaq Copenhagen. Applications are binding and cannot be altered or cancelled. Investors who wish to apply to purchase amounts of more than DKK 3 million can indicate their interest to the Global Coordinator during the Offer Period. These declarations of interest become binding applications at the end of the Offer Period. Immediately following the determination of the offer size, investors will be allocated a number of Temporary Purchase Certificates representing Offer Shares at the Offer Price within the limits of the investor’s most recently submitted or adjusted declaration of interest.</p>
Admittance to trading	<p>The first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 28 June 2021 and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 30 June 2021. The first day of trading in, and official listing of, the Shares, including the Offer Shares, on Nasdaq Copenhagen is expected to be 1 July 2021 under the permanent ISIN DK0061555109. If the Offer Period is closed before 25 June 2021, the Settlement Date, the delivery of Temporary Purchase Certificates, the automatic exchange of Temporary Purchase certificates for Shares and the Admission on Nasdaq Copenhagen may be moved forward accordingly subject to agreement with Nasdaq Copenhagen. In connection with the Temporary Purchase Certificates being automatically exchanged for Shares, the Temporary Purchase Certificates will cease to exist.</p>
Plan of distribution	<p>As of the date hereof, the Company, the Selling Shareholders and the Global Coordinator have entered into an underwriting agreement (“Underwriting Agreement”) setting out the terms on which the offering of the Offer Shares will be conducted. Subject to certain conditions set forth in the Underwriting Agreement and the execution of an allocation agreement, the Company and the Selling Shareholders, severally but not jointly, will agree, respectively, to issue to or to sell to the subscribers and purchasers, as applicable, procured by the Global Coordinator or, failing which, to the Global Coordinator itself; and the Global Coordinator will agree to procure subscribers or purchasers, as applicable, for, or failing such procurement, to subscribe for or purchase the total number of Offer Shares. In the event that the total amount of Shares applied for in the Offering exceeds the number of Offer Shares, reductions will be made as follows:</p> <ul style="list-style-type: none"> With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically and may entail that no allocations will be made to certain investors, except for orders which are set out below. With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Global Coordinator will allocate the Offer Shares after agreement upon such allocations with the Board of Directors and the Main Selling Shareholders. 1,445,087 New Shares (corresponding to 50% of the Offer Shares assuming full exercise of the Overallotment Facility) will be reserved for allocation to the Cornerstone Investors. Please see “<i>Part III—Section 16.3 Cornerstone Investor Commitments</i>”. Up to 50,000 Offer Shares (corresponding to 2% of the Offer Shares assuming full exercise of the Overallotment Facility) will be reserved for allocation to any orders received from members of the Board of Directors, Executive Management, the Company’s employees and existing minority shareholders as well as certain investors with close ties to the Company and its Major Shareholders.
Dilution	<p>The existing Shares issued as of the date hereof will be diluted in connection with the Offering by the issuance of 1,445,087 New Shares, corresponding to a nominal value of DKK 1,445,087. Following completion of the Offering, the New Shares issued and outstanding will make up 14.4% of the Company’s share capital, assuming full subscription for all New Shares issued in connection with the Offering.</p>

Estimated expenses	The total expenses in relation to the Offering and the Admission payable by the Company are estimated to be approximately DKK 35 million. In addition, certain expenses in relation to the Offering, including commission and fees to be paid to the Global Coordinator, are payable by the Selling Shareholders. Neither the Company nor the Global Coordinator will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account-holding banks.
Why is this prospectus being produced?	The Prospectus is published in connection with the Offering of New Shares by the Company and existing Offer Shares by the Selling Shareholders and the Admission of the Company's shares to trading and official listing on Nasdaq Copenhagen.
Net amounts and use of proceeds	<p>The Company's net proceeds in connection with the Offering is expected to amount to DKK 215 million after deducting estimated underwriting commissions and estimated offering expenses payable by the Company. The Company will not receive any proceeds from the sale of existing Offer Shares sold by the Selling Shareholders. The Selling Shareholders will in connection with the Offering offer up to 1,069,364 existing Offer Shares, representing a total amount of DKK 185 million, corresponding to 1,446,532 existing Offer Shares including the Overallotment Shares representing a total amount of DKK 250 million. The Company expects to primarily use the proceeds received in the Offering as follows:</p> <ul style="list-style-type: none"> • Approximately DKK 80–100 million to fund the Group's existing commercial activities and strengthen the commercial organization and activities as well as further development and expansion of such commercial organization and activities; • Approximately DKK 30–40 million to increase its HFFO production capacity and other capital expenditures mainly related to the Group's industrial water segment and food and beverage segment; • Approximately DKK 60–80 million to finance the Group's existing operations including continued investments in research and development; and • The remaining amounts for working capital and general corporate purposes of which DKK 35 million will be deposited in a pledged cash account which will serve as security for the Company's credit facility following the completion of the Offering.
Under-writing agreement	See “— <i>Plan of Distribution</i> ” above.
Material conflicts of interest	<p>Danske Bank A/S is acting as Global Coordinator in the Offering and also wholly owns and controls one of the Main Selling Shareholders, Danica; and therefore has an interest in the Offering. Danica Pension, Livsforsikringsaktieselskab's investment decisions are, however, made independently from Danske Bank A/S. In addition, in the ordinary course of business, the Global Coordinator and its affiliates may make or hold a broad array of investments including serving as counterparty to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for its (or its affiliates') own account and for the accounts of its (or its affiliates') customers, and such investment and securities activities may involve securities and/or instruments of the Company. The Global Coordinator and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Moreover, Danske Bank A/S or certain of its affiliates have from time to time been engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or any of the Company's related parties including with respect to the Company's credit facility provided by Danske Bank A/S, which is currently guaranteed by MGC and Danica and which following the completion of the Offering will be secured by a cash account pledged by the Company. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. Danske Bank A/S has received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with the interests of prospective investors and the Company. In addition, two members of the Board of Directors are employed by Danske Bank A/S and one of them is delivering investment and asset management services to Danica.</p> <p>Members of the Board of Directors, certain members of the Executive Management and certain other employees in the Group hold Shares in the Company and participate in the Group's management incentive program, including an incentive program related to the completion of the Offering, and therefore have a direct economic interest in the Offering. In addition, the Chairman and the Deputy Chairman is expected to receive a cash payment in due course after, and subject to, the successful completion of the Offering from the Company's largest shareholder, MGC, which has no financial impact on or involvement of the Company. Certain members of the Board of Directors are also employed by or provide advisory services to some of the Company's direct and indirect shareholders. Except for this, the Company is not aware of any interests, including conflicting ones, which are material to the Offering.</p>

PART II—RISK FACTORS

An investment in the Offer Shares involves a high degree of financial risk. Prospective investors should carefully consider all information in this Prospectus, including the risks described below, before they decide to buy Offer Shares. This section addresses both specific risks associated with the industry in which the Group operates and the specific risks associated with the Group's business. If any such risks were to materialize, the Group's business, financial condition and results of operations and/or the value of the Offer Shares could be materially adversely affected, resulting in a decline in the value of the Shares, including the Offer Shares. Further, this section describes certain risks relating to the Offering that could also adversely affect the value of the Offer Shares.

The risks discussed below are those that the Company currently views as material, but these are not the only risks that the Group faces. Additional risks and uncertainties, including risks that are not known to the Company at present or that it currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Offer Shares.

The most material risks, as currently assessed by the Company, taking into account the expected magnitude of their negative impact on the Company and the Company's business and the probability of their occurrence are set out first in each category of risk factors below.

Risks Related to the Group's Business

Risks related to the commercialization of the Group's products

1 The Group has historically had a limited commercial infrastructure and, as a result, has not yet commercialized all the Group's products. The Group may not be successful in the Group's commercialization efforts if, among other factors, the Group is not able to expand sales and marketing capabilities or enter into agreements with third parties to sell and market the Group's products.

Since its inception, the Group has incurred significant losses and has not yet generated any significant revenue from product sales. Whether commercialization will be successful and whether the Company will ultimately be profitable, will depend on factors such as the Company's ability to find the right strategy for each of the markets and market segments it targets, successfully execute such business strategy and attract and build-up the internal resources necessary to effectively market the Group's products by developing and expanding the Group's sales and marketing organization or outsource these functions to the right strategic collaborators and other third parties. The Group currently has limited in-house capabilities for sales, marketing and distribution but intends to expand such capabilities through entering into commercial partnerships with local distributors and players. In addition, the Group intends to expand the Group's internal sales and marketing organization. This entails recruiting additional managerial, operational, financial and other employees, which is expensive and time-consuming and could delay product launches. If the commercial launch of a product for which the Group recruits a sales force and establish marketing capabilities is delayed or does not occur for any reason, the Group would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and the Group's investment would be lost if the Group cannot retain or reposition the Group's sales and marketing personnel. Factors that may inhibit the Group's efforts to commercialize the Group's products include:

- the inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to industry stakeholders or educate an adequate number of industry stakeholders on the benefits of the Group's products;
- the inability to take the value chain position of solutions provider and only secure a value share as component supplier for membranes instead;
- the lack of complementary products to be offered by sales personnel, which may put the Group at a competitive disadvantage relative to companies with more extensive product lines;

- the brand and marketing value of Aquaporin Inside proves to be less attractive to customers/consumers than anticipated;
- unforeseen costs and expenses associated with creating an independent sales and marketing organization; and
- inability to maintain or develop additional relationships with industry stakeholders.

In addition, from time to time the Group enters into strategic collaborations to sell or market the Group's products. If the Group enters into arrangements with third parties to perform sales and marketing services, the Group's revenues from the sale of products or the profitability of these revenues to the Group are likely to be lower than if the Group were to market and sell any products that it develops itself. If the Group does not accurately evaluate the commercial potential or target market for a particular product, it may relinquish valuable rights to that product through collaboration, licensing or other royalty arrangements in circumstances under which it would have been more advantageous for the Group to retain sole development and commercialization rights to such product. In addition, the Group may not be successful in entering into arrangements with third parties to sell and market the Group's products or it may be unable to do so on terms that are favorable to the Group. The Group likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market the Group's products effectively.

If the Group does not establish further sales and marketing capabilities successfully, either on the Group's own or in collaboration with third parties, the Group will not be successful in commercializing the Group's products, which in turn will have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

2 The Group is in the process of developing some of its products and is also targeting risk averse industries with high barriers of entry and therefore the Group's products and services may take a long time (or fail) to achieve the degree of market acceptance necessary for commercial success.

Market acceptance of the Group's product lines may be less than estimated, especially given the fact that certain of the markets the Group is targeting, such as industrial water and desalination, have high barriers of entry. Most players in these markets appear to value long-term evidence of efficacy and technical support the most and as such are often reluctant to change technologies. This is especially true for the Group's forward osmosis products, as this technology is currently not widely adopted within the industrial water industry. In addition, within the industrial water forward osmosis segment, implementing a forward osmosis system into brownfield projects may require large capex to replace existing water treatment systems (such as evaporators) and such investment will only provide a return on investment after several years. The industrial water and desalination industry are considered risk averse given the need for reliable solutions and the potential damages and fines if investing in a new technology proves to be unsuccessful. Many industrial stakeholders may therefore require significant multi-year technology validation through pilot projects and durability tests, which the Group has not yet achieved as the Group is currently testing the long-term performance of the membranes and attractiveness of the process in piloting. The Group expects it will only be able to prove such long-term performance after several years of operation of full scale plants. In addition, in the food and beverage segment, the Group is currently in the process of demonstrating performance at the pilot scale with the FCM certified product, which means that long-term proof of concept has not yet been fully achieved at this point in time. If such long-term validation or long-term performance is below current expectation, this could have a material adverse effect on the Group's business and its ability to operate in the industrial water segment. As a result, the Group will be required to invest significant time and resources before being able to enter into a long-term commercial agreement.

In addition, entering these markets may require considerable financial strength due to the fact that customers may contractually require high financial warranties to ensure the membrane suppliers take on significant responsibility for delivery as well as significant warranties with respect to quality and performance. In order to gain customers and market acceptance, the Group realizes that it may be necessary to provide products free of charge to select key customers for large scale validation purposes. This may delay revenue generation until the necessary performance milestones are reached. In addition, projects for the industrial water sector are often large and customers may require the delivery of thousands of membranes within a short timeframe, which may require the Group to invest in a large scale production facility or contract with contract manufacturing organizations

(“CMOs”) who have such production capacity. Currently, a limited number of CMOs have the production capacity needed to deliver such large quantities in a short time period. Lastly, while the food and beverage industry is considered less risk averse, customers buy products for their traditional brand taste and therefore new technologies improving taste and thus changing the traditional taste will possibly only be used in the development of a new product and will be used less for existing products.

Market acceptance will require the Group to build and maintain strong relationships with various industry stakeholders and establish an efficient distribution network. A failure to build or maintain these important relationships could result in lower market acceptance. The Group’s efforts to educate governments, industry players and others in the markets the Group targets on the benefits of Aquaporin Inside (and the forward osmosis technology in general) may require significant resources and may never be successful. Such efforts may require more resources than typically required due to the complexity and specificity of the Group’s proprietary technology, Aquaporin Inside.

The degree of market acceptance for current and new technologies will depend on a number of factors, including:

- the cost-effectiveness of Aquaporin Inside compared to traditional products;
- the Group’s ability to offer the Group’s products at competitive prices in the industrial water segment and the Group’s ability to enter the premium segment in the drinking water segment and obtain/maintain the anticipated prices for membrane products in the drinking water segment;
- the success of pilot testing of Aquaporin Inside membranes by potential customers, which could slow down the adoption of forward osmosis products;
- the proven long-term evidence of efficacy and potential advantages compared to traditional water purification systems;
- the performance of the Group’s products being less than expected, including if the Group’s HFFO14 proves to not have required stability in industrial applications;
- the cost and quality of ongoing maintenance costs and services which may be provided by the Group in the future;
- the effectiveness of sales and marketing efforts and the strength of marketing and distribution support;
- Poor quality/defects/user friendliness in the Group’s appliance offering (ZERO and ONE) could lead to poor market perception and/or increased cost in customer support;
- the capability of maintaining a differentiated value proposition versus competition with respect to sustainability targets and ambitions of potential customers which would for instance be the case if the Group’s cold concentration value proposition proves less attractive than anticipated;
- the ability to correctly identify customer needs and (regional) preferences and predict future needs and preferences;
- the allocation of R&D funding to products and services with higher growth prospects;
- the response to competitors’ development of new products and services and technological innovations (such as the forward osmosis technology which is currently not widely adopted within the water purification industry);
- the ability to cost-effectively manufacture and deliver sufficient membranes in accordance with customer requirements; and
- the ability to adequately protect the Group’s intellectual property from infringements as well as obtaining necessary regulatory approvals of appropriate scope (including with respect to medical device products for hemodialysis by demonstrating satisfactory clinical results where applicable).

Risks Related to the Group's Strategy, Operations and Products

3 If the Group is unsuccessful in developing the right business strategies, executing on it or in expanding the Group's business through various organic or inorganic growth opportunities, the Group's business could be materially and adversely affected.

The Group intends to market and commercialize the Group's products in diverse markets from industrial water to drinking water and from desalination to medical applications. Each of these have very specific and different characteristics, which means it is important that the Group adapts a tailored market approach in each of these markets and market segments. See "*Part III—6.5.2 Executing a tailored go-to-market approach with each market, partnering with system integrators and distributors when needed.*" In industrial drinking water and desalination, given the sheer size of typical plants, key players tend to be risk averse and less inclined to engage with new vendors. Therefore, they will require the Group to first complete pilot projects to prove Aquaporin Inside's effectiveness. In addition, while some markets the Group targets are dominated by a few players, the residential drinking market is very fragmented with many players. As a result, the Group's go-to-market strategy in each of these markets will differ significantly and there can be no assurance that a successful strategy that the Group has developed for one industry will also work for another industry.

The Group continues to execute key business initiatives, including investments to the Group's research and development and further development of product solutions, as part of the Group's ongoing efforts to improve the Group's efficiency and returns. If the projects in which the Group is investing or the initiatives, which the Group is pursuing, are not successfully executed, the Group's consolidated results of operations, financial position or cash flows could materially and adversely be affected.

In addition to the Group's ongoing commercialization efforts and strategies, from time to time the Group considers various additional inorganic growth or expansion opportunities or types of business opportunities. However, any negotiations may not result in a successful acquisition, supply agreement or joint venture or the Group might fail to identify potential acquisition, potential suppliers, partners or joint venture opportunities. Even if any growth opportunities are successfully completed, the Group may fail to achieve the anticipated benefits of such opportunities if it fails to identify significant risks during the due diligence process or if the costs associated with such growth do not outweigh the benefits as a result of additional debt arrangements needed to finance such expansion. Growth or expansion could disrupt the Group's ongoing operations and divert management resources that would otherwise focus on developing the Group's existing business, in which case the Group may need to employ additional personnel or consultants that are knowledgeable of such markets. Accordingly, any such growth or expansion could expose the Group to significant risks, beyond those associated with operating the Group's existing business, and may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

4 The Group is dependent on strategic collaborations with third parties for the development and commercialization of the Group's products. If such collaborations are not successful, this may delay commercialization of the Group's products.

To further develop the Group's expertise and market awareness, the Group from time to time enters into collaboration agreements with third-party collaborators, such as commercial strategic partners and research centers and universities. When collaborating with the Group's academic partners to further develop the Group's technology and products, such collaborators will from time to time provide the Group with significant data and other information related to the Group's projects and business. Any delays in providing such data or providing inaccurate, misleading or incomplete data could adversely affect the research and development efforts and, in turn, materially adversely affect the Group's business, financial condition, results of operations, cash flow and prospects.

The Group will also from time to time enter into a license or distribution agreement for the commercialization of existing or other products to address market opportunities that require large development investments and/or special expertise in selected geographic areas, as well as to share the financial risks involved in product development and commercialization of Aquaporin Inside. These partnership relationships are an essential part of the Group's business strategy in certain segments, such as food and beverage and, as a result, if, in the future, these commercial partners and distributors may terminate their relationships with the Group at any time on short or no notice this would have a material adverse effect on the Groups' business and operation. See

"Part III—Section 6.11 Sales and Marketing". The Group may be unable to attract partners for collaboration agreements or the terms of those collaboration agreements that it chooses to enter into may not be favorable to the Group. This may be a result of factors such as general market demand for particular products or market competition. Moreover, many of these third parties also market and sell competing products and may more aggressively pursue sales of competitors' products.

If the Group is not successful in maintaining the Group's current partnerships or in establishing future partnership agreements, Group's business, financial condition, results of operations, cash flow and prospects may be negatively affected. Even if it is successful in entering into collaboration agreements, such agreements may not lead to development or commercialization of the products in the most efficient manner or at all. In addition, the ability to generate revenue from these arrangements will depend on such collaborators' abilities to successfully perform the functions assigned to them in these arrangements. The Group's potential partners may have significant discretion in determining how to pursue planned activities and the Group may have limited control over the quality and nature of the efforts and resources that such a partner applies to the collaboration as well as the branding and marketing of the Group and the Group's products. The Group cannot be certain that any collaborations will be scientifically or commercially successful or that it will receive royalties or milestone payments from any such collaboration agreements. Even if milestone payments are due, these might not be paid by the respective collaborator, in which case the Group will need to initiate litigation, which will be costly and time consuming. The Group's future performance and revenues may therefore depend, in part, on the Group's ability to incentivize commercial partners and distributors that will price, market and support the Group's products effectively, especially in markets in which the Group has not previously sold the Group's products.

Should any of the risks associated with the entering into collaborations with third parties for the development and commercialization of Aquaporin Inside membranes materialize, these could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

5 The Group is currently dependent on third parties for manufacturing certain product components and the supply of certain raw materials, semi-finished and finished goods. If such third-party manufacturers or suppliers do not deliver their products or services in time, this could have a material adverse effect on the Group's business.

The Group intends to outsource most of the manufacturing of the Group's products or product components, because the Group believes this is the most cost-efficient way to expand its business. The Group currently outsources (i) the rolling of the flat sheet membranes into final spiral wound elements; (ii) the manufacturing of hollow fiber elements for coating by the Company; (iii) the Aquaporin Inside coating of hollow fibers and potting of hollow fiber elements; (iv) the manufacturing of the flat sheets (partly) and (v) the production of the Group's drinking water purifier, "ZERO" and "ONE". In addition the manufacturer of the ZERO and ONE products holds the IP rights to the surrounding system incorporating the Aquaporin Inside membrane, which means the Company is dependent on its contractual relationship with them or alternative manufacturer to commercialize this product with the current surrounding system. If these manufacturers terminate their agreement with the Company or amend the terms on which the agreement is based, this would have a material adverse effect on the Company's business and prospects as the Company can then no longer commercialize the ONE and the ZERO in its current form and would need to enter into an agreement with a new manufacturer of the surrounding system. The Company is also negotiating a master supply agreement with the manufacturer of the ONE and will amend and expand its agreement with the manufacturer of the ZERO. Should these negotiations not go as planned, this could mean the Company cannot commercialize the ONE and the ZERO as currently contemplated. In addition, even if the Company can enter into an agreement with the manufacturer of the ONE, the Company has been informed that this manufacturer already has certain exclusivity arrangements in place in Spain, Germany and the United States, which would restrict the Company's commercialisation of the ONE in those regions or other potential jurisdictions such exclusivity arrangements may be expanded to, if the Company is not successfull in finalising agreements with this supplier or alternative manufacturers as part of the Company's versatile supplier strategy. The Group currently does not expect to develop any such manufacturing capacity itself and as a result is dependent on such third parties for manufacturing certain parts of the Group's products. In addition, the Group is dependent on one supplier for Polymer/non-woven membranes for its reverse osmosis membranes. If any of those third parties delays delivery of their services or products, terminates the agreements or moves their facilities to a different

location, this could have a material adverse effect on the Group's ability to obtain such manufactured products, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. If the Company had to replace any of the Group's CMOs, this could significantly increase costs, delay commercialization, and create inventory shortage.

The Group may be required in the future to enter into agreements with other third parties to manufacture the Group's products at a larger scale to accommodate the requests from certain partners in the industrial water segment or desalination segment, which typically tend to place large orders. The Group can provide no assurance that it will be able to make the transition from the current scale of production to a larger scale of production, as there are currently a limited number of CMOs with the production capacity needed to deliver large quantities in a short time period. The Group may need to enter into additional collaborative arrangements with other parties who have established manufacturing capabilities, or have other third parties manufacture the Group's products on a contractual basis. The Group may not be able to enter into collaborative or contracting arrangements on acceptable terms with parties that will meet the Group's requirements for quality, quantity and timeliness.

Any manufacturing of the Group's products is subject to a number of regulatory requirements such as quality control and documentation, which are also dependent on the specific industries the Group's customers operate in. The Group is therefore dependent on the Group's CMOs appropriately handling the Group's products in accordance with good manufacturing practices and the costs of such compliance may be high. If the Group's existing or future contract manufacturing partners do not manufacture the Group's products properly and otherwise fulfil their contractual and regulatory obligations to deliver agreed quantities in a timely manner and of sufficient quality, this could adversely affect the Group's business, financial condition, results of operations, cash flow and prospects.

6 Manufacturing disruptions, product defects or wrong use of the Group's products by its customers could seriously harm the Group's reputation and expose the Group to liability, which would impact the Group's future revenue and financial condition and increase costs and expenses.

Given the limited commercialization of the Company's products and the fact that the Company has yet to implement a large-scale manufacturing set-up, its products have not been tested under different circumstances and by a large number of customers. For instance, HFFO14 has specific operating conditions which the end-user and system designer have to be careful in observing, otherwise this could potentially cause leaks in liquid waste containers at the customer's production facility, which could in turn result in chemical wastewater leaking into the soil causing contamination and requiring the Group to stop any ongoing projects and incur the additional costs of cleaning the contaminated site. Further, if any of the Aquaporin Inside membranes or the Group's point-of-use systems (ZERO and ONE) should have any defects, start leaking or generally are perceived to have a lower than expected quality, this could lead to poor market perception, impact the Group's reputation and/or increased cost in customer support. In addition, if point-of-use systems or other appliances using Aquaporin Inside membranes do not filter the bacteria and other organisms in drinking water sufficiently, this could affect customers' health and expose the Group to claims for damages. Such events could have a material adverse effect on the Group's reputation as well as on the Group's business, financial condition, results of operations, cash flow and prospects.

In addition, any breakdown of machinery or laboratory facilities at the Group's production site could come with significant repair costs and increased maintenance costs and could also result in lower production volumes or sub-quality production volumes, which could mean that the Group is not able to meet the Group's obligations to the Group's customers (or is not able to meet such obligations in time). Furthermore, given the Group's asset light business structure, any interruption of the Group's supply chain, at the point of production of the aquaporin protein or Aquaporin Inside formulation or later in the manufacturing process, could materially impact the Group's ability to meet the Group's obligations to the Group's consumers and in certain instances (specifically in the industrial water and desalination segment) would expose the Group to large contractual fines for breach of contract, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. See "*Part III—Section 6.4.4 The Company's asset-light business model allows for the Company to reduce capital expenditures and operating costs, while having flexibility to scale and adjust production.*"

7 Failure to retain the Company's existing senior management, skilled technical, engineering, sales and other key personnel or the inability to attract and retain new qualified personnel could materially and adversely affect the Group's ability to operate or grow the Group's business.

In order for the Group to successfully expand its operations, including entering new markets and further building a sales and marketing team, the Group will need to be able to retain and attract a significant number of employees in senior management, skilled technical, engineering, sales, project management and other key personnel. The Group has focused on creating an innovative and high performance culture through human resources initiatives such as the establishment of Aquaporin Academy and Aquaporin Garage. The Group's inability to continue to develop and maintain the Group's culture by empowering senior management and employees and promoting an entrepreneurial spirit, could result in the loss of members of the Executive Management or certain employees and have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

The Group may not be able to attract qualified management, sales and marketing and scientific and engineering personnel in the future due to the intense competition for qualified personnel within the Group's industry. The Group could experience such problems in the future, including upon the entrance into new markets. If the Group is not able to attract and retain the personnel necessary to implement its business strategy, the Group may experience constraints that will significantly impede and prolong the execution of the Group's commercialization and expansion plans as well as delay or restrict the Group's entrance into new markets in the future. The Group's inability to hire and retain the additional personnel required for its commercialization and expansion plans could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

In addition, the Group's sales team has so far also developed a number of meaningful customer relationships that would be difficult to replace. Therefore, competition for qualified technical personnel and for sales personnel with established customer relationships is intense, both in retaining existing employees and in replacing or finding additional suitable employees. There can be no assurance that the labor pool from which the Group hires the Group's personnel will increase or remain stable, and any failure to retain the Group's existing technical and sales personnel and other employees or to attract additional skilled employees could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

8 The Group's employees and sub-contractors may fail to operate in accordance with high ethical and safety standards or third parties may trespass on the Group's sites and damage or disrupt an on-going project.

Risks associated with health and safety mainly relates to ergonomic and physical hazards as the Group's employees from time to time have to handle heavy chemicals. If an employee breaches any of the Group's health and safety policies, this could result in physical harm to such employee or third parties and potentially expose the Group to civil law suits and governmental investigations. Any larger accidents could also delay ongoing (pilot) projects or delay production or R&D. In particular, monitoring and ensuring health and safety best practices by employees and contractors may become increasingly expensive for the Group in the future, and health and safety risks may become more acute as the Group undertakes larger-scale projects, or during periods of intense activity. In addition, the Group requires the Group's employees to make sure that critical and dangerous materials are marked and identified appropriately. Any failure to properly do so, could result in an impact on equipment and personnel. Lastly, from time to time, trespassers will try to get access to the Group's project sites and in doing so may damage or disrupt an on-going project or suffer physical harm. Any of these risks, were they to materialize, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

9 Effluent water or fluid variability can vary significantly, and, therefore, the Group may have to spend significant time and resources by working closely with customers and local partners to ensure a tailored solution.

The Group's base technology, Aquaporin Inside, can be used for a wide variety of applications, but there is no standard fit for all applications and there is a possibility that a customer's effluent stream goes beyond the application for which the Group's products have been produced, for instance if there

are particular heavy chemicals that are difficult to remove. For instance in the industrial water segment, each system is custom-designed and engineered to the specific site/stream/application. Up until now, every single membrane delivery has been based on a specific design for the specific case. In such a situation, the Group might be required to obtain in-depth knowledge about industrial water management in a particular region and undertake a detailed analysis of samples of the Group's customers' effluent stream, so the Aquaporin system and technology can be configured correctly. This will require the Group to have on-site specialists and employees with a high level of expertise. In addition, it will need to ensure the Group's solution complies with the specific requirements and specifications for the project as well as with general international and local standards and regulations.

Since wastewater streams can vary significantly in construction and complexity, the Group will often need to enter into partnership agreements with the necessary local partners to ensure that complex projects with multiple stakeholders go smoothly. Similar tailoring might also be required in the Group's drinking water segment or in food and beverage. Each such case must be evaluated carefully to ensure a tailored solution, which can be found through close collaborations with customers and industry stakeholders to ensure the Group's products are adapted to the needs of the specific industry. This process is time intensive and may restrict the Group's ability to use a standardized process for each of the Group's customers. In addition, there can be no guarantee that the Group will be able to properly assess the complexity of a project at the time of execution of the customer contract, which could result in price erosion given the complexity of the services the Group is to render. There can also be no guarantee that the analysis and evaluations done for one customer can be used in another project, which requires the Group to each time incur additional costs to come to a tailored solution for such client, which may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Risks Related to the Group's Financial Position

10 The Group may need to strengthen its financial foundation to ensure the Group can execute the Group's strategy, including commercialization plans and planned operational growth, such as the expected increase of HFFO production capacity.

The Group believes the Admission will strengthen the Group's capital structure by giving it access to a wider range of capital raising options, which the Group believes may be required to give the Group the financial foundation and working capital needed in order to successfully execute on the Group's commercialization plans and planned operational growth. This is especially needed as some of the Group's market segments (including industrial water and food and beverage) require considerable financial strength and high financial warranties. In certain situations it may also be necessary to provide products free of charge to select key customers for large scale validation purposes or provide long payment terms, which would put constraints on the Company's own liquidity (see "*The Group is also targeting risk averse industries with high barriers of entry and therefore the Group's products and services may take a long time (or fail) to achieve the degree of market acceptance necessary for commercial success*")

The Group expects to incur significant expenses and operating losses over the next several years and, as a result, it might need to raise additional financing in the future for working capital, capital expenditures, acquisitions, development or other general corporate purposes. The Group has so far been supported by funds provided by publicly supported innovation projects, such as Horizon 2020 (also referred to as "**public private partnerships**" by the Group), debt providers or investments from the Group's shareholders. Based on the current operating plan and the existing capital resources together with the anticipated net proceeds from the Offering, the Group expects to be able to fund the Group's operating plan for the near to short term, see "*Part III—Section 6.6 Medium-term aspirations*" *Part III—Section 8.10 Liquidity and Capital resources—Working Capital (non-IFRS)—Working Capital Statement*. However, the operating plan may change as a result of many factors currently unknown, and it may be necessary to seek additional funds sooner than anticipated.

The future funding requirements will depend on many factors, including the progress, timing, scope, results and costs of the Group's pilot projects and the Group's ability to obtain further funding through public private partnerships. In addition, funding requirements will also depend on the progress in commercialization and promotion of the Group's products as well as the manufacturing, selling and marketing costs associated with producing these products, including the cost and timing of building sales and marketing capabilities. This extends to the sales price, the time and cost necessary to respond to technological and market developments and the costs of filing, prosecuting, maintaining,

defending and enforcing any patent claims and other intellectual property rights, including litigation costs and the outcome of such litigation. The Group may also engage in future acquisitions or strategic partnerships, which may increase the Group's capital requirements, dilute the Group's shareholders if the Company issues equity securities, cause the Group to incur debt or assume contingent liabilities, divert management's attention and subject the Group to other risks. The Group may seek to raise new capital for other purposes in the future through public or private debt or equity financings by issuing additional shares, debt or equity securities convertible into shares, or rights to acquire these securities.

Any additional financing that the Group could seek, may not be available on favorable terms or at all. For example, while the potential impact and duration of the COVID-19 pandemic on the global economy and the Group's business in particular may be difficult to assess or predict, the pandemic has resulted in, and may continue to result in significant disruption of global financial markets, reducing the Group's ability to access capital, which could in the future negatively affect the Group's liquidity. If the Group is unable to obtain adequate financing or financing on terms satisfactory to the Group when the Group requires it, the Group's future plans and ability to execute the Group's strategy could be adversely affected, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

11 The assumptions on which the Group's prospective financial information for 2021 and medium-term aspirations are based, relate to the Group's current estimates and therefore may not be indicative for the Group's future results. In addition, the intangible assets line item included in the previously published financial results might not be representative for the underlying actual value and any provisions for warranty claims may not suffice.

The Group has historically focused its business on product research and development and as a result its future earning potential is based on estimates and expectations rather than its historical financial performance. The Group's ability to generate revenue is to a large extent dependent i.a. on its sales of the ZERO and the ONE and its ability to convert partners and key accounts from point-of-use systems to flat sheet membrane sales. See "Part III—Section 12 Consolidated Prospective Financial Information for the Financial Year Ending 31 December 2021" and "Part III—Section 6.6 Medium-term aspirations". The medium-term aspirations, financial forecasts and projections for 2021 are based upon a number of assumptions and estimates, which are subject to significant business, operational, economic and other risks, many of which are outside of the Group's control. Accordingly, such projections and assumptions may prove to be incorrect, especially given the fact that the Group's commercialization strategy has not been fully tested in the past. In addition, unanticipated events may materially adversely affect the actual results that the Group achieves in future periods whether or not the Group's assumptions relating to the financial year ending 31 December 2021 were reasonable as of the date such assumptions were made. For example, the Group cannot assure that any projections, estimates, forecasts, forward-looking statements or opinions contained herein or which may have been expressed in the past will remain accurate or will not abruptly change as a result of the spread and effects of the COVID-19 pandemic. The Group's actual results may therefore vary materially from these projections and forecasts and investors should not place undue reliance on them. See also "General Information—Forward-Looking statements".

In addition, the Company includes development projects under the intangible assets line item on the balance sheet. The amount recognized is based on the direct costs related to the development projects and the expected future value of these development projects depends heavily on the success of the Group's commercialization efforts. If such commercialization efforts were to fail, this would result in an impairment and the need to make a writedown. As a result, the intangible assets line item included in the balance sheet might not be representative of the actual underlying value.

Lastly, the Group has included certain provisions for warranty claims in its financial statements, which mainly are intended to cover the costs related to replacing products, damage to products or similar malfunctioning. However, in light of the historically limited sales, the Group has limited visibility as to whether these provisions will suffice. If the Group's provisions for warranty claims do not suffice, this could have a material adverse effect on the Group's financial condition and results of operations.

12 Some of the Group's projects are currently partly funded through public private partnerships and, if the Group is not able to obtain such funding in the future or if the Group is unable to reach agreed milestones to receive additional funding, the Group would need to reprioritize the Group's resources, which may delay development of the Group's product line or increase costs.

From time to time, the Group applies for grants from governmental institutions, such as the European Commission, to support the further development of the Group's technology or product line. It has in the past received such funding to support many of the Group's projects. Applying for such grants is time intensive and there can be no assurance that the Group will be successful in obtaining such governmental funding. If the Group is not able to secure government funding, it may have to finance the Group's future research and development in another manner, which could entail equity or entering into financing agreements with financial institutions at less favorable and more costly terms, including the requirement to pay interest and be subject to operating and financial covenants. Even if the Group is successful in securing funding through public private partnership, the government funding could be dependent on the Group reaching certain key milestones. In the event of non-compliance with the any funding framework the governmental institutions may revoke their funding. Further, the European Commission may upon decision require state aid to be recovered if deemed unlawful or incompatible with the regulation of the EU internal market. In addition, the Group could be required to collaborate with other research partners, universities or biotech companies, which could result in coordination difficulties, disagreements on development strategy or other disputes, which in turn could delay technology/product development and thus any milestone payments due to the Group. Cooperation agreements on research and development may be problematic under Danish, EU and/or other local regulation, in such case it will require an individual assessment of the agreement and there is no guarantee that the Company will be able to make the correct assessment of such agreement. In addition, the Group uses these grants and partnerships to educate potential future customers and promote the Group's technology to other industry players. Therefore, any failure to participate in such partnerships, could impact the Group's future potential to commercialize and promote the Group's technology. The above, individually or in the aggregate, could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

Risks Related to Intellectual Property Rights

13 If the Group does not or cannot adequately protect the Group's intellectual property and third parties infringe the Group's intellectual property rights, the Group may suffer competitive injury, expend significant resources enforcing the Group's rights or defending against such claims, or be prevented from selling products or services.

The Group owns numerous patents, trademarks, trade secrets and other intellectual property, which are material to the Group's business. It is the Group's policy to register the Group's patents and trademarks in the main markets (and selected subsectors) of the Group's products and location of competitors. However, there can be no assurance that the Group's actions will adequately protect the Group's intellectual property rights and trade secrets in all situations. The intellectual property rights that the Group obtains are not always sufficiently broad and do not always provide a significant competitive advantage, and patents may not be issued for pending or future patent applications owned by or licensed to the Group. In addition, the steps that the Group and any potential future licensors may take to maintain and protect the Group's intellectual property do not always prevent the Group from being challenged, invalidated, circumvented, designed around or becoming subject to compulsory licensing. In some circumstances, enforcement is not available because an infringer has a dominant intellectual property position or for other business reasons.

The Group also relies on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements adequately protect the Group's trade secrets and other proprietary rights and will not be breached, that the Group will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to the Group's trade secrets or other proprietary rights. Any failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect the Group's intellectual property or detect or prevent circumvention or unauthorized use of such property and the cost of enforcing the Group's intellectual property rights can materially adversely affect the Group's business, including the Group's competitive position, and financial results.

These risks are particularly pronounced in countries in which the Group does business that do not have levels of protection of corporate proprietary information, intellectual property, technology and other assets comparable to Denmark. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection. This could make it difficult to stop the infringement of the Group's patents, if obtained, or the misappropriation of other intellectual property rights. For example, many countries have compulsory licensing laws under which a patent owner under certain conditions must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes.

The risks the Group may encounter in such countries include the following:

- Joint ventures that the Group participates in can include restrictions that could compromise the Group's control over the intellectual property, technology and proprietary information of the joint venture;
- As the Group expands the Group's operations globally, increasing amounts of data, intellectual property and technology is used and stored in countries outside of Denmark, and regulations in certain countries require data to be stored locally. These factors increase the risk that such data, intellectual property and technology could be compromised;
- Certain of the Group's products may be counterfeited;
- Governmental entities may adopt regulations or other requirements that give them rights to certain of the Group's intellectual property, technology and/or proprietary information, such as through compulsory licensing or foreign ownership restrictions or requirements;
- Governmental regulations relating to state secrecy or other topics limit the Group's ability to transfer data or technology out of certain jurisdictions;
- Risks, costs and challenges of operating in a particular jurisdiction can result in a decision to relocate or divert operations to a different jurisdiction, potentially at higher cost.

Any of these risks would result in the Group no longer having the strong marketing rights due to its extensive patent protection. See "*Part III—6.4.5 Strong commercial platform due to extensive patent protection and product quality certifications, including food contact material compliance under the FDA*". This can have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

14 Third parties may from time to time claim that the Group is infringing or misappropriating their intellectual property rights and the Company could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.

From time to time, the Group may receive notices from third parties alleging intellectual property infringement or misappropriation of third parties' intellectual property and it cannot be certain that the conduct of the Group's business does not and will not infringe or misappropriate the intellectual property rights of others. For this purpose, the Group continuously monitors whether there are any patents or patent applications that could potentially restrict business of the Group or its customers to identify and react to any issues. Disputes or litigations regarding intellectual property can be costly and time-consuming to defend due to the complexity of many of the Group's technologies and the uncertainty of intellectual property litigation. The Group's intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims of infringement or misappropriation, the Group could lose the Group's rights to critical technology, be unable to license critical technology or sell critical products and services, be required to pay substantial damages or license fees with respect to the infringed rights, be required to license technology or other intellectual property rights from others, be required to cease marketing, manufacturing or using certain products or be required to redesign, re-engineer or re-brand the Group's products at substantial cost, any of which could adversely impact the Group's business, including the Group's competitive position, and financial statements.

Third-party intellectual property rights may also make it more difficult or expensive for the Group to meet market demand for particular product or design innovations or service a particular industry or client, which might mean that the Group is required to file an opposition to an existing patent. For instance, the Company has filed an opposition early 2021 against a patent as it believes this patent interferes with one of the Group's business interests. If this opposition is not successful, this could have a negative effect on the Company's business opportunities and the Group's ability to cooperate with other companies. When the Group is required to seek licenses under patents or other intellectual property rights of others, it is not always able to acquire these licenses on acceptable terms, if at all. Even if it successfully defends against claims of infringement or misappropriation, it may incur significant costs and diversion of management attention and resources, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

15 The Group may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might adversely affect the Group's ability to develop and market the Group's current or future products.

The Group's commercial platform is based on the Group's patent protection for its Aquaporin Inside membrane technology, and is therefore heavily dependent on its intellectual property protection.

The Group cannot guarantee that any of the Group's patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can it be certain that it has identified each and every third-party patent and pending application that is relevant to or necessary for the commercialization of the Group's current or future products in any jurisdiction. Even if it diligently searches third-party patents for potential infringement by the Group's products or current or future products, the Group may not successfully find patents the Group's products or current or future products may infringe. Because patent applications in the United States, Europe and many other jurisdictions are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date, patent applications covering the Group's current or future products could have been filed by others without the Group's knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover the Group's current or future products or the use of such products.

While the Group seeks broad coverage under the Group's existing patent applications, there is always a risk that an alteration to products or processes may provide sufficient basis for a competitor to avoid infringing the Group's patent claims. In addition, the Group's competitors might conduct research and development activities in countries where the Group do not have patent rights and then use the information learned from such activities to develop competitive products for sale in the Group's major commercial markets.

The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. The Group's interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively affect the Group's ability to market the Group's current or future products. It may incorrectly determine that the Group's products are not covered by a third-party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. The Group's failure to identify and correctly interpret relevant patents may negatively affect the Group's ability to develop and market the Group's current or future products.

16 Patent terms may be inadequate to protect the Group's competitive position on the Group's current or future products for an adequate amount of time.

Patents have a limited lifespan. The Group's earliest patent application was filed in 2014, thus ensuring patent rights until 2034 and later. However, even if patents covering the Group's products are obtained, once the patent life has expired, the Group may be open to competition from competitive products. As a result, it owned and licensed patent portfolio may not provide the Group with sufficient rights to exclude others from commercializing products similar or identical to the Group's products. In addition, when developing its products, the Group often closely cooperates with partners or CMO's. In certain instances this results in the partner/CMO having supplementary IP rights to the end-product being sold similarly to the set-up between semi-conductor and device manufacturers. For instance, the Group relies on a third party to manufacture the ZERO and the ONE and that third-party manufacturer

holds the IP rights to the surrounding system that incorporates the Aquaporin Inside membrane. Similarly, the Group is co-developing its TFO product with a partner that holds a supplemental patent to the end-product even though the Group holds a patent to the underlying formulation technology. Therefore, even though the Group holds the rights to the underlying technology that allows the water to be filtered, it does not hold the IP rights to the complete end-product as such. As a result, there is a risk that that third-party manufacturer may terminate its agreement with the Group which would mean that the Company would have to remove the ZERO and the ONE in its current form from its product portfolio until a new agreement has been entered into with such manufacturer or a replacement manufacturer. These third-party manufacturers could instead enter into an agreement with a competitor that provides a competing water filtration technology, not relying on the Company's Aquaporin Inside technology and the Group may be required to find alternative manufacturers.

17 If the Group's trademarks and trade names are not adequately protected or found not to be sufficiently distinctive, others may use a similar trademark or trade name, which in turn means that the Group, may not be able to build name recognition in the Group's markets of interest and the Group's business may be adversely affected.

While the Group seeks to protect the trademarks the Group uses, the Group may be unsuccessful in obtaining registrations and/or otherwise protecting these trademarks. If that were to happen, the Group may be prevented from using the Group's names, brands and trademarks unless the Group enters into appropriate royalty, license or coexistence agreements, which may not be available or may not be available on commercially reasonable terms. Over the long term, if the Group is unable to establish name recognition based on the Group's trademarks, trade names, service marks and domain names, then the Group may not be able to compete effectively, resulting in a material adverse effect on the Group's business.

The Group's registered or unregistered trademarks or trade names may be challenged, infringed, diluted or declared generic, or determined to be infringing on other third-party trademarks. If it is determined that the Group's trademark's or trade names are not distinctive enough, this could mean that third parties can also use these in a generic way to describe the characteristics of their goods or services. The Group may not be able to protect the Group's rights to these trademarks and trade names or may be forced to stop using these names, which the Group needs to build name recognition among potential partners or customers in the Group's markets of interest. At times, competitors may adopt trademarks and trade names or domain names similar to the Group's, thereby impeding the Group's ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of the Group's registered or unregistered trademarks. Over the long term, if the Group is unable to establish name recognition based on the Group's trademarks, then the Group may not be able to compete effectively and the Group's business may be adversely affected.

18 The Group may not have enough financial resources to successfully enforce and defend the Group's intellectual property rights.

The enforcement and defense of intellectual property rights, including patent rights, through legal or administrative proceedings may be costly and time-consuming, may divert the Group's personnel from their usual responsibilities and may provide the Group's competitors and others with insights into the Group's proprietary rights. Moreover, there can be no assurance that the Group will have sufficient financial or other resources to conduct such enforcement or defense actions. An adverse determination in any litigation or other proceeding could put one or more of the Group's patents at risk of being invalidated or interpreted narrowly and could put the Group's pending patent applications at risk of not being issued. The occurrence of any of the above could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

In addition, the Group may be subject to claims that the Group's employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties or that the Group's employees have wrongfully used or disclosed alleged trade secrets of their former employers. The majority of the Group's employees and consultants were previously employed at universities or biotech companies, including the Group's competitors or potential competitors. Although the Group tries to ensure that the Group's employees, consultants and independent contractors do not use the proprietary information or know-how of others in their work for the Group, it may be subject to

claims that it or these employees have, inadvertently or otherwise, used or disclosed intellectual property, trade secrets or other proprietary information of their former employers or other third parties. Litigation may be necessary to defend against these claims. If the Group fails in defending any such claims, it may have to pay substantial monetary damages and, lose valuable intellectual property rights or personnel, which could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects. Even if the Group is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

19 The Group may be subject to claims challenging the inventorship of the Group's patents and other intellectual property.

The Group may in the future be subject to claims that former employees, collaborators or other third parties have an interest in the Group's patents or other intellectual property as an inventor or co-inventor. While it is the Group's policy to require the Group's employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to the Group, the Group may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that the Group regards as the Group's own. For example, the assignment of intellectual property rights may not be self-executing or the assignment agreements may be breached, or the Group may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing products or technology. Litigation may be necessary to defend against these and other claims challenging inventorship. If the Group fails in defending any such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Even if it is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Risks Related to the Industry

20 The Group's growth could suffer if the markets into which it sells the Group's products decline or do not grow as anticipated.

The Group's growth depends in part on the growth of the markets, which it serves. The Company believes that by 2022 the overall addressable market for reverse osmosis and forward osmosis membranes and systems will amount to approximately EUR 37.5 billion. See "Part III Section 5 Market and Industry." The Group's visibility into these markets is limited especially given the fact that the Group in the Group's industrial water and desalination market will mostly sell the Group's products through local distribution networks and partnerships. The Group's sales and profits depend substantially on the volume and timing of orders received during the fiscal year, which are difficult to forecast. Any decline or lower than expected growth in the Group's served markets could diminish demand for the Group's products and services, which would adversely affect the Group's financial results for that period. Certain of the Group's businesses operate in industries that may experience periodic, cyclical downturns. In addition, in certain of the Group's businesses demand depends on customers' capital spending budgets as well as government funding policies, and matters of public policy and government budget dynamics as well as product and economic cycles can affect the spending decisions of these entities. Demand for the Group's products and services is also sensitive to changes in customer order patterns, which may be affected by announced price changes, marketing or promotional programs, new product introductions and changes in distributor or customer inventory levels due to distributor or customer management thereof or other factors. Any of these factors may have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects.

21 The Group operates in a fragmented landscape of competitors and customers for membrane suppliers, which makes it challenging to compete successfully in the markets the Group targets. Even if the Group competes effectively, the Group may be required to reduce prices for the Group's products and services.

The Group's businesses operate in industries that are intensely competitive and have been subject to increasing consolidation. Because of the range of the products and services the Group sells and the variety of markets it serves, it also encounters a fragmented landscape of competitors, with a few global and many local membrane suppliers. In order to compete effectively, it must retain longstanding

relationships with major customers and continue to grow the Group's business by establishing relationships with new customers, continually developing new products to maintain and expand the Group's brand recognition and potential future leadership position in various product categories while at the same time penetrating new markets, including high-growth markets. Because the Group operates in diverse markets, it potentially has a very diverse and fragmented customer base with diverse preferences. For instance in the drinking water industry, the Company believes that customers have a preference for local suppliers, while in the industrial water and desalination industry and that there is a preference of contracting with global, well-known players. Establishing, maintaining, improving the Group's differentiated competitive position will therefore require continued investment by the Company in research and development (including potential acquisition of technology through transactions), product development, marketing, engineering, sales, customer service and support and distribution networks. This might put the Group at a less competitive position, due to the fact that some of its main competitors are large established players with long track records who do not need to make similar investments and, thus, are able to operate in a more profitable manner in these markets.

The Group's future growth rate depends upon the Group's ability to compete successfully, which is affected by a number of factors, including the Group's ability to:

- identify emerging technological trends in the Group's target end markets, including monitoring the development of energy efficient reverse osmosis membranes, chlorine resistant membranes, low-carbon foot print membranes or the impact of renewable energy sources on energy costs as a whole;
- develop and maintain a wide range of competitive and appropriately priced products, services and solutions;
- the ability of competitors to produce the aquaporin protein or a similar or competing formulation or technology;
- enhance and differentiate its products from those of the Group's competitors;
- develop and drive commercial acceptance of compelling new products quickly and cost-effectively;
- ensure that the Group's products, services and solutions remain cost-competitive;
- attract, develop and retain individuals with the required commercial and technical expertise and understanding of customers' needs to develop and sell new technologies and products; and
- execute projects in a cost-effective manner according to the schedules required by the Group's customers.

There can be no assurance that the Group will be able to accomplish the Group's technology development goals or that technological developments by the Group's competitors will not place certain of the Group's products, technology or services at a competitive disadvantage in the future. In addition, certain of the new products that the Group has under development will be offered in markets in which it does not currently compete, and there can be no assurance that it will be able to compete successfully in those new markets. It may fail to identify optimal vertical or geographic markets, focus the Group's attention in suboptimal vertical or geographic markets or fail to execute an appropriate business model in certain vertical or geographic markets. The Group's competitors may have more resources available to develop disruptive technologies or products that are superior to the Group's products, develop more efficient or effective methods of providing products and services, operate with lower cost structures allowing them to price products and services more competitively (and potentially lowering process substantially for products similar to the Group's Brackish Water Reverse Osmosis ("BWRO") products) or adapt more quickly than the Group does to new technologies or evolving customer requirements.

If the Group is unable to respond effectively to competition, the Group's products may be rendered obsolete and the Group's ability to generate revenue may be limited and the Group may need to write down inventory due to missed sales and new product development, which could have a material adverse effect on the Group's business, financial condition, results of operations, cash flow and prospects. In addition, the failure of the Group's technologies or products to gain market acceptance due to more attractive offerings by the Group's competitors could significantly reduce the Group's revenues and materially adversely affect the Group's competitive standing or prospects. Pricing

pressures also could cause the Group to adjust the prices of certain products to stay competitive, which could materially adversely affect the Group's margins and overall financial performance. Failure to continue competing successfully or to win business with the Group's existing customers could materially adversely affect the Group's business, financial condition, results of operations, cash flow and prospects.

22 General global economic and business conditions, particularly in the markets the Group serves, may materially adversely affect the businesses of the Group's industrial customers, which could in turn affect the demand for the Group's products and solutions.

The Group competes in various end-markets and geographic regions around the world. Among these, the most significant are global industrial and commercial markets. The businesses of many of the Group's industrial customers are, to varying degrees, cyclical, and have experienced periodic downturns. Therefore, the Group expects to experience fluctuations in revenues and operating results due to economic and business cycles. Economic downturns and in particular downturns in the Group's larger markets, including the market for household purifiers and food and beverage industry, can adversely affect the Group's end-users and could result in these end-users becoming more economically conservative and hesitant to adopt new technologies in their water purification processes, especially give the large financial commitment and up-front CAPEX required to implement such a new technology. As a result, during periods of weaker economic activity or reduced confidence in the economy, the Group's customers and potential customers may postpone orders, reduce or discontinue their volume of purchases or cancel existing orders. Counterparties to contractual arrangements may become insolvent or otherwise unable to fulfill their contractual obligations, which would increase the difficulty in collecting accounts receivable and the risk of excess and obsolete inventories, which could have a material adverse effect on the Group's cash position. In addition, a global financial crisis might make it more difficult for the Group's customers to obtain financing or financing under favorable terms, which could further reduce innovation efforts and result in slower adoption of new technologies, including efforts to implement the Group's products. Global economic crises could also affect the Group's suppliers, which could cause supply interruptions and the Group's ability to produce the Group's products, which would have a material adverse effect on the Group's supply chain given its asset light business model. Any of the above factors, individually or in the aggregate, or a significant or sustained downturn in a specific end market or geographic region, could materially reduce demand for the Group's products and solutions and thus the Group's business, financial condition, results of operations, cash flow and prospects.

23 The Group's business, results of operations and financial condition may be materially adversely affected by risks associated with international sales and operations.

In the coming years, the Group expects that it will further expand its operations in Asia and the United States and potentially other regions in the long-term. The Group's overall success as a global business depends, in part, upon the Group's ability to succeed in differing economic, social, legal and political conditions. The Group may not succeed in developing and implementing policies and strategies that are effective in each location where the Group does business, which could have a material adverse effect on the Group's consolidated results of operations, financial position or cash flows. The emerging markets in which the Group is active, including India and China, pose other uncertainties, including, but not limited to:

- difficulty of enforcing agreements and collecting receivables;
- protection of intellectual property and other assets;
- pricing products appropriately;
- local low cost competitors;
- higher business conduct risks;
- interruption in the transportation of materials to the Group and finished goods to the Group's customers;
- differences in terms of sale, including payment terms;
- changes in a country's or region's political or economic conditions, such as the devaluation of particular currencies or exchange rate restrictions, trade protection measures, embargoes

and import or export restrictions and requirements, tariff and trade barriers and import and export licensing requirements (which can particularly be an issue once the Group expands in the United States);

- health, safety and ethical principles not aligned with the Group's high standards for doing business;
- lower governmental or municipal spending as a result of lower tax revenue, which could impact government funding for the Group's pilot projects and reduce interest in implementing the Group's products on a municipal level;
- restrictions on, or taxation of, dividends on repatriation of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which subsidiaries operate, capital controls and limitations on ownership;
- government stability and the potential for nationalization of enterprises, especially given the potential political power that could result from privatizing water purification companies in regions that suffer from water scarcity; and
- greater uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, including with respect to product and other regulatory approvals.

24 The COVID-19 pandemic and other future public health crises or pandemics could materially and adversely affect the Group's business, results of operations and financial condition.

The COVID-19 pandemic has caused a global economic slowdown, as efforts to control the spread of the virus have resulted in mandatory closures of certain businesses, "shelter in place" and "stay at home" orders and recommendations forcing employees to work remotely, significant travel restrictions and global supply chain disruptions.

The Group's global operations expose it to risks associated with public health crises and epidemics, such as the novel strain of coronavirus (COVID-19), which could adversely impact the Group's operations, supply chains and distribution systems and reduce demand for the Group's products and services. It could limit the Group's access to customers' sites and has in 2020 and 2021 delayed several pilot installations with the industrial water segment, has (i) put several innovation projects on hold, (ii) delayed certain commercialization activities and (iii) affected the Group's ability to enter into new partnerships, especially in heavily affected regions, such as India, which a region that is particularly important in the Group's industrial water strategy. Similarly, it could limit the Group's suppliers' ability to provide to the Group the materials that it needs to manufacture and deliver certain products to customers, in which case the Group may need to seek alternate suppliers, which could result in cost increases and delays in shipments. These impacts on the Group's customers and suppliers could negatively affect the Group's cash flow, sales and profitability and have a material adverse effect on the Group's overall business and financial condition.

The COVID-19 pandemic has also heightened risks associated with the Group's internal operations. The Group's service technicians enter high-risk areas such as industrial waste sites and testing laboratories. Although the Group is closely monitoring and following guidance from public health officials related to personal safety, preventative measures and personal protective equipment, these service technicians are at greater risk of exposure to the virus. An outbreak among service technician population or an outbreak among employees at any of the Group's manufacturing or R&D facilities may require the Group to suspend or reduce operations at that facility, which could have a material adverse effect on the Group's overall business and financial condition. The Group may also experience decreased productivity due to fear among the Group's employees to return to work at the Group's sales offices, manufacturing facilities and R&D locations as a result of the pandemic. Additionally, a large number of the Group's employees are working remotely as a result of restrictions imposed to control the spread of the virus. This could result in decreased employee efficiency and increased cyber-security risk, each of which could have a material adverse effect on the Group's overall business and financial condition.

Risks Related to Legal and Regulatory Compliance Matters

25 Laws, rules and regulations impose extensive compliance requirements on the Group's operations and compliance with new or stricter regulatory standards could be cumbersome and costly. In addition, any failure to comply with these laws, rules or regulations could significantly affect the Group's reputation.

The Group's international operations require it to comply with a number of local laws, rules and regulations, including, local environmental laws and regulations, local tax laws, privacy and data protection laws, employment and labor laws and permits issued under these laws by the relevant environmental and health and safety regulatory agencies.

Environmental laws and regulations are complex and change frequently and the Group's business may be further affected by changes in legal requirements that set forth wastewater discharge parameters, constrain water availability and set quality and treatment standards. It is possible that new standards could be imposed, either stricter or more lenient, that could result in the obsolescence of the Group's products, the Group losing its ISO or NSF certifications or its FCM compliance certification, or could lead to an interruption or suspension of the Group's operations or the Group's pilot projects, specifically as most customers in the drinking water segment expect membrane products to have NSF certification. In addition, if the Company were to lose its FCM compliance this would mean its products can no longer be used in the food and beverage segment in the United States and potentially also in other jurisdictions, including the EU. This could have a material adverse effect on the productivity and profitability of a particular manufacturing facility, service or product or on the Group as a whole. Any failure or inability to comply with the stringent standards set forth by regulating entities or to provide cost-effective and compliant design and construction solutions could result in fines or other penalties. The Group's operations are also subject to various licensing, permitting, approval and reporting requirements imposed by local and foreign laws. The Group's operations are subject to inspection and regulation by various governmental agencies, including the Danish Working Environment Authority (in Danish: *Arbejdstilsynet*), the Danish Environmental Protection Agency (in Danish: *Miljøstyrelsen*), the Danish Veterinary and Food Administration (in Danish: *Fødevarestyrelsen*) and equivalent local agencies, as well as their counterparts in various countries.

Furthermore, as the Group generally experiences a strong ESG emphasis amongst its customers, partners and competitors in the water purification industry, any actual or perceived failure to comply with ESG standards may detrimentally affect the Group's reputation within the industry and could limit the Group's ability to generate and successfully utilize business opportunities.

In addition, the Group is required to comply with anti-corruption, anti-bribery and anti-money laundering laws, U.S. and international economic sanctions in each of the jurisdictions in which it operates. The Group cannot provide assurance that the Group's internal controls and compliance systems always protect it from acts committed by employees, agents or business partners of the Group (or of businesses it acquires or partners with) that would violate such laws. In particular, anti-bribery laws generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and the Group operates in many parts of the world that have experienced governmental corruption to some degree. The Group's operations in these regions may include sales to government and non-government customers and may include the use of third-party intermediaries. In certain circumstances, strict compliance with anti-bribery and trade laws, regulations and policies may conflict with local customs and practices in these regions.

Compliance with these laws and regulations exposes the Group to potential financial liability and increases the Group's operating costs. The Group cannot provide any assurance that the Group's operations, products or services will be at all times in total compliance with these laws, regulations and permits or that the Group will be able to obtain or renew all required permits. If the Group violates or fails to comply with these laws, regulations or permits the Group could be fined or otherwise sanctioned by regulators and be subject to lawsuits, civil or criminal, seeking enforcement and/or injunctive relief. The Group may also be subject to civil claims by citizens groups seeking to enforce environmental laws. In the event of an accident or if the Group otherwise fails to comply with applicable regulations, the Group could lose the Group's permits or approvals and/or be held liable for damages and monetary penalties. Failure to comply with those regulations could adversely affect the Group's reputation, ability to do business and financial results and prospects.

The Group is subject to income and other taxes in the Denmark and foreign jurisdictions, and the Group's operations, plans and results are affected by tax and other initiatives around the world. In addition, the Group is affected by settlements of pending or any future adjustments proposed by the tax authorities in connection with any tax audits, all of which will depend on their timing, nature and scope. Increases in income tax rates, changes in income tax laws or unfavorable resolution of tax matters could have a material adverse impact on the Group's financial results. Due to the potential for changes to tax laws and regulations or changes to the interpretation thereof, the complexity and ambiguity of tax laws and regulations, the subjectivity of factual interpretations, the complexity of the Group's intercompany arrangements, uncertainties regarding the geographic mix of earnings in any particular period, and other factors, the Group's estimates of effective tax rate and income tax assets and liabilities can be incorrect and the Group's financial results could be adversely affected. In addition, given the Group's operations across the work, including the United States and Singapore, there could from time to time be certain transfer pricing factors that need to be taken into account and any incorrect assessment thereof could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

26 The Group's products and solutions, or the Group's participation in large-scale projects, could expose the Group to litigation, regulatory or enforcement actions and reputational risk.

Product liability risks are inherent in developing, marketing and sale of the Group's products. The Group is in process of developing and launching new products in the future and with each launch comes potential liability exposure if such products do not perform as anticipated. For instance, the Group has in the past recalled an early version of HFFO14 due to low stability. The Group may in the future be involved in lawsuits that arise from the Group's business. Litigation and governmental or regulatory investigations, prosecutions or similar matters may, for example, relate to product liability claims due to product flaws or misuse, personal injury, property damage, accidents, regulatory issues, contract disputes or employment matters. The Group may face claims that are broader than the scope of the Group's involvement on a project, including claims that seek to impose liability on the Group for an entire solution or system for which the Group provided only limited components. It is not possible to predict with certainty the outcome of claims, investigations and lawsuits, and the Group could in the future incur judgments, fines or penalties or enter into settlements of lawsuits and claims that could have a material adverse effect on the Group's business, financial condition, results of operations or prospects in any particular period. Additionally, the Group may be required to change or cease operations at one or more facilities if a regulatory agency determines that the Group has failed to comply with laws, regulations or orders applicable to the Group's business.

Further, the Group might in the future take on the responsibility to service the equipment the Group provides the Group's customers throughout the duration of its contract with such customers, and the Group's customers may be required to maintain insurance covering loss, damage or injury caused by the Group's equipment. However, in such situation, the Group is not able to monitor the Group's customers' use or maintenance of their water systems or their compliance with the Group's contracts or usage instructions. Customers' failure to properly use, maintain or safeguard their equipment or customers' noncompliance with insurance requirements may reflect poorly on the Group as the provider of such equipment.

The occurrence of any of these matters could also create possible damage to the Group's reputation. The defense and ultimate outcome of lawsuits against the Group may result in higher operating expenses. Higher operating expenses or reputational damage could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, even though the Group has obtained product liability insurance in respect of all of the Group's products, there can be no assurance that such insurance coverage or any future insurance coverage for commercialization of the Group's products will be available on reasonable commercial terms or that it will prove adequate. If sufficient insurance coverage is not obtained covering, for instance, product liability, or if such future litigation or investigation exceeds the Group's insurance coverage, the Group could be subject to significant liabilities, which could have a material adverse effect on the Group's business, results of operations, cash flows, financial condition and/or prospects.

Risks Relating to the Offering and the Shares

27 There can be no assurance that an active and liquid market for the Company's Shares will develop and future sales of Shares, or the perception that such sales might occur, could depress the price of the Shares.

There is currently no public market for the Company's Temporary Purchase Certificates and/or Shares, and an active and liquid trading market may not develop or be sustained after the Offering. If an active and liquid trading market does not develop or is not sustained, the liquidity and trading price of the Temporary Purchase Certificates and/or Shares could be materially and adversely affected and investors may have difficulty selling their Shares.

The market price of the Shares could decline as a result of sales of Shares by the Group, the Selling Shareholders, Cornerstone Investors, Executive Management or the Company's other shareholders after the Offering or the perception that these sales could occur. These sales also may make it difficult for the Company to issue equity securities in the future at a time and a price that the Company deems appropriate. Following the Offering, the Company, the Main Selling Shareholders and certain members of the Company's management will be subject to certain contractual lock-up provisions, in each case for a limited period only and subject to important exceptions whereas the remaining minority shareholders are not subject to lock-up. The Main Selling Shareholders have been with the Company for many years and may at some point decide to sell their Shares to gain a return on their investment or for other reasons. After the expiry of the applicable lock-up periods, see "*Part IV—Section 5.15 Lock-up*", the Main Selling Shareholders, the Other Selling Shareholders and certain members of the Company's management may decide to sell their respective holdings of Shares in whole or in part, or it may be perceived by the market that they intend to do so, which may cause the market price of the Company's shares to drop significantly. However, such lock-up arrangements provide for certain exceptions and, in any case, these restrictions may be waived and allow the persons subject to the lock-up arrangements to sell their Shares at any time after this Offering. The Company cannot control the market perception of the reasons for any such sales. As such, any future sale of a substantial amount of Shares by the Company or any of its shareholders, or the perception that such sales might occur, may adversely affect the prevailing trading price of the Shares and cause investors to incur a loss on their investment. This could also make it more difficult for shareholders to sell their Shares at a time and price, which they deem appropriate.

28 The Company currently intends to retain available funds and any future earnings to fund the development and expansion of the Group's business and does not intend to pay dividends and accordingly, a shareholder's ability to achieve a return on investment will depend on an appreciation in the price of the Shares

The Company has never declared or paid any dividends and the Company currently intends to retain all available financial resources and any earnings generated by the Group's operations for use in the Group's business and further commercialization and product development and does not anticipate paying any dividends in the near term. The Board of Directors will reassess such determination once the Group is profitable in the future. Therefore, a shareholder's ability to achieve a return on an investment in the Company's Shares will depend upon any future appreciation in their value. Consequently, shareholders may need to sell all or part of their holdings of Shares to realize any future gains on their investment and there is no guarantee that the Shares will appreciate in value or even maintain the price at which investors have purchased or subscribed for them. The payment of dividends is at the discretion of the Board of Directors and will be subject to, among other things, applicable law, regulations, restrictions, the Company's financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors that the Board of Directors deems significant from time to time.

29 The Offering may be withdrawn after Admission to trading and official listing of the Shares and until settlement of the Offering.

As described in "*Part IV—Section 5.4 Withdrawal of the Offering*", the Underwriting Agreement (as defined herein) contains provisions entitling the Company and the Selling Shareholders to terminate the Offering and the arrangements associated with their respective sale of Shares prior to announcing result of the Offering (expected on or around 28 June 2021). The Underwriting Agreement contains closing conditions, which the Company believes are customary for offerings such as the Offering. In addition, the Company and the Selling Shareholders has given customary representations and

warranties to the Global Coordinator. The completion of the Offering is dependent on compliance with the closing conditions set forth in the Underwriting Agreement, and the Global Coordinator is entitled to terminate the Offering until the completion and the settlement of the Offering under certain limited circumstances including o.a. any material adverse change to the Company's business, a material breach of the Underwriting Agreement or circumstances which makes the Offering obviously inadvisable to complete. Nasdaq Copenhagen's approval of the Admission is subject to completion and settlement of the Offering after announcement of the results of the Offering.

If the Offering is terminated or withdrawn prior to settlement, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and official listing of the Shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Shares sold, and investors who have sold or acquired Shares on or off the market may incur a loss. All dealings in the Offer Shares prior to settlement of the Offering will be conditional and for the account of and at the sole risk of the parties involved.

GENERAL INFORMATION

Forward-looking statements

Certain statements in this Prospectus constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the Group's anticipated or planned financial and operational performance. The words "target", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "estimates" or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, under the heading "Summary", "Part II—Risk Factors", "Part III—Section 18.4 Dividends and Dividend Policy", "Part III—Section 5 Market and trend information", "Part III—Section 6 Business", "Part III—Section 8 Operating and Financial Review" and "Part III—Section 12 Consolidated Prospective Financial Information" and include, among other things, statements addressing matters such as:

- the Group's future results of operations, in particular, the statements relating to the Group's expectations for the financial year ending 31 December 2021;
- the Group's medium-term aspirations;
- the Group's financial condition;
- the Group's working capital, cash flow and capital expenditures;
- the Group's future dividends;
- the Group's business strategy, plans and objectives for future operations and events;
- the general economic trends and trends in the Group's industry; and
- the competitive environment in which the Group operates.

Although the Company believes that the goals, estimates and expectations reflected in these forward looking statements are reasonable, such forward-looking statements are based on expectations, estimates, forecasts, assumptions and projections regarding future events, and are subject to known and unknown risks and uncertainties that could cause the Group's actual results, performance, achievements or industry results, to differ materially from what is expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- The Group has historically had a limited commercial infrastructure and, as a result, has not yet commercialized all the Group's products. The Group may not be successful in the Group's commercialization efforts if, among other factors, the Group is not able to expand sales and marketing capabilities or enter into agreements with third parties to sell and market the Group's products.
- The Group is in the process of developing some of its products and is also targeting risk averse industries with high barriers of entry and therefore the Group's products and services may take a long time (or fail) to achieve the degree of market acceptance necessary for commercial success.
- If the Group is unsuccessful in developing the right business strategy, executing on it or in expanding the Group's business through various organic or inorganic growth opportunities, the Group's business could be materially and adversely affected.
- The Group is dependent on strategic collaborations with third parties for the development and commercialization of the Group's products. If such collaborations are not successful, this may delay commercialization of the Group's products.
- The Group is currently dependent on third parties for manufacturing certain product components and the supply of certain raw materials, semi-finished and finished goods. If such third-party manufacturers or suppliers do not deliver their products or services in time, this could have a material adverse effect on the Group's business.
- Manufacturing disruptions product defects or wrong use of the Group's products by its customers could seriously harm the Group's reputation and expose the Group to liability,

which would impact the Group's future revenue and financial condition and increase costs and expenses.

- Failure to retain the Company's existing senior management, skilled technical, engineering, sales and other key personnel or the inability to attract and retain new qualified personnel could materially and adversely affect the Group's ability to operate or grow the Group's business.
- The Group's employees and sub-contractors may fail to operate in accordance with high ethical and safety standards or third parties may trespass on the Group's sites and damage or disrupt an on-going project.
- Effluent water or fluid variability can vary significantly, and, therefore, the Group may have to spend significant time and resources by working closely with customers and local partners to ensure a tailored solution.
- The Group may need to strengthen its financial foundation to ensure the Group can execute the Group's strategy, including commercialization plans and planned operational growth, such as the expected increase of HFFO production capacity.
- The assumptions on which the Group's prospective financial information for 2021 and medium-term aspirations are based, relate to the Group's current estimates and therefore may not be indicative for the Group's future results. In addition, the intangible assets line item included in the previously published financial results might not be representative for the underlying actual value and any provisions for warranty claims may not suffice.
- If the Group does not or cannot adequately protect the Group's intellectual property and third parties infringe the Group's intellectual property rights, the Group may suffer competitive injury, expend significant resources enforcing the Group's rights or defending against such claims, or be prevented from selling products or services.
- Other risks referenced in this Prospectus.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, the Group's actual, financial condition, cash flow or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. The Company urges investors to read "*Part II—Risk Factors*", "*Part III—Section 6 Business*", "*Part III—Section 8 Operating and Financial Review*" and "*Part III—Section 12 Consolidated prospective financial information*" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates.

The Company does not intend, and does not assume, any obligations to update any forward-looking statements contained herein, except as may be required by law or the Nasdaq Issuer Rules. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Enforceability of judgments

The Company is organized under the laws of Denmark and the majority of the members of the Board of Directors and Executive Management are residents of Denmark. In addition, the Selling Shareholders (to the extent they are not individuals) are organized under the laws of Denmark or are residents of Denmark (to the extent they are individuals). As a result, it may not be possible for investors to effect service of process upon the Company or any of the Company's respective directors and officers or the Selling Shareholders or to enforce against any of the aforementioned parties a judgement obtained in a court outside Denmark.

Third-party information

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the markets in which the Group operates. Unless otherwise indicated, information contained in this Prospectus concerning the Group's industry and the markets in which it operates, including general expectations, market opportunity and competitive position, is based on information from the Company's own management estimates, research and knowledge of the market, regions and

countries in which it operates, as well as from industry and general publications, research, surveys and studies conducted by third parties, including Frost & Sullivan, the UN, OECD, UNICEF, as well as, more generally, the U.S. Food and Drug Administration.

Management estimates are derived from publicly available information, the Company's knowledge of the Company's industry and assumptions based on such information and knowledge, which the Company believes to be reasonable. The industry publications and third-party studies generally state that the information that they contain has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. Market data and statistics are inherently unpredictable and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents. While the Company can confirm that information from external sources has been accurately reproduced, the Company has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Prospectus that was extracted or derived from these external sources. As far as the Company is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

The Company makes no representation as to the accuracy of such information that was extracted or derived from these external sources. Thus, any development in the Group's activities may deviate from the market developments stated in the Prospectus. The Company does not assume any obligation to update such information.

As a result, persons who come into the possession of this Prospectus should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors. Other forecasts and forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Prospectus. See "*General Information—Forward-Looking Statements*". These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described under "*Part II—Risk Factors*". These and other factors could cause results to differ materially from those expressed in the Company's forecasts or estimates or those of independent third parties. While the Company believes the Company's internal research is reliable and the definition of the Company's market and industry are appropriate, neither such research nor these definitions have been verified by any independent source.

Presentation of financial statements and other information

The Group reports consolidated financial information in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**").

This Prospectus incorporates by reference the audited consolidated financial statements of the Group as at and for the years ended 31 December 2020 dated 25 May 2021 ("**FY20 Consolidated Financial Statements**"), 31 December 2019 dated 24 July 2020 and 31 December 2018 dated 31 May 2019, respectively (collectively with the FY20 Consolidated Financial Statements, "**Consolidated Financial Statements**"), which have been prepared in accordance with IFRS and audited by the Group's independent auditors, PwC, as stated in their report appearing therein.

In addition, this Prospectus includes the unaudited condensed consolidated interim financial statements of the Group as at and for the three months ended 31 March 2021 with comparative figures as at and for the three months ended 31 March 2020 ("**Interim Financial Statements**"), which have been prepared in accordance with the International Accounting Standard no. 34 on "Interim Financial Reporting" as adopted by the EU ("**IAS 34**") and the figures for the period 1 January to 31 March 2021 and as at 31 March 2021 have been reviewed by the Group's independent auditors, PwC as stated therein.

Apart from the Consolidated Financial Statements, the Prospectus does not contain financial information which has been audited by the Company's auditor. Unless otherwise stated, financial information included herein as at and for the years ended 31 December 2020, 31 December 2019 and 31 December 2018, respectively, has been derived from the Consolidated Financial Statements.

The functional currency of each entity within the Group is translated into Danish Kroner at the balance sheet date. Financial information that has previously been published for any financial year can differ from subsequently published financial information due to the retrospective implementation of changes in accounting policies and other retrospective adjustments made in accordance with IFRS. See “*Part III—Section 8.5.3 Translation from functional currency to presentation currency*.”

The Group as of 1 January 2018 adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2018. Therefore, comparative figures as at and for the year ended 31 December 2018 are not restated. In implementing IFRS 16, the Group has recognized lease assets of DKK 65.6 million and lease liabilities of DKK 65.6 million. The equity effect of applying the standard was therefore nil at the date of initial application. See “*Part III—Section 8.5.2 Early Adoption of IFRS 16 “Leases”*” For further details please refer to note 1.1 of the Consolidated Financial Statements as at and for the year ended 31 December 2018. The Company currently does not anticipate any retrospective implementation of changes in accounting policies or other retrospective adjustments. However, any such retrospective implementation of changes in accounting policies and other retrospective adjustments made in accordance with IFRS may affect subsequently published financial information.

Non-IFRS Measures

This Prospectus as well as the Consolidated Financial Statements and the Interim Financial Statements include a presentation of certain financial measures that are not measures of performance specifically defined by IFRS and which constitute alternative performance measures (“**APMs**”) including as defined in the European Securities and Market Authority Guidelines on Alternative Performance Measures dated 5 October 2015. Such measures are used by management to monitor the underlying performance of the Group and the Company. These measures are unaudited and may not be indicative of historical operating results, nor are such measures meant to be predictive of future results.

The Company presents these APMs because it considers them important supplemental measures of the Group’s performance and believes that they are widely used by investors in comparing performance between companies. However, not all companies may calculate these APMs in the same manner or on a consistent basis, and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the APMs contained in this Prospectus and they should not be considered as a substitute for revenue, profit for the period or other financial measures computed in accordance with IFRS.

The following financial measures included in this Prospectus are not measures of financial performance or liquidity under IFRS (for a reconciliation of these APMs to an appropriate measure calculated in accordance with IFRS. See “*Part III—Section 8.3 Non-IFRS measures*”).

This Prospectus includes the following APMs.

Special items consist of non-recurring income or costs which is not a part of the Company’s normal activities and collectively significant to the Group’s performance, and includes the cost of raising capital. No such income or costs have been recognized as special items in 2020.

EBITDA before special items is defined as operating profit (EBIT) excluding amortization, depreciation and special items.

EBIT before special items is defined as profit before financial income and expenses and tax and special items.

Rounding Adjustments

Rounding adjustments have been made in calculating some of the financial information included in this Prospectus. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Trademarks, Patents and Copyrights

Solely for convenience, the trademarks, trade names or service marks, patents and copyrights referred to in this Prospectus are listed without the ©, ® or ™ symbols.

Foreign Currency Presentation

The Company publishes the Group's financial information in Danish kroner. Unless the Company notes otherwise, all amounts in this Prospectus are expressed in Danish kroner.

As used herein, references to (i) "Danish kroner" or "DKK" are to the Danish kroner, the lawful currency of Denmark; (ii) "euro", "EUR" or "€" are to the euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community, (iii) "U.S. dollar", "USD" or "\$" are to the United States dollar, the lawful currency of the United States of America and (iv) "SGD" are to Singapore dollar, the lawful currency of Singapore.

PART III—DESCRIPTION OF THE COMPANY

1. Persons responsible, third-party information, experts' reports and competent authority approval

1.1 Persons responsible and approval from competent authority

See “*Responsibility statement*” for more details.

1.1.1 Experts' reports and third-party information

This Prospectus does not contain any expert statements or expert reports, other than the statement of the auditors and financial reports included in the F-pages. For details on information sourced from third parties, see “*General information—Third-party information*”.

2. Auditors

The Company's independent auditors are: PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (“**PwC**”), CVR no. 33771231, Strandvejen 44, 2900 Hellerup, Denmark.

PwC is represented by Gert Fisker Tomczyk, State Authorised Public Accountant (mne9777) and René Otto Poulsen, State Authorised Public Accountant (mne26718), both members of FSR—Danish Auditors, the Danish association for state-authorised public accountants, (FSR—Danske Revisorer).

The audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 (“**FY20 Consolidated Financial Statements**”), 31 December 2019 and 31 December 2018 collectively with the FY20 Consolidated Financial Statements, “**Consolidated Financial Statements**” have been audited by the Group's independent auditors, PwC, and are incorporated by reference. The unaudited condensed consolidated interim financial statements (“**Interim Financial Statements**”) of the Group as at and for the period ended 31 March 2021 have been reviewed by the Group's independent auditors, PwC, and are incorporated in the F-pages of this Prospectus.

3. Risk Factors

See “*Part II—Risk Factors*” for more details.

4. Information about the Issuer

4.1 Name and registered office

Aquaporin A/S
Nymøllevej 78
DK-2800 Kgs. Lyngby
Denmark
Legal Entity Identifier (LEI): 894500AW5ZWMYUZN1V70
Telephone: (+45) 82 30 30 82
E-mail: aquaporin@aquaporin.com
Website: www.aquaporin.com

The Company is registered with the Danish Business Authority under CVR no. 28315694. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

4.2 Country of incorporation, date of incorporation and governing law

The Company was incorporated as a private limited liability company (in Danish “*anpartsselskab*”) under the laws of Denmark on 1 January 2005 and was converted into a public limited liability company (in Danish: “*aktieselskab*”) under the laws of Denmark effective as of 21 November 2007. The Company is subject to Danish law.

5. Market and Industry

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Group's analysis of sources as listed in "General Information—Third-party Information". Such information has been accurately reproduced, and, as far as the Group is aware from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

5.1 Brief introduction to Aquaporin

Aquaporin is a water technology company headquartered in Denmark with operations in Denmark, Singapore and the United States. 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. 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. It uses this proprietary Aquaporin Inside technology to develop and produce water purification membranes and water purification systems.

The Company is currently focused on bringing its products to market in the drinking water segment where it will produce clean drinking water for residential purposes, in the industrial water segments for wastewater treatment (including the textile industry) and in the food and beverage segment to concentrate liquid products. The Company markets its products through the Aquaporin Inside brand, and uses a network of commercial partners, distributors and research collaborators to reach customers across the world.

5.2 An increasing demand for clean water globally

Access to clean freshwater is essential to human existence as well as the overall ecosystem. Freshwater is not only a basic human need but also a prerequisite for agricultural and industrial development and production. While the surface of the Earth is almost three-quarters water, freshwater amounts to less than 3% of the world's total water resources with the majority locked-up in glaciers, ice caps and places that are difficult to reach (e.g. deep underground reservoirs). Water consumption has been growing globally at more than twice the rate of population increase during the last century and today water scarcity affects every continent. A number of megatrends are driving a higher need while at the same time reducing availability of clean freshwater supplies, including:

- Population growth and rising living standards: World population is growing rapidly with living standards increasing as well leading to increased need for water treatment
- Global warming: Extreme weather situations, including droughts and depletion of existing water resources;
- Industrialization: Increasing need for treatment of water used in industrial processes and waste water;
- Health focus: Poor water quality leading to increased need for water purification;
- Urbanization: Increased pollution, reduced water quality and increased sanitation needs;
- Resource constraints: Increased environmental focus and regulation limiting water-wastage and the need for increased water recycling.

By 2050, OECD estimates that the worldwide water demand will increase by more than 50% compared to 2000 with manufacturing (400% increase) and domestic use (130% increase) being among the leading drivers. Meanwhile, water supply is significantly decreasing; industrialization and urbanization is disrupting potable water reserves and NASA has discovered that 21 of 37 of the world's largest aquifers are currently being depleted. In addition, other freshwater sources are rapidly becoming polluted beyond repair and the overall water infrastructure is increasingly ageing, leading to loss of treated clean water through leaks in public water systems. As a result, by 2050 it is estimated that 45% of global GDP will be at risk due to water stress.

As a result of the distressing correlation between demand and supply, more than 240 million people worldwide are estimated not to have access to safe water by 2050 unless new water policies are introduced¹, and already by today more than 1.4 billion people live in areas of high or extremely high water vulnerability, including 450 million children.

Fortunately, governments and companies across the world are actively working towards mitigating or even solving the water scarcity issue by supporting and leading the change towards a more sustainable approach to the world's water resources and by introducing new technologies that can support such change. In recent years, this has been further intensified as a result of legislative and consumer pressure on companies to introduce environmentally friendly water purification solutions.

5.3 Introduction to water purification and reverse osmosis / forward osmosis technologies

Water purification is the process by which impurities and contaminants are removed from water. The major purpose of water purification is to provide clean drinking water and to treat wastewater streams from residential uses. In addition, water purification also meets the needs for clean water in several industrial sectors such as chemicals, food processing and textile processing.

While numerous water purification technologies exist, this section will be centered around the areas which the Company is active in; reverse osmosis and forward osmosis applied within water purification as well as water purification systems. Both reverse osmosis and forward osmosis are used to diffuse water from one side of a membrane to the other, filtering out dissolved solids, ions and other undesirable compounds in the process. The main difference between the two technologies is how water is driven through the membrane. In reverse osmosis, water is forced through the membrane using hydraulic pressure, while forward osmosis uses natural osmotic pressure to induce the flow of water through the membrane.

While reverse osmosis is generally a well-established technology across water purification markets, the application of forward osmosis is less widespread and is typically an emerging technology that is offering various technological advances and benefits compared to existing technologies.

The technologies developed by the Company compete with a range of other water purification technologies and products, such as gravity based purifiers, pitchers, bottled water, conventional reverse osmosis and evaporators.

5.4 Aquaporin's addressable market

Within the global water purification market that contains multiple technologies and applications, the Company is currently active in three markets that it defines as its primary markets:

- Drinking water – premium reverse osmosis membranes and appliances
- Industrial water – reverse osmosis and forward osmosis membranes and system solutions
- Food and beverage – reverse osmosis and forward osmosis membranes and system solutions

Further, Aquaporin is developing technologies and products to target two additional markets albeit based on technologies and products that are less mature than those of its primary markets:

- Medical devices – Forward osmosis membranes
- Desalination – Reverse osmosis membranes

By 2022, the Company believes based on data from 2017 that the overall addressable market for reverse osmosis and forward osmosis membranes and systems can be estimated to amount to EUR 37.5 billion. Including only the premium segment of the Drinking Water Market (excluding the cheaper bottom of the market), the addressable market is estimated at EUR 18.6 billion, including the markets of membranes for desalination and medical devices which is not the initial focus of the Company. Including only the three primary markets (premium drinking water, industrial water and food and beverage) leads to an estimated total addressable market ("TAM") of EUR 18.0 billion. The three primary markets consists of addressable market for appliances and system solutions totaling approximately EUR 13.5 billion and a market for membranes totaling approximately EUR 4.5 billion. The addressable markets are generally showing attractive annual growth rates in the range of

¹ Savethewater.org / OECD

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.

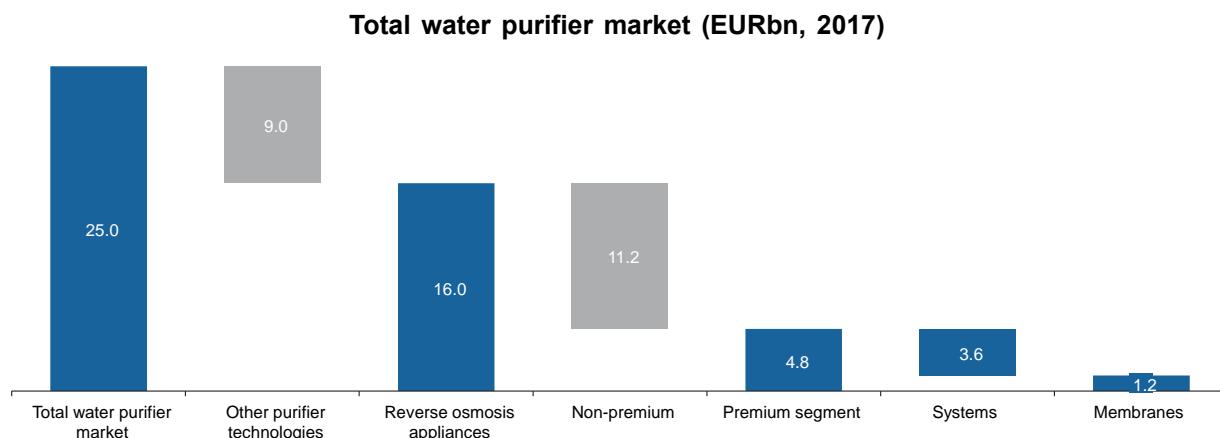
The following sections describe each of the Company's addressable markets.

5.4.1 Drinking Water

The market for drinking water purification is in general divided between point-of-use and point-of-entry drinking water purifier devices and solutions. Both point-of-use and point-of-entry devices provide the end-user with the ability to purify water directly from the tap or water grid, thereby removing unwanted substances, including, for example, contaminants, bacteria and toxins, as well as improving taste.

For point-of-use, water is filtrated locally just before being tapped through faucets, taps or appliances. The filtration happens as water flows through small membrane elements that are integrated in appliances close to the sink or tap. Point-of-use products are either sold to consumers through retailers or online channels, or sold to appliance manufacturers providing e.g. refrigerators or water purifiers. Such manufacturers sell the products to end-users, which typically include households, individual consumers or smaller scale restaurants and bars. The point-of-use market includes numerous players offering products both at the top-end and bottom-end of the price range.

For point-of-entry, water is filtrated at point of entry before being distributed to single taps and faucets in a building. Point-of-entry filtration occurs as water runs from the grid into a building through a larger membrane. The products are usually sold to plumbers, property developers and construction companies as well as to larger business-to-business ("B2B") customers. End-users include residential houses, apartment complexes, hospitality (including hotels and restaurants), public institutions (including schools and hospitals) as well as other commercial buildings such as office complexes.



The total drinking water purifier market in 2017 amounted to an estimated EUR 25 billion with approximately 70% generated from the sale of point-of-use devices and the remainder generated from the sale of point-of-entry devices. The market for appliances based on the reverse osmosis technology is estimated to constitute an estimated EUR 16 billion and includes appliances within all price segments, including the premium segment which Aquaporin is active in. The premium segment is estimated to constitute 30% of the total reverse osmosis appliances market, estimated to be approximately 4.8 billion. Appliances that are not based on the reverse osmosis technology (such as gravity based and carbon filter pitchers) are typically not in direct competition with reverse osmosis based appliances due to different price points and purification ability.

The premium segment can be further divided into systems and membranes. Systems include appliances such as the aforementioned point-of-use devices using membranes. The systems market is estimated to make up 75% of the premium segment, totaling EUR 3.6 billion in 2017. The market is expected to grow at an 11% compound annual growth rate ("CAGR") towards 2022, reaching EUR 6.1 billion. Membranes are typically sold as part of an appliance while a large part of the total membrane market is driven by replacement membranes sold to the growing base of installed devices. Membranes are estimated to make up 25% of the premium segment in 2017, totaling approximately EUR 1.2 billion. The premium segment is expected to reach EUR 2.0 billion by 2022, growing at a CAGR of 11%.

Growth in reverse osmosis membranes and appliances is generally driven by a sub-par drinking water quality across emerging and developed countries and regions as well as an increased health focus among consumers. It is the view of the Company that the COVID-19 pandemic has led to an increased focus by consumers on availability of clean household drinking water which in turn has led to an increase in the market for point-of-entry drinking water purifier devices. While point-of-entry and point-of-use products are advantageous and useful to end-users across the world, Asia is by far the largest market for premium reverse osmosis membranes.

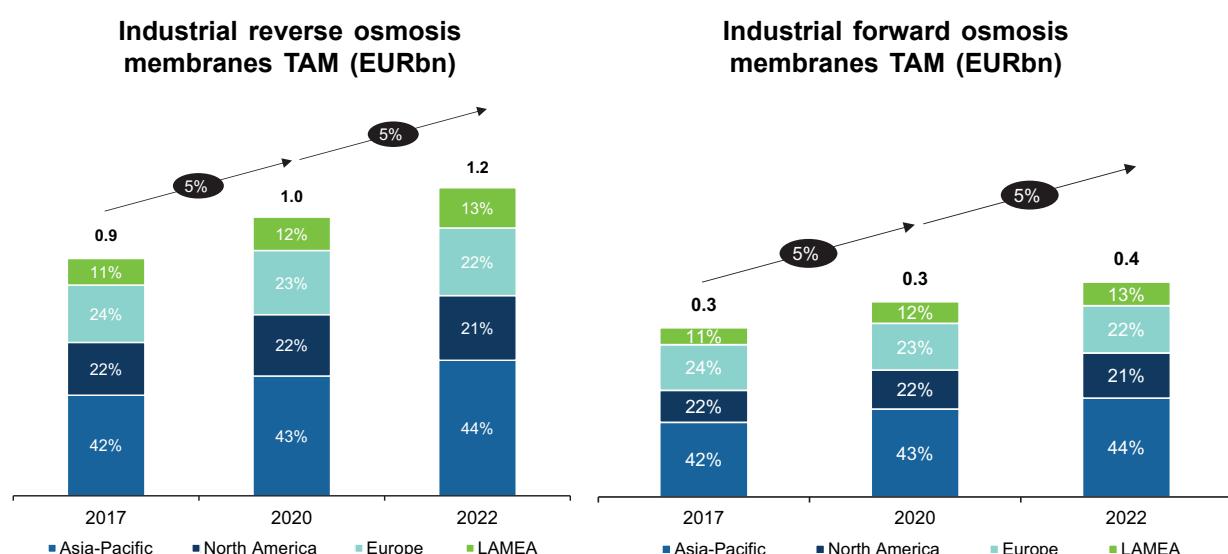
5.4.2 Industrial Water

Industrial water is the traditional water market containing smaller industrial lines with capacities of 10-100 m³/day up to large municipal plants with capacities of 100,000-1,000,000 m³/day. Membrane treatment of water in the industrial water market is typically based on advanced solutions that are often used to generate clean process water for industry and to treat wastewater, for example, for reuse or to ensure that discharged water is purified in order to meet discharge requirements.

While reverse osmosis within industrial water treatment is a well-established process with a large and developed market, forward osmosis represents a relatively smaller and less mature market based on new process technologies with promising prospects in terms of future applications and a large growth potential. Forward osmosis technology typically allows for treatment of more difficult waters than with existing technologies, including evaporators.

Reverse osmosis membranes are typically applied as final stage water treatment to purify water for specific end-user requirements. The requirements vary by industry but involve removal of total dissolved solids ("TDS"). Main end-markets include textile, energy, semi-conductors, pharma, food and beverage as well as other industries. Customers within the industries mentioned include process original equipment manufacturers using filters as components of total solutions or systems, consultants or integrators delivering or operating solutions on behalf of end-users as well as large end-user companies that seek tailored solutions. The reverse osmosis market is generally established and growing and represents a large installed base of water treatment systems that need regular membrane replacements.

Applications of forward osmosis membranes include separation of water from unwanted substances to be disposed, and a key application for forward osmosis membranes today is within zero liquid discharge. Forward osmosis for zero liquid discharge is an example of a new technology introduced, which competes with existing technologies such as evaporators. Zero liquid discharge ensures that no effluent (wastewater) is discharged, thereby preventing potential contamination of the environment. Forward osmosis is applied in several end markets and the main ones include power, mining and semi-conductors as well as other industries. The customers resemble those purchasing reverse osmosis membranes.



The total addressable market for reverse osmosis membranes used for industrial water treatment is estimated at EUR 0.9 billion in 2017 and is expected to amount to approximately EUR 1.2 billion by

2022. The market for forward osmosis industrial water treatment membranes within zero liquid discharge is estimated at EUR 0.3 billion in 2017 and expected to reach approximately EUR 0.4 billion by 2022. Both the reverse osmosis and forward osmosis markets are expected to grow at a 5% CAGR from 2017 to 2022. The market for total systems (not shown in the chart above) is estimated to make up approximately EUR 3.7 billion in 2017, growing at a 5% CAGR and expected to amount to approximately EUR 4.7 billion by 2022. The main geographies for reverse osmosis and forward osmosis membranes for industrial water treatment use is Asia-Pacific with more than 40% of the total market as well as North America and Europe.

5.4.3 Food and Beverage

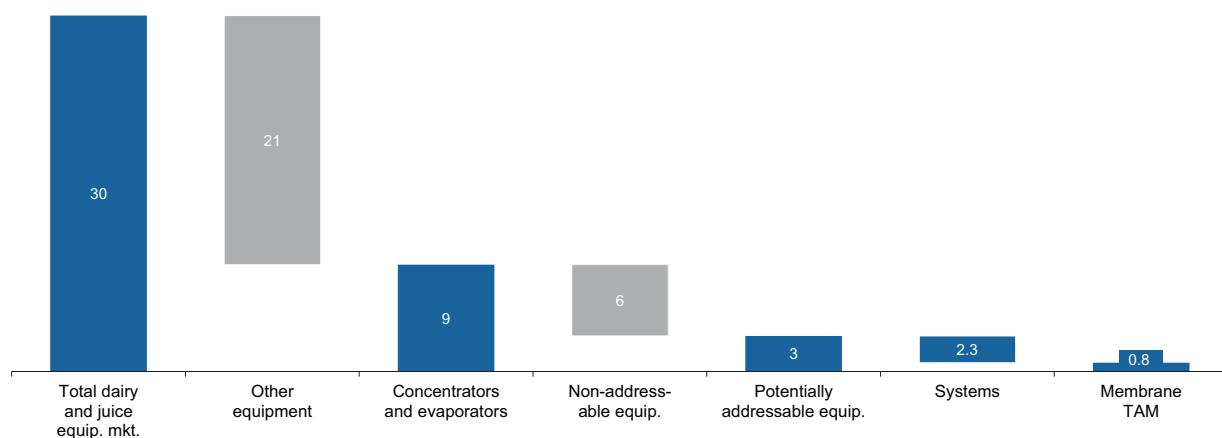
Within processing of food and beverage, evaporators and membrane concentrators are applied to concentrate liquids such as coffee, tea, juice or dairy products as well as food ingredients. Today, evaporators and membrane concentrators are widely used technologies, but new technologies and systems based on reverse osmosis/forward osmosis membranes promise benefits in terms of lower energy intensity, more gentle and efficient processes and ultimately higher quality products compared to traditional evaporators as this reverse osmosis/forward osmosis technology can produce a more concentrated product compared to other membrane processes (such as reverse osmosis) while maintaining fragrance and flavor.

Forward osmosis membranes can be applied to create concentrates (cold concentration) within different foods and beverages. While reverse osmosis membranes can achieve up to 2x concentration, forward osmosis membranes can achieve up to 20x pressure-less concentration without the need for heat, allowing for better preservation of food nutrients and taste properties. The application of forward osmosis membranes and systems within food and beverage processing is considered by the Company to be a promising segment based on the technology's favorable benefits such as overall lower costs, coupled with advantageous features such as preservation of flavors and aromas and achieving higher concentration.

Application of membranes within food and beverages is advantageous for production of juice concentrates, concentration of various dairy products, including whey milk and infant formula, as well as other concentrated flavors such as less conventional concentrates in order to improve quality and reduce transportation costs (for example for coffee or tea).

Customers within the food and beverage membrane segment include process original equipment manufacturers and integrators that use filters as components of total solutions and systems as well as larger end-user companies that seek tailored solutions, including, for example, complete concentration systems.

Total dairy and juice equipment market (EURbn, 2017)



Within the market for dairy and juice equipment, which is only a part of the overall food and beverage market, the total addressable equipment market (including both membranes and treatment solutions) in 2017 amounted to an estimated EUR 3 billion and is expected to grow at a 4% CAGR towards 2022, totaling EUR 3.6 billion by 2022. The market for membranes is part of the addressable equipment market and was in 2017 estimated to make up EUR 0.8 billion, growing at a 4% CAGR implying an expected market size of EUR 0.9 billion by 2022. The largest geography is Asia-Pacific

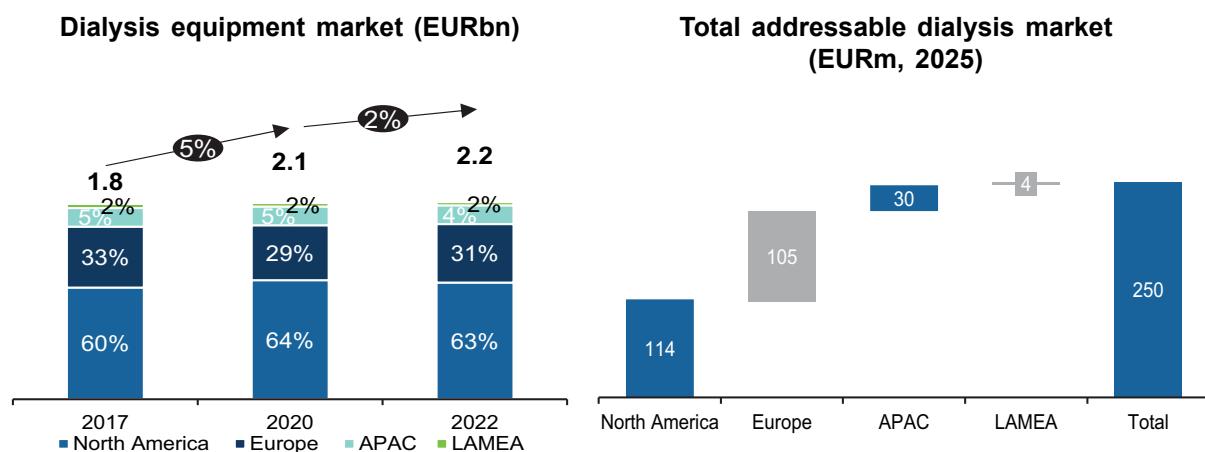
with an approximately 35% market share followed by North America and Europe each making up approximately 20-25% of the total market.

5.4.4 Medical devices

The Company's technology has a range of applications within medical devices, but the focus and most progressed is in dialysis. The primary applications of membranes for hemodialysis include a more sustainable dialysis treatment as well as portable and miniature medical devices, which has the potential to improve the quality of life for patients.

A typical four hour hemodialysis session requires around 300-400 liters of water, amounting to approximately 30,000 liters per year which is currently disposed, creating a significant need for reuse of water rather than disposal. Integration of forward osmosis systems into hemodialysis machines is expected to allow for safe and partial reuse of spent dialysate effluent, leading to 40-70% lower water consumption as well as energy reductions.

The hemodialysis market is comprised of various product sub-segments, with equipment and consumables estimated to make up approximately 15% of the total hemodialysis market. In addition, this subsegment for equipment and consumables can be divided into two when segmenting by end-users; market for multi-use membranes (in-center segment) and the market for single-use membranes (portable segment). The in-center segment is the predominant one estimated to account for approximately 95% of the market, while the portable segment is expected to become increasingly important in coming years, partly driven by the COVID-19 pandemic.



Hemodialysis equipment was estimated to be a EUR 1.8 billion market in 2017, of which forward osmosis membrane opportunity is estimated to be approximately EUR 0.2 billion by 2022, growing at a 4% CAGR mainly driven by development in a number of hemodialysis machines supported by increasing number of patients.

5.4.5 Desalination

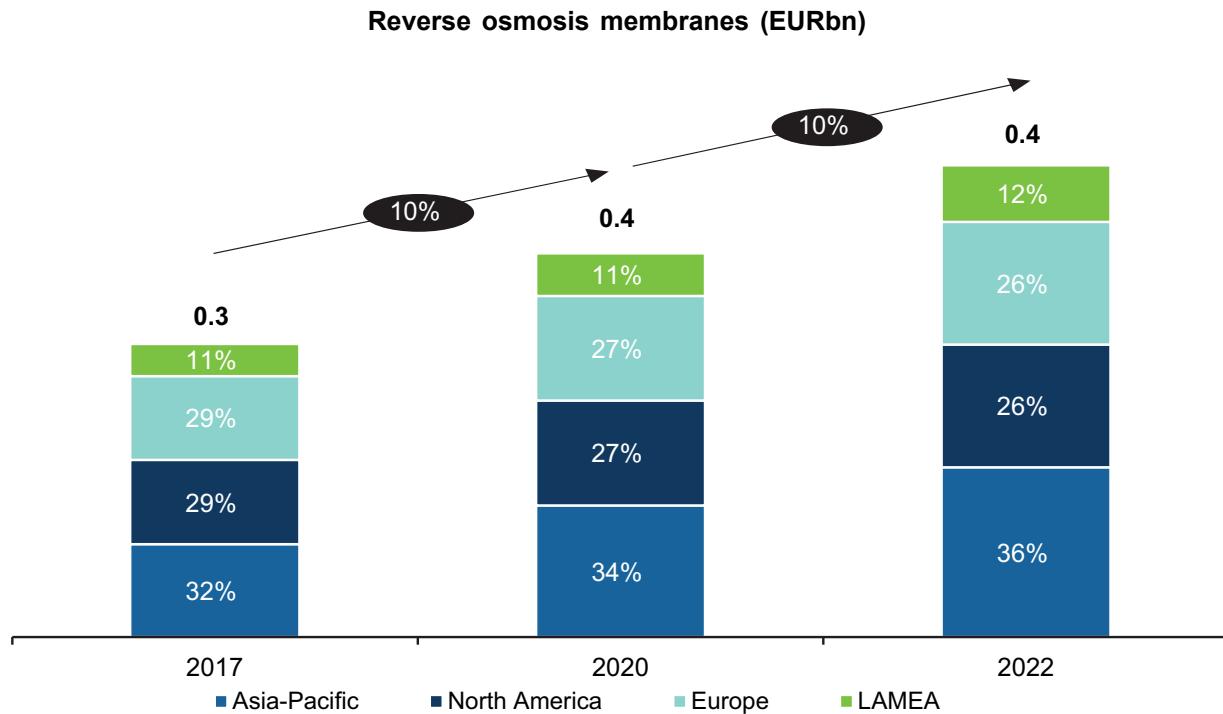
Desalination is a specialized market of mega-installations which generates potable water from seawater or brackish groundwater. Despite mainly having been applied in the Middle East, scarcity of water is expected to drive the further development of desalination, thereby potentially widening the application to other geographies within the coming decade.

Desalination can be performed through the use of reverse osmosis membranes. Reverse osmosis membranes include large scale membrane elements and membrane element banks. Such membranes can desalinate sea water with a typical salt content of approximately 30-40 grams per liter and brackish water with salt content of up to approximately 30 grams per liter.

Reverse osmosis membranes are applied in the process of removal or extraction of salt and other minerals from a water source with the aim of producing water for human consumption or irrigation, and is further applied for supply of water for industrial applications and processes. Forward osmosis membranes can be applied as well, and also as a pre-treatment for any reverse osmosis application, although estimated to be financially viable only in a small portion of use cases.

End-users interested in desalination process solutions include municipal or government-owned desalination plants supplying water to population as well as larger industry players with own desalination plants to support industrial processes, including petrochemical processes or refineries.

Consultants or integrators operating desalination plants on behalf of municipalities or governments are among main customer types, along with original equipment manufacturers designing and assembling desalination reverse osmosis systems.



The market for reverse osmosis membranes for desalination was estimated to be EUR 0.3 billion in 2017 and is expected to grow at a 10% CAGR towards 2022, totaling EUR 0.4 billion, with the majority of the market being in Asia-Pacific (approximately 35% market share) followed by North America and Europe. Compared to other water purification sub-segments, the market for desalination is relatively modest in terms of size despite the strong rationale of being able to convert salt water into clean drinking water. The modest size is in part driven by the high level of energy required to desalinate salt water and hence the significant costs related to the techniques applied to date. The application of aquaporin based reverse osmosis membranes with low energy requirements will bring down costs and thereby providing a sustainable solution going forward.

5.5 Competitive landscape

For each market, the competitive landscape can be divided between reverse osmosis and forward osmosis applications. The competition within the market for reverse osmosis applications is largely developed, while the forward osmosis market offers opportunities for new entrants to make a presence.

Within reverse osmosis, all the major global players have comparable performance and compete fiercely on price and on reliability, making room for a clearly differentiated product. Competitors include conglomerates operating within materials industrial components who typically regard the membrane business as bordering commoditization, focusing on cost rather than new features or improved performance.

In the forward osmosis market, different product configurations entail that product comparisons are done on a total cost of ownership basis as opposed to solely technical performance. Important competitive parameters, besides price and water production per element, include overall lifetime, chemical and physical resilience as well as fouling propensity. Most competitors are smaller entrants with forward osmosis processes, including some companies that offer own membranes. While some forward osmosis players market their own membranes, the Company is the sole forward osmosis

membrane producer in the market that is adding a biomimetic formulation (Aquaporin Inside) to the membrane.

The following table provides an overview of main competitors within each end market.

Aquaporin end markets	Key membrane competitors Reverse Osmosis				Key membrane competitors Forward Osmosis			
	Drinking water reverse osmosis membranes ("DWRO")							
Drinking water	<i>DuPont</i> (Filmtec)	<i>Toray</i> (CSM)	<i>SUEZ</i> (GE)			N/A		
	Brackish water membranes ("BWRO")				Waste-water dewatering			
Industrial water	<i>DuPont</i> (Filmtec)	<i>Toray</i> (CSM)	<i>Nitto Denko</i> (Hydranautics)	<i>LG Chem</i>	<i>Toray</i>	<i>Fluid Technology Solutions</i> (H_2O)		
	Brackish water membranes ("BWRO")				Cold-concentration in F&B			
Food & beverage	<i>DuPont</i> (Filmtec)	<i>NittoDenko</i> (Hydranautics)	<i>Alfa Laval</i>	<i>Koch Membrane Systems</i>	<i>Porifera</i>	<i>Fluid Technology Solutions</i> (H_2O)		
Medical devices		N/A			Haemodialysis			
					No competitors			
	Seawater membranes				Forward osmosis desalination			
Desalination	<i>DuPont</i> (Filmtec)	<i>Toray</i> (CSM)	<i>Nitto Denko</i> (Hydranautics)	<i>LG Chem</i>	<i>Toyobo</i>	<i>Fluid Technology Solutions</i> (H_2O)		

The market for drinking water (point-of-entry and point-of-use) is characterized by a relatively large number of market participants being present, providing a large range of reverse osmosis water purifier systems and membranes across all tiers in terms of quality and pricing. Key competitors within the market include, among others, DuPont and Toray.

The industrial water market is considered as having high barriers to entry as a result of conservative market participants exemplified by the one to three years needed for validation of technology, strict contractual requirements in terms of financial warranties and large volume demand by customers requiring large scale productions, which is typically only possible to be fulfilled by larger market participants. Main market entrants within the segment include DuPont and LG Chem within brackish water reverse osmosis membranes and Toray and Fluid Technology Solutions within forward osmosis-based waste-water dewatering.

In the food and beverage segment, new market entrants are required to have obtained certifications (for example, FDA and EFSA approvals for food-contact material), leading to barriers to entry. The end-users are generally perceived as interested in innovative solutions and open for new technological solutions. Key market players include DuPont and Nitto Denko within reverse osmosis BWRO membranes and Porifera and Fluid Technology Solutions within forward osmosis-based cold concentration membrane solutions.

The desalination segment is characterized by significant barriers to entry as a result of customers being relatively risk averse and less inclined to engage with new vendors, which is partly explained by the large sized projects coupled with low margins and long lifetimes. As a result, a proven track record as well as the financial capacity to cover potential penalties that may arise in case of membrane failures are needed for new market entrants. In addition, time for technology validation is long (up to three to five years) to allow for pilots and durability tests. The characteristics described are reflected in the competitive landscape, as mainly larger players are present, including DuPont and LG Chem within membranes for reverse osmosis seawater desalination, and Toyobo for forward osmosis desalination.

6. Business

6.1 Overview of the business

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 Group uses this proprietary Aquaporin Inside technology ("Aquaporin Inside") to develop and produce (i) water purification membranes that it supplies to system providers who can incorporate these membranes in their own end-products and (ii) water purification systems (for instance to purify drinking water and to be used in food and beverage processing). The Group's products are sold directly from the Group's headquarters in Denmark or through distributors to end-users.

The Company's products can be used in multiple industries and in various applications. The Group's product portfolio reflects product development for several market segments and sub-segments at different maturity stages. The Company currently is focused on bringing the Group's products to market (i) in the drinking water segment where it will produce clean drinking water for residential purposes, (ii) in the industrial water segments for wastewater treatment (including the textile industry); and (iii) in the food and beverage segment to concentrate liquid products. The Group targets these segments first and foremost as the Group believes the Group's product portfolio is well-positioned to meet the technology needs of these industries. In addition, the Company is supplementing these focus segments by developing market intelligence and products for other market segments, such as medical devices, including for hemodialysis, and desalination. The Company markets the Group's products through the Company's Aquaporin Inside brand, which was established in 2011 and uses a network of commercial partners, distributors and research collaborators to reach customers across the world.

The Group is also a United Nations (UN) Global Compact signatory and is committed to its ten principles. The Group supports UN Global Compact to drive business awareness and action in support of achieving the Sustainable Development Goals ("SDGs") by 2030.

Aquaporin Inside is based on the aquaporin protein, which is a protein that can be found in living cells and transports water across cell membranes. Aquaporins were discovered in 1992 by Peter Agre (a Bloomberg Distinguished Professor at the Johns Hopkins Bloomberg School of Public Health and Johns Hopkins School of Medicine) who received a Nobel Prize for this discovery in 2003. The Company has produced a stable and active formulation for this aquaporin protein, which allows the protein to stay functional. As a result of this, the Company is able to produce industrial membranes that mimic nature's way of filtering water. The Company produces both (i) reverse osmosis membranes, which produce clean water through application of external (hydraulic) pressure, a technique that is widely implemented by various industry stakeholders for a wide range of applications, including purifying industrial wastewater and desalination, and (ii) forward osmosis membranes that concentrate substances by extracting water using osmotic pressure, a method which is not widely used today. As of the date of this Prospectus, the Company holds 17 patents across 14 patent families.

The Company's quality management system is ISO 9001:2015 certified, which is a well-recognized international standard helping to specify requirements for a quality management system and ensuring that products and services always meet high-quality standards and customer's requirements. The Company also has NSF International NSF/ANSI 58 and NSF/ANSI 61 product certifications for Aquaporin Inside reverse osmosis products and NSF International NSF/ANSI 58: Drinking Water Treatment Units and NSF/ANSI 61: Drinking Water Components certifications. These certificates are required to sell in the United States and a range of markets across the world. In addition, the Company, in 2020, secured a positive Food and Drug Administration ("FDA") evaluation for the Aquaporin Inside membranes enabling the use of the membranes in the food and beverage Industry in the United States. In addition, based on the positive evaluation from the FDA, the Company can declare compliance to the relevant legislation in Europe (1935/2004/EC), which allows it to also target the food and beverage Industry in Europe.

The Group has historically focused the Group's operations on product development and has as a result not yet generated any significant revenue (with a total revenue from product sales in the drinking water and industrial water segment in 2020 of DKK 2.7 million compared to DKK 2.3 million in 2019 and royalties and milestone payments in 2020 of DKK 2.8 million compared to DKK 3.8 million in 2019). However, since inception, the Group has developed a mature technology platform that can be used to increase commercialization in the mid-term. As of 31 May 2021, the Group has received orders for approximately 50,000 m² of flat sheet since launch of which 30,000 m² has been delivered and invoiced, resulting in a total revenue of approximately DKK 1 million. The Company is further in strategic discussions for flat sheet which could potentially result in the sale of more than 2 million m² per year. In addition, the Group has sold approximately 300 units of its ZERO water purification system and 50 units of its ONE water purification system since the launch of each such product in November 2020 and April 2021 respectively, generating a total revenue of DKK 0.8 million. In addition, the Group is currently conducting 14 pilot projects in Industrial Water (both research and development related and commercial) in more than 10 countries as well as several pilot trials for DWRO which could potentially lead to orders for membrane elements exceeding 10,000 units. In addition, the Group is conducting five pilot projects within the food and beverage segment. For a description of these products see "*Section 6.8.2 Key Applications*". The Group currently has three sales offices in Denmark, US and Singapore and two research and development centres in Denmark and Singapore.

6.2 History and development

6.2.1 Inception and technology development

The Company was co-founded by Peter Holme Jensen in 2005 with seed financing from Teknologisk Innovation A/S in 2007 and has the objective to develop selective membranes for the filtration, separation and concentration of solutions and liquids.

In 2007, MGC joined the group of shareholders, and MGC has since then been the largest shareholder of the Company.

The Aquaporin Inside brand was established in 2011 and the Company obtained the Company's first patent covering the Aquaporin Inside technology in 2016, based on an application filed in 2013, and has expanded the Group's patent portfolio with additional patents in Europe (including Denmark), the United States, Canada, Israel, South Korea, Australia, Japan, Singapore.

Since inception the Company has received multiple awards for the technology the Company has developed, including the European Biomimetic Membranes Technology Innovation Award in 2009.

6.2.2 Testing and proof of concept

In 2010, the Company entered into an agreement with NASA to explore the possibility of utilizing the Company's Aquaporin Inside technology to purify and re-use water in space.

In 2011, the Company ventured into Asia through the Company's newly established subsidiary, Aquaporin Asia Pte Ltd., which was initially co-founded with DHI Water & Environment, Singapore and Nanyang Technological University, who sold its equity stake to the Company in 2018. Apart from sales and business development for the region, Aquaporin Asia also has key research and development functions for the Group, including membrane pilot production. That same year the Group could demonstrate lab-scale proof-of-concept by showing high flux and rejection rates of the Group's membranes.

In 2012, the Company received the European Frost & Sullivan Award for Technology Innovation in 2012 from Frost & Sullivan.

In 2013, the Group produced the Group's first Aquaporin Inside forward osmosis flat sheet, which formed the first basis for the current Drinking Water Reverse Osmosis ("**DWRO**") flat sheet product.

In 2014, the Company Aquaporin A/S was awarded the European Inventor Award 2014 and named the most innovative small/medium-sized entity in Europe by the European Patent Office. Aquaporin Asia was also awarded the 2015 Frost & Sullivan Singapore Water Technology New Product Innovation Award.

In 2014, the Company expanded the Group's operations into China as a result of the Company entering into a strategic commercial partnership agreement with two Chinese partners, Interchina Water Treatment Hong Kong Company Limited ("**Interchina**") and Poten Environment Group (HK)

Limited (“**Poten**”). As part of the partnership agreement, Interchina and Poten became minority shareholders of the Company and a joint venture company, Aquapotenz Company Ltd., was established. This joint venture is currently not active.

6.2.3 Production scale-up and piloting

In 2015, Danica joined the group of shareholders, and Danica has since been the second largest shareholder of the Company.

The Company moved to its new headquarters in Lyngby in 2016 which facilitated the scale-up of production processes.

In 2016, Aquaporin A/S invested in Golgi ApS, a start-up company that is to upscale and manufacture aquaporin proteins in kilo gram scale for the Company. The Company subsequently fully acquired Golgi ApS in 2017 from among others, Aquaporin’s current board member Lars Hansen and CEO Peter Holme Jensen. With this acquisition, Aquaporin took full control of a critical part of the Group’s supply chain. Later that year, the Company further strengthened the Group’s operations in Asia when the Company entered into a partnership agreement with Pure Water Enterprises Pvt Ltd. in India.

2016 marked the launch of the Group’s first flat sheet reverse osmosis product for household purifiers in the Group’s drinking water segment. That same year, the Group for the first time started lab scale testing and process development for forward osmosis using Aquaporin Inside

In 2018, the Group launched the Group’s first product using forward osmosis, module HFFO2 in the Group’s industrial water segment for lab-scale tests and the industrial size HFFO14. That same year, the Company received ISO 9001:2015 certification for Aquaporin A/S and Aquaporin Asia Pte. Ltd. and NSF International NSF/ANSI 58 and NSF/ANSI 61 product certifications for Aquaporin Inside Reverse Osmosis products. In 2018, the Company also established a U.S. presence by incorporating a U.S. subsidiary.

In 2018, the Company received the TechConnect Innovation Award 2019 – for its submission of the Aquaporin Inside technology to the Conference & Expo in Boston, MA, which recognizes the Company for the Company’s kilogram scale production of formulated aquaporin proteins.

In 2019, the Group launched the Group’s module HFFO14 and, to the Company’s knowledge, the Company became the first company in Scandinavian to achieve the NSF International NSF/ANSI 58: Drinking Water Treatment Units and one of very few for the NSF/ANSI 61: Drinking Water Components. The Company’s NSF certifications allow the Company to sell the Group’s products in the United States and a range of markets globally.

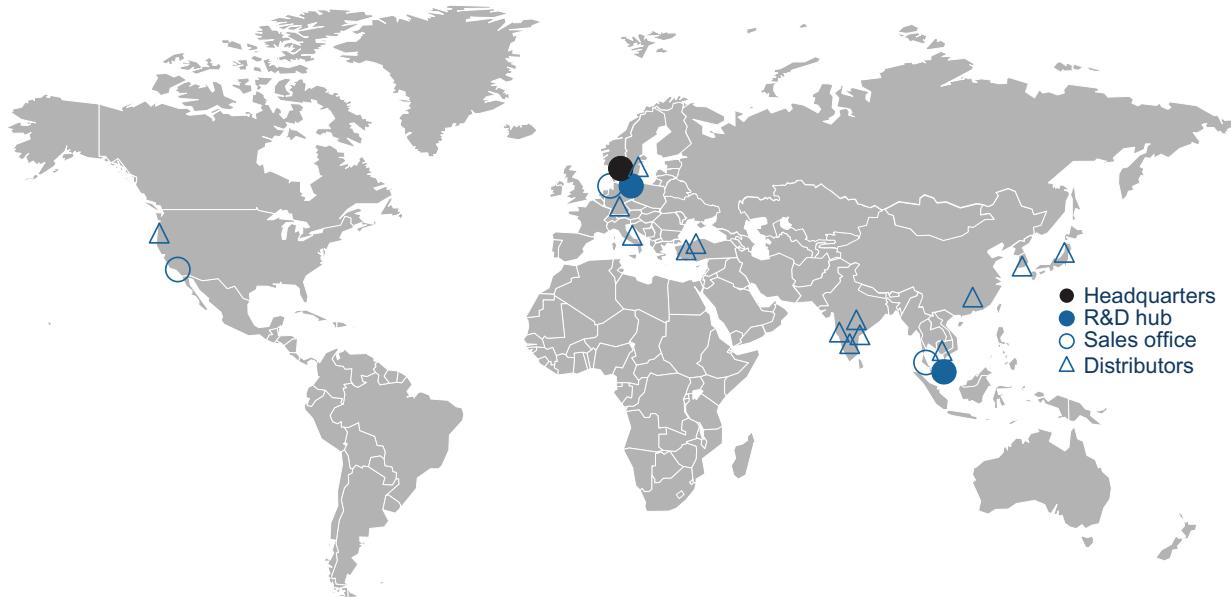
During 2020, the Company did a strategic transition from solely selling the Group’s membranes to system providers to also selling finished drinking water solutions, allowing the Company to better benefit from the growing demand for purifying water in private households. This transition was initiated with the launch of the Group’s first water purifier, ZERO. In addition, the Company secured a positive FDA evaluation, referred to as a Threshold Of Regulation exemption, for the Aquaporin Inside membranes enabling the use of the Group’s membranes in the food and beverage industry in the United States. In addition, based on the positive evaluation from FDA, the Company can declare compliance to the relevant legislation in Europe (1935/2004/EC), which allows the Company to also target the food and beverage Industry in Europe.

In 2021, the Company launched its second water purifier system ONE.

6.3 Geographic scope

The Company is a water technology company headquartered in Denmark with operations in Denmark, Singapore and the United States. The Group currently has three sales offices in Denmark, US and Singapore and two research and development centers in Denmark and Singapore.

The figure below shows the location of the operations of the Group and local distributors.



6.4 Strengths

6.4.1 The Company's membrane technology has a strong value proposition across the Group's core markets, including with respect to supporting United Nations Sustainable Development Goals ("SDG")

Aquaporin's membrane technology powered by the Aquaporin Inside formulation provides several benefits compared to traditional water purification systems, including offering

- a high water flux as aquaporin water channels move water molecules through a membrane at a high speed;
- a high rejection rate, as the membrane limits the passage of contaminants or loss of valuable compounds
- easy implementation in existing and new systems
- innovative technology at attractive pricing ensure cost competitiveness; and
- a product that uses nature's water filter as aquaporin proteins evolved over billions of years.

These benefits enable the Group's membrane technology to be applied in various applications to meet challenges within water purification, which is the process by which impurities and contaminants are removed from water. The two major purposes of water purification are to provide clean drinking and process water and to treat wastewater streams from industrial and residential uses. In addition, the Group's technology can also improve the concentration of liquids in the food and beverage industry.

In the drinking water segment, this technology provides safely filtered water using natures' own technology through reverse osmosis technology, which the Company believes has a high marketing and branding value to resellers.

Within the industrial water market, the use of membrane technology, especially forward osmosis membranes, can significantly improve the efficiency of water treatment and lower the cost of ownership when treating wastewater, as

- It is a simplified way of effluent treatment with fewer and faster processing steps compared to traditional evaporation methods and it partly/fully eliminates the need for primary, secondary and tertiary treatment (including chemical and biological treatments) used in traditional evaporation methods.

- The process is also energy efficient as it uses natural energy in the form of osmotic pressure to transport water through a filtration membrane, which improves efficiency without increasing energy use. According to a Frost & Sullivan article from 2012², an important criterion for the selection of Aquaporin Inside is the fact that forward osmosis membranes require 70% less energy than competing membrane filtration technologies to filter the same amount of water—and at considerably diminished pressures. The Company believes this to be a representative energy saving compared to similar treatment through evaporation technologies.
- Aquaporin Inside forward osmosis membranes enable the efficient extraction of water, leaving behind contaminants and reducing effluent and sludge volumes, which in turn minimizes waste and saves costs related to disposal or evaporation/crystallization in zero or minimal liquid discharge systems.
- Improvement of water recovery rates, i.e. increasing the potential to re-use water.

The Group's forward osmosis membrane technology can also improve the concentration of liquids in the food and beverage industry, by producing higher quality concentrated products compared to traditional evaporators as forward osmosis does not use heat or pressure, which also reduces energy costs. In addition, this technology can produce a more concentrated product compared to other membrane processes (such as reverse osmosis) while maintaining fragrance and flavour and is less prone to fouling given the lower pressure environment in which it operates. As a result, the Group's technology has the ability to promote innovation of new products and enable the development of higher quality products in the food and beverage industry.

In addition, the Group's product portfolio and technology contributes directly to the United Nations Sustainable Development Goals. See also “—Section 6.12 Sustainability”.

- Improving access to clean drinking water Goal 6: Clean water and sanitation



- Improving the efficiency of industrial water treatment Goal 12: Responsible Consumption and Production



- Reducing the need for plastic bottling of drinking water Goal 14: below water



- Seeking solutions in cooperation with partners globally Goal 17: Partnerships for the goals



- Application in medical devices Goals 3: Good health and well-being



6.4.2 Large addressable market for the Group's core technology, Aquaporin Inside, supported by global megatrends

Within the global water purification market, the Company is currently commercially active in three primary markets:

- Drinking water – premium reverse osmosis membranes and appliances.
- Industrial water – reverse osmosis and forward osmosis membranes and system solutions.

² https://en.prnasia.com/releases/global/Frost_Sullivan_Applauds_Aquaporin_A_S_for_its_Unique_Biomimetic_Membranes_The_Aquaporin_Inside_TM_Technology-67748.shtml

- Food and beverage – reverse osmosis and forward osmosis membranes and system solutions.

The above industries constitute a large addressable market which is driven by a number of global and regional megatrends that are expected to further increase the need for water and wastewater treatment going forward, including global warming, industrialization, health focus, urbanization, rising population and living standards as well as resource constraints given the fact that less than 3% of the world's total water resources are freshwater with the majority locked up in glaciers, ice caps or otherwise inaccessible. As a result of some of these megatrends, legislation has been introduced in certain jurisdictions calling upon certain industries to minimize liquid waste and to reuse more water. The Company believes that many such requirements can most efficiently be met through the application of the Aquaporin Inside technology. Specifically, forward osmosis can be used to achieve zero liquid discharge which competes with existing technologies such as evaporators and ensures that no effluent is discharged, thereby preventing potential contamination of the environment.

Based on the maturity of the Group's pipeline and product portfolio, the residential drinking water, industrial and municipal wastewater treatment and food and beverage markets are currently being targeted as part of the Group's commercialisation. These three markets constitute an estimated addressable market size in 2022 of approximately EUR 13.5 billion for systems and approximately EUR 4.5 billion for membranes, totalling approximately EUR 18 billion. The addressable markets are showing attractive annual growth rates in the range of approximately 5-10%. In addition to the megatrends, the growth is also expected to be driven by segment specific trends. For drinking water, these trends include strong push for product differentiation and focus on customer experience. For industrial water, these include the increasing amount of wastewater being treated resulting, in turn, in an increase in the demand for advanced purification technologies, increasing concern over contaminants, increased regulatory requirements, strong focus on energy efficiency and cost-of-ownership for end-users, and focus on recovering of resources such as fertilizers or heavy metals from wastewater which can be re-used in other applications. For food and beverage, these include strong push reduce water usage per kg food product, strong pull for innovation, and increasing consumer preference for natural products.

Further, the Group is developing technologies and products to primarily target two additional segments including medical devices (forward osmosis membranes) and desalination (reverse osmosis membranes). Development within these two additional segments is currently at an earlier stage compared to the primary segments. The medical devices segment is currently in the piloting stage and the hemodialysis subsegment is nearing the piloting stage. Desalination has passed lab-scale proof of concept milestone and is not nearing the piloting state. As the applications move towards commercialization, the segments will increase the Group's total addressable market.

6.4.3 The Company's management team has deep expertise and a strong operational backbone is in place to establish a robust go-to-market plan and to develop new applications for the Group's core technologies

The Company's international senior management team and board of directors have valuable global and diversified expertise in the biotech industries both from a scientific perspective and a commercial perspective. The Group's co-founder, Peter Holme Jensen, is acting as the Company's CEO, thus ensuring continuity and support through the Company's existence. As the Company intends to expand the Group's marketing and commercialization efforts through the launch of new products, Maciej (Matt) Boczkowski was appointed as Deputy CEO and CCO of the Company and has joined the Company in March 2021 from SUEZ where he was Vice President—New Markets, Strategy and Growth. In this role, he was responsible for new market development, setting growth strategies in alignment with market trends and leading strategic marketing efforts globally for SUEZ. With more than 10 years' global commercial experience and commercial leadership training at General Electric, Maciej Boczkowski will lead the Company's efforts to bring the Group to the next phase as the Group expands the Group's go-to-market strategy. The management team is further supported by Bo Karmark, the Company's CFO, who has a wealth of experience in M&A and financing, including financial positions in Chr. Hansen when it was taken public, and Joerg Hess, the Company's COO, who has many years of extensive operational experience including from Mann+Hummel and Siemens Water both in Europe and the United States.

In addition, the Company has built a strong operational back-bone in Denmark and Singapore across Deep Tech, Technology, Production, Supply Chain, QEHS and Finance. The international organization

consists of highly educated employees with diverse backgrounds, enabling the Group to act flexibly and innovatively with a potential global reach. More specifically, the Company's organization consists of employees from 20 different countries, with 46% non-Danes, 64% holding a MSc. degree or higher, and 38% women. To further promote innovation and attract new talent, the Company has established different initiatives including Aquaporin Academy and Garage. The Aquaporin Academy offers students a chance to become part of the Company's development through real life case studies to further explore their interest in membrane development and membrane manufacturing. Garage offers small pioneering start-ups focusing on sustainable solutions an office space at the Group's headquarters, allowing the Group to interact with like-minded innovative start-ups. In addition, Garage is an opportunity for the Group to co-develop new products and processes as well as a potential source for recruitment.

6.4.4 The Company's asset-light business model allows for the Company to reduce capital expenditures and operating costs, while having flexibility to scale and adjust production

The Company's production process has been set up as a flexible asset-light production platform, aiming to keep only the core value-adding manufacturing steps, proprietary technology and know-how in-house, and outsourcing other manufacturing steps to CMOs. The manufacturing steps performed in-house primarily relates to components (aquaporin protein) and formulation (Aquaporin Inside) which are less capital intensive and for which the Company has the necessary capacity to meet demand in the foreseeable future. Other manufacturing steps which are more capital intensive and considered non-core are outsourced to CMOs. In addition, the CMOs have greater scale enabling significantly lower production costs for Aquaporin. The only planned investment in manufacturing capacity relates to coating of HFFO membranes, which is currently performed in-house. This investment will support the commercialization process by establishing a more automated and cost-efficient in-house HFFO production capacity. This investment is further described in "*Part IV—Section 3.4 Reason for the Offering and use of proceeds*".

Through this asset-light model, the Group can expand the Group's business globally without having to tie up significant capital on building a manufacturing and warehouse network. As a result, the Group will be able to keep capital expenditures and operating costs down, while retaining the ability to scale up much faster and on an as-needed basis if the Group is engaged to execute larger projects, for instance in the industrial or desalination market. At the same time, the Group can also more easily scale down existing activities in the event of a change in demand. Specifically, working with a CMO for roll-to-roll reverse osmosis flat sheet manufacturing, based on the Aquaporin Inside technology, allows much more flexibility and excellent consistency and cost base for this production step. For forward osmosis, using off-the-shelf cartridges from selected suppliers as a starting point for applying the Company's proprietary Aquaporin Inside coating similarly ensures high consistency and stability at industrial operating conditions.

6.4.5 Strong commercial platform due to extensive patent protection and product quality certifications, including food contact material compliance under the FDA

The Company was founded on the pioneering discoveries of the aquaporin protein and uses nature's way of filtering water in the Company's Aquaporin Inside technology. The Company, as one of the first movers, has successfully applied this discovery to produce industrial membranes. The Company has from inception adhered to a strict policy to protect the Group's intellectual property and apply for patents, trademarks etc. The core of the Group's patent portfolio is the protection of new membrane materials such as the aquaporin protein formulations. In addition, the Company protects this core know-how, by keeping the production of the Group's aquaporin formulation in Denmark. Additional layers of protection are added through patents claiming the final membrane elements and novel membrane applications. As of the date of this Prospectus, the Company holds 17 patents across 14 patent families and 64 pending patent applications worldwide. The Group has continued to file for patent protection of important inventions, also in recent years. As part of Aquaporin's differentiation, trademarks are obtained to increase customer value, i.e. the Aquaporin Inside and the DWRO brands.

In addition, the Company is focused on ensuring the Group's products meet high quality standards and customer requirements and has established a quality management system through several certifications, including the Company's ISO 9001:2015 certification. As of today, the Company believes that all certifications necessary to execute on the current strategy and commercialisation are in place.

As the operations expand, the Group is focused on obtaining the certificates needed to ensure the Group can commercialize the Group's products and sell these to customers. For that purposes, the Company has obtained NSF International NSF/ANSI 58 and NSF/ANSI 61 product certifications for Aquaporin Inside reverse osmosis products and NSF International NSF/ANSI 58: Drinking Water Treatment Units and NSF/ANSI 61: Drinking Water Components certifications. In 2020, the Company also secured a positive FDA evaluation, i.e. food contact material compliance, referred to as a Threshold Of Regulation exemption, for the Aquaporin Inside membranes enabling the use of the membranes in the food and beverage industry in the United States. In addition, based on the positive evaluation from FDA, the Company can declare compliance to the relevant legislation in Europe (1935/2004/EC), which allows the Company to also target the food and beverage industry in Europe.

6.5 Strategies

6.5.1 Sustainability driven business focused on finding a solution for the world's declining water scarcity, climate change and pollution.

Water scarcity caused by pollution, climate change and a growing world population poses a major threat to humanity. The Company builds upon a commitment to drive change and fight these water trends. Sustainability and innovation are deeply embedded in the Company's DNA as it is the Group's core business to fight water scarcity and pollution by introducing sustainable water purification technologies to industries and households.

The Company's technology offers multiple options for reduced energy consumption and water savings in solutions that are both innovative and sustainable. The Aquaporin Inside technology also lends itself to inventing alternative ways of manufacturing intermediary or end products in industries such as food and beverage. These alternative methods are driven by the goal of reducing the environmental impact of currently employed methods such as evaporation. The Group works closely with the Group's customers to minimize their water footprint, evaluate alternative manufacturing possibilities for their products, reduce plastic waste (through eliminating the need for bottled drinking water) and decrease energy consumption. In working with sustainability, Aquaporin will track its ESG performance and progress from 2021, which will be linked to the UN Global Compact.

6.5.2 Executing a tailored-go-to-market approach with each market, partnering with system integrators and distributors when needed

Since the markets the Company is targeting have different characteristics, the Company has developed a tailored market approach and clear value proposition for each segment. This allows the Group to present a compelling value proposition to each customer base, supported with the right collateral material and sales approach. For instance, the drinking water segment is characterized by low barriers to entry, large and diverse accounts, and repeat sales to existing customers, while the industrial water market is conservative (as established and well-known producers are preferred), well-established, and characterized by large project sales. This requires the Company to develop a tailored and distinct market approach and clear value proposition for each market and in certain instances to work together with a partner.

For the drinking water market, the Company will commercialize the Group's products both through the Company's own line of water purifiers and also through membrane product sales to major distributors and original equipment manufacturers ("OEMs") initially in Europe and subsequently in other key markets, e.g. India, China, and the United States. In addition, the Group believes it can in the future convert these key accounts to also use the flat sheets from the Group for other applications in order to reap scale advantages in production. A key component of the Company's positioning in the market will be through the brand "Aquaporin Inside" which will help differentiate the product towards competing products and build brand-awareness among end-users.

In contrast to the drinking water segment, the Company has entered the industrial water market for forward osmosis wastewater de-watering applications mostly through partnering with specialized system integrators in key markets. Within the emerging segment of forward osmosis, the Company is set on a path to capture value by offering customers within various industry segments a more energy efficient solution compared to the existing technologies which are typically based on evaporators. Based on its current Hollow Fiber Forward Osmosis ("HFFO") membrane, the Company is currently targeting the market for zero liquid discharge solutions in India and more specifically in the textile industry, where the Company believes that the forward osmosis technology is a superior technology

compared to existing ones and where there is a strong regulatory push for innovative and better technologies. Based on similar technological advantages, the Company plans to increase its focus on the handling of farm waste in the United States and the E.U. as well as landfill leachate mainly in China. Within reverse osmosis, which is an established technology in the industrial water market, the Company plans to target existing systems with a direct product swap for the Group's BWRO membrane, which is currently under development.

In the food and beverage segment, which is a highly innovative industry, system sales, co-development and strategic commercial partnerships will be used in forward osmosis cold concentration applications to accelerate market penetration and secure a high share of the generated value from innovation. By partnering with large and well-known brand name customers, the Group will accelerate future partnerships and shorten the testing and piloting steps when it enters into additional partnerships with new customers. Initially the Group will be focused on signing major partners in coffee and flavors and ingredients to accelerate market penetration, following which it expects to launch full systems and solutions for the specialty coffee segment. A key customer value proposition of the Group's product and system solutions within the food and beverage segment is the ability for the Group's customers to create both higher quality and new products for end-consumers with a lower environmental footprint as, i.a. the Aquaporin Forward osmosis technology can produce a more concentrated product compared to other membrane processes (such as reverse osmosis) while maintaining fragrance and flavour and reduced cost of ownership. Within reverse osmosis, the Company will execute on established commercial partnership in brackish water.

6.5.3 Considerable strengthening of the Company's commercial organization to accelerate sales and expand customer reach building on strong momentum across launched products as well as final-stage pilot projects

The Group is in the midst of the initial phase of its commercialization journey to build a global sales and customer footprint and has defined a clear strategy by which the growth is to be achieved. The Company is experiencing commercialization momentum as it

- has received food contact compliance certification,
- has added new products to its product line in the last years,
- launched its first products,
- signed multiple distribution agreements,
- received validation and product knowledge through final-stage piloting and also
- established commercial proof-of-concept through repeat sales and secured an initial backlog of orders.

As such, the Group is today well-established to execute on the commercialization of the Group's products in alignment with its priority markets and therefore generate a consistent source of revenue in the future.

As the Group has entered this important execution phase and thereby transitioned away from mainly a development biotechnology company towards commercialization, a strong focus will be made on the reallocation of existing resources and expanding the Group's sales and marketing organization. This organizational transition will allow the Company to intensify and broaden customer targeting efforts to win new customers and thereby drive sales through an expanded footprint and reach. Consequently, a strategy for each of the priority markets has been established.

In drinking water, the strategy is to further utilize the current commercial traction. By now, the Company has recently launched its first products (i.e. DWRO, ZERO and ONE), signed on distributors for the ZERO product in Europe, Turkey and India, signed on distributors for the ONE product in Europe and the United States, and has secured repeat sales of membrane flat sheets and is further building up the order backlog. Going forward, the strategy is in the short term focused on adding commercial resources in Asia and in Europe, adding warehouse capacity in the United States as well as to establish a customer support function.

For the industrial water segment, the Company has sold the HFFO14 module to 27 customers and has key pilots running in Europe, the United States as well as in India and China. To further develop the commercialization of the segment, the Company intends to expand the sales and application

engineer resources as well as adding commercial resources, starting in the United States and Asia. In addition, the aim is to build own FO pilots in order to validate scale ups.

Within the food and beverage segment, pilot projects are planned with major brands in the coffee, flavours and coconut water industries, and the Company's value proposition and improved product quality has been confirmed with multiple customers. Going forward, the Company intends to add sales and application engineer resources as well as expanding the commercial resources, all of which should drive partnerships and co-developments going forward.

6.5.4 Innovate, scale up, and accelerate commercialization through public private partnerships, strategic partnerships with industry stakeholders, and CMO partnerships

It is important that the Group continuously innovates its product line, efficiently scales up production, retains new customers and generates market acceptance of the Group's products by industry stakeholders. One important component of the Group's go-to-market strategy in each of the industry segments the Group targets are the Group's public private partnerships and strategic and commercial partnerships as well as partnerships with CMOs. Through these partnerships (and the pilot projects which are a result of these partnerships) the Company aims to develop the products needed by customers, prime and identify potential customers, accelerate market penetration, and obtain market intelligence and market acceptance for the Group's products. This includes using local partners for industrial water distribution and system delivery, partnering for distribution and market introduction of the Company's residential water purifiers in drinking water and seeking partnerships with well-known consumer brands in food & beverage. In addition, by partnering with CMOs the Group ensures cost efficient manufacturing and low capex as and can collaborate in developing new and improved manufacturing processes.

6.5.5 Continued innovation to actively expand and advance pipeline

The Group is also focused on further developing and improving the Group's product pipeline and is actively monitoring the markets and industries the Group targets (i) to ensure the Group's product line is adapted to any changes in customer needs, (ii) to ensure the Group stays on the forefront of new product or technology developments and (iii) to ensure the Group's product line is sufficiently differentiated from that of competitors. The Group is continuously pursuing development of the next generation technology and products to grow the Group's portfolio and launch new water treatment products powered by Aquaporin Inside, within both the drinking water, industrial water and food & beverage segments. To finance the Group's research and development efforts, the Company will from time to time seek funding through public private partnerships or academic sponsorships and collaborations. By combining the Group's expertise with that of other industry stakeholders or academic institutions, the Group ensures that the Group better understands the specific needs of a particular industry or region to improve and extend the scope of the Group's technology.

6.6 Medium-term aspirations

Certain statements in this section, including in particular the financial goals and projections described immediately below, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and the Group's actual and future results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including but not limited to those described under "*General Information—Forward-looking statements*" and "*Part II—Risk Factors*".

The Group's medium-term aspirations are based on a number of factors, estimates, uncertainties and assumptions, many of which are outside of the Group's control or influence and it is likely that one or more of the assumptions that the Company has relied upon will not prove to be accurate in whole or in part. The Company has based its assumptions and estimates on information available when the medium-term aspirations were prepared.

The medium-term aspirations have been compiled and prepared on a basis which is both comparable with the financial information in the annual report for the financial year 2020 ("FY2020 Annual Report") and consistent with the accounting policies applied in the consolidated financial statements for year ended December 31, 2020 ("FY20 Consolidated

Financial Statements") as well as the condensed consolidated interim financial statements as of and for the three months ended 31 March 2021 and the related notes ("Interim Financial Statements").

Investors are strongly urged not to place undue reliance on any of the statements set forth below. The Company can give no assurance that the goals and projections described below will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those described below.

The Group aspires to increase its revenue to generate up to approximately DKK 450 million revenue and become EBITDA positive by the end of 2024. The Group expects this revenue aspiration will largely be generated through sales within its drinking water segment. These sales will initially mostly consist of the sale of point-of-use systems and flat sheet and membrane sales and gradually expand to sales to kitchen manufacturers as the Group further expands its business into this sub-segment. The sales from point-of-use systems, flat sheet and membrane sales and sales to kitchen manufacturers are expected to represent 50%, 20-30% and 20-30%, respectively, of the revenue aspiration within the drinking water segment. The Group expects sales within the drinking water segment will, in the aggregate, account for approximately 50-60% of the Group's medium-term revenue aspiration. The remaining portion of the Group's revenue growth aspiration is expected to be generated by product sales and orders within the Group's industrial water and food and beverage segments. While these two segments have strong revenue potential in the long term, the Company's expectations are that it will take more time to establish references in both segments as further set out in the assumptions outlined below.

Below is an illustrative breakdown of the Group's aspirations by 2024 for revenue and gross margins within each of its three primary segments. Based on the below assumptions, the Company expects it could increase its current gross margins to the aspired gross margins set out below.

- Drinking water
 - Revenue: DKK 250-300 million
 - Gross Margin: 35-45%
- Industrial water
 - Revenue: DKK 60-80 million
 - Gross Margin: 30-40%
- Food and beverage
 - Revenue: DKK 75-100 million
 - Gross Margin: 55-65%

Assuming net proceeds of DKK 215 million from the sale of New Shares and realization of its business plan, the Company believes it can commercialize its existing product portfolio within its three primary segments and at the same time sustain the continued development of existing and new products without having to raise additional financing until the beginning of 2024. However, the Group expects that initial investments will significantly affect the Group's financial results in the next few years leading to a continued negative free cash flow before the Group is able to generate a positive EBITDA.

In addition, the assumptions upon which the Group has based the medium-term aspirations include the following assumptions and each assumption is partially within the control of the Group:

- The successful implementation of certain margin focused initiatives within each of its segments, including reducing COGS as volume increases and implementing a more lean and semi-automated production, especially for forward osmosis products.
- The Group's ability to, within its drinking water segment, successfully enter the kitchen segment and its ability to potentially enter into supply agreements with established well-known kitchen manufacturers ensuring a steady revenue stream within this segment;
- None of the Group's current material suppliers terminate their contractual relationship with the Group, including the suppliers of the ZERO and ONE;

- The Group's ability to convert partners and key accounts from point-of-use products to flat sheet membrane sales and develop strong relationships with third parties that have established distribution channels;
- The adoption of the forward osmosis technology within the industrial water and food and beverage segments in general and in particular with respect to the products offered by the Group, including customers' willingness to implement a forward osmosis system into brownfield projects to replace existing water treatment systems (such as evaporators) in light of the initial large capex investment;
- The Group's ability to grow the Aquaporin Inside brand within Drinking Water and the Group's ability to identify and prioritize partners who share the Group's vision and see the benefit of its technology as a key differentiator for them in this segment;
- The Group's ability to develop references within its industrial water segment by working closely with system integrators who target similar markets targeted by the Group (i.e. textile, leachate and digestate);
- The successful introduction of reverse osmosis membranes for an already established brownfield market segment where the Group expects to gradually win membrane replacement opportunities and build up its reference list within industrial water, which will allow the Group to further expand geographically in similar applications;
- The identification of new leads from its customers and new areas of interest where the Group sees value from recovering high value waste by-products or creating high value concentrates;
- The success of its current and future pilot projects within both industrial water and the food and beverage segment;
- The ability to build credibility within its food and beverage segment by delivering small systems in the short term to win larger projects in the future;
- Ability to obtain a competitive position in key segments like coffee, fragrances, ingredients, coconut water and dairy where the Group believes the Aquaporin Inside technology has the potential to create new products and potentially be disruptive, using a cold concentration production method where aromas are kept in the product when it is concentrated; and
- The Group's ability to grow by benefiting on the present organization and primarily adding commercial resources and thereby scaling the business.

In determining these aspirations, the Group has generally assumed that there will be no material changes in the existing political sentiment and initiatives or in the regulatory frameworks affecting the Group's three core segments for water purification, or to the technologies available in the market or the Group's products including no market disruptions that would lead its customers to become more conservative towards technological innovation or more stringent regulation of the licenses and approvals needed to commercialize its products. The aforementioned are each beyond the Group's control and would individually or in the aggregate, be material to the Group's results of operations. The Group also assumed that the markets the Group serves will develop as set out in “—Section 5 Market and Industry”, which is also outside of the Group's control.

6.7 Core Technology is Aquaporin Inside

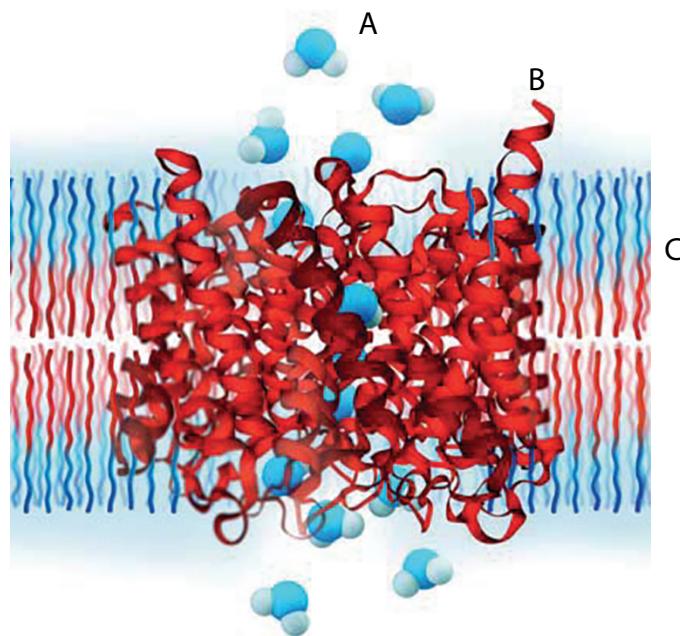
6.7.1 Aquaporin proteins

The aquaporin protein is a protein that is found in living cells and was discovered in 1992 by Peter Agre, who received a Nobel Prize for this discovery in 2003. Aquaporin proteins are water channels that form pores in the membrane of biological cells to facilitate the transport of water between cells, while preventing the passage of ions and other solutes. Aquaporins are almost completely selective to water molecules, which ensures these membranes are efficient at rejecting chemicals, minerals, color and other contaminants. These water channels are considered to be a very effective way of water purification as one gram of aquaporin protein can transport up to 700 liters of water per second.

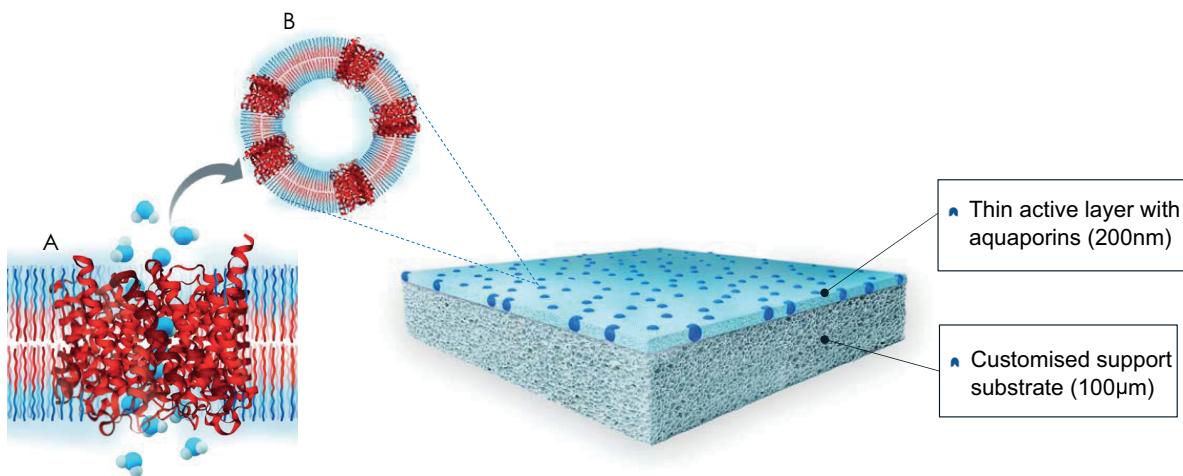
Aquaporin Inside, the Company's proprietary technology, mimics nature's way of filtering water by producing a stable and active formulation for this aquaporin protein. When incorporating this

technology into an industrial membrane, this protein enables an effective and selective water purification membrane.

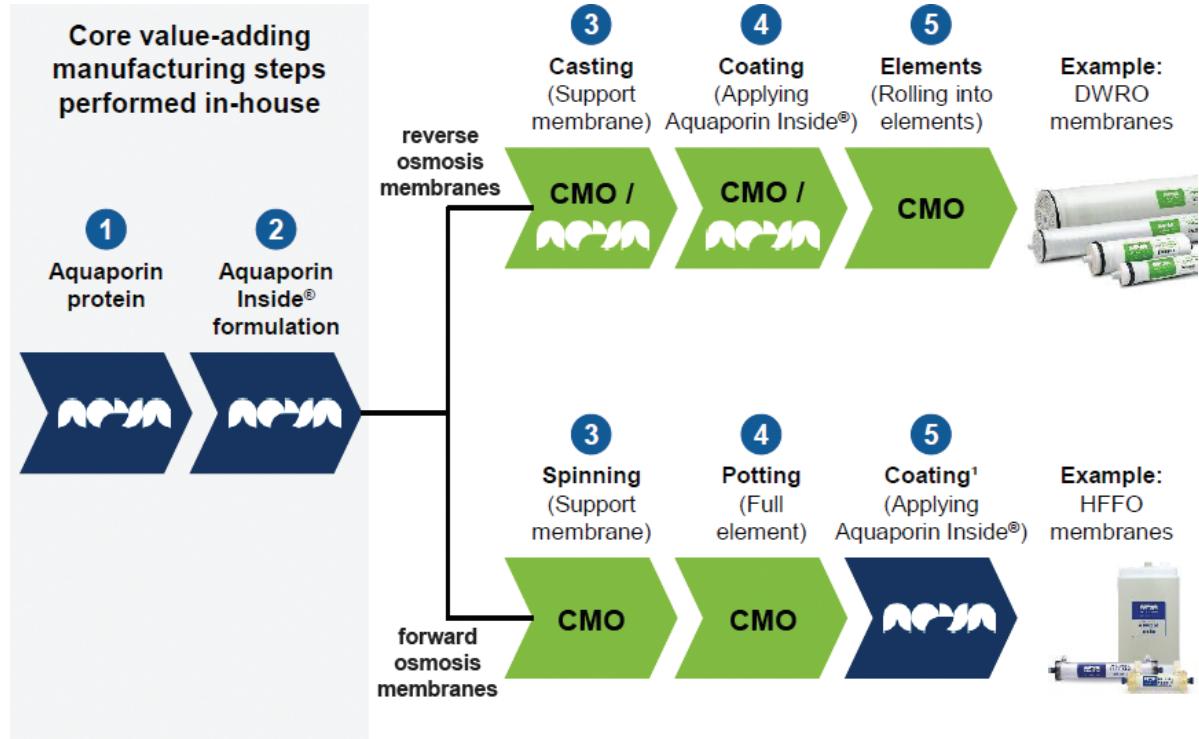
In the figure below water molecules (A) are passing through an aquaporin channel. The aquaporin protein shown by the red spirals (B) is nature's way of transporting water. The figure illustrates how the protein (B) is set into a structure (C) mimicking its natural environment. The protein and this support structure are the core of the Aquaporin Inside technology.



The figure below illustrates the basic design of Aquaporin Inside which incorporates aquaporin proteins into a polymeric (plastic) biomimetic membrane material hereby developing an effective and extremely water selective filtration membrane. The aquaporin protein (A) is set into vesicles (B). The aquaporin protein (A) is the active component. The Aquaporin Inside membranes consist of aquaporin proteins formulated into polymer spheres (dark blue) embedded in a polymer layer (light blue) supported by a porous material (grey).



The figure below illustrates the production process of Aquaporin Inside from the initial production of the Aquaporin protein to the integration of the Group's membranes in end-products. The core technology of Aquaporin commences with the fermentation of the aquaporin membrane protein, which is subsequently used and stabilized in the proprietary Aquaporin Inside formulation and finally incorporated in the Aquaporin Inside industrial membranes, which are sold to end-users. The core value-adding activities shown in (1) and (2) are based on proprietary technology and know-how, therefore kept in-house. The Group has capabilities to perform steps (3) and (4) for reverse osmosis, but as volumes increase, the Group will increasingly use CMOs. Step (5) is outsourced to CMOs for reverse osmosis while performed in-house for forward osmosis.



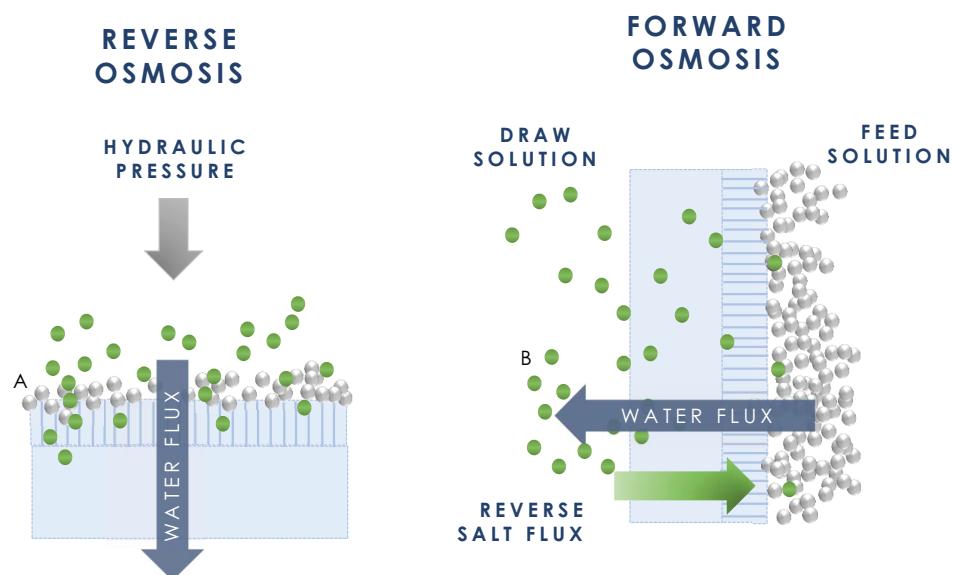
¹ Company to invest in new manufacturing capacity to lower costs as described in Use of proceeds.

6.7.2 Reverse osmosis and forward osmosis product ranges

Aquaporin Inside is applied across reverse osmosis and forward osmosis product ranges, for different membrane form factors (flat sheet or hollow fiber membrane), and in all sizes of membrane elements.

Both reverse osmosis and forward osmosis are used to diffuse water from one side of a membrane to the other, filtering out dissolved solids, ions and other undesirable compounds in the process. The main difference between the two technologies is how water is driven through the membrane. In reverse osmosis, the water is forced through the membrane using hydraulic pressure, while forward osmosis uses natural osmotic pressure to induce the flow of water through the membrane.

The figure below demonstrates the principles behind reverse and forward osmosis processes. Reverse osmosis is a membrane process using hydraulic pressure to remove impurities (A). Forward osmosis is based on natural osmotic pressure to extract water (B) from a liquid.



Reverse osmosis

Reverse osmosis is a membrane process that uses a semipermeable membrane to remove ions, molecules, and larger particles from the feed water. In reverse osmosis, the water is forced through the membrane using hydraulic pressure to overcome the natural osmotic pressure leaving impurities behind. Reverse osmosis can remove a wide range of impurities from water—from salts to bacteria—and is a well-established process in both industrial processes and production of drinking water. The higher the salinity of the feed solution, the more pressure is needed. This requires high-pressure pumps and vessels with significant quantities of energy as a result. Reverse osmosis also requires membranes that are suited for the specific task, such as brackish water, seawater, high-pressure or ultra-high-pressure membranes. At brine TDS levels exceeding 75,000 ppm, the pressure requirements begin to make reverse osmosis unfeasible.

In reverse osmosis, three parameters are important in terms of membrane performance:

- water flux (given as liters per square meter per hour: LMH)
- salt rejection (in % where 100% is complete rejection)
- recovery rate, meaning how much water is purified versus how much is wasted

However compared with forward osmosis, a reverse osmosis process (i) requires high energy costs of running the pumps generating the pressure needed, (ii) does not allow the wasted water to pass over the membrane and (iii) can lead the membranes to foul and clog, requiring chemical cleaning or expensive replacements.

Reverse osmosis is generally used for a wide variety of applications, including drinking water, industrial water treatments and desalination.

Forward osmosis

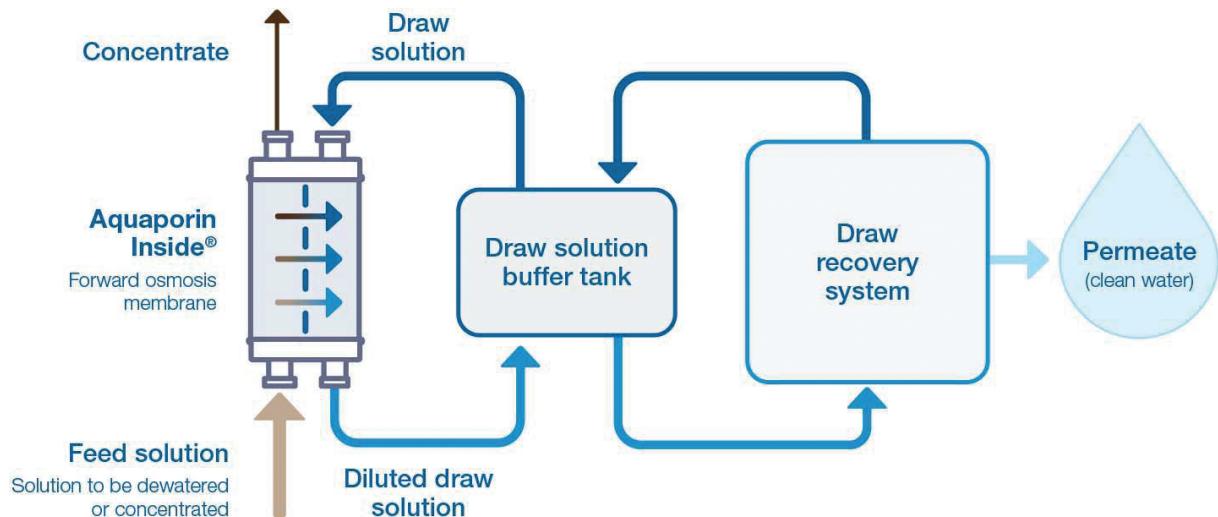
Forward osmosis is a water separation process in which a semipermeable membrane is used to separate water from dissolved solutes. It is based on using a concentrated salt solution to extract water. In a forward osmosis system, a feed solution (such as industrial wastewater effluent) flows on one side of the membrane, while a solution of higher total dissolved solids (“**TDS**”) concentration (the draw solution) flows on the other side. The difference in TDS level between the two sides creates an osmotic pressure that transports clean water through the membrane, concentrating the feed stream (effluent) while the membrane retains contaminants in the feed stream. Forward osmosis uses natural energy in the form of osmotic pressure to transport water through the membrane while retaining the dissolved solutes on the other side.

Forward Osmosis membrane performance is basically measured in the same manner as reverse osmosis membranes: water flux and rejection of unwanted compounds. However, in forward osmosis the rejection characteristic is even more important, as the osmotic draw solution used in the forward osmosis process, is lost once it passes through the membrane. If contaminants are not rejected efficiently, then this will require that the draw solution is topped up to keep up the osmotic driving force. Therefore, the Company has focused on ensuring the Group’s Aquaporin Inside forward osmosis membranes are engineered to optimize rejection, while maintaining a water flux sufficient to make forward osmosis processes economically attractive. Forward osmosis can remove even more impurities than reverse osmosis and since the driving force is based on the concentrated “draw solution”, there is very little need for electricity for pumps. Lastly, since impurities are not pushed into the membrane by pump pressure, forward osmosis is less prone to fouling and clogging than reverse osmosis.

Forward osmosis processes are often applied to feeds with high total suspended solids (“**TSS**”) or TDS. Therefore, sometimes, elements with wider water channels are needed, to avoid clogging of the membrane element. To enable all forward osmosis applications, the Company therefore intends to commercialize hollow fiber forward osmosis elements with both narrow and wider fibers.

Forward osmosis systems are also useful when used combined with other kinds of treatment systems e.g. as a supplement to reverse osmosis processes for wastewater reclamation as they compensate the deficiencies that the other systems may have. This is also helpful in processes where the recovery of a certain product is essential to minimize costs or to improve efficiency.

The figure below illustrates a forward osmosis solution with a draw recovery system to separate the clean water from the draw solution.



1. **The forward osmosis membrane:** The purpose of the forward osmosis membrane is to allow water to be drawn out of the feed solution while rejecting other substances. A high rejection rate and the ability to withstand harsh factors such as high temperatures, high chemical oxygen demand ("COD")/ biological oxygen demand ("BOD") levels and extreme pH values are key qualities of a forward osmosis membrane. The forward osmosis membrane must also keep the reverse flux of salt to a minimum, allowing as little solute from the draw solution as possible to diffuse back through the membrane into the feed solution.
2. **The draw solution:** The highly saline draw solution creates the osmotic pressure difference which induces water to flow from the feed solution through the membrane. To achieve the optimal results, the draw solution must be precisely formulated to match the composition of the effluent. As the water moves through the membrane and the feed solution is concentrated, the draw solution becomes diluted and loses potency unless it is regenerated in a draw recovery system.
3. **The draw recovery system:** In order to produce clean water and recover the draw solution for reuse, the two need to be separated using another type of water treatment system—a draw recovery system. The draw recovery system can be based on either evaporation, membrane-based or responsive thermal draw solutes. The role of the draw recovery system is to restore the TDS concentration of the draw solution and extract clean water for reuse. Depending on the setup of the specific site, the clean permeate can be reused for cooling, rinsing and other wet processes. If the forward osmosis process is good enough, it may even be possible to produce water for potable reuse.

Forward osmosis is generally used for three types of application:

- **Product concentration:** Water is extracted from the feed solution, leaving a valuable concentrate (for example, a coffee concentrate or a coconut or milk concentration), which can be used to produce super concentrates, increasing product quality by conserving natural aromas and creating novel products from super concentrates. As a result, it can be used as an alternative to food and beverage energy intensive thermal concentration processes, which result in loss of valuables, nutrients and aromas.
- **Waste concentration:** Water is extracted from the feed solution, leaving a concentrated waste product that is easy to dispose of. By reducing wastewater, it can make it easier for certain industries to comply with the tightening legislation moving towards zero liquid discharge, in which all wastewater is cleaned and recycled. See "—Section 6.4.2 Large addressable market for the Group's core technology, Aquaporin Inside, supported by global megatrends".
- **The production of clean water:** In both valuable product concentration and waste concentration, water moves from the feed solution into the draw solution. This water can then be recovered to produce clean water and reused.

6.8 Products

6.8.1 Product portfolio

The Company uses the Company's proprietary technology based on the aquaporin protein to produce different types of filtration membranes using either reverse osmosis or forward osmosis, which can be used for various applications. Large parts of the Group's technology development have been financially supported by government institutions, including, the Danish government's Innovation Fund, Singapore's national water agency PUB Environment and Water Industry Programme and the European Commission's Research and Innovation Horizon 2020 Programme.

The Company currently has 11 products available for sale. These products can be used in multiple industries and in various applications. Depending on the specific membrane application at the customers' site, the membranes lose their initial performance level due to membrane fouling and scaling. At a certain extent of fouling (i.e. the membranes do not fulfill the customers' requirement anymore), the membranes are disposed and replaced. After the end of service life, the membranes are usually disposed in landfills or in some cases through incineration. Overall, the Group's membranes typically have a lifetime in the range of 6 months to 5 years depending on market and application.

The Group's product portfolio and pipeline reflects product development for several market segments and sub-segment at various maturity stages. The Group currently is focused on bringing the Group's products to market:

- in the drinking water segment where the Group's products will produce clean drinking water for residential purposes;
- in the industrial water segment for waste treatment (including the textile industry); and
- in the food and beverage segment to concentrate liquid products.

The Group targets these segments first and foremost as the Group believes the Group's product portfolio is well-positioned to meet the technology needs of these industries. The Company has brought three main product lines to market so far:

- DWRO (Drinking Water Reverse Osmosis) (in 2016), targeting the drinking water segment
- HFFO (Hollow Fiber Forward Osmosis) (in 2016) targeting the industrial water treatment and food and beverage segment; and
- two residential water purifiers, ZERO (in 2020) and ONE (in 2021) targeting the residential market.

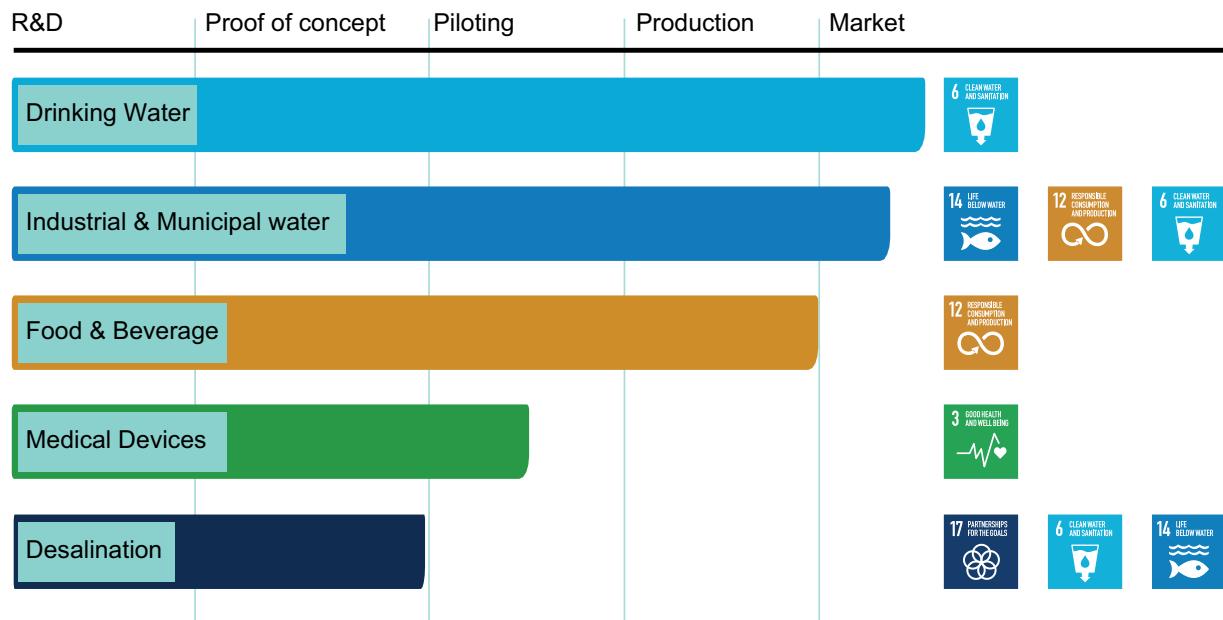
In these segments, the Company is in advanced piloting of forward osmosis membranes for the food and beverage industry and brackish water type ("BWRO") reverse osmosis membranes for the food and beverage industry as well as industrial water treatment markets.

In addition, the Company is supplementing these focus segments by developing market intelligence and developing products for other market segments, such as medical devices, including hemodialysis and desalination. For instance, forward osmosis solutions for medical devices and reverse osmosis solutions for desalination ("SWRO") are both currently in development. In addition, the Group is also exploring a potential application of the Company's technology in space, which would allow for reuse and water purification on international space stations. However, the exploration of a potential application for space only represents a small part of the Group's business and has generated limited revenue.

For both the Group's reverse osmosis, forward osmosis and residential purifier lines, the Group continuously seeks to further optimize the Group's current generation of products and bring those to market over time.

The below table includes an overview of the progress within each segment to move from the R&D phase to the commercialization as well as the relation to the relevant UN SDGs, including goal 3 (good health and wellbeing), goal 6 (clean water and sanitation), goal 12 (responsible consumption

and production) and goal 14 (life below water) and goal 17 (partnerships for the goals). See “[Section 6.12.1 Supporting the SDGs](#)”



6.8.2 Key Applications

Drinking Water

This market mainly consists of kitchen appliances producing clean water for the household, also called point-of-use. Reverse osmosis purifiers are the fastest growing type of household water purifiers. Point-of-entry systems are larger installations purifying water at the inflow. In this drinking water segment, the Company has brought several products to market already, including the first generation of DWRO membranes from 2016 (which has since then been further improved), the ZERO purifier in 2020 and the ONE purifier in 2021. The IP related to the system surrounding the ZERO and ONE is held by the respective partner, while the IP regarding the Aquaporin technology and the membrane are held by the Company. The lifetime of a ZERO purifier is expected to be three to 10 years, depending on its place of installation and usage. The lifetime of a ONE purifier is expected to be five to 15 years, depending on its place of installation and usage. Filters in the ZERO and ONE would need to be replaced yearly.

The Group's products adapted for the drinking water application are:

- **Reverse Osmosis flat sheet:** This membrane contains the Aquaporin Inside technology and can be produced as flat sheets and rolled into spiral wound membrane elements. These elements are industry standard sized meaning they can be directly implemented in existing designs by system integrators and appliance manufacturers. The reverse osmosis flat sheet membranes have comparable operating conditions (temperature, pH, pressure ranges etc.) as conventional membranes, so they are plug-and-play for the customer.
- **Elements:** The Aquaporin Inside Elements are sold in different sizes. Currently, the element the Company is commercializing is Aquaporin Inside DWRO membrane. The Aquaporin Inside drinking water membrane is, to the Company's knowledge, the only membrane in the industry to use aquaporins to purify drinking water and has been tested and certified by NSF International for safe use in drinking applications. These membrane elements can be operated in the same operating conditions as conventional polyamide thin film composite membrane elements and are available in conventional residential and commercial membrane sizes.



REVERSE OSMOSIS

Drinking Water Membranes - DWRO™

- **Systems:** The systems are categorized into point-of-use and point-of-entry systems. ZERO and ONE are point-of-use household purifiers with a DWRO element. To produce the ZERO and the ONE, the Group works with a CMO, who hold the IP right to the surrounding casing, while the Group holds the IP rights to the underlying Aquaporin Inside technology.
 - ZERO is a white water purifier with silent operation that is the size of a briefcase and fits in kitchen cupboards. When using the ZERO machine, tap water flows through the Aquaporin Inside membrane, resulting in softened and purified tap water free from viruses, bacteria and pesticides. ZERO requires minimum two bar inlet water pressure at installation point, but no electricity to operate.
 - ONE was launched in 2021 and is a compact water purifier with an electric pump and no tank, meeting the requirements of households with low inlet water pressure.



Industrial Water

Industrial water is the traditional water market containing industrial lines from 10 m3/day and up to municipal plants of more than 100,000 m3/day. Membrane treatment is regarded as advanced water treatment in this market and is especially used to generate clean process water for industry and to treat wastewater for reuse.

Forward osmosis has a wide range of applications within industrial water treatment. Based on customer feedback and market analysis, the Company is currently primarily focused on zero liquid discharge applications. The most active market for zero liquid discharge is India and a very important industry is the textile industry.

In this market, zero liquid discharge systems, where all wastewater is cleaned and recycled, are getting greater attention as useful wastewater treatment and water management solutions for complex industrial production. With zero liquid discharge, the wastewater is treated, purified and cycled back for reuse, while the remaining solid waste can be disposed of. The zero liquid discharge process ensures that no effluent is discharged from the facility thus eliminating the risk of contaminating the

local water supply or environment. Zero liquid discharge is already possible with existing traditional filtration methods but is energy intensive. Existing treatment requirements often include ultrafiltration, reverse osmosis, various other membrane technologies, evaporation and crystallizers. For example, it might be relevant to have both a high-capacity evaporator like a multi-effect evaporator ("MEE") coupled with an agitated thin film dryer ("ATFD") which can remove a lot of water but is also energy intensive, and a low-capacity mechanical vapor recompression ("MVR") evaporator dedicated to handling more complicated effluent streams. One of the major expenses of running a zero liquid discharge treatment system is the cost of the energy needed to power the evaporators which remove the remaining liquid from the effluent. As a result, the added costs to a company's OPEX (operating expenses) usually outweighs the sustainability benefits of reclaiming the water. Nevertheless, with more stringent and enforceable regulations, these energy intensive technologies are adopted as customers are faced with plant closure consequences. By implementing forward osmosis that uses Aquaporin Inside forward osmosis membranes in an effluent treatment system, a factory or plant can minimize waste by effluent volume and sludge reduction to save costs related to disposal or evaporation/crystallization. A forward osmosis solution makes it possible to replace the complex multi-evaporator setup described above with a single MEE evaporator unit which would require much less energy to operate. Aquaporin Inside forward osmosis solutions are ready to be applied in industrial installations ranging from 100-500 m3/d capacities or larger. The Company is actively pursuing partnerships with system integrators and end-users around the world to set up pilot projects to introduce the Group's products to potential and existing customers. On-site, continuous pilots have been run or are running on multiple sites and with multiple partners across industries in Europe, China, India and the United States.

One particular industry the Company is focussing on is the textile industry, which is a energy intensive and historically very polluting industry. The wastewater from this industry is one of the more challenging to reuse but in recent years legislation has pushed the industry towards sustainable production. This movement is further supported by the fact that the fashion industry has moved towards producing more sustainable clothing to address consumer preference. Aquaporin's membranes offer a new technological solution to extract clean water from textile wastewater streams. This allows for water to be reused in the production, and it concentrates and minimizes the residual wastewater requiring additional treatment. The Company's solutions for the textile industry have been selected for the United Nations SDG Accelerator program, the cGanga ETV (Centre for Ganga River Basin Management and Studies Environment Technology Verification) ran by the Indian authorities as well as longlisted by the Fashion For Good program featuring brand partners such as GAP, Bestseller and C&A.

The Group's products adapted for the industrial water application are:

- **Aquaporin Inside Hollow Fiber FO modules:** The Aquaporin Inside Forward Osmosis membranes can concentrate streams by gently extracting the water. A hollow fiber membrane element consists of many thin fibers with an inner diameter in the hundreds of micrometers range. These thin fibers allow a higher packing density (membrane area per volume) than spiral wound flat sheet elements and enables processing of more difficult waste streams than the spiral wound elements. This product has a high water flux and lowest loss of draw solutes during the operation compared to other commercially available forward osmosis membranes. It ensures high recovery of water and rejection of difficult contaminants, a low specific reverse salt flux (i.e. salt that travels back through the membrane into the feed solution) and is lightweight, easy to install, flexible, modular and compact. It covers lab scale tests and can be used in industrial processes.
 - HFFO14 module has a 13.8 m² membrane area and delivers 6 times larger capacity compared to the current HFFO2 module, which makes this module ideal for industrial applications and installations.
 - HFFO2 module has a 2.3 m² membrane area or 13.000 single hollow fibers, which makes it suitable for application development and pilot trials.
 - HFFO.6 module has a 0.6 m² membrane area which makes it suitable for academia and application development.
 - In 2022 the Company expects to launch a HFFO module for industrial water treatment with larger inner diameter of the fibers, allowing a wider range of applications, along with improved chemical stability (pH, temperature).



FORWARD OSMOSIS

Hollow Fiber Forward Osmosis Modules - HFFO™

- **Aquaporin Inside Brackish Water RO elements:** Funded by the Singaporean government under the SEARO project (further described below), the Company has developed a new, low energy BWRO membrane. Currently in pilot testing in a containerized unit in Singapore with the Public Utilities Board (PUB), Aquaporin Inside BWRO will allow production of process water, cleaning of wastewater and desalination of brackish (medium salinity) water at an approx. 15-30% lower energy consumption compared to conventional membranes.



REVERSE OSMOSIS

Brackish Water Reverse Osmosis Membranes - BWRO

Food and Beverage

This market covers concentration steps for liquids such as coffee, tea, dairy and juices as well as food ingredients. Membranes are a low-energy alternative to evaporation, thus producing high-quality concentrates while lowering power consumption. Following the Group's Food Contact Material compliance secured in 2020 from the FDA, the focus within food and beverage applications will be on cold concentration processes within flavor and fragrance and coffee segments. The Company's focus sub-segments are industries, where the retention of taste and aromatic compounds in concentration processes is essential. For this segment, the Company has developed the following products:

- **HFFO:** The Company is in advanced piloting of a food contact material compliant hollow fiber product. The product will feature a 0.5 mm inner diameter hollow fiber with a design that makes it easily accessible for cleaning solutions, which is important in the food and beverage industry.
- **Forward Osmosis Solutions:** In the food and beverage segment, the Company will market full system solutions for smaller applications such as flavours and fragrances and specialty coffee producers. This will take the form of a compact, stand-alone FO concentration unit to be rented or owned by the end-user.

- **Food BWRO:** The Company has co-developed fouling resistant BWRO able to operate in dairy applications with improved performance (water flux) compared to certain other products in the market. Currently in on-site pilot trials, this product will improve operations in reverse osmosis concentration processes in dairy and potentially other food applications.
- **Tubular FO:** This product, which is being co-developed with a partner can be used to concentrate for example fruit juices, tea and coffee without using high temperatures or losing vital flavour compounds. The partner owns the IP related to production of the membrane itself, while the Company owns the IP related to applying aquaporins to the membrane as well as the aquaporin production, purification and formulation. The partner and the Company jointly own the IP related to the forward osmosis processes. The TFO-D90 prototype, which is available to select test partners upon request, features superior tolerance to suspended solids and resilience to high viscosity feeds.



FORWARD OSMOSIS

Tubular Forward Osmosis - TFO

6.8.3 Additional applications

Medical devices

The Group is also exploring opportunities for using the Group's membranes in the medical device market. The primary applications are for a more sustainable dialysis treatment, and portable and miniature medical devices. Currently, the water from spent dialysate is normally just disposed of with disposal regulations varying per region. For this application, the Company is able to use the technology incorporated in the Company's hollow fiber forward osmosis membranes to ensure water reuse in hemodialysis machines. These applications are being explored with dedicated partners.

Desalination

This is the specialized market of mega-installations which generates potable water from seawater or brackish groundwater. Traditionally a large industry in the Middle East, desalination is expected to increase in importance everywhere within the next decade due to increasing water scarcity. The Company received grants and future financing for continued public private partnership activities for the accelerated development and commercialization of Aquaporin Inside membranes for desalination, including funding received through Singapore's national water agency PUB in 2019. The Company's products adapted for this application are the Group's SWRO modules.

- **Seawater Reverse Osmosis (“SWRO”):** SWRO modules use reverse osmosis to convert seawater into fresh water by desalination. The Company has achieved lab-scale proof of concept in 2020. SWRO modules are the thickest membrane operating under the highest pressures of ~40-70 bars and are best used to desalinate sea water. Bringing this product to market has a lower priority compared to the Group's DWRO and BWRO modules, as this segment has high entry barriers such as financial guarantees. In SWRO, the Company expects that the Group's Aquaporin Inside products will show improved performance over conventional membranes by providing higher flux and improving boron removal, which will allow the operator to avoid using chemicals or additional and expensive treatments steps to remove boron. The development is in an early stage and the Company completed Phase I of the research and development project in Singapore in 2020. Full size SWRO modules are expected to become available for sale in 2022.

6.9 Research and Development

The Company has established laboratory- and test facilities in Denmark and Singapore customized to the development of biomimetic membranes, membrane testing and product development. The Group's core product research and development starts with the further development of the Aquaporin Inside formulation, followed by the development of the membrane incorporating this formulation. This membrane is then incorporated into a membrane element, which in turn can be used to develop membrane applications/processes, or develop membrane systems/solutions.

When the Company develops a product for the industrial water market, the Company generally does so in two steps:

- **Lab tests:** Initially the Company will conduct lab tests to assess the membrane structural properties and lifespan, including pressure required to operate, flux, salt rejection and scaling. Testing will take about one to three months.
- **Pilot projects:** Following successful lab results, the Company will work with customers or local partners to conduct on-site tests to assess the membrane performance in local conditions. This may entail building a reverse osmosis system in a container on site, including pre-treatment or refitting a train in an existing plant (which typically consists of around six trains, each consisting of membrane elements). During these pilot projects the Company will provide the membrane and build the container and the plant operator provides permission to test and is involved in evaluation and may provide certain consulting services. The pilot system may be provided by a system provider who will rent the pilot system to the customer or may be owned by the Company. Pilot projects typically take a maximum of six months to complete. Following completion of a pilot project, the final sale process can begin.

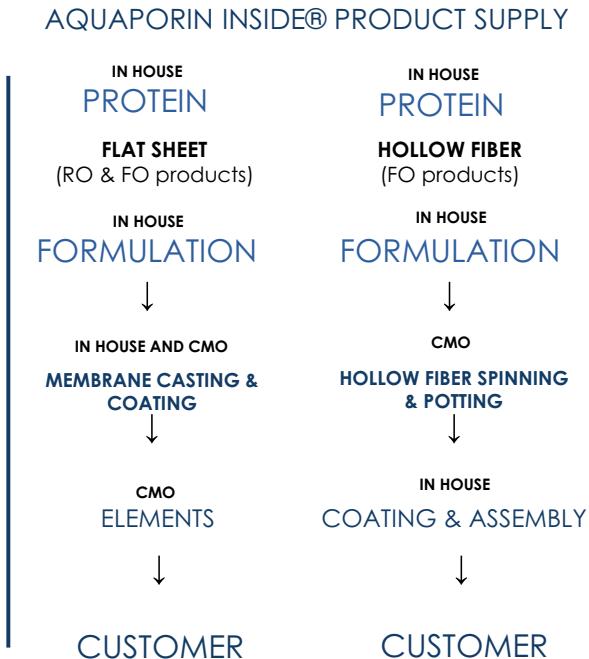
6.10 Manufacturing

The membrane production process is largely similar to other membrane production processes, but slightly more expensive than the production of conventional membranes due to fact that the cost of producing the Aquaporin Inside formulation is added to the price of the conventional membrane. The Group's production process is ISO9001 certified. To mitigate this, the Company has set up a flexible asset-light production platform, aiming to keep only the core value-adding manufacturing steps in-house, and outsourcing other non-core manufacturing steps to CMOs. When outsourcing a manufacturing step, the Company is focused on maintaining control over the process and ensuring supply security of the production process. Industrial production of Aquaporin Inside products can be divided into different steps for reverse osmosis and forward osmosis membranes with the manufacturing of aquaporin protein and Aquaporin Inside formulation being the same for the two types of membranes:

- **Aquaporin protein:** Since the acquisition of Golgi ApS in 2017, the Company has produced all the Group's aquaporin protein fully in-house. The Company has a production capacity of industrial kg-scale fermentation and down-stream processing of the aquaporin proteins. To the Company's knowledge, this is the first ever industrial up-stream and down-stream production process installed for any membrane protein. The Company expects the current production setup to be adequate to support the Company's need for aquaporin protein at least for the medium term with the potential of adding capacity if needed in the long term.
- **Aquaporin Inside formulation:** The Company incorporates the protein into the stable and active polymer formulation which is at the heart of the Aquaporin Inside technology. This part of the production is done solely in Denmark to keep production and know-how around the core technology in-house
- **Flat sheets/reverse osmosis elements:** Aquaporin Inside flat sheet membranes are produced both in-house and with a CMO. Rolling of the flat sheet membranes into final spiral wound elements is outsourced to two separate CMOs. Outsourcing of this production step saves investment in production equipment and allows in-house resources to focus on core competencies.
- **Hollow Fiber Forward Osmosis Modules:** In the production of Aquaporin Inside hollow fiber forward osmosis modules, the Company currently works with four different suppliers of membrane cartridges. The Company has developed the core coating method for applying the aquaporin-containing rejection layer to the inside of these hollow fiber cartridges. Using a

mass-manufactured hollow fiber ultrafiltration element in this way, allows the Company to produce forward osmosis hollow fiber elements at a lower cost per membrane area compared to many other forward osmosis membranes in the market. For specific applications in the food and beverages and industrial water markets, the Company works with dedicated suppliers for custom made hollow fiber cartridges with coating of Aquaporin Inside formulation performed the Company. The Group intends to invest in the in-house coating manufacturing capacity as described in *"Part VI—3.4 Reason for the Offering and use of proceeds"*.

The different steps in product supply of Aquaporin Inside products are summarized in the figure below:



6.11 Sales and Marketing

The Company is currently focused on three major markets to commercialize the Group's current products: (i) drinking water, (ii) industrial water and (iii) the food and beverages industry. In addition, the Company is currently supplementing the Group's focus markets by developing market intelligence and developing products for primarily the medical devices and desalination markets.

As the markets the Company is targeting have very different characteristics, the Company has developed a tailored market approach and clear value proposition for each. One component of the Company's go-to-market strategy in each of these industries are the Group's public private partnerships, which the Company both uses to obtain market intelligence and prime potential customers.

- **Drinking Water**
 - **Market characteristics:** The drinking water market is characterized by relatively low barriers to entry, large accounts, and repeat sales to existing units sold. For Point-of-Use, the Company also has high proximity to the end-consumer: when using a kitchen appliance-sized water purifier, the consumer interacts with the product.
 - **Value proposition:** The ability to produce good tasting, high quality, natural water, and an emphasis on simplicity of design are the key value propositions when entering strategic commercial partnerships and distribution agreements.
 - **Go-to-market strategy:** In the drinking water market, the Group markets its own line of products that will be co-developed with OEMs. The Group will commercialize the Group's products both through the Company's own line of water purifiers and also through membrane product sales to major distributors and OEMs, initially in Europe and subsequently in other key markets, i.e. India, China, and the United States. In addition, the Group believes it can in the future convert these key accounts to also use the flat

sheets from the Group for other applications in order to reap scale advantages in production. A key component of the Company's positioning in the market will be through the brand "Aquaporin Inside" which will help differentiate the product towards competing products and build brand-awareness among end-users. In the premium drinking water segment, the Group believes that price is not the main decision-making factor, but that safety, quality and design come first. In addition, the Group will focus on establishing accounts with well-known brands to increase its commercial visibility. To strengthen the consumer's experience of producing natural water, the Company is emphasizing the Company's 'Powered by Aquaporin Inside' tag, providing a distinction from other brands who use conventional membranes. Apart from residential water purifiers, such as ZERO and ONE, Aquaporin Inside can also be used in point-of-entry systems.

In addition, the Company is in ongoing dialogues with potential regional and strategic customers of which a proportion of them are expected to materialize to sales orders in the short-to-near term. In particular, the Company is in advanced discussions on a specific order for point-of-use drinking water purification systems with a customer with a broad consumer goods distribution network, which could potentially materialize in the coming weeks or few months with an order size around one digit DKK million. The Company's Prospective Financial Information assumes that certain of these but not all of these dialogues will result into binding orders during 2021.

- ***Industrial water and Desalination***

- **Market characteristics:** Generally, the industrial water and desalination market is conservative (as established and well-known producers are preferred), well-established, and characterized by large project sales. Smaller sub-markets with propensity for fast-tracking innovation within water purification also exist, for instance the textile industry.
- **Value proposition:** Aquaporin is partnering with solution providers within each relevant submarket to help customers treat difficult wastewater streams. The forward osmosis technology empowered by Aquaporin Inside allows customers to (i) minimize waste, (ii) reuse more water with better quality, (iii) simplify the effluent treatment process, (iv) optimize land use due to its modular design allowing for flexible installations that take up less space, (v) improve logistics as concentrating waste water more means lower trucking cost for cases where waste water transported and (vi) in most cases lower total-cost-of-ownership for the end-user compared to conventional technologies. To speed up commercialization of Aquaporin's industrial products, lab-scale proof-of-concept and pilot studies are offered prior to commercial commitment. The Company will also bring into the Industrial Water market BWRO products for which a significant customer base already exists. Aquaporin Inside membranes will be a direct replacement for competitive products offering the end-user lower energy consumption.
- **Go-to-market strategy:** Through pilot projects running in Europe, the United States, India and China, the Group intends to increase the sale of industrial size HFFO14 modules by working with well-established system integrators in key markets. In addition, the Group plans to increase its profile through referral agreements signed with system providers in the United States, Singapore, India and Turkey. In the short term, the Group expects to deliver its first large installation and build a reference list within zero liquid discharge (initially focused on India due to the current regulatory environment in India), farm waste in the United States and Europe and landfill leachate in China.

The Group will from time to time also enter into partnership or joint venture arrangements and has recently been in negotiations with a potential partner in India, which are expected to pick-up in the second half of 2021. If any such partnership was to materialise this could have a significant effect on the Group's commercialization efforts in India. However, there is no certainty that discussions will be initiated again, the timing hereof or whether these will result in a final agreement.

- ***Food and beverage***

- **Market characteristics:** The food and beverage segment is characterized by both fierce competition and willingness to innovate to bring new consumer products to market, but also safety and conservativeness on the process side, along with strict regulations

concerning process solutions. The segment has low price sensitivity compared to the Company's other business segments and a very large price difference between discount and premium consumer product segments. In recent years, this segment has seen an increased focus on (i) the sustainability of final products and the impact of sustainability on brand image and recognition and (ii) convenience driving the demand for easy-to-use options, such as capsules or instant coffee.

- o **Value proposition:** The benefits of the Aquaporin Inside forward osmosis process for food and beverage concentrations include its ability to (i) retain aromas, nutrients and flavours; (ii) produce super concentrates; (iii) enhance quality by processing without heat or pressure ; (iv) bring new and innovative products to the consumer, based on improved retention of the natural flavour profile of the product in the concentrate; (v) improve logistics as concentrating waste water more means lower trucking cost for cases where waste water transported and (vi) reduced cost of ownership (including reduced energy use) compared to evaporators. At the same time, the Group's products allow its customers to lower their environmental footprint. The Group's BWRO products in food and beverage will allow for a higher production capacity and lower system CAPEX for concentration units for dairy and other liquid foods, compared to conventional reverse osmosis products
- o **Go-to-market strategy:** In the food and beverage segment, co-development and strategic commercial partnerships will be used to accelerate market penetration. In addition, the Group will target system sales as well. Following Food Contact Material compliance secured in 2020 from the FDA, the focus within food and beverage applications will be on cold concentration processes within coffee and flavours and fragrance segments where the retention of taste and aromatic compounds in concentration processes is essential. The Company is seeking to partner with known brands in the industry but is in parallel proving the value by securing launch of the first products using Aquaporin Inside cold concentration technology with smaller, more agile coffee and food ingredient brands. This two-pronged strategy allows the Group to create new products with smaller players while the Group goes through piloting and approval steps with the larger brands. The Group expects to mainly bring its BWRO products to market in food and beverage through partnerships.

6.12 Sustainability

Global freshwater consumption has increased significantly during the past 75 years. At the same time, freshwater reservoirs are threatened by pollution, climate change and a growing world population, creating one of the major threats to humanity and thereby also to businesses worldwide (UN Global Compact, 2021).

The Group builds upon a commitment to drive change and fight these water resource challenges by introducing sustainable water purification technologies to industries and households to better utilize one of the world's most precious and vital resources. Sustainability is thus an integrated part of Aquaporin's value proposition, and all the Group's solutions contribute to one or more of UN's Sustainable Development Goals ("SDGs").

Aquaporin's technology offers multiple and diversified options for reducing water and energy consumption, and the Group works with partners, industry players, customers, and investors to maximize utilization of its technology, and is in continuous dialogue with its customers to minimize wastewater, improve production efficiency, and provide cleaner drinking water to households.

Sustainability is not only deeply integrated in the Group's solutions but also in the way it conducts its business with respect to strategy, production processes, working environment and business ethics. In operating its business, the Group is particularly mindful to ensure that its production, logistics and administration processes are sustainable.

6.12.1 Supporting the SDGs

The Company creates products and solutions aimed at achieving UN's SDGs.



- The drinking water product portfolio contributes to SDG 6: Ensure access to water and sanitation for all.
- ▶ The products supports the SDG targets 6.3 (safe treatment of wastewater), 6.4 (increase water-use efficiency) and 6.a (cooperation to support developing countries in water-related activities like wastewater treatment).
- ▶ Further, it indirectly supports the targets 3.3 and 3.9.2 addressing the elimination of waterborne diseases.



- The industrial water pipeline contributes to SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
- ▶ The products supports the SDG targets 6.4 (increase water-use efficiency), 12.2 (sustainable management of natural resources), 12.4 (environmentally sound management of waste and reduce release to air, water and soil), 12.5 (reduce waste generation through reduction, recycling & reuse) and 14.1 (marine pollution).



- The food and beverage products contributes to SDG 12: Ensure sustainable consumption and production patterns.
- ▶ The products serve the purpose of concentrating foods and natural flavour, minimizing the need for transportation of foods, and reducing energy consumption in connection with the concentration of taste within industries like the coffee industry. It therefore supports the SDG target 12.2 (sustainable management of natural resources).



- The medical devices pipeline contributes to improved water reuse in dialysis clinics along with simplified in-home dialysis treatment.
- ▶ The product pipeline ensures significantly reduced energy and water consumption linking the products to SDG 6 and 12. Further, the compact intensive care unit simplifies in-home treatment by being a simpler, smaller, more energy-efficient and cheaper machine. These qualifications support SDG 3: Ensure healthy lives and promote well-being for all at all ages and supports SDG target 3.8 (achieve universal health coverage) by easing access to treatment.



- The desalination pipeline contributes to SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.
- ▶ The pipeline of desalination products supports the SDG targets 6.a (cooperation to support developing countries in water-related activities such as wastewater treatment), 17.6 (science/technology North-South cooperation agreements) and 17.17 (public-private partnerships).

6.12.2 UN Global Compact

The Group is a United Nations (“UN”) Global Compact signatory and is committed to its ten principles. The Company supports UN Global Compact to drive business awareness and action in support of achieving the SDGs by 2030. The ten Global Compact principles frame Aquaporin’s ambition of contributing to a more sustainable future and integrating the SDGs in the way it operates.

In working with sustainability, the Group will track its Environmental, Social and Governance (“ESG”) performance and progress from 2021. This will be linked with UN Global Compact’s four categories of Human Rights, Labour, Environment, and Anti-corruption.

A specific Environment & Climate Policy is currently under development. The Group aims at monitoring greenhouse gas emissions, energy sources, water consumption and waste. Further, engagement in green activities on board and senior management level will be implemented by addressing climate risk at Board Meetings and internal management meetings.

6.12.3 Circular Economy

During 2021, it is one of the Group’s key sustainability objectives to integrate circular economy thinking in the way that Aquaporin operates. The Group is addressing circular economy across various business functions in three steps (i) mapping in-house activities (ii) analyzing product use and (iii) mapping and analyzing raw material input. The initiative is striving to rethink the three stages of take, make and waste and replacing them with recycling and reusing products and their components. Being an ongoing improvement process, the internal circular economy working group will define an overall strategy, short-term goals and activities, and report on its progress through the Group’s Global Compact Communication on Progress, of which the first one is due in January 2022.

6.13 Social Impact

The employees are one of the Group’s main assets. The Group is aware that a safe, creative, and stimulating work environment is essential for the future development and competitive position of Aquaporin. Therefore, the Group regularly conducts surveys to better understand how it can improve the current working environment and ensure an open and flexible workplace, where employees are able to grow and develop.

6.13.1 Aquaporin Academy

The Group offers students a chance to become part of its development through Aquaporin Academy. The academy offers students real life case studies to further explore their interest in membrane development and membrane manufacturing. The program is offered to students at both bachelor’s and master’s levels. The students contribute to Aquaporin’s research, while the students are able to explore new areas of study related to Aquaporin’s core technology. The program also serves the purpose of identifying talented new employees for the Group. The Aquaporin Academy supports SDG Goal 4 of Quality Education and SDG target 4.4 (increase number of youth with relevant skills for employment, decent jobs and entrepreneurship).

6.13.2 Garage

The Group has established Aquaporin Garage upon the belief that sustainable solutions are best created in a mix of technological innovation and entrepreneurship. This initiative offers small pioneering start-ups an office space at Aquaporin’s headquarters in Denmark to allow the Group to interact with like-minded innovative start-ups. When entering each such collaboration, the Group is particularly mindful to ensure its proprietary technology remains protected.

6.13.3 Aquaporin Art

Through Aquaporin Art, the Group offers exhibition space in collaboration with the Danish artistic, curatorial and research collective Primer, which centres on the convergence of climate research, scientific and technological developments and their societal effects, both present and future. Via this initiative, artists are offered a chance to take part in the company’s development.

Amongst other projects, the artistic collective explores climate-related issues and are working on creating an exhibition, where art and climate research meet. The art group is excited to work in a space like Aquaporin’s with a venue of scientific research, open space and a creative touch.

The initiative provides inspiration to visitors and employees, while encouraging everyone to reflect on their daily work from new perspectives.

6.14 Technology protection

The Group is the owner of certain technologies relating to membranes, modules, systems and materials capable of extracting and purifying water from aqueous media, as well as related know-how. Protection of the Group's intellectual property is an important prerequisite for the Group's success, and as a result, the Group owns numerous patents, trademarks, domain names, trade secrets and other intellectual property material to the Group's business. The core of the Group's portfolio is the protection of new membrane materials such as the aquaporin protein formulations. Additional layers of protection are added through patents claiming the production of the aquaporin protein, the final membrane elements and novel membrane applications. The Company relies on intellectual property rights, and applies confidentiality procedures, non-disclosure agreements, invention assignment agreements and other contractual methods to protect the Group's intellectual property in addition to the Group's registrations, as applicable.

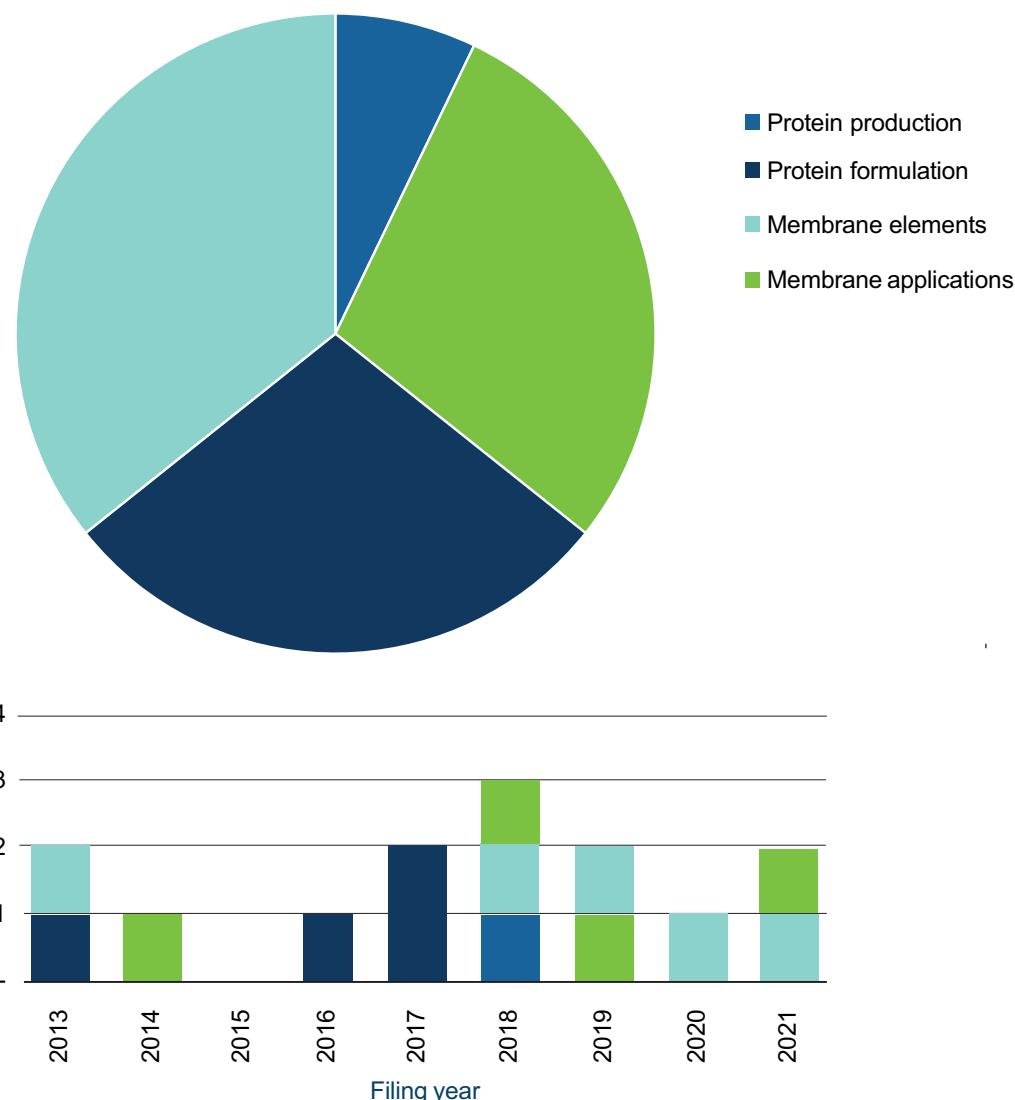
6.14.1 Patents and Utility models

The Company's patent portfolio covers key commercial aspects of the value chain, including production of the aquaporin proteins, formulation of the aquaporins, membranes comprising immobilized aquaporins, modules comprising aquaporin membranes, and uses of aquaporin membranes.

As of the date of this Prospectus, the Company has been granted 17 patents and utility models across 14 patent families where one has expired. In addition, the Company has 64 pending patent applications in total worldwide. The term of individual patents and utility models depends upon the legal term for patents in the countries in which they are obtained. In most countries in which the Company files, including Europe, the patent term is generally 20 years from the earliest filing date. The Company estimates that the Company's Aquaporin Inside technology is covered by basic patent coverage (see figure below) at least until approximately 2034.

The below figure shows an overview of the Group's current patent portfolio and protection, covering four layers of IP.

Total of 17 granted patents across 14 patent families



The below table includes an overview of the Company's patent protection.

Overview of Patents	Year of expiry
AQP12—02743: A hollow fiber module having thin film composite-aquaporin modified membranes ⁽¹⁾	2034
AQP14—02745: Systems for water extraction ⁽¹⁾	2034
AQP16—02750: Systems for utilizing the water content in fluid from a renal replacement therapy process ⁽¹⁾	2035
AQP17—02753: Self-assembled nanostructures and separation membranes comprising aquaporin water channels and methods of making and using them	2037
AQP18—02754: Diblock copolymer vesicles and separation membranes comprising aquaporin water channels and methods of making and using them	2037
AQP24—02783: Vesicle incorporating transmembrane protein	2038
AQP25—02863: Process for producing a membrane protein	2039
AQP26—02878: Method for enriching aqueous ethanolic solution in ethanol	2039
AQP28—02895: A hollow fiber module	2039
AQP 29—03021: Production of concentrated spent dialysate	2040
AQP 30—03131: Anti-fouling and semi-permeable membrane	2040
AQP 31—03218: A hollow fiber and a process for preparation thereof	2041
AQP 32—03290: Plant-derived vesicles incorporating trans-membrane proteins	2042
AQP 33—03301: Membrane for water filtration	2042

(1) Certain Chinese patents and patent applications in this patent family are owned by the Company's joint venture Aquapoten Co. Ltd.

In addition, from time to time the Group co-develops products with a partner or outsources the manufacturing of part of the end-product to a CMO. In such situations, the Group's partners or CMO's might from time to time file supplemental patents to part of the end-product. For instance, with respect to the TFO product, the Group's partner has filed its own patent application relating to the production and design of the support membrane coated by the Company with the Aquaporin Inside technology. Similarly, the Group has outsourced the manufacturing of the ZERO and ONE to a CMO, who hold the IP rights related to the system surrounding the Aquaporin Inside technology for the ZERO and ONE.

6.14.2 Trademarks and other intellectual property protection

The Group's trademark portfolio (including trademarks for Aqua logo, Aqua logo with Aquaporin below, Aquaporin inside, A drop of nature, HFFO, DWRO) contained 16 registered trademarks and no unregistered trademark applications. The trademark registrations include three U.S. trademark registrations, five EU trademark registrations, two Indian trademark registrations, and a single trademark registration in each of Australia, Denmark, Japan, Singapore, South Korea, and Israel

Furthermore, the Company relies upon trade secrets, know-how, certain domain names, continuing technological innovation and potential in-licensing opportunities to develop and maintain the Group's competitive position. The Company seeks to protect the Company's proprietary information, in part, using confidentiality agreements and invention assignment agreements with the Group's commercial partners, collaborators, employees (in addition to what is already safeguarded by the Danish Act on Employee's Inventions (in Danish "*Lovbekendtgørelse om arbejdstageres opfindelser*")), and consultants. These agreements are designed to protect the Group's proprietary information and, in the case of the invention assignment agreements, to grant the Company ownership of technologies that are developed through a relationship with an employee or a third party.

6.15 Academic collaborations

The Company seeks to further develop the Group's expertise through collaborations with research centers and universities and public private partnerships with local government entities. By combining the Group's expertise with that of industry stakeholders, the Company ensures the Company better understands the specific needs of a particular industry or region to improve and extend the scope of the Company's technology and ensure the Group's product line is adapted to tackling specific industry/regional issues. The Company's academic partners include the Singapore Membrane Technology Center at Nanyang Technological University and DHI Singapore funded by Singapore's Environment and Water Industry Development Council (EWI), the BONUS CLEANWATER, a project funded by the EU, which is a collaboration between universities, high-tech companies, and wastewater operators that aims at reducing the input of microplastic and xenobiotics from wastewater led into the Baltic Sea by exploring, developing and comparing innovative eco-technology approaches. A final solution is not limited to the Baltic Sea, world oceans can benefit too. Through these academic collaborations the Company receives funding to continue the Group's R&D development and can expand the Group's knowledge and expertise.

Public private partnerships are also a strong part of the Aquaporin business model. Through the partnerships Aquaporin manages to accelerate market penetration, prime and identify potential customers and obtaining market intelligence. In 2021, five material public private partnerships remain active:

- **India H2O:** This project focusses on mitigating water scarcity in India by implementing innovative membrane solutions. This project is jointly funded by the EU and India. The project is supporting the development of commercial activities in India by EU-based corporations. An early pre-payment was received in 2019 and the project was postponed twice, but expected to be active again in 2021.
- **SEARO:** This project focusses on development of BWRO and SWRO membranes suited for use by Singapore public utilities board ("PUB"). Phase II commenced in 2020 and will continue through 2021 and 2022. All activities related to phase I were completed and claimed in 2020 with an expected pay-out of granted funding in 2021. 2021 includes significant investments in CAPEX in machinery and equipment, which is 70% funded by the Singaporean government in the PUB program. Funding is not expected until 9–12 months after activities have started.

- **Rewaise:** This project aims to re-engineer the water cycle in Europe through three strategic hubs—Atlantic, Mediterranean and Continental—and includes a number of strategic partners including both utilities, water majors and consultants, and was commenced in 2020 with increasing activity in 2021.
- **DTU Environment:** This project aims to develop know-how and technology for a new non-biological system for decentralized handling of household sewage to ensure, on-site non-potable water re-use and valorization of organics in the wastewater at the same time. The core opportunity is for decentralized wastewater treatment in summer houses and remote houses in Denmark and the Nordics. The project is funded by MUDP (Miljø Teknologisk Udviklings- og Demonstrationsprogram).
- **Fashion for Good:** In 2021, the Company was selected to participate in Fashion for Good's South Asia Innovation Program. The Fashion for Good's program brings together manufacturers, investors, innovators and apparel brands, with the overall aim of making fashion more sustainable. Aquaporin will join the program with nine other companies and Fashion for Good's partners in the region. The program is expected to last nine months.

6.16 Real Estate

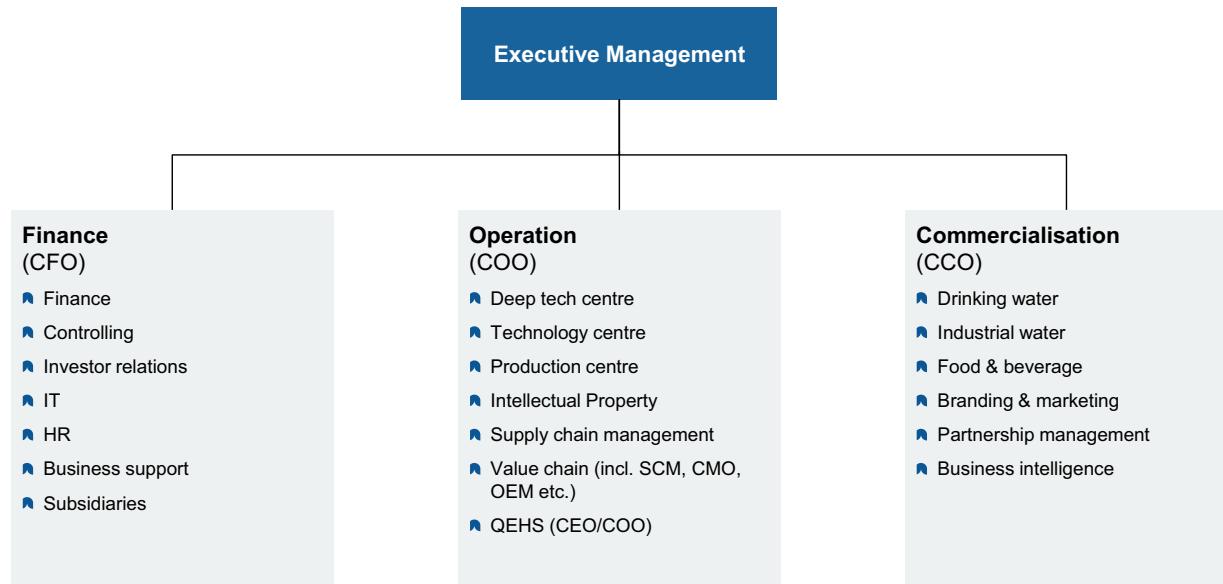
The Company's headquarter is located at Nymøllevej 78, 2800 Kgs. Lyngby, Denmark, where the Company leases office space, laboratory space and a production facility for the production of the aquaporin protein. The Company currently leases this space from LP Erhvervsejendomme P/S, which is controlled by Lægernes Pension. The lease has been entered into on market terms, however this lease agreement is mutually non-terminable until 30 September 2035. The Group also leases production, laboratory and research facilities for the production of Aquaporin Inside formulation and products as well as sales office facilities in Cleantech Two, 3 Cleantech Loop and Cleantech One, 1 Cleantech Loop, Singapore 637143 from Jurong Town Corporation. None of the properties are subject to material easements that prevent or restrict the Group's current business activities or will in the short or medium term require major investments or will cause the Group to incur significant costs going forward.

The Group's total lease obligation as of 31 December 2020 is DKK 73.3 million compared to DKK 77.7 million for the financial year ended 31 December 2019.

6.17 Internal Organizational Structure

As of 31 March 2021, the Group has 69 head-counted FTEs (including consultants recognized on the same conditions as FTEs) distributed across the Group's management, commercialization, administration, research, development, and manufacturing activities. The Company also has 15 to 20 PhD and other student FTEs, where the partnership covers the cost.

The Group is primarily organized in three divisions (i) finance, (ii) operations and (iii) commercialization as showed in the diagram below:



The CEO manages the Executive Management. Reporting and alignment in the Executive Management team is secured by weekly meeting. In addition, the quality environmental health and safety ("QEHS") team that operations within the Group's operation's division reports directly to the CEO to secure independence from the rest of the organization. Furthermore, the CEO is involved in subsidiary and JV activities on a board level. The finance department is run by the CFO who oversees financing and accounting functions, compliance and investor relations as well as HR, IT and Facility Management. The CFO is also the chief executive officer of Aquaporin US, Inc. The COO manages operational activities from Deep Tech and Technology Development to supply chain management and manufacturing and production. Deep Tech handles early stage development related to expression of aquaporin proteins as well as optimization and development of the Aquaporin Inside formulation, whereas Technology handles maturation and incorporation of Aquaporin Inside products into industrial standard form factors. The COO is also the chief executive officer of the subsidiary, Aquaporin Asia. All commercial activities across the business segments drinking water, industrial water and food and beverage are led by the CCO in close collaboration with the divisions across the Group. The CCO is also the Deputy CEO of the Group, acting as substitute to the CEO when needed. The Group is characterized by a diverse workforce and aims at supporting dynamic interaction across divisions to ensure a transparent communication flow. Communication flow is secured by monthly information meetings.

The following table sets forth the breakdown of the Group's employees and consultants by business area on the specific dates presented. In connection with the COVID-19 pandemic, the Group made certain employees redundant. In connection with the commercialization efforts, the Group intends to increase the number of employees.

Business Area	As at 31 March		As at 31 December		
	2021	2020	2020	2019	2018
Management and administration	11	13	11	13	12
Commercialization	16	17	14	16	13
Research, development and manufacturing	42	56	40	57	51
Total employees	69	86	65	86	76

The following table sets forth the Group's employees by location on the dates presented.

Region	As at 31 March		As at 31 December		
	2021	2020	2020	2019	2018
Denmark	57	72	53	72	62
United States	2	1	2	1	1
Singapore	10	12	10	12	13
China	0	1	0	1	0

7. Corporate structure

The Company is the parent company of the Group.

The following table sets forth the subsidiaries of the Company and its associated companies as at the date of this Prospectus:

Entity Name	Country of Incorporation	%Ownership/Votes	Primary function
Aquaporin Membrane Proteins ApS	Denmark	100%	Production of Aquaporin Inside formulation and R&D base
Aquaporin Asia Pte. Ltd.	Singapore	100%	Responsible for the commercialization of Aquaporin Inside and R&D in Asia Numerous projects conducted in collaboration and with the support of the Singapore Government funded by e.g. National Research Foundation
Aquaporin US Inc.	USA	100%	Responsible for the commercialization of Aquaporin Inside in the United States
Aquapoten Co. Ltd. ⁽¹⁾	China	45%	Not active
Aquaporin Space Alliance ApS ⁽²⁾	Denmark	50%	Responsible for the commercialization and research of Aquaporin Inside for space applications

(1) Aquapoten Co. Ltd. was established in 2015 as a joint venture with Poten Environment Group (HK) Limited who on 24 May 2017 transferred their 55% ownership to Congreen Ecological Agricultural (Beijing) Co., Ltd.

(2) Aquaporin Space Alliance ApS was established on 17 May 2013 as a joint venture with Danish Aerospace Company A/S.

Upon the acquisition of Aquaporin Membrane Proteins (formerly known as Golgi Membrane Proteins) in 2017, the assets and liabilities of this entity were transferred to the Company.

8. Operating and Financial Review

8.1 Introduction

The Group has historically focused the Group's operations on research and product development and has as a result not yet generated any significant revenue (with a total revenue from product sales in the drinking water and industrial water segments in 2020 of DKK 2.7 million compared to DKK 2.3 million in 2019 and royalties and milestone payments in 2020 of DKK 2.8 million compared to DKK 3.8 million in 2019). However, since inception, the Group has developed a mature technology platform that can be used to increase commercialization in the mid-term. As of 31 May 2021, the Group has received order for approximately 50,000 m² of flat sheet since launch of which 30,000 m² has been delivered and invoiced, resulting in a total revenue of approximately DKK 1 million. The Company is further in strategic discussions for flat sheet which could potentially result in the sale of more than 2 million m² per year. In addition, the Group has sold approximately 300 units of its ZERO water purification system and 50 units of its ONE water purification system since the launch of each such product in November 2020 and April 2021 respectively, generating a total revenue of DKK 0.8 million. In addition, the Group is currently conducting 14 pilot projects in Industrial Water (both research and development related and commercial) in more than 10 countries as well as several pilot trials for DWRO which could potentially lead to orders for membrane elements exceeding 10,000 units. In addition, the Group is conducting five pilot projects within the food and beverage segment. For a description of these products see “—Section 6.8.2 Key Applications”. The Group currently has three sales offices in Denmark, US and Singapore and two research and development centers in Denmark and Singapore.

The following is a discussion of the Group's results of operations for the three month period ended 31 March 2021 with comparison numbers for 31 March 2020 and for the financial years ended 31 December 2020, 2019 and 2018, and the Group's financial condition as of the end of each such three month period and years, respectively. Prospective investors should read this discussion in conjunction with the unaudited, but reviewed Interim Financial Statements included in this Prospectus and the audited Consolidated Financial Statements, which are incorporated by reference into this Prospectus.

See “—Section 18 Financial Information concerning the Company's assets and liabilities, financial position and profits and losses and dividends”. Some of the information contained in the following discussion contains forward-looking statements that are based on assumptions and estimates and are subject to risks and uncertainties. Prospective investors should read “General Information—Forward Looking Statements” for a discussion of the risks and uncertainties related to those statements. Prospective investors should also read “Part II Risk Factors” for a discussion of certain factors that may affect the Group's business, results of operations or financial condition.

8.2 Key financial data and ratios

Consolidated statement of profit and loss

DKK thousand	For three months ended 31 March		For financial year ended 31 December		
	2021	2020	2020	2019	2018
Net revenue	2,221	789	5,499	6,078	7,894
Cost of goods sold	(1,608)	(329)	(1,426)	(691)	(185)
Gross profit	613	460	4,073	5,387	7,709
Sales and distribution costs	(6,726)	(5,148)	(20,811)	(19,948)	(16,784)
Research and development costs	(13,478)	(14,793)	(56,072)	(57,198)	(51,614)
Administrative costs	(3,047)	(4,000)	(13,059)	(17,660)	(16,471)
 EBIT	 (22,638)	 (23,481)	 (85,869)	 (89,419)	 (77,160)
Share of net earnings of associates	0	0	24	(2,874)	(4,737)
Net financial items	(1,128)	(642)	(3,467)	(3,664)	(3,006)
<i>Financial income</i>	126	78	3,587	152	157
<i>Finance costs</i>	(1,254)	(720)	(7,054)	(3,816)	(3,163)
Earnings before tax	(23,766)	(24,123)	(89,312)	(95,957)	(84,903)
Income tax	(1)	—	(34,044)	25,328	13,330
Result for the period	(23,767)	(24,123)	(123,356)	(70,629)	(71,573)

Consolidated balance sheet

DKK thousand	As at 31 March		As at 31 December		
	2021	2020	2020	2019	2018
Total non-current assets	211,866	256,827	214,017	256,558	233,889
Total current assets	25,970	30,947	32,799	32,898	33,335
Total assets	237,836	287,774	246,816	289,456	267,224
Equity	91,325	167,575	107,322	164,062	110,819
Total liabilities	146,511	120,199	139,494	125,394	156,405

Consolidated cash flow statement

DKK thousand	For three months ended 31 March		For financial year ended 31 December		
	2021	2020	2020	2019	2018
Cash flow from operating activities	(18,051)	(19,722)	(59,027)	(64,064)	(78,062)
Cash flow from investing activities	(2,553)	(4,906)	(16,723)	(22,357)	(14,091)
Investments in intangible assets	(1,631)	(3,295)	(12,162)	(13,814)	(7,641)
Investments in tangible assets	(918)	(1,684)	(4,595)	(8,674)	(3,062)
Investments in associates and joint arrangements	0	0	0	0	(3,326)
Cash flow from financing activities	19,691	24,320	75,790	86,684	46,870
Net cash flow for the year	(913)	(308)	40	263	(45,283)
Cash and cash equivalents, end of period	605	1,055	1,504	1,382	1,091

Key ratios

DKK thousand	For three months ended 31 March		For financial year ended 31 December		
	2021	2020	2020	2019	2018
Equity share ⁽¹⁾	38%	43%	43%	57%	41%
Earnings per share ⁽²⁾	(3)	(3)	(15)	(10)	(10)
Diluted earnings per share ⁽³⁾	(3)	(3)	(14)	(9)	(9)
Average number of FTEs	74	90	83	83	73

(1) Equity share is calculated as the equity divided by the total assets as of the balance sheet date.

(2) Earnings per share is calculated as the net result for the period divided by the total nominal number of shares as of the balance sheet date.

(3) Diluted Earnings per share is calculated as the net result for the period divided by the weighted-average number of ordinary shares outstanding during the period adjusted by the dilutive effect of warrants.

8.3 Non-IFRS measures

This Prospectus contains certain financial measures that are not defined under IFRS, including EBITDA, EBIT, EBITDA before special items and EBIT before special items, and working capital. Unless otherwise indicated, tables with financial measures included in this Prospectus are presented on an IFRS basis.

The non-IFRS financial measures presented herein are not measures of financial performance under IFRS, but measures used by management to monitor the underlying performance of the Group and the Company. Further, they may not be indicative of historical operating results, nor are such measures meant to be predictive of future results. The Company has presented these non-IFRS measures in this Prospectus because the Company considers them an important supplemental measure of the Group's performance and believes that they are widely used by investors in comparing performance between companies.

However, not all companies may calculate the non-IFRS financial measures in the same manner or on a consistent basis, and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names. Similarly, non-IFRS financial measures are subject to a number of limitations. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for revenue, cash and cash equivalents or other financial measures computed in accordance with IFRS. For further information, see *"Part III Section 8.3 Non-IFRS measure"*.

The following table provides a reconciliation of EBT to EBIT (non-IFRS) and from EBIT to EBITDA (non-IFRS) for each of the periods indicated:

DKK thousand	For three months ended 31 March		For financial year ended 31 December		
	2021	2020	2020	2019	2018
EBITDA (non-IFRS)	(18,306)	(19,582)	(67,515)	(72,427)	(62,163)
Depreciation and amortization	(4,332)	(3,889)	(18,354)	(16,992)	(14,997)
EBIT (non-IFRS)	(22,638)	(23,481)	(85,869)	(89,419)	(77,160)
Share of net earnings of associates	—	—	24	(2,874)	(4,737)
Net Financial items	(1,128)	(642)	(3,467)	(3,664)	(3,006)
Earnings before tax	(23,766)	(24,123)	(89,312)	(95,957)	(84,903)

8.4 Principal factors affecting the Group's results of operations

The following factors have affected, and will continue to affect, the Group's business and results of operations.

8.4.1 Research and development investments

The Group's historical operating results are affected by the Group's ongoing investments in research and developments to ensure the Group's products are responsive to customer needs and remain competitive with products developed by the Group's competitors. The last few years, the Company has made significant investments in the Group's business with the purpose that it could pave the way

for future profitable growth. Financing the research and development activities has been and still is done in part with support from government grants. Missing the expected government grants on specific development projects in the pipeline could have an impact on the operating results if the Company is chosen to continue the specific development projects, which are normally supported by government grants. Continuing the specific development project without support from government grants could potentially mean a delay in the development project or alternatively an increased degree of costs that requires own financing to complete the development project in the planned pace. Activities related to operational investments include employee training and development, establishing joint ventures and partnerships, research and development investments, implementing enhanced information systems, pursuing patent applications and intellectual property protection and other activities to enable the Group to support the Group's operating model.

8.4.2 Cost related to the Company's commercialization strategy

Given the Group is transitioning from a company focused on research and development to a Company focused on product commercialization, the Group has not, as of yet, generated significant revenue streams. Instead, the Group has and will in the future incur significant costs as a consequence of the execution of the Group's commercialization strategy. Sales and marketing expenses have increased over the last few years and will continue to increase in the future as well as costs related to expanding the commercial team or establishing a network of distributors that will sell the Group's products to end-users. Further, additional international expansion will place increased demands on the Group's operational, managerial, administrative and other resources. Managing the Group's growth effectively will require the Group to continue to enhance the Group's management systems, financial and management controls and information systems. The Group will also be required to hire, train and retain operational and sales personnel, which affects the Group's operating margins. In addition, general and administrative expenses will increase as the Group's organization expands, e.g. as a result of the Company becoming a listed company.

8.4.3 Sales to customers

It is important that the Company retains new customers and generates market acceptance of the Group's products by industry stakeholders. As such, the number and growth in customers are important factors affecting operations. The number of new customers will depend on the ability of the Group to (i) prime customers during the Group's public private partnerships and pilot projects; (ii) strategically identify opportunities with the highest likelihood of success for the company's products; (iii) establish and maintain an effective distribution network; (iv) create a sales force with a customer network; (v) sustain a differentiated value proposition in the long-term; and (vi) convert potential customers to long-term paying customers through pilot stage scale ups and relevant references.

8.4.4 Royalties and milestone payments

The Group receives milestone payments if certain milestones are reached in connection with the strategic commercial partnership agreements the Group enters into. If such milestone payments are not received, the Group will need to find alternative commercialization strategies.

Historically, the Company has received milestone payments from a strategic partnership in the food and beverage industry. These have been triggered by demonstrating performance of the Company's membranes in lab and pilot scale. In the coming years, the Company expect additional milestone payments from this partnership based on demonstrating membrane performance in long term operation.

The Company has received minor royalty payments related to the space industry.

8.4.5 Demand for clean water sources

In general, the Group expects demand for the Group's products and services to increase in the future as the availability of clean water from public sources decreases. Underpinning this growth are a number of global, long-term trends that have resulted in increasingly stringent effluent regulations, along with a growing demand for cleaner and sustainable waste streams for reuse. Secular trends that will drive demand for water across a multitude of industrial, commercial and municipal applications include global population growth, urbanization, industrialization, global expansion of the middle-class

and overall economic growth. In addition, the supply of clean water could be adversely affected by factors including an aging water infrastructure and increased levels of water stress from seasonal rainfall, inadequate water storage options or treatment technologies. Because water is a critical component and by-product of many processes, including in manufacturing and product development, the Company expects that, as global consumption patterns evolve and water shortages persist, demand for the Group's Aquaporin membranes will increase. The Group also expects a trend in decentralized water treatment and supply to continue to grow for the foreseeable future. This trend aligns with the Group's ambition to provide solutions for wastewater reuse and point of use and point of entry water treatment.

8.4.6 Overall economic trends

The overall economic environment and related changes in industrial, commercial and municipal spending affect the Group's business. In general, positive conditions in the broader economy promote industrial, commercial and municipal customer spending, while economic weakness results in a reduction of new industrial, commercial and municipal project activity. Macroeconomic factors that can affect customer spending patterns, and thereby the Group's results of operations, include population growth, total water consumption, municipal budgets, employment rates, business conditions, the availability of credit or capital, interest rates, tax rates, imposition of tariffs and regulatory changes. Since the businesses of the Group's customers vary in cyclical, periodic downturns in any specific sector typically have modest impacts on the Group's overall business. For example, the COVID-19 pandemic has increased economic uncertainty, postponed certain pilot projects and has caused an economic slowdown that is likely to continue and may result in a sustained global recession.

8.5 Principal Factors Affecting Comparability of the Group's Business and Results of Operations

8.5.1 Accounting policies, estimates and assessments and new accounting standards

The Consolidated Financial Statements for the Aquaporin Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as well as additional Danish disclosure requirements applying to entities of reporting class C (middle). A full description of the Group's accounting policies is provided in the Consolidated Financial Statements as included by reference in this Prospectus.

As of 1 January 2020, a number of amendments to the accounting standards were implemented. None of the amendments have a material impact on the accounting policies or on the consolidated financial statements, consequently, no changes to the accounting policies or retrospective adjustments have been made as a result of adopting these standards. In addition, a number of new and amended standards and interpretations have not yet entered into force or have not yet been adopted by the EU. Therefore, they are not incorporated in the consolidated financial statements. None of the new or amended standards and interpretations are expected to have a material impact on the consolidated financial statements.

8.5.2 Early Adoption of IFRS 16 "Leases"

IFRS 16 "Leases" sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The Group has early adopted the new standard. The cumulative effect of initially applying the standard has been recognised at 1 January 2018 and comparatives have as allowed by IFRS 16 not been restated considering an immaterial impact.

As a result of the change in lease accounting, the Group has capitalized the Group's right of use assets. Upon implementation on 1 January 2018, the Group has recognised a liability to make lease payments of DKK 65.6 million. The accumulated effect on equity at 1 January 2018 is zero and the accumulated effect on total assets is DKK 65.6 million. Further, the Group has after the adoption of IFRS 16 separately recognized the interest expense on the lease liability with DKK 2.1 million and the depreciation on the right to use the assets with DKK 4.7 million instead of cost of operating lease agreements with DKK 5.1 million. Hence, the impact on net result for 2018 from adoption of IFRS 16 was a reduction of DKK 1.7 million.

8.5.3 Translation from functional currency to presentation currency

Items in the financial statements of each of the reporting companies of the Group are measured in the currency of the primary economic environment in which the company operates (the “functional currency”). Assets, liabilities and equity items are translated from each reporting company’s functional currency to DKK at the balance sheet date. The income statements are translated from the functional currency into the presentation currency based on the average exchange rate for the individual months. Differences arising on the translation of the equity at the beginning of the period, and translation of the income statement from the average rates to the exchange rate at the balance sheet date, are recognized in other comprehensive income and presented as a separate reserve in equity. The functional currency of the Company is the Danish krone (DKK) and the Consolidated Financial Statements are likewise presented in Danish kroner (DKK).

8.5.4 Translations and transactions

Transactions in foreign currencies are initially translated into the functional currency at the exchange rates at the transaction date. Exchange adjustments arising due to differences between the transaction date rates and the rates at the payment date are recognized in financial income or financial expenses in the income statement. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Exchange adjustments arising due to differences between the rates at the balance sheet date and the transaction date rates are recognized in financial income or financial expenses in the income statement.

8.6 Description of Key Income Statement Line Items

Set out below is a brief description of the composition of key line items in the Company’s consolidated income statement.

Net revenue

Net revenue comprises the sales of goods and services (mainly related to the Group’s drinking water products, industrial water products and food and beverage products) and milestone payments, license fees and royalties received from the Group’s strategic commercial partnerships. See note 2.1 to the Group’s Consolidated Financial Statements for a more detailed description of the Group’s revenue and revenue recognition policy.

Cost of sales

Cost of sales comprises the cost of products sold, including the purchase price of the raw materials, consumables and goods for resale, direct labor costs and a share of indirect production costs, including costs of operation and depreciation of production facilities as well as operation, administration and management of factories.

Gross profit

Gross profit represents total revenue less costs of sales.

Sales and marketing costs

Sales and marketing costs include costs of salaries for the commercial division and costs directly and indirectly related to these activities such as branding, advertising campaigns, conferences, travel etc.

Research and development costs

Research and development costs mainly comprise of salaries and costs, which, directly or indirectly, can be attributed to product improvements, the development of new products, to the ongoing optimization of production processes for existing products and support of commercial projects, including pilots and testing processes facilitated by external partners. Furthermore, depreciations on finalized development projects and deferred income from government grants are included within the R&D costs, as the grants are reimbursements for these costs.

Administrative costs

Administrative costs include costs for salaries for administrative staff and management including costs derived directly or indirectly from these activities. Furthermore, costs for some legal services are included as administrative costs.

EBITDA

EBITDA represents EBIT before depreciation and amortization.

Depreciation and amortization

Depreciation and amortization comprises depreciation in relation to the routine use of tangible assets, such as right-of-use assets, leasehold improvements, plant, machinery and equipment which is depreciated over the useful life. Amortization relates to intangible assets including finished development projects amortized over a period of 10 years.

EBIT

EBIT represents net revenue after depreciation and amortization and minus sales and marketing costs, research and development costs and administrative costs excluding tax and interest.

Share of net earnings of associates

Share of net earnings of associates comprises investments in associates and joint ventures and the proportionate share of the results of associates and joint ventures after tax is recognized in the consolidated income statement after elimination of the proportionate share of unrealized intra-Group profits/losses.

Financial income

Financial income comprises interest income and other finance income.

Finance costs

Finance costs comprises interest expenses, early repayment fees and other finance expenses.

Net Financial items

Net financial items comprises of financial income minus finance costs.

Earnings before tax

Earnings before tax comprises EBIT plus financial income less financial costs.

Income tax benefit

Income tax benefit comprises current tax and changes in deferred tax for the year.

Result for the period

Result for the period represents profit or loss before tax net of tax on profit or loss.

8.7 Summary of the key financial development in the three month period ended 31 March 2021 compared to the three month period ended 31 March 2020

Income statement

Net revenue for the three month period ended 31 March 2021 was DKK 2,221 thousand compared to DKK 789 thousand in 2020, resulting in an increase of 181%, which was primarily due to increased product sales within the drinking water segment.

The following table sets forth the Group's revenue for the period presented below in more detail.

DKK thousand	For the three month period ended 31 March		Percentage change 2021 v. 2020
	2021	2020	
Drinking water	1,454	51	2,751%
Industrial water	699	738	(5)%
Food & Beverage	68	—	—
Total	2,221	789	181%

- Net revenue from drinking water for the three month period ended 31 March 2021 was DKK 1,454 thousand compared to DKK 51 thousand in 2020, resulting in an increase of 2,751%, which was primarily due to a combination of increased sales of current products and the launch of new products.
- Net revenue from industrial water for the three month period ended 31 March 2021 was DKK 699 thousand compared to DKK 738 thousand in 2020, resulting in a decrease of 5%, which was primarily due to delay in the commercialization process as markets were impacted by regional lock-downs due to COVID-19 within the industrial water segment.
- Net revenue from food and beverage for the three month period ended 31 March 2021 was DKK 68 thousand compared to zero in 2020, resulting in an increase of DKK 68 thousand, which was primarily due to the segment having an early and limited commercial launch in Q4 2020 resulting in the first sales.

Cost of sales for the three month period ended 31 March 2021 was DKK 1,608 thousand compared to DKK 329 thousand in 2020, resulting in an increase of 389%, which was primarily due to increased sale and product mix, which refers to increased volumes of products with higher production costs.

Gross profit for the three month period ended 31 March 2021 was DKK 613 thousand compared to DKK 460 thousand in 2020, resulting in an increase of 33%, which was primarily due to the reasons set out above.

Sales and marketing costs for the three month period ended 31 March 2021 was DKK 6,726 thousand compared to DKK 5,148 thousand in 2020, resulting in an increase of 31%, which was primarily due to an expansion of the commercial setup.

Research and development costs for the three month period ended 31 March 2021 was DKK 13,478 thousand compared to DKK 14,793 thousand in 2020, resulting in a decrease of 9%, which was primarily due to a reduction in the R&D activities related to strategic focus on commercialization and COVID-19.

Administrative costs for the three month period ended 31 March 2021 was DKK 3,047 thousand compared to DKK 4,000 thousand in 2020, resulting in a decrease of 24%, which was primarily due to a reduction in the administrative setup related to strategic focus on commercialization and COVID-19.

EBITDA for the three month period ended 31 March 2021 amounted to a loss of DKK 18,306 thousand compared to a loss of DKK 19,582 thousand in 2020, resulting in a decrease in loss of 7%, which was primarily due to improved gross profit and reduced operating costs.

Depreciation and amortization for the three month period ended 31 March 2021 was DKK 4,332 thousand compared to DKK 3,899 thousand in 2020, resulting in an increase of 11%, which was primarily due to increased depreciations and amortizations of tangible- and intangible assets.

EBIT for the three month period ended 31 March 2021 amounted to a loss of DKK 22,638 thousand compared to a loss of DKK 23,481 thousand in 2020, resulting in a decrease of loss of 4%, which was primarily due to improved gross profit, reduced costs and increased depreciations and amortization.

Share of net earnings of associates for the three month period ended 31 March 2021 and for the three month period ended 31 March 2021 was both zero.

Financial income for the three month period ended 31 March 2021 was DKK 126 thousand compared to DKK 78 thousand in 2020, resulting in an increase of 62%, which primarily relates to foreign currency fluctuations.

Finance costs for the three month period ended 31 March 2021 was DKK 1,254 thousand compared to DKK 720 thousand in 2020, resulting in an increase of 74%, which was primarily due to interest on borrowings.

Net financial items for the three month period ended 31 March 2021 amounted to a loss of DKK 1,128 thousand compared to a loss of DKK 642 thousand, resulting in a loss increase of 76%, which was primarily due to increased financial costs related to the utilization of the credit facility the Group has in place.

Earnings before tax for the three month period ended 31 March 2021 amounted to a loss of DKK 23,766 thousand compared to a loss of DKK 24,123 thousand in 2020, resulting in a loss decrease of 1%, due to the reasons set out above.

Income tax for the three month period ended 31 March 2021 was negative DKK 1 thousand compared to DKK 0 thousand in 2020, which was primarily due to local tax fee payments related to the annual state tax fee payable in the United States.

Result for the period for the three month period ended 31 March 2021 amounted to a loss of DKK 23,767 thousand compared to a loss of DKK 24,123 thousand in 2020, resulting in a loss decrease of 1%.

Balance sheet

Total non-current assets as at 31 March 2021 was DKK 211,866 thousand compared to DKK 256,827 in 2020, resulting in a decrease of 18%, which was primarily due to a reduction of the capitalized deferred tax assets.

Total current assets as at 31 March 2021 was DKK 25,970 thousand compared to DKK 30,947 thousand in 2020, resulting in a decrease of 16%, which was primarily due to reduced income tax receivables.

Total assets as at 31 March 2021 was DKK 237,836 thousand compared to DKK 287,774 in 2020, resulting in a decrease of 17%, which was primarily due to the reasons set out above.

Equity for the three month period ended 31 March 2021 was DKK 91,325 thousand compared to DKK 167,575 thousand in 2020, resulting in a decrease of 46%, which was primarily due to a combination of the loss for the period and the reduction in deferred tax assets.

Total liabilities for the three month period ended 31 March 2021 was DKK 146,511 thousand compared to DKK 120,199 thousand in 2020, resulting in an increase of 22%, which was primarily due to increased short term borrowings.

Cash flow

Cash flow from operating activities for the three month period ended 31 March 2021 was negative and amounted DKK 18,051 thousand compared to a negative cash flow of DKK 19,722 thousand in the same period in 2020, resulting in a decrease in negative cash flow from operating activities of 8.3%, which was primarily a result from the reduction in FTEs made in April 2020 and improved cash flow from net working capital.

Cash flow from investment activities for the three month period ended 31 March 2021 was DKK 2,553 thousand compared to DKK 4,906 thousand, resulting in a decrease of 48%, which was primarily due to, less investments in non-current assets including both tangible and intangible assets (e.g. equipment and machinery and less capitalization of development costs compared to the previous year).

Cash flow from financing activities for the three month period ended 31 March 2021 was DKK 19,691 thousand compared to DKK 24,320 thousand, resulting in a decrease of 19%, which was primarily due to less capital injections partially compensated by a combination of increased utilization of the bank credit facility and a tax payment received related to the Danish Tax credit scheme which was sold to MGC. See “—Section 17 Related Party Transactions.”

Net cash flow for the period ended 31 March 2021 was negative and amounted to DKK 913 thousand compared to a negative net cash flow of DKK 308 thousand in 2020, resulting in an increase of 196%, which was primarily due to the reasons set out above.

Cash and cash equivalents were DKK 605 thousand for the three month period ended 31 March 2021 compared to 1,055 thousand in 2020, resulting in a decrease of 43%, which was primarily due to the reasons set out above.

8.8 Summary of the key financial development in the financial year ended 31 December 2020 compared to the financial year ended 31 December 2019

Income statement

Net revenue for the financial year ended 31 December 2020 was DKK 5,499 thousand compared to DKK 6,078 thousand in 2019, resulting in a decrease of 10%, which was primarily due to reduced milestone payments from strategic commercial partnerships.

The following table sets forth the Group's revenue for the period presented below in more detail.

DKK thousand	For the year ended 31 December		Percentage change 2020 v. 2019
	2020	2019	
Drinking water	1,005	358	181%
Industrial water	1,681	1,956	(14)%
Food & Beverage	2,813	3,764	(25)%
Total	5,499	6,078	(10)%

- Net revenue for drinking water for the financial year ended 31 December 2020 was DKK 1,005 thousand compared to DKK 358 thousand in 2019, resulting in an increase of 180.8%, which was primarily due to the launch of a new product line within point of use systems.
- Net revenue for industrial water for the financial year ended 31 December 2020 was DKK 1,681 thousand compared to DKK 1,956 thousand in 2019, resulting in a decrease of 14.1%, which was primarily due to uncertainties and regional lockdowns in the main markets India and Spain due to the COVID-19 pandemic, as a result of which planned sales were delayed or cancelled.
- Net revenue for food and beverage for the financial year ended 31 December 2020 was DKK 2,813 thousand compared to DKK 3,764 thousand in 2019. This decrease was primarily driven by reduced milestone payments derived from a strategic commercial partnership in the food and beverage segment.

Cost of sales for the financial year ended 31 December 2020 was DKK 1,426 thousand compared to DKK 691 thousand in 2019, resulting in an increase of 106%, which was primarily due to increased sale of products and product mix with more sales within the drinking water segment.

Gross profit for the financial year ended 31 December 2020 was DKK 4,073 thousand compared to DKK 5,387 thousand in 2019, resulting in a decrease of 24%, which was primarily due to less revenue from milestone payments and product mix.

Sales and marketing costs for the financial year ended 31 December 2020 was DKK 20,811 thousand compared to DKK 19,948 thousand in 2019, resulting in an increase of 4%, which was primarily due to increased activities within marketing, advertising and branding, which was partly offset by less travel activities, exhibitions and fairs.

Research and development costs for the financial year ended 31 December 2020 was DKK 56,072 thousand compared to DKK 57,198 thousand in 2019, resulting in a decrease of 2%, which was primarily due to a reduction staff costs.

Administrative costs for the financial year ended 31 December 2020 was DKK 13,059 thousand compared to DKK 17,660 thousand in 2019, resulting in a decrease of 26%, which was primarily due to a reduction in staff costs and general cost savings.

EBITDA for the financial year ended 31 December 2020 amounted to a loss of DKK 67,515 thousand compared to a loss of DKK 72,427 thousand in 2019, resulting in a decrease in loss of 7%, which was primarily due to cost savings across mainly related to R&D and administrative functions.

Depreciation and amortization for the financial year ended 31 December 2020 was DKK 18,354 thousand compared to DKK 16,922 thousand in 2019, resulting in an increase of 8%, which was primarily due to depreciation of new finished development projects.

EBIT for the financial year ended 31 December 2020 amounted to a loss of DKK 85,869 thousand compared to DKK 89,419 thousand in 2019, resulting in a decrease in loss of 4%, which was primarily due to reduced operating expenses but with increasing depreciations.

Share of net earnings of associates for the financial year ended 31 December 2020 was DKK 24 thousand compared to negative DKK 2,874 thousand in 2019, which was primarily due to a write down of fixed assets in a specific associated company in 2019.

Financial income for the financial year ended 31 December 2020 was DKK 3,587 thousand compared to DKK 152 thousand in 2019, resulting in an increase of 2,260%, which was primarily due to currency fluctuations in USD and SGD.

Finance costs for the financial year ended 31 December 2020 was DKK 7,054 thousand compared to DKK 3,816 thousand in 2019, resulting in an increase of 85%, which was primarily due to an increase from currency fluctuations in USD and SGD combined with less revolving credit fees.

Net financial items for the financial year ended 31 December 2020 was negative DKK 3,467 thousand compared to negative DKK 3,664 thousand in 2019, resulting in a decrease of 5%, which was primarily due to a combination of currency fluctuations in USD and SGD and less revolving credit fees.

Earnings before tax for the financial year ended 31 December 2020 amounted to a loss of DKK 89,312 thousand compared to a loss of DKK 95,957 thousand in 2019, resulting in a decrease in loss of 7%, which was primarily due to the reasons set out above.

Income tax for the financial year ended 31 December 2020 was negative DKK 34,044 thousand compared to DKK 25,328 thousand in 2019, which was primarily due to deferred tax assets not capitalized.

Result for the period for the financial year ended 31 December 2020 amounted to a loss of DKK 123,356 thousand compared to a loss of DKK 70,629 thousand in 2019, resulting in an increase in loss of 75%, which was primarily due to a combination of cost savings on operating expenses, increased depreciations and a deferred tax asset not capitalized.

Balance sheet

Total non-current assets as at 31 December 2020 was DKK 214,017 thousand compared to DKK 256,558 thousand as at 31 December 2019, resulting in a decrease of 17%, which was primarily due to further capitalization of development projects, reduced fixed assets and deferred tax asset not capitalized.

Total current assets as at 31 December 2020 was DKK 32,799 thousand compared to DKK 32,898 thousand as at 31 December 2019, resulting in a decrease of 0.3%, which was primarily due to reduced inventories and increased trade receivables.

Total assets as at 31 December 2020 was DKK 246,816 thousand compared to DKK 289,456 thousand as at 31 December 2019, resulting in a decrease of 15%, which was primarily due to reduced non-current assets.

Equity as at 31 December 2020 was DKK 107,322 thousand compared to DKK 164,062 thousand as at 31 December 2019, resulting in a decrease of 35%, which was primarily due to a combination of a loss for the year of DKK 123,356 thousand and capital injections of DKK 66,642 thousand.

Total liabilities as at 31 December 2020 was DKK 139,494 thousand compared to DKK 125,394 thousand as at 31 December 2019, resulting in an increase of 11%, which was primarily due to increased borrowings of DKK 11,841 thousand, increased other payables of DKK 4,902, increased other liabilities related to projects eligible for governments grants and less trade payables of DKK 3,250 DKK in 2020 compared to the trade payables in 2019.

Cash flow

Cash flow from operating activities for the financial year ended 31 December 2020 was negative and amounted to DKK 59,027 thousand compared to a negative cash flow of DKK 64,064 thousand in

2019, resulting in a decrease of negative cash flow from operating activities of 8%, which was primarily due to reduced loss for the period combined with timing on payments related to the Danish tax credit scheme in 2019.

Cash flow from investment activities for the financial year ended 31 December 2020 was negative and amounted to DKK 16,723 thousand compared to negative DKK 22,357 thousand in 2019, resulting in a decrease in negative cash flow from investment activities of 25%, which was primarily due to less investments in non-current assets, mainly tangible assets.

Cash flow from financing activities for the financial year ended 31 December 2020 was positive and amounted to DKK 75,790 thousand compared to DKK 86,684 thousand in 2019, resulting in a decrease of 13%, which was primarily due to increased utilization of the bank credit facility and less capital injections.

Net cash flow for the financial year ended 31 December 2020 was DKK 40 thousand compared to DKK 263 thousand in 2019, resulting in a decrease of 85%, which was primarily due to improved cash flow from operating activities combined with less investing activities and less financing activities.

Cash and cash equivalents were 1,504 thousand for the financial year ended 31 December 2020 compared to 1,382 thousand for 2019, resulting in an increase of 9 %, which was primarily due to cash and cash equivalents beginning of the year, foreign exchange adjustments and the reasons stated above related to the cash flow from operating, investing and financing activities.

8.9 Summary of the key financial development in the financial year ended 31 December 2019 compared to the financial year ended 31 December 2018

Income statement

Net revenue for the financial year ended 31 December 2019 was DKK 6,078 thousand compared to DKK 7,894 thousand in 2018, resulting in a decrease of 23%, which was primarily due to less revenue from milestone payments, partly covered by increased sale of products.

The following table sets forth the Group's revenue for the period presented below in more detail.

DKK thousand	For the year ended 31 December		Percentage change
	2019	2018	
Drinking water	358	115	211%
Industrial water	1,956	1,490	31%
Food & Beverage (milestone payment)	3,764	6,289	(40)%
Total	6,078	7,894	(23)%

- Net revenue for drinking water for the financial year ended 31 December 2019 was DKK 358 thousand compared to DKK 115 thousand in 2018, resulting in an increase of 211%, which was primarily due to increased sales of reverse osmosis water treatment products.
- Net revenue for industrial water for the financial year ended 31 December 2019 was DKK 1,956 thousand compared to DKK 1,490 thousand in 2018, resulting in an increase of 31%, which was primarily due to launching of a new product.
- Net revenue from food & beverage (milestone payment) for the financial year ended 31 December 2019 was DKK 3,764 thousand compared to DKK 6,289 thousand in 2018, resulting in a decrease of 40%, which was primarily due to a project related to the strategic commercial partnerships was finalized in 2018.

Cost of sales for the financial year ended 31 December 2019 was DKK 691 thousand compared to DKK 185 thousand in 2018, resulting in an increase of 274%, which was primarily due to increased sale of products and product mix.

Gross profit for the financial year ended 31 December 2019 was DKK 5,387 thousand compared to DKK 7,709 thousand in 2018, resulting in a decrease of 30%, which was primarily due to less revenue from milestone payments.

Sales and marketing costs for the financial year ended 31 December 2019 was DKK 19,948 thousand compared to DKK 16,784 thousand in 2018, resulting in an increase of 19%, which was primarily due

to establishment of Brand & Marketing department with an increase in staff costs in the commercial departments.

Research and development costs for the financial year ended 31 December 2019 was DKK 57,198 thousand compared to DKK 51,614 thousand in 2018, resulting in an increase of 11%, which was primarily due to increase in depreciations and staff costs.

Administrative costs for the financial year ended 31 December 2019 was DKK 17,660 thousand compared to DKK 16,471 thousand in 2018, resulting in an increase of 7%, which was primarily due to increase in staff costs.

EBITDA for the financial year ended 31 December 2019 amounted to a loss of DKK 72,427 thousand compared to a loss of DKK 62,163 thousand in 2018, resulting in an increase in loss of 17%, which was primarily due to reduced gross profit and increased operating expenses.

Depreciation and amortization for the financial year ended 31 December 2019 was DKK 16,992 thousand compared to DKK 14,997 thousand in 2018, resulting in an increase of 13%, which was primarily due to increased depreciation of finished development projects.

EBIT for the financial year ended 31 December 2019 amounted to a loss of DKK 89,419 thousand compared to a loss of 77,160 thousand in 2018, resulting in an increase in loss of 16%, which was primarily due to an increased loss on EBITDA and increased depreciations.

Share of net earnings of associates for the financial year ended 31 December 2019 was negative DKK 2,874 thousand compared to negative DKK 4,737 thousand in 2018, resulting in a decrease of 39%, which was primarily due to a capital injection made in an associated company in 2018.

Financial income for the financial year ended 31 December 2019 was DKK 152 thousand compared to DKK 157 thousand in 2018, resulting in a decrease of 3%, which was primarily due to less interest income in 2019 compared to 2018.

Finance costs for the financial year ended 31 December 2019 was DKK 3,816 thousand compared to DKK 3,163 thousand in 2018, resulting in an increase of 21%, which was primarily due to an increase in bank fees mainly related to revolving credit fees.

Net financial items for the financial year ended 31 December 2019 resulted in a loss of DKK 3,664 thousand compared to a loss of DKK 3,006 thousand in 2018, resulting in an increase of 22%, which was primarily due to an increase in bank fees.

Earnings before tax for the financial year ended 31 December 2019 amounted to a loss of DKK 95,957 thousand compared to a loss of DKK 84,903 thousand in 2018, resulting in an increase in loss of 13%, which was primarily due to a combination of reduced gross profit and increased operating expenses.

Income tax benefit for the financial year ended 31 December 2019 was DKK 25,328 thousand compared to DKK 13,330 thousand in 2018, resulting in an increase of 90%, which was primarily due to increased capitalization of the deferred tax assets.

Result for the period for the financial year ended 31 December 2019 amounted to a loss of DKK 70,629 thousand compared to a loss of DKK 71,573 thousand in 2018, resulting in a decrease in loss of 1%, which was primarily due to increased loss for the year combined with increased capitalized deferred tax assets.

Balance sheet

Total non-current assets as at 31 December 2019 was DKK 256,558 thousand compared to DKK 233,889 thousand as at 31 December 2018, resulting in an increase of 10%, which was primarily due to increase in deferred tax asset capitalized of DKK 19,967 thousand. In addition, there has been an increase in internal development projects of DKK 9,947 thousand.

Total current assets as at 31 December 2019 was DKK 32,898 thousand compared to DKK 33,335 thousand as at 31 December 2018, resulting in a decrease of 1%, which was primarily due to an increase in inventories of DKK 6,131 thousand which was compensated by decrease in income tax receivables of DKK 5,500 thousand. The decrease in income tax receivable was related to timing of a pay-out from the Danish tax credit scheme.

Total assets as at 31 December 2019 was DKK 289,456 thousand compared to DKK 267,224 thousand as at 31 December 2018, resulting in an increase of 8%, which was primarily due to an increase in non-current asset.

Equity as at 31 December 2019 was DKK 164,062 thousand compared to DKK 110,819 thousand as at 31 December 2018, resulting in an increase of 48%, which was primarily due to capital injections of DKK 122,498 thousand and a loss for the period of DKK 70,629 thousand.

Total liabilities as at 31 December 2019 was DKK 125,394 thousand compared to DKK 156,405 thousand as at 31 December 2018, resulting in a decrease of 20%, which was primarily due to a decrease in credit facility of DKK 32,814 thousand.

Cash flow

Cash flow from operating activities for the financial year ended 31 December 2019 was negative and amounted to DKK 64,064 thousand compared to a negative cash flow of DKK 78,062 thousand in 2018, resulting in a decrease in negative cash flow from operating activities of 18%, which was primarily due to a positive change in net working capital and received tax.

Cash flow from investment activities for the financial year ended 31 December 2019 was negative and amounted to DKK 22,357 thousand compared to a negative cash flow of DKK 14,091 thousand in 2018, resulting in an increase of negative cash flow of 59%, which was primarily due to increased investments in non-current assets as a combination of increases in both tangible- and intangible assets.

Cash flow from financing activities for the financial year ended 31 December 2019 was DKK 86,684 thousand compared to DKK 46,870 thousand in 2018, resulting in an increase of 85%, which was primarily due to capital injections combined with repayment of borrowings.

Net cash flow for the financial year ended 31 December 2019 was DKK 263 thousand compared to a negative net cash flow of DKK 45,283 thousand in 2018, which was primarily due to financing activities.

Cash and cash equivalents were 1,382 thousand for the financial year ended 31 December 2019 compared to 1,091 thousand for 2018, resulting in an increase of 27%, which was primarily due to operating- and investing activities covered by financing activities.

8.10 Liquidity and Capital resources

The Group has historically financed both the Group's short-term and long-term liquidity requirements principally from equity capital increases, government grants and a bank credit facility.

It is the Group's policy to maintain adequate liquidity resources to implement planned operating activities and to be able to operate effectively in the event of unforeseen fluctuations in liquidity. The Group's liquidity resources consist of cash, cash equivalents and undrawn committed credit facilities. For an analysis of the Group's cash flow, see above.

In February 2018, the Company entered into a DKK 35 million multi-option facilities agreement with Danske Bank A/S, as later amended (the "**Credit Facility Agreement**"). Pursuant to this Credit Facility Agreement, Danske Bank A/S agreed to make a credit facility in the amount of DKK 35 million available to the Company. Danske Bank A/S and the Company has in June 2021 agreed to further amend and extend the maturity date to end June 2022 in connection with the Company's undertaking to deposit 35 million in a cash account to be pledged in favor of Danske Bank A/S. The security will be made in connection with the completion of the Offering. When the security deposit has been made by the Company, Danske Bank A/S has agreed to release the Main Selling Shareholders from the underlying guarantees, which they have provided for this Credit Facility Agreement. The Main Selling Shareholders' guarantee expires in end June 2021 and may be drawn to the extent the Company has not either repaid the outstanding amount on the credit facility or deposited the DKK 35 million security on the pledged cash account, in which case the Main Selling Shareholders will in turn have a corresponding claim against the Company.

Borrowings

The following table sets forth the Group's borrowings for the periods indicated.

DKK thousand	For the three months ended 31 March		For the year ended 31 December		
	2021	2020	2020	2019	2018
Total non-current liabilities	56,791	56,621	57,292	56,369	59,261
Total current liabilities	89,720	63,578	82,202	69,025	97,144
Total carrying amount	146,511	120,199	139,494	125,394	156,405

The Group primarily maintains borrowings at a variable interest rates. The table below sets forth the average interest rate and the carrying amount for the year ended 31 December 2020.

	Currency	Interest Rate	Average Interest Rate	Carrying Amount
	DKK	Variable	3.15%	28,635,000
Credit facility				

The credit facility has been used in full in 2021.

Working Capital (non-IFRS)

The following table sets forth changes to the Group's working capital for the periods indicated.

DKK thousand	For the three months ended 31 March		For the year ended 31 December		
	2021	2020	2020	2019	2018
Change in inventory	(1,041)	324	2,601	(6,131)	(10,120)
Change in trade receivables	1,611	29	(2,838)	(69)	169
Change in other receivables	(140)	1,271	458	1,383	(3,786)
Change in trade payables	1,004	(2,463)	(3,250)	(1,353)	(2,389)
Change in contract liabilities	111	(400)	(400)	400	
Change in other payables	(700)	6	1,419	2,234	1,203
Changes in other liabilities	(249)	(16)	3,749	3,674	3,299
Total	596	(1,249)	1,739	138	(11,624)

The Group defines working capital (non-IFRS) as current assets minus current liabilities (excluding interest-bearing items and provisions). The most significant components of the Group's working capital are inventory, trade receivables and other receivables, contract liabilities and trade payables and other liabilities and deferred income. Inventory comprises raw materials, work in progress and finished goods. Trade receivables comprise receivables from external sales. Contracts liabilities comprise contractual unconditional invoicing for work not yet performed. Trade payables comprise payables to suppliers. Other liabilities derive from development projects eligible for government grants.

Net working capital decreased by DKK 596 thousand in the three months ended 31 March 2021 compared to an increase of DKK 1,249 thousand for the three months ended 31 March 2020. The decrease in the three months ended 31 March 2021 was primarily due to decreased trade receivables, increased inventory and increased trade payables combined with other movements in current assets and current liabilities.

Net working capital decreased DKK 1,739 thousand in the year ended 31 December 2020 compared to DKK 138 thousand for the year ended 31 December 2019. The development in the year ended 31 December 2020 was primarily due to changes to inventories and increased trade receivables.

Net working capital decreased to DKK 138 thousand in the year ended 31 December 2019 compared to an increase of DKK 11,624 thousand for the year ended 31 December 2018. The development in the year ended 31 December 2019 was primarily due to changes to inventories and other receivables.

Working Capital Statement

In the Company's opinion, as of the date of this Prospectus, the Company's current capital resources and the part of the net proceeds from the Offering, which the Company considers sufficiently certain

as the Company has obtained Cornerstone Investor commitments, will be adequate to cover the Company's present capital needs for at least the 12-month period following the date of this Prospectus.

If the Offering is not completed, the Company will seek to obtain additional funding by way of equity financing, debt financing, sale of assets, or a combination thereof.

Capital Expenditures

Capital expenditures amounted to DKK 2,553 thousand in the three months ended 31 March 2021 compared to DKK 4,906 thousand in the three months ended 31 March 2020. The decrease was principally due to reduced investments in tangible- and intangible assets. During this period investments mainly related to machinery and equipment located at R&D facilities and investments related to the development of (i) a reverse osmosis membrane used for desalination of seawater, (ii) products using the HFFO technology, which can be used for various purposes and (iii) the BWRO membranes used mainly within the Industrial water segment

Capital expenditures amounted to DKK 16,757 thousand in the financial year ended 31 December 2020 compared to DKK 22,488 thousand in the financial year ended 31 December 2019. Capital expenditures for 2019 primarily comprise investments in fixed assets and development projects. The investments in fixed assets mainly related to investments to upscale the protein production and R&D facilities and equipment for both the reverse osmosis membrane production and various equipment for R&D supporting the development projects. The majority of the costs for development projects relates to (i) the completion of the development of a new generation reverse osmosis membrane mainly for drinking water purposes, (ii) continued development of products using the HFFO technology which can be used for multiple purposes and (iii) the BWRO membranes used mainly within the industrial water segment.

Capital expenditures amounted to DKK 22,488 thousand in the financial year ended 31 December 2019 compared to DKK 10,703 thousand in the financial year ended 31 December 2018. Capital expenditures for 2019 primarily comprise investments in fixed assets and development projects. Investments in fixed assets mainly relate to the set-up of the large-scale production facilities for reverse osmosis membranes and secondly to R&D facilities. Investments in development projects related to the development of (i) products using the HFFO technology which can be used for multiple purposes and (ii) the BWRO membrane used mainly within the Industrial water segment.

All capital expenditures have been financed by the Group and through government grants.

The Company has no material current investments and has made no commitment to material future investments.

Government grants

Government grants are either recognized as a deferred income on other liabilities in the balance sheet if the Group is granted towards a development project in progress, which is recognized in the balance sheet. The Group will be recognized in the income statement simultaneous with the initiation of the amortization of the same development project. For the line items set out below, research and development grants are recognized as a credit to the research costs included in the income statement and project grants are recognized against other liabilities on the balance sheet.

Government grants amounted to DKK 0 in the period ended 31 March 2021 compared to DKK 655 thousand in the period ended 31 March 2020, mainly due to timing and stage of the development project that is in progress.

DKK million	For the three months ended 31 March		Percentage change 2021 v. 2020
	2021	2020	
Research and development	—	—	—
Covid-19 salary compensation	—	—	—
Project grants	—	0.6	—
Total	—	0.6	—

Government grants amounted to DKK 5.5 million in the financial year ended 31 December 2020 compared to DKK 7.4 million in the financial year ended 31 December 2019, mainly due to the timing and transition between projects eligible for government grants.

DKK million	For the year ended 31 December		Percentage change 2020 v. 2019
	2020	2019	
Research and development	0.1	2.7	(96)%
Covid-19 salary compensation	0.6	—	N/A
Project grants	4.8	4.7	2%
Total	5.5	7.4	(25)%

Government grants amounted to DKK 7.4 million in the financial year ended 31 December 2019 compared to DKK 4 million in the financial year ended 31 December 2018, mainly due to entering the final phase of an EU funded project.

DKK million	For the year ended 31 December		Percentage change 2019 v. 2018
	2019	2018	
Research and development	2.7	1.2	119%
Project grants	4.7	2.8	68%
Total	7.4	4	84%

Off-Balance sheet arrangements

In Note 4.1 to the Consolidated Financial Statements contingent liabilities are disclosed. There are no pending court and arbitration cases or other contingent liabilities.

8.11 Critical accounting estimates and judgements

In preparing the Consolidated Financial Statements, Management makes various accounting estimates and assumptions, which form the basis of presentation, recognition and measurement of the Group's assets and liabilities. In applying the Group's accounting policies, Management makes judgments, which may significantly influence the amounts recognized in the Consolidated Financial Statements. Determining the carrying amount of some assets and liabilities requires judgments, estimates and assumptions concerning future events. The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. Information on the most critical judgments, estimates and assumptions where a change will significantly affect the consolidated financial statements are included in the following notes:

- Impairment of intangible assets (note 3.1 of the FY20 Consolidated Financial Statements)
- Deferred tax (note 3.5 of the FY20 Consolidated Financial Statements)

The Group is also subject to risks and uncertainties that may lead to actual results differing from these estimates, both positively and negatively.

8.12 Quantitative and qualitative disclosure about market risk

Due to the Group's activities, the Group is exposed to various financial risks, including foreign exchange, interest, liquidity and credit risks. The Group manages the risks centrally and follows the policies approved by the Board of Directors. The Group does not actively engage in speculation of financial risks.

Liquidity risk

The liquidity needs for the Group are met through a combination of budgeting and realized cash flow. To cover the short-term liquidity need, financing activities through capital injections is secured combined with a credit facility established of DKK 35 million (2019: DKK 35 million). The credit facility has been utilized in 2021.

Credit risks

The Group's credit risks mainly relates to trade receivables and other receivables with a total of DKK 8.0 million in 2020 (2019: DKK 5.5 million). Maximum exposure corresponds to the carrying amount. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

Interest rate risk

The Group's credit facility carry a fixed interest rate. The Group is not exposed to other material interest rate risks.

Foreign currency risk

The Group's sales, cost of goods sold, and expenses are mainly incurred in DKK, EUR, SGD, USD or CNY. The Group has transactions in other currencies, but the foreign exchange risks related to this are not considered material

8.13 No significant change

As at the date of this Prospectus, there have been no significant changes to the Group's financial condition and operating results since 31 March 2021 other than the increase in share capital with a total nominal amount of DKK 272,945 and a cash contribution of DKK 25.2 million in total subscription amount as a result of exercise of warrants by MGC and Danica, respectively, in April 2021, the exercise of warrants by Danica in May 2021 and the exercise of MGC and other warrant holders in June 2021 completed prior to the date of this Prospectus, as well as the conditional exercise of 155,000 warrants with a total subscription price of KK 6.1 million by the Other Selling Shareholders to be completed ahead of Admission. See “—Section 19.5 *Development in Share Capital*”. Also, the Company contemplates to implement its three year LTIP warrant program following the completion of the Offering, where a maximum of 184,224 warrants may be granted over the three year period to the eligible persons participating in the program, where the first 61,408 are contemplated to be granted shortly after completion of the Offering each with an exercise price of DKK 173, see also “—Section 14.3.1—*Warrant Programs*”. Additionally, the Group's credit facility was extended with a maturity date to end June 2022 in connection with the Company's undertaking to deposit 35 million in a cash account to be pledged in favor of Danske Bank A/S. The security will be made in connection with the completion of the Offering. When the security deposit has been made by the Company, Danske Bank A/S has agreed to release the Main Selling Shareholders from the underlying guarantees, which they have provided for this Credit Facility Agreement and which expires in end June 2021. See “—Section 8.10—*Liquidity and Capital resources*”.

9. Capital resources

9.1 Capitalization and indebtedness

The following table shows the unaudited consolidated capitalization and indebtedness of the Group as of 31 March 2021.

- on an actual basis reflecting the carrying amounts on the consolidated balance sheet of the Group
- on an adjusted basis reflecting the expected effect of the net proceeds from the Offering
- on an adjusted basis reflecting increase of the share capital with a total nominal amount of DKK 272,945 and a cash contribution of DKK 25.2 million in total subscription amount as a result of exercise of warrants completed in April, May 2021 and June 2021 prior to the date of the Prospectus as well as the conditional exercise of 155,000 warrants with a total subscription price of K 6.1 million by the Other Selling Shareholders to be completed ahead of the completion of the Offering. See “—Section 19.5 Development in Share Capital”.

See “—Section 19.5 Development in Share capital” for information relating to the Company’s issued share capital and number of outstanding Shares. You should read this table in conjunction with the “Condensed Interim Financial Statements as at and for the three months ended 31 March 2021 (unaudited)” included in the F-pages and the notes thereto as incorporated by reference and “—Section 8 Operating and Financial Review”.

	As at 31 March 2021		
	Actual	Adjustment	As adjusted
	DKK thousand		
Capitalization			
Equity			
Share capital	8,237	1,810	10,047
Legal reserves	—	—	—
Other reserves and retained earnings (including reserves for exchange rate transactions and share based payments)	83,088	244,431	327,519
Total shareholder equity	91,325	246,241	337,566
Current debt			
Guaranteed	35,000	(35,000) ⁽¹⁾	—
Secured	—	—	—
Unguaranteed/Unsecured	1,104	(1,104)	—
Total current debt (incl. current portion of non-current debt)	36,104	(36,104)	—
Non-current debt			
Guaranteed	—	—	—
Secured	—	—	—
Unguaranteed/Unsecured	—	—	—
Total non-current debt (excl. current portion of non-current debt)	—	—	—
Total capitalization	127,429	210,137	337,566
Indebtedness			
Cash	605	210,137 ⁽²⁾	210,742
Cash equivalents	—	—	—
Other current financial assets including trade receivables and other receivables	6,858	—	6,858
Liquidity	7,463	210,137	217,600
Current financial debt (incl. debt instruments, but excluding current portion of non-current financial debt)			
Current financial debt including lease liability, trade payables and other payables	18,005	—	18,005
Net current financial indebtedness	18,005	—	18,005
Non-current financial debt including lease liability, (excluding current portion and debt instruments)	53,308	—	53,308
Debt instruments	—	—	—
Non-current trade and other payables	3,483	—	3,483
Non-current financial indebtedness	56,791	—	56,791
Total financial indebtedness	67,333	(210,137)	(142,804)

(1) The guarantees provided by the Main Selling Shareholders will be released upon the Company’s deposit of DKK 35 million into a pledged cash account which is expected to take place immediately following completion of the Offering in end June 2021.

(2) Cash consists of the net proceeds from the Offering and reflects that the credit facility will not be drawn after the receipt of net proceeds.

The Group may in the future need additional capital and may seek to obtain further financing through raising new equity capital or debt financing. The Group has no reason to believe that there has been any material change to the Group's actual capitalization since 31 March 2021, other than changes resulting from the ordinary course of business, the reasons for the adjustments in the table set out above. In addition, the Company's current warrant holders may exercise all or a part of the other 207,295 outstanding warrants prior to the Admission date, and the Company contemplates to implement its three year LTIP warrant program following the completion of the Offering, where a maximum of 184,224 warrants may be granted over the three year period to the eligible persons participating in the program, where the first 61,408 are contemplated to be granted shortly after completion of the Offering each with an exercise price of DKK 173, see also "Section 14.3.1—Warrant Programs".

10. Regulatory Environment

The Group's international operations require the Group to comply with a number of local laws, rules and regulations, including, local environmental laws and regulations, local tax laws, privacy and data protection laws, employment and labor laws and permits issued under these laws by the relevant environmental and health and safety regulatory agencies.

10.1 ISO and NSF certifications

Aquaporin A/S and Aquaporin Asia in Singapore has been certified in 2018 (and recertified in 2019 and 2020) by FORCE Certification to comply with ISO 9001:2015. ISO 9001 is an international standard that specifies requirements for a quality management system ("QMS"). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements. The current ISO certification will expire on 1 August 2021. The Company expects to be able to obtain recertification.

Aquaporin DWRO products are certified to NSF standards 58 and 61. NSF International is an accredited, independent third-party certification body that tests and certifies products to verify they meet these public health and safety standards. Products that meet these standards bear the NSF mark. NSF/ANSI 58 is the American National Standard for point-of-use reverse osmosis systems. NSF/ANSI 61 is a performance-based standard that evaluates the amount of contaminants that leach from a product into drinking water. To maintain NSF certification for the Group's RO membranes, the Group must apply for recertification every year and to maintain the NSF certification for the Group's element, the Group must apply for recertification every five years. The last time the Group applied for certification for its elements was in 2018.

10.2 FCM Compliance

10.2.1 United States

In addition, in the food and beverage segment, all membranes marketed in the United States must comply with regulation §177.2550. If a new membrane type includes components that were not previously approved by such regulation (which was the case for Aquaporin Inside), a company behind such product must obtain a positive risk evaluation through the FDA. In order for the FDA to provide a positive evaluation, the FDA will investigate (i) any health risks resulting from the use of the Aquaporin Inside technology and (ii) whether membranes are produced in a way that ensures compliance with §177.2550. In 2020, the Company was notified that the FDA evaluation concluded that there is no risk to the consumer associated with foods that had been concentrated with the Aquaporin Inside™ membranes. The conclusion resulted in listing of the aquaporin protein with supporting polymers on the list of food contact substances exempt of regulation ("TOR exemption") and consequently all Aquaporin Inside™ membranes can be marketed for food applications in the United States.

10.2.2 EU

Further, in order for the Group to commercialize its membranes in the EU's food and beverage market, such membranes must comply with (i) Article 3 of Regulation (EC) No. 1935/2004 of the European Parliament and of the Council of 27 October 2004 on the general safe use of materials and articles intended to come into contact with food and beverages (ii) Regulation 10/2011/EU.

The Group has demonstrated compliance of the novel membrane constituents to Article 3 of 1935/2004/EC by achieving a US FDA TOR exemption, proving that substances used in the

membranes do not migrate to foods at levels that can cause harm to human health. The Group has further demonstrated that substances with a specific migration limit in the Plastics Regulation 10/2011/EU, comply with these limits under the intended and foreseeable conditions of use, and that only substances permitted in 10/2011/EU have been used for the membrane support. Thus, Aquaporin can issue a Declaration of Compliance covering 10/2011/EU and 1935/2004/EC for the plastic base of the membrane, and 1935/2004/EC and Danish Executive Order no. 681 of 25.05.2020 for the coating components, based on the TOR exemption. This makes it legal to market the membranes in Denmark. A product that is legally marketed in one EU member state, is also legal to market in the rest of the EU, unless specific national regulations prevent this, such as for Per- and polyfluoroalkyl substances (a group of man-made chemicals very persistent in the environment and in the human body and of growing health and regulatory concern) in Denmark. No such measures exist for the Aquaporin membranes.

When the Company is inspected by the Danish Veterinary and Food Authority ("DVFA"), the DVFA will examine the Declaration of Compliance and may also inspect the supporting documentation. However, the Company expects that the DVFA will accept compliance to FDA requirements as documentation of compliance with 1935/2004/EC, and BEK 681, except where specific EU or Danish measures apply. This means that the Group must document compliance to 10/2011/EU for the membrane base, as this is a plastic, but as no specific EU/DK measures exist for the type of coatings used on the Aquaporin membranes (including the Aquaporin Inside component), the Company expects that the DVFA will accept US FDA compliance as a valid means of ensuring compliance to 1935/2004/EC and BEK 681, especially as this is supported by specific migration analysis covering the coating components that have a limit value in 10/2011/EU.

In addition to the TOR exemption which applies in general for all the Groups products containing the Aquaporin Inside formulation, additional migration tests must be done for each product upon finalization of development in order to put the product into use in a food contact application, including pilot studies where taste testing will be done. In a migration test, it is investigated whether harmful substances are released from the product when exposed to conditions similar to its use in food contact operations. The Group has completed migration tests for its BWRO products for food contact use. The Groups forward osmosis products for food use have not completed development yet and therefore the migration tests have not been done. The Group expects to complete migration tests for its food HFFO product in development in 2021.

11. Trend Information

11.1 Most significant recent trends

There have been no significant trends in production, sales and inventory, and costs and selling prices since the end of the period covered by the FY20 Consolidated Financial Statements.

11.2 Significant change in the financial performance

Please see "*—Section 8.13 No significant change*" for a description.

11.3 Known trends, uncertainties, demands, commitments or events

There have been no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

12. Consolidated prospective financial information for the financial year ending 31 December 2021

12.1 Statement by Management on prospective financial information for the Group for the financial year ending 31 December 2021

Management's prospective consolidated financial information for the financial year ending 31 December 2021 is presented below ("Prospective Financial Information").

The Company prepared and presented the Prospective Financial Information, including the key assumptions set out in "—*Methodology and assumptions*". The Prospective Financial Information has been compiled and prepared on a basis which is both comparable with the financial information in the annual report for the financial year 2020 ("FY2020 Annual Report") and consistent with the accounting policies applied in the consolidated financial statements for year ended December 31, 2020 ("FY2020 Group Financial Statements") as well as the interim consolidated financial statements as of and for the three months ended 31 March 2021 and the related notes ("Interim Financial Statements").

The Prospective Financial Information has been prepared for the purpose of this Prospectus.

The Prospective Financial Information is based on a number of factors, including certain estimates and assumptions. The material assumptions on which the Prospective Financial Information is based are described in "—*Methodology and assumptions*".

The Prospective Financial Information represents the best estimates of Management at the date of this Prospectus. Actual results are likely to be different from the Prospective Financial Information since anticipated events may not occur as expected, or may materially differ from the forecast provided. The Prospective Financial Information in this section should be read in conjunction with "Part II—*Risk Factors*" and "General Information—Forward-looking statements" included elsewhere in this Prospectus.

14 June 2021

Aquaporin A/S

Board of Directors

Niels Heering
Chairman

Søren Bjørn Hansen
Deputy Chairman

Anne Broeng
Board Member

Jianwen Cai
Board Member

Jens Denkov
Board Member

Lars Hansen
Board Member

Michael Frank
Board Member

Weiming Jiang
Board Member

Executive Management

Peter Holme Jensen
CEO

Maciej Boczkowski
Deputy CEO and CCO

Bo Karmark
CFO

Joerg Hess
COO

12.2 Prospective Financial Information

12.2.1 Methodology and assumptions

The Company's Board of Directors and Executive Management has prepared the Prospective Financial Information for the FY2021, which is included in this Prospectus, in accordance with applicable laws, rules and regulations.

While this Prospective Financial Information is presented with numerical specificity, this information is based upon a number of assumptions and estimates, which the Company considers reasonable. As a result, this Prospective Financial Information is inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, and based upon future business decisions that are subject to change.

Therefore, the Company's expectations presented in the Prospective Financial Information as to future developments may deviate substantially from actual developments, and the Group's actual results of operations are likely to be different from the Prospective Financial Information because anticipated events may not occur as expected, or may materially differ from the forecast provided. Accordingly, potential investors should treat this information with caution and not place undue reliance on the expectations set forth below.

The Prospective Financial Information has been prepared in accordance with the accounting policies presented in the FY20 Consolidated Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, and which are set out in the Notes to the Consolidated Financial Statements included in this Prospectus by reference, except to the extent new accounting policies are required to be adopted in 2021 as disclosed in Note 1.1. Prospective Financial Information also reflects the actual performance of the Group's business for the three months ended 31 March 2021 and the Company's estimates and assumptions concerning the Group's performance for the periods thereafter based on management's budget for 2021 prepared in accordance with the Company's forecasting and budgeting procedures and on a basis comparable to the FY20 Consolidated Financial Statements.

However, the Prospective Financial Information is based on a large number of estimates made by the Company based on assumptions on future events, which are subject to numerous and significant uncertainties, for example, caused by business, economic and competitive risks and uncertainties, which could cause the Group's actual results to differ materially from the Prospective Financial Information presented herein. The Company has based the Company's assumptions and estimates on information available when the Prospective Financial Information was prepared.

Certain assumptions, uncertainties and contingencies relating to the Prospective Financial Information are wholly or partly within the control of the Group, while others are outside or substantially outside the control of the Group, including those relating to changes in political, legal, fiscal, market or economic conditions, improvement in macroeconomic conditions, currency fluctuations and actions by customers or competitors.

While the Company has presented the key assumptions on which the prospective financial information is based below, it is likely that one or more of the assumptions that the Company has relied upon will not prove to be accurate in whole or in part.

The Group's results of operations could deviate materially from the Group's forecasts as a result of other factors, including but not limited to those described in "*General Information—Forward-looking statements*" and "*Part II—Risk Factors*". For more information regarding principal factors that the Company expects could have a substantial effect on the Group's results of operations, see "*Section 8.5 Principal Factors Affecting the Group's Business and Results of Operations*".

12.2.2 Principal assumptions

For the purpose of preparing the Prospective Financial Information, the Company has applied the key assumptions below.

Revenue

- The Group's expectations with respect to revenue assume revenue growth within the drinking water segment, particularly through (i) the sale of point-of-use systems (such as the ZERO and ONE) and (ii) expected Aquaporin Inside drinking water flat sheet orders (which assumes that the

Group will be able to convert current partners to customers). This is partially within the Group's control.

- o The point-of-use systems consist of the ZERO and the ONE that have been introduced into the market in November 2020 and April 2021, respectively. These point-of-use systems are currently being tested by certain customers and the Group assumes it can potentially increase sales by turning those customers into key accounts. These customers are also expected to provide additional marketing support and branding, which the Group assumes could increase the volume sold.
- o For flat sheet orders, revenue growth is expected to be driven through the implementation of the Group's conversion strategy and the revenue contribution from that segment is driven through a key strategic supplier approach with a co-development and co-branding of products.
- o This revenue estimate for the financial year ending 31 December 2021 is based on the volumes sold for the three months ended 31 March 2021 adjusted for sales and other new developments expected to occur between the date of this Prospectus and 31 December 2021. The majority of the Group's revenue is expected to come from the EU region with a secondary contribution from North America.
- In addition, the Group's expectations with respect to revenue are expected to be driven, to a lesser extent, by sales within the industrial water and food and beverage segments where the Group assumes it will be able to generate income from pilot projects and membrane sales. This revenue stream is partially within the control of the Group. This assumption is in line with the Group's strategy where revenue from these two segments is driven by paid tests, pilots and small installations.
- The Group further assumes
 - o it will be able to build the commercial infrastructure needed to raise its commercial profile and ensure market acceptance of its products, which is partially within the Group's control and depends on the Group's ability to attract the right employees and partners and the Group's ability to build its profile;
 - o that strategic collaborations to sell or market the Group's products will be successful, which is partially within the Group's control and will depend on the Group's ability to negotiate favourable terms; and that
 - o the Group's CMOs and third-party manufacturers deliver under their respective agreements. This is partially within the Group's control as the Group is also dependent on the efforts of third parties and partners;
- The Group's expectations with respect to revenue also assume that the Group will have the financial resources available to invest in the Group's Aquaporin Inside brand to raise its commercial profile and to increase the HFFO production capacity successfully, which is partially within the Group's control; and
- The Group assumes it can maintain its pricing strategy and is able to leverage economies of scale to decrease its cost of goods sold, while competing with pricing pressures from competitors, which is partially within the Group's control. See *Part II—Risk factors*

The Group's estimates for the financial year ending 31 December 2021 are primarily based on current market expectations. Such estimates are dependent on a wide range of factors some of which are partially within the Group's control and some of which are out of its control. In part, the Group's revenue trajectory is influenced by its ability to enter into customer agreements, joint venture agreements and new partnership agreements, which is partially within the Group's control. It is also based on assumptions that are outside or substantially outside of the Group's control, including assumptions relating to macro-economic conditions, industry considerations, regulatory changes and customer behaviour (particularly, in light of the COVID-19 pandemic). The Group's estimates assume that there will not be any material change in the competitive or regulatory landscape that the markets will develop within the Group's expectation and/or other external actions, which are significantly outside the Group's control

Currency

The prospective financial information for the financial year 2021 is presented in the Groups reporting currency DKK. As some of the estimated revenue and costs are denominated in foreign currencies, the Group has assumed the exchange rates of EUR, USD, SGD and/or CNY will fluctuate in a similar way as they have in the three months ended 31 March 2021. The currency assumptions applied for purposes of the prospective financial information are outside the control of the Group.

EBITDA (before special items) and EBIT (before special items)

In addition to the Group's assumptions as to revenue in the financial years ending 31 December 2021, the Group's expectations regarding EBITDA before special items (non-IFRS) and EBIT before special items (non-IFRS) are based on the following assumptions:

- The Group assumes revenue in the range of the guidance, which will be partially offset by an assumed slight increase in operating costs. This assumption is partially within the Group's control;
- The Group assumes special items as a cost of around DKK 37 million for the financial year ending 31 December 2021, which consist of non-recurring income or costs which is not a part of the Group's normal activities and collectively significant to the Group's performance, this includes cost of raising capital and Admission. This assumption is partially within the Group's control. See *General Information Presentation of Financial and Certain Other Information*" for a definition of Special Items; and
- The Group assumes no other significant special items for the financial year ending 31 December 2021. This assumption is partially within the Group's control.

EBIT before special items and EBITDA before special items are not measures of performance specifically defined by IFRS. These measures are defined in the section "*Section 8.3 Non-IFRS measures*" to which the Group refers. These measures are used by management to monitor the underlying performance of the Group and the Company. Not all companies may calculate these measures in the same manner or on a consistent basis, and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on these measures and they should not be considered as a substitute for revenue, profit for the period or other financial measures computed in accordance with IFRS.

12.2.3 Expectations for the financial year ending December 31, 2021

Based on the assumptions and methodology as set out above, the Company confirms the expectations for the net result for the financial year ending December 31, 2021, as set out in the FY20 Consolidated Financial Statements, and accordingly expects the following:

- The Group expects revenue to be in the range of DKK 15 million to 20 million for the financial year ending 31 December 2021 and will primarily be driven by the drinking water segment, selling point-of-use systems and flat sheet
- The Group expects EBITDA (before special items) to be a loss in the range of DKK 70 million to 80 million for the financial year ending 31 December 2021
- The Group expects EBIT (before special items) to be a loss in the range of DKK 90 million to 100 million for the financial year ending 31 December 2021

The Company's expectations to operations for the financial year ending 31 December 2021 could deviate materially from this forecast as a result of other factors, including, but not limited to, those described in "*General Information—Forward-looking statements*" and "*Part II—Risk Factors*".

13. Board of Directors and Executive Management

13.1 Overview

The Company has a two-tier governance structure consisting of the Board of Directors and the Executive Management. The two management bodies are separate and have no overlapping members.

13.2 Board of Directors

The Board of Directors is responsible for the Company's overall and strategic management and proper organization of the Company's business and operations. The Board of Directors supervises the Company's management and organization. The Board of Directors appoints and dismisses the members of the Executive Management, who are responsible for the day-to-day management of the Company.

In accordance with the Company's Articles of Association, the general meeting of the Company shall elect not less than three and not more than ten members to the Board of Directors. According to the Company's Articles of Association, the Board of Directors elects a chairman ("Chairman") and a deputy chairman ("Deputy Chairman") of the Board of Directors among the members of the Board of Directors. If the Chairman resigns during a term of election, the Deputy Chairman shall take up the position as Chairman until a new Chairman is elected among the members of the Board of Directors.

The members of the Board of Directors elected by the general meeting are elected for a term of one year at a time. Members of the Board of Directors may be re-elected.

The following table sets forth an overview of the current members of the Board of Directors:

Name	Position	Independence assessment ⁽¹⁾	Year of first appointment	Expiration of term
Niels Heering ⁽²⁾	Chairman	Not independent	2015	2022
Søren Bjørn Hansen ⁽³⁾	Deputy chairman	Not independent	2007	2022
Anne Broeng	Board member	Independent	2018	2022
Jianwen Cai	Board member	Independent	2014	2022
Jens Denkov	Board member	Not independent	2019	2022
Lars Hansen	Board member	Independent	2015	2022
Michael Frank	Board member	Not independent	2007	June 2021 ⁽⁴⁾
Weiming Jiang	Board member	Independent	2018	2022

(1) The assessment of independence is based on the criteria set out in the Corporate Governance Recommendations (as defined below).

(2) Niels Heering was Deputy Chairman from 16 December 2015 until 31 January 2018

(3) Søren Bjørn Hansen was Chairman of the Board of Directors from 9 December 2010 until 31 January 2018

(4) Michael Frank has been a member of the Board of Directors for more than 12 years and has notified the Company that he will step down as a member of the Board of Directors on the Admission Date in accordance with the principles agreed with his employer and the Company's current shareholder Syddansk Innovation A/S.

Amongst the members that will continue to serve as members of the Board of Directors following the admission for trading and official listing on Nasdaq Copenhagen, four members of the Board of Directors have been assessed by Aquaporin to be independent whereas Aquaporin has three members of the Board of Directors who is not considered independent since Michael Frank is expected to step down from the Board of Director on the day of Admission. The assessment has been made by the Board of Directors under the principles set out for the assessment of independence in the current Recommendations on Corporate Governance.

In addition, the Board of Directors expects to nominate Anupam Bhargava as a new member to be elected at an extraordinary general meeting in the near term following the Offering.

The Company believes that the present members of the Board of Directors possess the professional skills and experience required to serve as board members of the Company and to supervise and manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

13.2.1 Biographies

Niels Heering (full name: Niels Thomas Heering, born 1955, Danish nationality) has been Chairman since January 2018 and a member of the Board of Directors since 2015. Niels Heering is Senior General Counsel at Danske Bank A/S since May 2021 and was previously a partner at Gorrisen Federspiel Advokatpartnerselskab for 35 years until April 2021.

Niels Heering holds a master of Law from the University of Copenhagen and attended a financial management program at Stanford University.

Current management positions	Previous management positions in the past five years
<ul style="list-style-type: none"> • Aquaporin Space Alliance ApS, Chairman • Danish Aerospace Company A/S, Chairman • Danish Aerospace Medical Company A/S, Chairman • Viga Holding ApS, Chairman • Viga RE ApS, Chairman • Viga RE Management ApS, Chairman • Civilingenør N.T. Rasmussens Fond, Chairman • Stæhr Holding A/S, Chairman • Henning Stæhr A/S, Board member • Nesdugaard Holding ApS, Chairman • Nesdugard A/S, Chairman • Arborethusene A/S, Chairman • JEU Holding ApS, Chairman • 15. JF Invest A/S, Executive management and board member • 15. JUNI FONDEN, Deputy chairman • WAMA Consult ApS, Chairman • Global Equestrian Group Holding ApS, Board member • Global Equestrian Group ApS, Board member • Ole Mathiesen A/S, Board member • CCKN Holding ApS, Executive management • Heering Invest ApS, Executive management 	<ul style="list-style-type: none"> • BI management A/S, Board member • Investeringsforeningen BankInvest, Chairman • Investeringsforeningen BI, Chairman • Kapitalforeningen BankInvest Vælger, Chairman • Kapitalforeningen BI Private Equity, Chairman • Kapitalforeningen BankInvest Select, Chairman • Investeringsforeningen BankInvest Engros, Chairman • NKB Private Equity III DK A/S, Board member • NKB Private Equity DK IV ApS, Board member • NKB Private Equity VI A/S, Board member • NKB Private Equity IV EURO ApS, Board member • NKB V DK Komplementar ApS, Board member • NKB Opportunity Komplementar ApS, Board member • NKB Invest II Komplementar ApS, Board member • NKB Infrastructure Komplementar ApS, Board member • NKB Infrastructure II Komplementar ApS, Board member • Kapitalforeningen Nykredit Private Banking Elite, Board member • Kapitalforeningen PensionDanmark EMD, Deputy chairman • M. Goldschmidt Holding A/S, Chairman • M. Goldschmidt Capital A/S, Chairman • M. Goldschmidt Ejendomme A/S, Chairman • MGE Nymøllevej 78, Lyngby A/S, Chairman • Rørmosevej 2 D-G A/S, Chairman • MGE Bolig Hillerød P/S, Chairman • MGE Bolig Hillerød Holding A/S, Chairman • Atlas Ejendomme A/S, Chairman • Imerco A/S, Deputy Chairman • Imerco Holding A/S, Deputy chairman • Inspiration A/S, Chairman • Nesdugaard A/S, Chairman • Nesdugaard I A/S, Chairman • Nesdu Holding ApS, Chairman • NTR Holding A/S, Chairman • NTR Invest A/S, Chairman • Vigerslev Allé 122-124 ApS, Chairman • Baunegårdsvej 73 ApS, Chairman • Kildegårdsvej ApS, Chairman • Nørrebrogade 32 ApS, Chairman • Ejendomsselskabet Amagerbrogade 56 ApS, Chairman • Ejendomsselskabet Strandlodsvæj 15 ApS, Executive management • Mathiesen Holding A/S, Board member • Scandinavian Private Equity A/S, Board member • Ellos Denmark A/S, Chairman • Lauritzen Bulkers A/S, Deputy chairman • Stæhr Invest II A/S, Chairman • MSHS ApS, Chairman • Slotshotellet ApS, Board member • Heering Dressage ApS, Executive management • Helgstrand Dressage ApS, Chairman

Søren Bjørn Hansen (full name: Søren Bjørn Hansen, born 1972, Danish nationality) has been Deputy Chairman since January 2018 and a member of the Board of Directors since December 2007. Søren Bjørn Hansen was Chairman of the Board of Directors from 2010 to 2018. Søren Bjørn Hansen is CEO at M. Goldschmidt Holding A/S.

Søren Bjørn Hansen holds a M.Sc. in Economics from the University of Copenhagen.

Current management positions

- M. Goldschmidt Capital A/S, Executive management
- M. Goldschmidt Holding A/S, Executive management
- M. Goldschmidt Ejendomme A/S, Executive management
- M. Goldschmidt Ejd., Ringsted ApS, Executive management
- MGE Trekronergården ApS, Executive management
- MGE Marienbergvej 108, Vordingborg ApS, Executive management
- Komplementarselskabet MGE Bolig Hillerød, Executive management
- MGE Bolig Hillerød P/S, Executive management
- MGE13 ApS, Executive management
- MGE Frederiksbro ApS, Executive management
- Atlas Ejendomme A/S, Executive management
- MGE Bolig Hillerød Holding A/S, Executive management
- MGE14 ApS, Executive management
- Imerco Holding A/S, Deputy chairman
- Inspiration A/S, Deputy chairman
- Imerco A/S, Deputy chairman
- Erik Bagger A/S, Deputy chairman
- Danish Aerospace Company A/S, Deputy chairman
- Danish Aerospace Medical Company A/S, Deputy chairman
- Aquaporin Space Alliance ApS, Board member
- Silver Bear Holdings ApS, Executive management

Previous management positions in the past five years

- MGE8 ApS, Executive management
- MGE Enghavevej 40, København ApS, Executive management
- MGE16 ApS, Executive management
- MGE11 ApS, Executive management
- MGE Nørregade 4, København ApS, Executive management
- MGE Tvillingegård ApS, Executive management
- M. Goldschmidt Kollegierne ApS, Executive management
- MGE9 ApS, Executive management
- MGE Nymøllevej 78, Lyngby A/S, Executive management
- Rørmosevej 2 D-G A/S, Executive management
- Kalypso Holding ApS, Executive management
- Smedeholm 16 ApS, Executive management
- Kalypso Ejendomme ApS, Executive management
- Næstved Butikstorv ApS, Executive management
- HipCaPH ApS, Board member
- 3C Sjælland A/S, Board member

Anne Broeng (full name: Anne Broeng, born 1961, Danish nationality) has been a member of the Board of Directors since April 2018. Anne Broeng is a professional board member and special advisor to NASDAQ Europe.

Anne Broeng holds a M.Sc. in Economics from Aarhus University, attended Directors College at Stanford University and Board Master-class at Copenhagen Business School.

Current management positions

- Velliv, Pension & Livsforsikring A/S, Chairman
- Asta & Jul. P. Justesen Fond, Chairman
- Bruhn Holding ApS, Board member
- NNIT A/S, Board member
- VKR Holding A/S, Board member
- Sleep Cycle AB, Board member
- ATP and related companies, Board member
- IFU and related companies, Board member
- Rodinia ApS, Board member

Previous management positions in the past five years

- Velux A/S, Board member
- Danske Commodities A/S, Board member
- PensionDanmark Holding A/S, Board member
- PensionDanmark Pensionsforsikringsaktieselskab, Board member
- Bikubenfonden (formerly Bikuben fonden af 1989), Board member
- Kollegiefonden Bikuben, Board member
- Bikubenfonden, Board member
- F. Salling Holding A/S, Board member
- F. Salling Invest A/S, Board member
- Købmand Herman Sallings Fond, Board member
- Købmand Ferdinand Sallings Mindefond, Board member
- Anne Broeng Consulting, Sole participant

Jens Denkov (full name: Jens Hahn Denkov, born 1981, Danish nationality) has been a member of the Board of Directors since March 2019. Jens Denkov is employed by Danske Bank A/S as Chief Investment Director and provides investment and asset management services for Danica Pension on the basis of an employment arrangement with the Danica Pension group unit.

Jens Denkov holds a M.Sc. in Economics from University of Copenhagen.

Current management positions

N/A

Previous management positions in the past five years

- SE Blue Renewables GP ApS, Executive management
- SE Blue Renewables GP DK ApS, Executive management
- SE Blue Renewables GP DK 2 ApS, Executive management
- SE Blue Renewables GP DK 3 ApS, Executive management

Current management positions	Previous management positions in the past five years
	<ul style="list-style-type: none"> • SE Blue Renewables GP DK 4 ApS, Executive management • SE Blue Renewables DK P/S, Board member • SE Blue Renewables DK 2 P/S, Board member • SE Blue Renewables DK 3 P/S, Board member • SE Blue Renewables DK 4 P/S, Board member • SE Blue Renewables K/S, Board member

Jianwen Cai (full name: Jianwen Cai, born 1974, Chinese nationality) has been a member of the Board of Directors since December 2014. Jianwen Cai is Global Vice President of finance and alignment at Sinocare Incorporation.

Jianwen Cai holds a MBA, Business Administration from China Europe International Business School

Current management positions	Previous management positions in the past five years
<ul style="list-style-type: none"> • Josab Water Solutions AB, Board member • Moonlight Optic Corporation, Board member 	<ul style="list-style-type: none"> • New Concepts Holding Co, Ltd., Executive management

Lars Hansen (full name: Lars Christian Hansen, born 1967, Danish nationality) has been a member of the Board of Directors since February 2015. Lars Hansen is executive director at Villum Foundation and is the chairman of the Board of Danish Foundations Knowledge Center.

Lars Hansen holds a M.Sc. in Chemical engineering from the Technical University of Denmark, a M.A in Journalism from New York University and a H.D in international business from Copenhagen Business School.

Current management positions	Previous management positions in the past five years
<ul style="list-style-type: none"> • Villum Foundation, Executive management • Danish Foundations Knowledge Center, Chairman 	N/A

Michael Frank (full name: Michael Frank, born 1963, Danish nationality) has been a member of the Board of Directors since April 2007 and has notified the Company that he will step down as a member of the Board of Directors on the Admission Date in accordance with the principles agreed with his employer and the Company's current shareholder Syddansk Innovation A/S. Michael Frank is Investment Director at Syddansk Innovation A/S. Michael Frank is an experienced Investment Director within venture capital and private equity.

Michael Frank holds a M.Sc. in Finance from Aarhus School of Business and Social Sciences at Aarhus University. In addition, Michael Frank has attended courses from INSEAD Business School (France), Harvard Business School (Boston, USA) and EVCA Institute (Switzerland).

Current management positions	Previous management positions in the past five years
<ul style="list-style-type: none"> • Shape Robotics A/S, Board member • Ceko Sensors ApS, Board member • Achoo ApS, Board member • Flexya A/S, Board member • Airswop ApS, Board member 	<ul style="list-style-type: none"> • Tesis Invest ApS, Executive management • DoseSystem A/S, Chairman • Shape Robotics A/S, Chairman • Sani Membranes ApS, Chairman • Immersive Technologies ApS, Chairman • Ceko Sensors ApS, Chairman • Canvas Audio ApS, Chairman • MedTrace Pharma A/S, Board member • BioSynergi Proces ApS, Board member • F. KLEEMANN MOTORCYCLES ApS, Board member • EQUINOSTIC ApS, Board member • Flexya A/S, Board member • Terranol A/S, Board member • DoseSystem A/S, Board member

Weiming Jiang (full name: Weiming Jiang, born 1956, Chinese nationality at birth and currently Danish) has been a member of the Board of Directors since April 2018. Weiming Jiang is special advisor to the CO-CEO of Royal DSM.

Weiming Jiang holds a M.Sc/Ph.D from the Royal Agricultural and Veterinary University of Denmark.

Current management positions	Previous management positions in the past five years
<ul style="list-style-type: none"> China Business Council for Sustainable Development, Deputy chairman Huisman B.V, Member of the supervisory board Novo Holdings, Member of the advisory group 	N/A

Proposed new board member

Anupam Bhargava (full name: Anupam Bhargava, born 1967, Canadian and US nationality) is expected to be nominated to be elected as a new member of the Board of Directors at an extraordinary general meeting in the near term after completion of the Offering when relevant work permits have been obtained. Anupam Bhargava is Senior VP of Industry at Grundfos A/S and has previously been VP Advanced Technology & Innovation at Xylem.

Anupam Bhargava holds a MBA with distinction in Corporate Strategy from Yale University, School of Management and a B.Sc. in Mechanical Engineering from Syracuse University.

Current management positions	Previous management positions in the past five years
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Aarhus International School S/I, Board member Aspen Institute Business & Society Program, Advisor

13.3 Executive Management

Pursuant to the Company's Articles of Association, the Board of Directors appoints the Executive Management. The Executive Management shall consist of no less than one and no more than five members, of which one member shall be the CEO of the Company. the primary task of the Executive Management is the day-to-day management of the Company's business.

The following table sets forth an overview of the current members of the Executive Management:

Name	Position	Year of first employment with the Company	Year of appointment to current position in the Company
Peter Holme Jensen . . .	CEO	2005	2005
Maciej Boczkowski	Deputy CEO and CCO	2021	2021
Bo Karmark	CFO	2015	2016
Joerg Hess	COO	2019	2019

The Company believes that the current members of the Executive Management possess the professional skills and experience required for their positions in the Company and to manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

13.3.1 Biographies

Peter Holme Jensen (full name: Peter Holme Jensen, born 1970, Danish nationality) is the Company's founder and has been CEO of the Company since January 2005.

Peter Holme Jensen holds a Ph.D in Protein chemistry/NMR spectroscopy from the University of Copenhagen and Carlsberg Laboratory Department of Chemistry as well as a Master in NMR spectroscopy from the Department of Chemistry of University of Southern Denmark and Carlsberg Laboratory Department of Chemistry. Peter Holme Jensen has also previously been a member of Dansk Industri Specialudvalg for vand and Dansk Industri, Udvalg for Forskning og uddannelse.

Current management positions	Previous management positions in the past five years
<ul style="list-style-type: none"> Artefakt Holding ApS, Executive management Aquaporin Space Alliance ApS, Board member Aquapoten Co. Ltd, Board member 	<ul style="list-style-type: none"> Artefakt Holding ApS, Board member Dansk Miljøteknologi, Board member

Maciej Boczkowski (full name: Maciej Boczkowski, born 1978, dual Polish and Canadian nationality) has been Deputy CEO and CCO of the Company since March 2021 and previously held positions as Vice President New Markets, Strategy and Growth at SUEZ Group, Global Director of Industry Marketing at SUEZ Group and Upstream Oil & Gas Market Leader at GE Water & Process technologies. Maciej Boczkowski also spent 10 years with General Electric (later SUEZ Group via acquisition of GE Water & Process Technologies) in commercial functions of increasing responsibility.

Maciej Boczkowski holds an MBA HEC Montreal, a B. Sc. in Microbiology and Immunology and a B.Eng in Chemical Engineering from McGill University

Current management positions	Previous management positions in the past five years
• Cimbria Capital, Operating Partner (advisory)	N/A

Bo Karmark (full name: Bo Løkke Karmark, born 1965, Danish nationality) joined the company in October 2015 and has been CFO of the Company since October 2016 and previously worked with M&A and financing, including financial positions in the Chr. Hansen group.

Bo Karmark holds a M.Sc. in Business Administration and Auditing from the Copenhagen Business School.

Current management positions	Previous management positions in the past five years
• ZITO ApS, Executive management • BOK Holding A/S, CEO and Board member	N/A

Joerg Hess (full name: Jörg Michael Hess, born 1967, German nationality) has been COO of the Company since July 2019 and previously held operational positions in Mann+Hummel and Siemens Water both in Europe and the United States.

Joerg Hess holds an MBA in International Marketing from the European School of Business in Reutlingen, Germany and m. Sc. in Civil Engineering from Technical University Stuttgart.

Current management positions	Previous management positions in the past five years
N/A	N/A

13.4 Business address

The business address of the members of the Board of Directors and the Executive Management is: c/o Aquaporin A/S, Nymøllevej 78, 2800 Kgs. Lyngby, Denmark.

13.5 Statement on past records

During the past five years, none of the members of the Board of Directors or the Executive Management have been (i) convicted of fraudulent offenses; (ii) directors or officers of companies that have entered into bankruptcy, receivership or liquidation except as set out immediately below; or (iii) subject to any public incrimination and/or sanctions by statutory regulatory authorities (including designated professional bodies), and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive board or supervisory body or being in charge of an issuer's management or other affairs.

Niels Heering was deputy chairman of Kapitalforeningen Pensiondanmark EMD (deleted from the Central Business Register in 2020). Niels Heering was a member of the board of directors of NKB Private Equity DK IV ApS (dissolved after voluntary liquidation in 2018), NKB Private Equity IV Euro ApS (dissolved after voluntary liquidation in 2018), NKB Opportunity Komplementar ApS (dissolved after voluntary liquidation in 2018), NKB Private Equity III DK A/S (dissolved after voluntary liquidation in 2018) and Scandinavian Private Equity A/S (dissolved after voluntary liquidation in 2020).

Søren Bjørn Hansen was a member of the executive management of MGE8 ApS (dissolved after declaration in 2016) and MGE Tvillingegård ApS (dissolved after voluntary liquidation in 2017). Søren Bjørn Hansen was a member of the board of directors of HipCaPH ApS (dissolved after voluntary liquidation in 2017).

Anne Broeng was a fully liable participant in Anne Broeng Consulting (dissolved in 2017).

Michael Frank was a member of the board of directors of Equinostic ApS (voluntarily dissolved by declaration in 2019), Plastrecycling, Kolding A/S (dissolved after bankruptcy in 2019), Biosynergi Proces ApS (dissolved after voluntary liquidation in 2018) and Selskabet af 30. maj 2017 A/S (dissolved after bankruptcy in 2019). Michael Frank was a member of the executive management of Tesis Invest ApS (voluntarily dissolved by declaration in 2018).

13.6 Statement on conflicts of interest

There are no family ties among the members of the Board of Directors or the members of the Executive Management.

With exception of the board members mentioned below, the Company is not aware of any member of the Board of Directors or the Executive Management having been appointed to their current position pursuant to an agreement with the shareholders, customers, suppliers or other parties. Søren Bjørn Hansen is CEO at MGC, an affiliate of M. Goldschmidt Holding A/S and Jens Denkov is employed by Danske Bank A/S as Chief Investment Director and provides investment and asset management services for Danica Pension on the basis of an employment arrangement with the Danica Pension group unit. In addition, Niels Heering is employed as senior general counsel by Danske Bank A/S, which controls Danica, but was nominated by MGC and elected as Chairman of the Company six years before being employed by Danske Bank A/S. Prior hereto he was a partner at Gorrisen Federspiel Advokatpartnerselskab, which acts as the Company's legal counsel. Michael Frank represents the minority shareholder Syddansk Innovation A/S on the board and Jianwen Cai represents the major shareholder InterChina Water Treatment Hong Kong Company Ltd. on the board. Moreover, Lars Hansen has been nominated by Danica Pension.

Other than as described above, none of the members of the Board of Directors or the Executive Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because the Company has an equity interest in such company or because the Company and the company concerned have an ongoing business relationship, except as disclosed under “*Section 17 Related Party Transactions*”. However, the Company may do business in the ordinary course with companies in which members of the Board of Directors or the Executive Management may hold positions as directors or officers.

In addition, none of the members of the Board of Directors or the Executive Management have conflicts of interest with respect to their duties as members of the Board of Directors, or the Executive Management except for the reasons set out in the paragraph above. See also “*Section 16 Ownership Structure and Shareholders*” for a description of the current ownership interest in the Company held by members of the Board of Directors or the Executive Management.

It follows from the rules of procedure of the Board of Directors and the Danish Consolidated Act no. 763 of 23 July 2019 on limited liability companies, as amended (in Danish “*Selskabsloven*”) (“**Danish Companies Act**”) that a member of the Board of Directors or the Executive Management shall not participate in the preparation, discussions or the decision-making process concerning (a) an agreement between the Company (or another company within the Group) and the member in question, (b) legal proceedings between the member in question and the Company (or another company within the Group), (c) an agreement between the Company (or another company within the Group) and any third-party or, (d) legal proceedings brought against any third party if the member in question has a significant interest therein that may conflict with the Company's or the Group's interests.

14. Remuneration and benefits

In accordance with Section 139 of the Danish Companies Act, the Company has prepared a remuneration policy applicable to the Board of Directors and the Executive Management of the Company, which has been approved at a general meeting held on 11 June 2021 (“**Remuneration Policy**”). The compensation of the Board of Directors and the Executive Management of the Company described Policy.

The Remuneration Policy is available on the Company's website at www.aquaporin.com. Information included on the Company's website does not form part of and is not incorporated by reference into this Prospectus unless otherwise specifically stated herein.

The Company has taken out customary D&O insurance covering the Board of Directors and Executive Management. To the extent such insurance coverage should prove to be insufficient, the Company may in certain cases decide to indemnify members of the Board of Directors and the Executive Management, to the fullest extent permitted by law, for additional claims that a member of the Board of Directors personally incurs, subject to such claims not being caused by wilful misconduct or otherwise criminal offences on behalf of the member of the Board of Directors and Executive Management.

14.1 Compensation of the Board of Directors

Members of the Board of Directors receive fixed annual fees which will be presented for approval by the Company's shareholders at the annual general meeting. Remuneration of the Board of Directors shall not include share-based incentive programs.

In respect of the financial year 2020, the board members each received DKK 100,000 in total annual fees from the Group with two times the base fee for the Deputy Chairman and three times the base fee for the Chairman, which however does not include remuneration to the representatives of the Major Shareholders (see “—Section 13.6 Statement on conflicts of interest”) represented on the Board of Directors in this period who waived their board fees for this period. For the financial year 2020, the total amount paid to the Board of Directors amounted to DKK 480,000, as certain members of the Board of Directors waived their fee.

The Company's general meeting has approved a resolution that, subject to completion of the Offering, the members of the Board of Directors for the financial year 2021 will receive a fixed annual base fee of DKK 250,000 while the Chairman receives three times the fixed annual base fee and the Deputy Chairman receives two times the fixed annual base fee for their extended duties, with each fee being calculated on a pro rata basis for the remainder of 2021 with effect from the date of Admission. Members of the Audit Committee will receive a supplementary annual fee of DKK 50,000 and the chairman of the Audit Committee will receive a supplementary annual fee of DKK 100,000. Members of other committees will receive a supplementary annual fee of DKK 25,000 and the chairman of other committees will receive a supplementary annual fee of DKK 50,000.

In the event a member of the Board of Directors in agreement with the Board of Directors takes on ad hoc tasks, such member may be offered an ad hoc fee for the work carried out. The value of an ad hoc fee may not exceed 100% of the total remuneration paid to a member of the Board of Directors, including any additional fees to the Chairman, Deputy Chairman and board committee members. Any ad hoc fees paid to members of the Board of Directors will be disclosed in the remuneration report.

Reasonable expenses such as travel and accommodation relating to board and committee meetings and relevant training may be reimbursed by the Company, if approved by the Board of Directors or the Chairman. In addition, social duties or other similar taxes in relations to the directors' fees that may be levied by non-Danish authorities may be reimbursed by the Company.

Neither the Company nor any Group company have granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of the Board of Directors or any of its members.

No member of the Board of Directors is entitled to any kind of compensation upon resignation as a member of the Board of Directors.

Neither the Company nor any Group company have allocated funds or made provisions for any pension benefits, severance scheme or the like for the Board of Directors and have no obligation to do so. No member of the Board of Directors will receive compensation from any Group subsidiary for any services performed to such subsidiary.

14.2 Compensation of the Executive Management

In respect of the financial year 2020, the Executive Management received compensation from the Company, which consisted of a fixed salary, cash bonus as well as customary benefits in accordance with market standards. The members of the Executive Management did not receive separate remuneration from other Group entities for services performed for such Group entities in their current positions.

The following table presents an overview of the compensation booked by the Group to the Executive Management in respect of the financial year 2020 including cash bonus for the financial year 2020 paid in 2021:

DKK thousand	Peter Holme Jensen CEO	Maciej Boczkowski ⁽¹⁾ Deputy CEO & CCO	Bo Lykke Karmark CFO	Joerg Hess COO ⁽²⁾
Fixed salary	2,080	—	1,576	1,500
Cash Bonus	102	—	97	0
Benefits	126	—	94	109
Share-based payments	0	—	273	171

(1) The Deputy CEO and CCO Maciej Boczkowski joined the Company in late March 2021.

(2) The COO Joerg Hess has been registered as a member of the Executive Management in April 2021.

For the financial year 2021, the compensation of Executive Management may consist of a combination of fixed salaries and variable remuneration in accordance with the incentive programs described below, as well as customary benefits in accordance with market standards, including car. In addition, the Deputy CEO and CCO and the COO, which are both non-Danes, receive compensation for certain living expenses relating to e.g. housing, school for their children and car and in 2021 the Deputy CEO and CCO will also receive compensation for certain re-location expenses. The compensation of the members of the Executive Management for the financial year ending 31 December 2021 is in respect of all of their services provided to the Group.

The Company has not allocated funds or made provisions for any pension benefits, severance scheme or the like for the Executive Management and has no obligation to do so. The Group has not granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of the Executive Management, other than with respect to obligations of payment of the remuneration agreed.

The Company may terminate the employment with the members of the Executive Management with 12 months' notice, and the members of the Executive Management may terminate their respective positions with the Company with six months' notice. Subject to certain conditions, the Company may terminate the employments with the Executive Management with a shorter notice in case of long-term illness. The Executive Management is not entitled to any agreed severance pay. The members of the Executive Management are subject to non-competition clauses and non-solicitation clauses for a period of between six and 12 months after expiry of the notice period. During the restricted period, the members of the Executive Management may under certain circumstances be entitled to compensation corresponding to a fixed percentage of their respective salary. The compensation will be reduced if they find other suitable work during the restricted period.

14.3 Incentive Programs

A number of incentive programs have been established for the Executive Management and certain other employees of the Group. Each of these programs are described in further detail below and can be divided into three categories; (i) the Group's Offering related cash bonuses, (ii) the Group's short-term incentive plans and (iii) the Group's long-term incentive.

In exceptional cases, the Company is entitled to reduce, withhold or reclaim, in full or in part, variable remuneration that is earned, granted or paid on the basis of information, which subsequently proves to be misstated or if a member of the Executive Management is deemed to have caused a material loss to the Company due to wilful misconduct or acted in bad faith in respect of other matters which implied payment of a too large variable remuneration.

14.3.1 Warrant programs

Pre-IPO Warrant Programs

See also “—Section 16.6 *Warrants holders*” for an overview of all outstanding warrants held by, members of the Board of Directors and Executive Management, current and former employees as well as other existing shareholders. The overview also includes information on exercise price and exercise period.

Unless exercised prior to the Admission date, 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 until they expire.

Post-IPO Warrant Program—Long-term Share Based Incentive Program (the “LTIP”)

Subject to completion of the Offering, it is contemplated to introduce the LTIP consisting of warrants, which will be granted on a yearly basis.

The Company will introduce the new warrant program 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. Further, the warrant program is intended to retain members of management and other employees of the Company and its subsidiaries.

Under this LTIP warrant program, a maximum number of 184,224 warrants and a target number 138,162 warrants are contemplated to be issued to the Executive Management and certain employees over three years.

The first ($\frac{1}{3}$) of the grant will occur following completion of the Offering and subsequent grants will occur in 2022 ($\frac{1}{3}$) and 2023 ($\frac{1}{3}$) following approval of the annual reports and subject to satisfaction of certain KPIs relating to Revenue and EBITDA. The annual target number of warrants under the LTIP will amount to a maximum value of 25% of the annual fixed salary for the Executive Management at a target achievement and capped at 33.3%. Accordingly, the maximum number of warrants which may be granted over three years to (i) the CEO will be 35,630 warrants, (ii) the Deputy CEO and CCO will be 35,186 warrants, (iii) the CFO will be 26,922 warrants and (iv) COO will be 26,922 warrants. Moreover, 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.

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 exercise price for the warrants comprised by the LTIP has been determined to be DKK 173 per share corresponding to the Offer Price.

The calculated fair value and subsequent compensation expenses for the Group's share-based compensation are subject to significant assumptions and estimates. For the purpose of determining the fair value of share-based compensation, the Group applies the Black-Scholes pricing model. The value of the first grant in 2021 is DKK 3.6 million.

This pricing model requires the input of subjective assumptions, 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.

14.3.2 Short-term Incentive Program (the “STIP”)

The Group has a short-term cash based bonus scheme, with participation from the Executive Management and certain other employees.

Members of the Executive Management may be eligible to receive an annual performance based cash bonus. The performance criteria shall be determined by the Board of Directors and may include both financial and non-financial targets related to the Company's strategy and key performance indicators. The level of achievement of the financial targets may be determined through the Company's results as presented in financial reports and achievement of non-financial targets as assessed by the Board of Directors.

The bonus pay-out level is defined by a target achievement and is capped at a certain percentage of the individual fixed annual salary, with the target and maximum pay-out levels set at 37.5% and 50% of the annual fixed salary, respectively.

The bonus is based on target achievement on a number of parameters approved by the Board of Directors including financial and commercial KPIs such as revenue, EBITDA and as well as any other approved individual KPIs aligned to the strategic priorities of the financial year, which may include completion of strategic projects, successful completion of pilot projects, customer and employee satisfaction, sustainability related targets as well as targets related to individual performance.

14.3.3 Offering Related Cash Bonuses

2021 IPO Cash Bonus

In connection with the Offering, the Company has granted its Executive Management and three other employees a cash bonus subject to completion of the Offering. The members of the Executive Management will receive a cash bonus corresponding to 12 months fixed salary subject to customary leaver conditions. In addition, all other employees will receive one month's salary, subject to more than three months of employment and completion of the Offering.

The aggregate maximum 2021 IPO cash bonuses will be paid subject to successful completion of the Offering and will amount to an aggregate maximum amount of approximately DKK 11.5 million and will be paid by the Company.

2022 and 2023 IPO Cash Bonuses

Moreover, the Executive Management and certain managers will, subject to certain conditions, be eligible to receive cash bonuses in July 2022 and July 2023, respectively. The members of the Executive Management will be eligible to receive a cash bonus corresponding to six months base salary in each of the two years. The aggregate maximum cash-based 2022 and 2023 IPO cash bonuses to the Executive Management and certain managers, will be paid subject to successful completion of the Offering and will amount to an aggregate maximum amount of approximately DKK 11 million and will be paid by the Company.

15. Board Practices

The Board of Directors has resolved that the following board practices and committees shall take effect from the day of Admission.

15.1 Board practices and committees

The Board of Directors plans to convene at least six regular meetings annually, including a strategy review, as well as ad hoc meetings as required. Extraordinary board meetings are convened by the Chairman when necessary or when requested by a member of the Board of Directors, a member of the Executive Management or by the Company's auditors.

The Board of Directors forms a quorum when more than half of its members are represented, including the Chairman or the Deputy Chairman. Resolutions of the Board of Directors are passed by a simple majority of the votes present at the meeting. In the event of equal votes, the Chairman, or in his/her absence the Deputy Chairman, shall have the deciding vote.

The Board of Directors shall annually perform an evaluation of the effectiveness, performance, achievements and competencies of the Board of Directors and of the individual members as well as the collaboration with the Executive Management.

The following board committees have been established by the Board of Directors, each of which has a charter setting forth its purpose and responsibilities. All the committees report and make recommendations to the Board of Directors.

15.1.1 Audit Committee

The Company's audit committee ("Audit Committee") shall review accounting and audit matters that by decision of the Board of Directors or the Audit Committee require a more thorough evaluation, and shall assess the internal controls and risk management systems of the Company. Its duties also include supervision of the Company's auditors and review of the audit process.

The Audit Committee shall consist of no less than three members. A majority of the members of the Audit Committee shall be independent unless the Board of Directors deems a composition with less than a majority of independent members to be appropriate under the given circumstances. The members of the Audit Committee shall be appointed by and among the Board of Directors.

In accordance with the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued on 2 December 2020, as amended ("Corporate Governance Recommendations"), the Company has decided that the Chairman of the Board of Directors may not also be the chairman of the Audit Committee and that a majority of the members of the Audit

Committee are required to meet the independence requirements set out in the Corporate Governance Recommendations unless the Board of Directors deems a composition with less than a majority of independent members to be appropriate under the given circumstances. In addition, at least one member shall have accounting or audit qualifications and between them, the members shall possess such expertise and experience as to provide an updated insight into, and experience in, the financial, accounting and audit aspects of companies with shares admitted to trading and official listing on a regulated market. The Audit Committee shall consist of no less than three members appointed by and among the Board of Directors, including the chairman of the Audit Committee, and consists of Anne Broeng as chairman and Niels Heering and Søren Bjørn Hansen as members. The majority of the members of the Audit Committee currently does not meet the independence requirement set out in the Corporate Governance Recommendations, but the Company intends to revisit the composition ahead of the annual general meeting next year with the view to have a majority of independent members. The members of the Audit Committee are appointed for a one-year term.

The Audit Committee shall convene when it is deemed necessary or appropriate, however it is expected to be convened at least four times a year. The Executive Management and the Company's external auditors shall attend the meetings of the Audit Committee if requested to do so. The Company's external auditors shall attend at least one meeting of the Audit Committee per year at which meeting or relevant part thereof where the Executive Management shall not be present.

15.1.2 Nomination Committee

The Company's nomination committee ("Nomination Committee") shall assist the Board of Directors with ensuring the appropriate plans and processes are in place for nomination of candidates to the Board of Directors, the Executive Management and the board committees. The Nomination Committee shall evaluate the composition of the Board of Directors and the Executive Management and make recommendation for nomination or appointment of members of the Board of Directors, the Executive Management and the board committees established by the Board of Directors.

The Nomination Committee shall consist of no less than two members. A majority of the members of the Nomination Committee shall be independent unless the Board deems a composition with less than a majority of independent members to be appropriate under the given circumstances. The members of the Audit Committee are appointed by and among the Board of Directors, including the chairman of the Nomination Committee and currently consists of Niels Heering as chairman and Søren Bjørn Hansen and Lars Hansen as members. The majority of the Nomination Committee currently does not meet the independence requirements set out in the Corporate Governance Recommendations, but the Company intends to revisit the composition ahead of the annual general meeting next year with the view to have a majority of independent members. The members of the Nomination Committee are appointed for a one-year term.

The Nomination Committee shall convene at least one time per year and when deemed necessary by the chairman of the Nomination Committee or requested so by a member of the Executive Management or a member of the Nomination Committee. Members of the Board of Directors and the Executive Management, relevant employees and external parties (e.g. advisers) may participate in the meetings of the Nomination Committee upon invitation. The Executive Management shall attend the meetings of the Nomination Committee if requested.

15.1.3 Remuneration Committee

The Company's remuneration committee ("Remuneration Committee") shall assist the Board of Directors with matters related to the remuneration of the Board of Directors and Executive Management, including reviewing and updating the Company's remuneration policy in accordance with Sections 139 and 139a of the Danish Companies Act, evaluating and making recommendations for the remuneration of the members of the Board of Directors and the Executive Management as well as the preparation of the remuneration report in accordance with Section 139b of the Danish Companies Act.

The Remuneration Committee shall consist of no less than three members. A majority of the members of the Remuneration Committee shall be independent unless the Board deems a composition with less than a majority of independent members to be appropriate under the given circumstances. The members of the Remuneration Committee shall be appointed by and among the members of the Board of Directors and is currently consists of Niels Heering as chairman and Søren Bjørn Hansen

and Lars Hansen as members. A majority of the members of the Remuneration Committee does not currently meet the independence requirements set out in the Corporate Governance Recommendations, but the Company intends to revisit the composition ahead of the annual general meeting next year with the view to have a majority of independent members. The members of the Remuneration Committee are appointed for a one-year term.

The Remuneration Committee shall convene at least two times per year and when deemed necessary by the chairman or requested so by a member of the Executive Management or a member of the Remuneration Committee. Members of the Board of Directors and the Executive Management, relevant employees and external parties (e.g. advisers) may participate in the meetings of the Remuneration Committee upon invitation. The Executive Management shall attend the meetings of the Remuneration Committee if requested.

15.1.4 Description of procedures and internal control over financial reporting

The Board of Directors, the Audit Committee and the Executive Management are ultimately responsible for the Group's risk management and internal controls in relation to its financial reporting, and approve the Group's general policies in that regard.

The Audit Committee assists the Board of Directors in overseeing the reporting process and the most important risks involved in this respect. The Executive Management is responsible for the effectiveness of the internal controls and risk management and for the implementation of such controls aimed at mitigating the risk associated with the financial reporting.

The Group has internal control and financial reporting procedures aimed at enabling the Group to monitor the Group's performance, operations, funding and risk. Currently, the Group does not have any internal audit function. The Board of Directors will continuously review the need for such function.

While the Group continues to improve the Group's procedures and internal control, including documentation of the internal control systems, the Group believes that the Group's reporting and internal control systems are sufficient to comply with the rules and to be compliant with disclosure obligations applying to issuers of shares admitted to trading and official listing on Nasdaq Copenhagen. The Group's internal control and financial reporting procedures include, among other things

- Consolidated monthly financial information packages reported to the Executive Management and board of directors, which includes:
 - Monthly and year-to-date financial information for the following metrics:
 - revenue and growth;
 - gross profit and margin;
 - EBITDA; and
 - and key performance indicators such as sales and deliveries.
 - Full P&L statements, balance sheet and cash flow
 - Actual figures are compared to budget, latest forecast and prior year
 - Explanations for material deviations
- Monthly highlight reports from business and operating segments including key performance indicators on actual performance compared with budgeted performance, latest forecast and previous year's performance and explanations of any deviations. The monthly financial highlights are reported to the Executive Management and discussed at monthly review sessions with management of the operating segments;
- Liquidity and working capital is continuously monitored by the finance function to ensure adequate controls are in place; and
- Centralized planning processes including a centrally driven budget process with bottom-up input from all operating segments and quarterly updated rolling 15 months estimates.

The Group has not yet adopted a whistle-blower policy but is expected do so by the time the statutory requirements applicable to the Company will be effective.

15.1.5 Corporate Governance

The Company is committed to exercising good corporate governance at all times and the Board of Directors regularly assess rules, policies and practices according to the Corporate Governance Recommendations. Nasdaq Copenhagen has incorporated the Corporate Governance Recommendations in the Nasdaq Issuer Rules. Accordingly, as a company with shares admitted to trading and official listing on Nasdaq Copenhagen, the company will be required to comply with or explain deviations from the Corporate Governance Recommendations as also required pursuant to Section 107b of the Danish Consolidated Financial Statements Act no. 838 of 8 August 2019, as amended (in Danish "Årsregnskabsloven").

In connection with the Offering and with effect from the Admission, the Board of Directors has prepared a statutory statement on corporate governance that reflects the compliance of the Company with each of the Corporate Governance Recommendations.

The Company complies in all material respects with the recommendations set out in the recommendations on Corporate Governance, while complying partly or not complying with three recommendations, being:

- With respect to recommendation 1.1.3, the Company will not publish quarterly reports, but will instead publish trading statements for Q1 and Q3. The Company believes that trading statements will provide investors and other stakeholders with sufficient information on the financials of the Company.
- With respect to recommendation 3.4.2, the majority of the members of the Company's three board committees are not currently independent. The Company has deemed it relevant that the composition of the board committees in the Company's first year as a listed company reflects continuity in the committee composition prior to the Company's listing. The Company intends to revisit the composition ahead of the annual general meeting next year with the view to comply with this recommendation.
- With respect to recommendation 5.1.2, the Board of Directors has not yet established a whistleblower scheme, but intends to do so prior to the proposed new legislation on whistleblower schemes becomes effective. In the meantime, the Company has set up alternative internal processes to facilitate expedient and confidential notification of serious wrongdoing or suspicions thereof.

The Company's corporate governance practices are also accounted for in the statutory statement on corporate governance, which is available on the Company's website. Information included in the Company's website does not form part of and is not incorporated by reference into this Prospectus, unless otherwise specifically stated herein.

15.2 Audit

The Group's independent auditors are appointed for a term of one year by the shareholders at the Company's annual general meeting upon recommendation from the Board of Directors. The Board of Directors assesses the independence and competencies and other matters pertaining to the auditors. The framework for the auditors' compensation and duties, including audit and non-audit tasks, is agreed annually between the Board of Directors and the Group's auditors and will going forward be based on recommendation from the Audit Committee. The Group has regular dialogue and exchange of information with the Group's auditors.

16. Ownership Structure and Shareholders

16.1 Overview

As at the date of this Prospectus, the Company's share capital consists of one share class and has a nominal value of DKK 8,447,214 divided into 8,447,214 shares with a nominal value of DKK 1 each. All shares are fully paid up.

The Selling Shareholders will in connection with the Offering offer up to 1,069,364 existing Shares, representing a total amount of DKK 185 million and DKK 250 million if the Overallotment Option is exercised in full.

The Board of Directors, the Executive Management own in aggregate 2.37% of the Company's share capital and voting rights on a diluted basis. In addition, members of the Board of Directors and members of the Executive Management as well as certain other current and former employees of the Group own warrants which entitles the holder to subscribe for Shares on predetermined terms as set out in the Articles of Association.

The Company, the Main Selling Shareholders, the Board of Directors and the Executive Management will be subject to certain lock-up obligations. See "Part IV—Section 5.15 Lock-up".

16.2 Major Shareholders

As of the date of this Prospectus, the Company has received notifications of holdings of 5% or more of the share capital or voting rights from the shareholders below:

Shareholder	Number of Shares as at latest announcement	Ownership interest as at latest announcement	Voting rights as at latest announcement
M. Goldschmidt Capital A/S . . .	3,675,202	43.51%	43.51%
Danica Pension,			
Livsforsikringsaktieselskab . . .	1,929,734	22.84%	22.84%
InterChina Water Treatment			
Hong Kong Company Ltd	809,590	9.58%	9.58%
VP Capital N.V.	459,738	5.44%	5.44%

Other than the Major Shareholders, the Company is not aware of any person who, directly or indirectly, owns or controls an interest in the Company's share capital or voting rights that is notifiable under Danish law.

16.3 Cornerstone Investor Commitments

The Company has received irrevocable commitments from the following Cornerstone Investors to subscribe for Cornerstone Shares in connection with the Offering:

Cornerstone Commitment

Cornerstone Investor	Amount (DKK)	Number of shares at the Offer Price
MEE Holding ApS.	70,000,000	404,625
Topsøe Holding A/S	50,000,000	289,017
Claus Christiansen,	50,000,000	289,017
Spar Nord Bank A/S	40,000,000	231,214
M Goldschmidt Capital A/S	20,000,000	115,607
VP Capital N.V.	20,000,000	115,607

Accordingly, 1,445,087 New Shares (corresponding to 50% of the Offer Shares assuming full exercise of the Overallotment Facility and corresponding to 57.5% of the Offer Shares assuming no exercise of the Overallotment Facility) will be reserved for allocation to the Cornerstone Investors. Otherwise, the subscription for of Cornerstone Shares will be made on terms and conditions identical to those on which all other investors subscribe for Offer Shares in the Offering, in accordance with and subject solely to the terms and conditions of this Prospectus.

16.4 Shares Outstanding after the Offering

In connection with the Offering, the Company will issue 1,445,087 New Shares. As a result hereof, the Company's registered share capital as of completion of the Offering will amount to up to nominally

DKK 10,047,301 divided into 10,047,301 Shares with a nominal value of DKK 1 each (assuming the maximum number of New Shares offered in the Offering are subscribed for). The remaining 207,295 outstanding warrants in the Company may also be exercised prior to the Admission date or after.

16.5 Shareholders

The following table sets forth information regarding the Company's ownership structure (i) as at the date of this Prospectus, (ii) immediately following the completion of the Offering assuming (a) only the New Offer Shares are subscribed for and no exercise of the Overallotment Option ("minimum number of Offer Shares"), (b) maximum number of Offer Shares subscribed for or sold and full exercise of the Overallotment Option. This table does not take into account any warrants outstanding at the date of the Prospectus except for the 155,000 warrants conditionally exercised by CEO, Peter Holme Jensen, CFO, Bo Karmark and board member, Lars Hansen, which will be issued as Shares prior to the Admission date which are reflected in the Shares owned following the completion of the Offering and depending on whether any further of the Company's outstanding 207,295 warrants are exercised prior to the Admission date. see "—Section 16.6 *Warrant holders*". The table also reflects orders to purchase shares in the Offering made by Members of the Board of Directors and the Executive Management, see also "Part IV—Section 5.11 *Terms and conditions of the Offering*."

	Shares owned following the completion of the Offering					
	Shares owned as at the date of this Prospectus		Assuming the minimum number of Offer Shares sold and no exercise of the Overallotment Option		Assuming maximum number of Offer Shares sold and full exercise of the Overallotment Option	
	Number of shares	Approx. percent	Number of shares	Approx. percent	Number of shares	Approx. percent
Major shareholders						
M. Goldschmidt Capital A/S	3,675,202	43.51%	3,790,809	37.73%	2,768,732	27.56%
Danica Pension, Livsforsikringsaktieselskab	1,929,734	22.84%	1,929,734	19.21%	1,607,279	16.00%
InterChina Water Treatment Hong Kong Company Ltd	809,590	9.58%	809,590	8.06%	809,590	8.06%
VP Capital N.V	459,738	5.44%	575,345	5.73%	575,345	5.73%
Total Major Shareholders	6,874,264	81.38%	7,105,478	70.72%	5,760,946	57.34%
Board of Directors						
Niels Heering	8,343	0.10%	11,233	0.11%	11,233	0.11%
Søren Bjørn Hansen ⁽¹⁾	8,343	0.10%	11,233	0.11%	11,233	0.11%
Anne Broeng ⁽²⁾	6,335	0.07%	7,491	0.07%	7,491	0.07%
Jens Denkov	—	—	—	—	—	—
Jianwen Cai	—	—	—	—	—	—
Lars Hansen	10,001	0.12%	9,001	0.09%	9,001	0.09%
Michael Frank	—	—	692	0.01%	692	0.01%
Weiming Jiang	3,167	0.04%	3,167	0.03%	3,167	0.03%
Total Board of Directors	36,189	0.43%	42,817	0.43%	42,817	0.43%
Executive Management						
Peter Holme Jensen ⁽³⁾	159,659	1.89%	210,659	2.10%	210,659	2.10%
Bo Karmark ⁽⁴⁾	4,171	0.05%	8,171	0.08%	8,171	0.08%
Matt Boczkowski	—	—	1,000	0.01%	1,000	0.01%
Joerg Hess	—	—	800	0.01%	800	0.01%
Total Executive Management	163,830	1.94%	220,630	2.20%	220,630	2.20%
Total Board of Directors and Exec. Management	200,019	2.37%	263,447	2.62%	263,447	2.62%
Other shareholders	1,372,931	16.25%	1,950,965	19.42%	1,950,965	19.42%
New investors acquiring Shares in the Offering	—	—	727,411	7.24%	2,071,943	20.62%
Total	8,447,214	100.00%	10,047,301	100.00%	10,047,301	100.00%

(1) Søren Bjørn Hansen partially holds shares through his wholly owned company Silver Bear Holdings ApS.

(2) Anne Broeng holds shares through her 49% ownership of Nijac Holding ApS. Niels Jacobsgaard, her husband, owns the remaining 51% of Nijac Holding ApS.

(3) Peter Holme Jensen holds 135,001 shares through his wholly owned company Artefakt Holding ApS

(4) Bo Karmark holds shares through his wholly owned company BOK Holding A/S

In connection with the Offering, the Shares held by the Selling Shareholders, the Board of Directors and the Executive Management after the Offering will be subject to a lock-up undertaking as further

described in “*Part IV—Section 5.15 Lock-Up*”. The aggregate number of Shares subject to such lock-up undertaking will be 4,575,030 in assuming maximum number of offer shares sold and that the Overallotment Option is exercised in full (corresponding to 45.5% of the Company’s share capital after the offering) and will be 4,952,198 in the event the Overallotment Option is not exercised (corresponding to 49.3% of the Company’s share capital). The Lock-up is subject to certain exemptions, including an exemption to sell Shares in the Offering by the Main Selling Shareholders and an exemption for the Board of Directors and the Executive Management to fund the exercise of warrants and payment of taxes.

16.6 Warrant holders

The following table shows an overview of all outstanding warrants held by members of the Board of Directors and Executive Management, current and former employees as well as other existing shareholders, including number of Shares held if the warrant holder exercises the warrants as well as the percentage of the Company’s share capital if all warrants are exercised. The overview also includes information on exercise price, issue date and expiry period and references to the Articles of Association, where the detailed terms and conditions for each warrant program are set out.

As of the date of this Prospectus	Warrants					Number of Shares if exercised		Percentage of share capital, if exercised		
	Name	Number	Articles of Association section	Exercise price (DKK)	Issue date	Expiry date	Prospectus date	After completion of Offering	Prospectus date	After completion of Offering ⁽⁴⁾
Major Shareholders										
M. Goldschmidt Capital A/S ⁽¹⁾	—	—	—	—	—	—	3,675,202	2,768,732	41.72%	27.00%
Danica Pension,	—	—	—	—	—	—	1,929,734	1,607,279	21.91%	15.67%
Livforsikringsaktieselskab	—	—	—	—	—	—	—	—	—	—
InterChina Water Treatment	—	—	—	—	—	—	—	—	—	—
Hong Kong Company Ltd	41,682	4.11 ⁽²⁾	30.00	19/12/2014	19/12/2021	—	851,272	851,272	9.66%	8.30%
VP Capital N.V	—	—	—	—	—	—	459,738	575,345	5.22%	5.61%
Total Major Shareholders	41,682	—	—	—	—	—	6,915,946	5,802,628	78.51%	56.59%
Other shareholders										
Other shareholders	13,802	4.11 ⁽²⁾	30.00	19/12/2014	19/12/2021	—	—	—	—	—
Other shareholders, total	13,802	—	—	—	—	—	1,358,721	4,008,698	15.42%	39.09%
Board of Directors										
Niels Heiring	—	—	—	—	—	—	8,343	11,233	0.09%	0.11%
Søren Bjørn Hansen	—	—	—	—	—	—	8,343	11,233	0.09%	0.11%
Anne Broeng	—	—	—	—	—	—	6,335	7,491	0.07%	0.07%
Jens Denkov	—	—	—	—	—	—	—	—	—	—
Jianwen Cai	—	—	—	—	—	—	—	—	—	—
Lars Hansen	15,000 ⁽⁶⁾	4.12.a ⁽⁵⁾	119.86	03/10/2016	08/09/2021	—	25,001	9,001	0.28%	0.09%
Michael Frank	—	—	—	—	—	—	—	692	—	0.01%
Weiming Jiang	—	—	—	—	—	—	3,167	3,167	0.04%	0.03%
Total Board of Directors	15,000	—	—	—	—	—	51,189	42,817	0.58%	0.42%
Executive Management										
Peter Holme Jensen	125,000 ⁽⁶⁾	4.8(e)	20.00	26/09/2014	26/09/2021	—	284,659	210,659	3.23%	2.05%
Bo Karmark	15,000 ⁽⁶⁾	4.12.a ⁽⁵⁾	119.86	28/09/2016	08/09/2021	—	19,171	20,171	0.22%	0.20%
Bo Karmark	12,000	4.14.a ⁽⁵⁾	157.84	05/07/2019	01/07/2024	—	12,000	—	—	—
Matt Boczkowski	—	—	—	—	—	—	—	1,000	—	0.01%
Joerg Hess	7,500	4.14.a ⁽⁵⁾	157.84	05/07/2019	01/07/2024	—	7,500	8,300	0.09%	0.08%
Total Executive Management	159,500	—	—	—	—	—	323,330	240,130	3.67%	2.34%
Total Board of Directors and Exec. Management	174,500	—	—	—	—	—	374,519	282,947	4.25%	2.76%
Other employees										
3,500	4.9(b)	20.00	29/09/2014	29/09/2021	—	—	—	—	—	—
10,000	4.12.a ⁽⁵⁾	119.86	28/09/2016	08/09/2021	—	—	—	—	—	—
15,000	4.12.a ⁽⁵⁾	119.86	29/09/2016	08/09/2021	—	—	—	—	—	—
2,500	4.12.a ⁽⁵⁾	119.86	03/10/2016	08/09/2021	—	—	—	—	—	—
10,000	4.12.a ⁽⁵⁾	119.86	21/06/2017	08/09/2021	—	—	—	—	—	—
3,000	4.12.a ⁽⁵⁾	119.86	30/08/2017	08/09/2021	—	—	—	—	—	—
10,000	4.14.a ⁽⁵⁾	119.86	28/02/2018	27/02/2023	—	—	—	—	—	—
10,500	4.14.b ⁽⁵⁾	157.84	05/07/2019	01/07/2024	—	—	—	—	—	—
Total Other employees	64,500	—	—	—	—	—	64,500	64,500	0.73%	0.63%
Former employees and former Board members										
30,000	4.10(a) ⁽³⁾	20.00	26/09/2014	26/09/2021	—	—	—	—	—	—
1,500	4.9(b)	20.00	29/09/2014	29/09/2021	—	—	—	—	—	—
25,161	4.12.a ⁽⁵⁾	119.86	28/09/2016	08/09/2021	—	—	—	—	—	—
7,150	4.12.a ⁽⁵⁾	119.86	29/09/2016	08/09/2021	—	—	—	—	—	—
4,000	4.12.a ⁽⁵⁾	119.86	21/06/2017	08/09/2021	—	—	—	—	—	—
Total former employees and former Board members	67,811	—	—	—	—	—	95,823	95,823	1.09%	0.93%
Total	362,295	—	—	—	—	—	8,809,509	10,254,596	100.00%	100.00%

(1) Numbers shown in this table assume full exercise of the Overallotment Option.

- (2) The numbers of warrants issued pursuant to article 4.11 in the Articles of Association that may be exercised is dependent on the exercise of existing warrants issued prior to 19 December 2014. The minimum number of exercisable warrants for InterChina Water Treatment Hong Kong Company Ltd. and the other shareholder, is 11,367 and 3,764, respectively, while the maximum number of warrants exercisable is 41,682 and 13,802, respectively.
- (3) Warrants issued pursuant to Article 4.9(b) & 4.10(a) of the Company's Articles of Association will accelerate due to the Company's listing on a regulated market. The warrants issued pursuant to Article 4.9(b) & 4.10(a) of the Company's Articles of Association will lapse automatically if not exercised within two weeks from the Company giving notice to the warrant holders of a listing of the Company on a regulated market, such notice to be given within three months from listing.
- (4) This column shows ownership percentage after issuance of new shares.
- (5) The exercise period of the warrants issued under article 4.12.a, 4.14.a and 4.14.b of the Company's Articles of Association may in the event of a closed trading window in the last window of the exercise period be extended until the next four-week period with an open trading window.
- (6) These warrants have been conditionally exercised as described in the paragraph below the table.

The Company has received conditional exercise notices from CEO, Peter Holme Jensen, CFO, Bo Karmark and board member, Lars Hansen for 125,000, 15,000 and 15,000 warrants, respectively. The exercise of such warrants is conditional upon the Company making an announcement of the close of the offer period with the view to complete the Offering. Peter Holme Jensen, Bo Karmark and Lars Hansen will in connection with the Offering sell up to 102,000 Shares to fund such exercise of warrants and any tax liabilities resulting therefrom as well as the fee to the Global Coordinator.

In addition, the Company's other current warrant holders may exercise all or a part of the outstanding warrants prior to or after the Admission date. The Company currently expects that some but not all warrants will be exercised by the warrant holders at their sole discretion prior to the close of the Offer Period in which case the Shares will be issued prior to the Admission. If all outstanding warrants were exchanged for Shares, these Shares would represent 3.53% of the Company's share capital at completion of the Offering, assuming full subscription for all New Shares issued in connection with the Offering.

The Company contemplates to implement its three year LTIP warrant program following the completion of the Offering, where a maximum of 184,224 warrants may be granted over the next three year period to the eligible persons participating in the program, where the first 61,408 are contemplated to be granted shortly after completion of the Offering each with an exercise price of DKK 173, see also “—Section 14.3.1—Warrant Programs”

16.7 Agreements Related to the Ownership of the Group

A shareholders' agreement dated 29 January 2015, as amended, has been entered into and acceded to among the Shareholders of the Company and the Company (the “**Shareholders' Agreement**”). This Shareholders' Agreement governs the shareholdings in the Company, exit provisions, pre-emptive rights, transferability, tag-and drag along rights, and certain governance matters relating to the Company. Pursuant to this Shareholders' Agreement, the Shareholders Agreement will according to its terms expire on the first day of trading, except for certain customary terms with respect to, *inter alia*, confidentiality, termination, breach of agreement, governing law and disputes.

17. Related Party Transactions

The Board of Directors, the Executive Management and the Main Selling Shareholders are considered to be related parties as they exercise a significant influence on the Group's operations. Related parties also include such persons' relatives as well as undertakings in which such persons have significant interests.

As of the date of the Prospectus, the Main Selling Shareholders have representatives on the Board of Directors.

Except as set out below the Group has not during the periods covered by the historical financial information included in this Prospectus and until the date of this Prospectus undertaken any significant transactions with the Board of Directors, the Executive Management, the Major Shareholders or other related parties.

In the past three financial years and until the date of this Prospectus, the Group has made the following transactions with related parties which were all carried out on arm's-length terms:

- On 17 August, 2020, the Company entered into an agreement with Imerco A/S, which is an entity under the controlling influence of MGC. Pursuant to this agreement, the Company has

agreed to supply the Group's drinking water product "ZERO" to Imerco A/S, who will sell it to its customers on its webshop. In addition, the Group also leases a ware-housing facility from Imerco A/S.

- On 9 February 2021, the Company entered into a transfer agreement in relation to tax credit receivable under the Danish tax credit scheme with MGC pursuant to which the Company sold a tax claim to MGC.
- In 2019, the Main Selling Shareholders agreed to guarantee the Credit Facility Agreement entered into by the Company and Danske Bank A/S in 2018. In connection with this guarantee, the Company agreed to pay a provision fee to Danica. Danske Bank A/S and the Company has in June 2021 agreed to further amend and extend the maturity date to end June 2022 in connection with the Company's undertaking to deposit 35 million in a cash account to be pledged in favor of Danske Bank A/S. The security will be made in connection with the completion of the Offering. When the security deposit has been made by the Company, Danske Bank A/S has agreed to release the Main Selling Shareholders from the underlying guarantees, which they have provided for this Credit Facility Agreement. The Main Selling Shareholders' guarantee expires in end June 2021 and may be drawn to the extent the Company has not either repaid the outstanding amount on the credit facility or deposited the DKK 35 million security on the pledged cash. See "—Section 8.10"
- The Group has not had significant transactions with the members of the Board of Directors and the Executive Management apart from ordinary remuneration. For information on remuneration paid to the members of the Board of Directors and the Executive Board, see "—Section 14.1 Compensation of the Board of Directors" and "—Section 14.2 Compensation of with the Executive Management" and the notes in the Consolidated Financial Statements, as included by reference in this Prospectus.

18. Financial information concerning the Company's assets and liabilities, financial position, profits and losses and dividends

18.1 Historical Financial Statements

The information explicitly listed in the table below has been incorporated by reference into this Prospectus pursuant to Article 19 of the Prospectus Regulation. Non-incorporated parts of the documents incorporated by reference are either not relevant for prospective investors or covered elsewhere in this Prospectus. Direct and indirect references in the reports listed in the table below to other documents or websites are not incorporated by reference and do not form part of this Prospectus. The documents speak only as at the date of their respective publications and have not been updated for purposes of this Prospectus. Prospective investors should assume that the information in this Prospectus as well as the information incorporated by reference herein is accurate as at the date on the front cover of those documents only. The business, financial condition, cash flows and results of operations as presented in the consolidated financial statements of the Group may have changed since those dates. Prospective investors are encouraged to read the information incorporated by reference in conjunction with the cautionary statements in "General information-Forward-looking Statements" and in conjunction with "Part II—Risk Factors" in this Prospectus.

The additional information incorporated by reference into this Prospectus is exclusively set out in the cross reference table below and is available for inspection at (i) the Company's address at Nymøllevej 78, 2800 Kgs. Lyngby, Denmark and (ii) www.aquaporin.com.

Financial statements for the period 1 January 2020 to 31 December 2020
https://investors.aquaporin.com/files/doc_financials/2020/ar/Aquaporin_AR_2020_web.pdf

Information	Reference	Page(s)
Management statement	Annual report 2020	69
Independent auditor's report	Annual report 2020	70-71
Financial statements including notes	Annual report 2020	35-68

Financial statements for the period 1 January 2019 to 31 December 2019.
https://investors.aquaporin.com/files/doc_financials/2019/ar/Aquaporin_AR_2019_web.pdf

Information	Reference	Page(s)
Management statement	Annual report 2019	72
Independent auditor's report	Annual report 2019	73–74
Financial statements including notes	Annual report 2019	35–71

Financial statements for the period 1 January 2018 to 31 December 2018.
https://investors.aquaporin.com/files/doc_financials/2018/ar/Aquaporin-Annual-Report-2018.pdf

Information	Reference	Page(s)
Management statement	Annual report 2018	65
Independent auditor's report	Annual report 2018	66–67
Financial statements including notes	Annual report 2018	35–64

18.2 Review report for Interim Financial Statement

The review report for the Interim Financial Statements is included in this Prospectus in the F-pages.

18.3 Pro forma selected financial information

No pro forma financial information has been included in this Prospectus.

18.4 Dividends and dividend policy

The Company has never declared or paid any dividends and the Company currently intends to retain all available financial resources and any earnings generated by the Group's operations for use in the Group's business and does not anticipate paying any dividends in the near term to mid-term. The Board of Directors will reassess such determination once the Group is profitable in the future.

Any future determination on the Company's dividend policy and the declaration of any dividends will be made at the discretion of the Board of Directors and will depend on a number of factors, including the Company's results of operations, financial conditions, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors the Board of Directors deems relevant.

Ordinary dividends, if any, are declared with respect to a financial year at the annual general meeting in the following year, at the same time as the statutory annual report, which includes the audited financial statements, for that financial year is approved. Further, the general meeting may resolve to distribute interim dividends, subject to the approval of the Board of Directors, the availability of sufficient distributable reserves and certain other conditions. In addition, as at the date of this Prospectus, the Board of Directors is authorized to distribute interim dividends.

As an alternative, or in addition, to making dividend payments, the Board of Directors is authorized to initiate share buybacks. The decision by the Board of Directors to engage in share buybacks, if any, will be made in accordance with the factors applicable to dividend payments set forth above. See also “—Section 19.4 Authorization to acquire treasury shares”.

All Shares in the Company has the same rights and rank *pari passu* in respect of, *inter alia*, eligibility to receive dividends and participate in share buybacks. Upon the issuance and registration of the New Shares with the Danish Business Authority, the New Shares will be entitled to receive dividends to the extent any dividends are declared and payable with respect to the Shares.

18.5 Legal and arbitration proceedings etc.

As at the date of this Prospectus, the Company is not involved in any governmental, legal or arbitration proceedings, and the Board of Directors and the Executive Management is not aware of any such proceedings being threatened that could have a significant effect on the Company's or the Group's financial position or profitability, nor has the Company or the Group been involved in any such governmental, legal or arbitration proceedings during the previous 12 months as at the date of this Prospectus. From time to time, Company may be involved in litigation matters arising in the ordinary course of business.

19. Additional information

19.1 Registered share capital

As at the date of this Prospectus, the Company's share capital is DKK 8,447,214, divided into 8,447,214 Shares with a nominal value of DKK 1 each. The Shares are denominated in Danish kroner. The Shares are not divided into share classes and all Shares rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the Articles of Association of eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No Shares carry special rights. All Shares are issued and fully paid up. Each Share entitles its holder to one vote at General Meetings.

Other than as set out in “—Section 14.3 *Incentive Programs*” and also “—Section 16.6 *Warrant holders*”, the Company has not issued any securities that are convertible, exchangeable nor have warrants attached.

Immediately after the Offering and registration of the capital increase with the Danish Business Authority, the Company's registered share capital will be DKK 10,047,301 divided into 10,047,301 Shares with a nominal value of DKK 1 each and depending on whether any further of the Company's outstanding 207,295 warrants are exercised prior to the Admission date.

19.2 Warrants

As of the date of this Prospectus, the Company has issued 362,295 warrants that are outstanding to members of the Board of Directors and Executive Management, current and former employees, as well as certain shareholders. Up to 184,224 warrants may be issued following completion of the Offering over a three year period under the new LTIP with an exercise price of DKK 173. See also “—Section 16.6 *Warrant holders*” for a description of the key terms hereof and “—Section 14.3 *Incentive Programs*” for a description of new warrant programs to be implemented following completion of the Offering.

The Company has received conditional exercise notices from CEO, Peter Holme Jensen, CFO, Bo Karmark and board member, Lars Hansen for 125,000, 15,000 and 15,000 warrants, respectively. The exercise of such warrants is conditional upon the Company making an announcement of the close of the offer period with the view to complete the Offering. Peter Holme Jensen, Bo Karmark and Lars Hansen will in connection with the Offering sell up to 75,000, 11,000 and 16,000 Shares to fund such exercise of warrants and any tax liabilities resulting therefrom as well as the fee to the Global Coordinator. If exercised, the warrants will represent 1.54% of the Company's share capital on completion of the Offering.

In addition, the Company has 207,295 further outstanding warrants which the warrant holders may exercise at their discretion. If all of the warrants were exercised, these warrants will represent 2.06% of the Company's share capital after completion of the Offering.

19.3 Authorization to increase share capital and issue warrants

The Board of Directors has pursuant to the Articles of Association been granted the following authorizations to increase the Company's share capital:

In accordance with article 3.1 of the Articles of Association, the Board of Directors is authorized to increase the share capital of the Company on one or several occasions in the period until and including 31 January 2023 by up to a total nominal amount of DKK 1,635,000 without pre-emptive rights for all the shareholders of the Company. This does not rule out that new shares are subscribed for by some of the shareholders of the Company. The subscription shall take place by cash payment at market price determined by the Board of Directors and shall be at a minimum of DKK 173 per nominally DKK 1.00 share (corresponding to DKK 17,300 per nominally DKK 100 shares).

In accordance with article 3.2 of the Articles of Association, the Board of Directors is, until 30 May 2026, authorized to increase the share capital of the Company in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 1,800,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

In accordance with article 3.3 of the Articles of Association, the Board of Directors is, until 30 May 2026, authorized to increase the share capital of the Company in one or more issues of new shares

with pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 1,800,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash. The capital increase may be effected by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

In accordance with article 3.4 of the Articles of Association, the Board of Directors is, until 30 May 2026, authorized to increase the share capital of the Company in one or more issues without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 300,000 in connection with the issue of new shares to members of the Executive Management and/or employees of the Company and/or of the Company's subsidiaries. The capital increase shall take place by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

In accordance with article 4.15 of the Articles of Association, the Board of Directors is until 30 May 2026 authorized to issue up to a total of 500,000 warrants in total in one or more tranches to employees and members of the Executive Management of the Company or of the Company's subsidiaries each granting the right to subscribe for one share with a nominal value of DKK 1 by cash payment, and to make the related share capital increases by up to a total nominal amount of DKK 500,000 or such an amount caused by an adjustment (if any) in the number of warrants due to changes in the capital structure, including making the necessary amendments to the Articles of Association at grant and at the exercising the warrants. The issuance of warrants and the increases of the capital in this connection will take place without pre-emption rights for the existing shareholders. The price on exercise of warrants is fixed by the Board of Directors to a price which may be below the market price at the time of grant of the warrants and with the changes resulting from adjustments (if any) caused by changes in the Company's capital structure as laid down in the terms of the warrants issued. The Board of Directors will lay down the specific terms and conditions of the warrants. Pursuant to the provisions of the Danish Companies Act in force from time to time, the Board of Directors may reapply or reissue any lapsed non-exercised warrants, provided that such reapplication or reissue is made under the terms and conditions and within the time limits specified under this authority. Reapplication means the right of the Board of Directors to let another contractual party become a party to an already existing agreement on warrants. Reissue means the possibility for the Board of Directors to reissue new warrants under the same authorization if those already issued have lapsed.

The capital increases that the board of directors are authorised to carry out pursuant to Articles 3.2 and 3.3 of the Articles of Association may not exceed a nominal amount of DKK 1,800,000, and the capital increases that the board of directors are authorised to carry out pursuant to Articles 3.4 and 4.15 of the Articles of Association may not exceed a nominal amount of DKK 500,000.

19.4 Authorization to acquire treasury shares

As at the date of this Prospectus, the Board of Directors is authorized in the period until 30 May 2026 to approve the acquisition of Shares (treasury shares), on one or more occasions, with a total nominal value of up to 10% of the share capital of the Company from time to time, provided that the Company's holding of treasury shares after such acquisitions does not exceed 10% of the Company's share capital. The consideration paid for such Shares may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the date of the acquisition or at the date the agreement as determined by the Board of Directors.

The Company does not hold any treasury shares as at the date of this Prospectus.

19.5 Development in Share capital

The Company was incorporated as a private limited liability company (in Danish abbreviated to "ApS") on 1 January 2005 with a share capital of DKK 125,000. On 21 November 2007, the Company was converted to a public limited liability company (in Danish "Aktieselskab" and abbreviated to "A/S"). The table set forth below presents the development of the Company's share capital from 1 January 2018 to the date of this Prospectus.

Date of approval	Transaction type	Share capital before change	Share capital change	Share capital after change	Price per Share per share of nominally 1 DKK
		(DKK)	(DKK)	(DKK)	(DKK)
04.06.2018 . . .	Contribution in kind	6,944,277.00	25,000.00	6,969,277.00	119.86
07.01.2019 . . .	Cash contribution	6,969,277.00	453,001.00	7,422,278.00	157.8356
20.06.2019 . . .	Cash contribution	7,422,278.00	316,776.00	7,739,054.00	157.8356
22.07.2019 . . .	Exercise of warrants	7,739,054.00	50,000.00	7,789,054.00	20.00
13.12.2019 . . .	Cash contribution	7,789,054.00	159,488.00	7,948,542.00	173.00
15.06.2020 . . .	Cash contribution	7,948,542.00	124,572.00	8,073,114.00	173.00
18.11.2020 . . .	Cash contribution	8,073,114.00	101,155.00	8,174,269.00	173.00
11.03.2021 . . .	Exercise of warrants	8,174,269.00	62,572.00	8,236,841.00	119.86
06.04.2021 . . .	Exercise of warrants	8,236,841.00	62,572.00	8,299,413.00	119.86
21.05.2021 . . .	Exercise of warrants	8,299,413.00	83,432.00	8,382,845.00	119.86
10.06.2021 . . .	Exercise of warrants	8,382,845.00	64,369.00	8,447,214.00	119.86

Since 31 December 2020, certain warrant holders have exercised warrants, i.e. warrants exercised by MGC and Danica in April 2021, the exercise of warrants by Danica in May 2021 and the exercise of warrants by MGC and certain minority warrant holders in June 2021.

In addition, the Company has received conditional exercise notices from CEO, Peter Holme Jensen, CFO, Bo Karmark and board member, Lars Hansen for 125,000, 15,000 and 15,000 warrants, respectively. The exercise of such warrants is conditional upon the Company making an announcement of the close of the offer period with the view to complete the Offering. Peter Holme Jensen, Bo Karmark and Lars Hansen will in connection with the Offering sell up to 75,000, 11,000 and 16,000 Offer Shares, respectively, to fund such exercise of warrants and any tax liabilities resulting therefrom as well as the fee to the Global Coordinator. If exercised these warrants will represent 1.54% of the Company's share capital on completion of the Offering.

In addition, the Company has an additional 207,295 outstanding warrants which the warrant holders may exercise at their own discretion either prior to the offering or afterwards. If exercised, these warrants will represent 2.06% of the Company's share capital after completion of the Offering. See "Section 16.6—Warrant holders".

19.6 Object

The objectives of the Company are to engage in research, development, production, marketing, sales and/or licensing or other related activities, including, but not limited to, with respect to selective membranes and systems for filtration of solutions. The Company may participate with capital in other enterprises and partnerships or co-operate with other businesses in situations where this, in the opinion of the Board of Directors, may contribute towards promoting the objectives of the Company.

19.7 Registration of Shares

The Shares will be delivered in book-entry form through allocation to accounts with VP Securities through a Danish bank or other institution authorized as custodian. Investors that are not residents of Denmark may use a VP Securities member directly or their own bank's correspondent bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The Shares are issued in dematerialized form through VP Securities. The address of VP Securities is Weidekampsgade 14, DK-2300 Copenhagen S, Denmark.

The Shares will be registered in the name of the holder in the Company's register of shareholders. The Company's register of shareholders is kept by Computershare A/S.

The Company's share issuing agent will be Danske Bank A/S.

20. Material contracts

Except as disclosed below, there are no contracts, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Group is a party that: (i) are material to the Group and that have been entered into in the two years immediately preceding the date of this Prospectus; or (ii) contain any obligations or entitlements that are, or may be, material to the Group as of the date of this Prospectus.

20.1 Underwriting Agreement

For information about the Underwriting Agreement, see “*Part IV—Section 5.4 Withdrawal of the Offering*” and “*Part IV—Section 5.11 Plan of distribution and allotments*”.

20.2 Share Lending Agreement

MGC has agreed with the Global Coordinator that MGC will make available up to 377,168 Lending Shares for purposes of delivery of the Offer Shares to investors in connection with the Overallotment Facility. The Lending Shares made available by MGC shall be redelivered by the Global Coordinator, no later than following the expiry of the Overallotment Option, if the Overallotment Option is not exercised. No costs, interest or other payments shall be made by the Group as a result of the Share Lending Agreement or the Overallotment Option, if exercised.

20.3 Cornerstone Agreements

The Company and the Global Coordinator have entered into Cornerstone Agreements prior to the date of this Prospectus with each of the Cornerstone Investors. Pursuant to the Cornerstone Agreements, the Cornerstone Investors have irrevocably committed to subscribe for the Cornerstone Shares. The final allocation to the Cornerstone Investors shall be 1,445,087 New Shares (corresponding to 100% of the New Offer Shares and to 50% of the Offer Shares assuming full exercise of the Overallotment Facility), which have been reserved for allocation to the Cornerstone Investors. Otherwise, the subscriptions for Cornerstone Shares will be made on terms and conditions identical to those on which all other investors purchase Shares in the Offering, in accordance with and subject solely to the terms and conditions of this Prospectus. See “—*Section 16.6 warrant holders*”

20.4 Joint venture agreements

20.4.1 Aquaporin Space Alliance ApS

In addition, in May 2013, the Company entered into a joint venture with Danish Aerospace Company A/S, in which entity M. Goldschmidt Capital A/S has significant ownership influence. Pursuant to this agreement, the parties agreed to establish Aquaporin Space Alliance ApS for the purpose of commercializing the Aquaporin Inside Technology for the space, military and defence industry as well as the disaster management industry.

20.4.2 Aquapoten Co. Ltd.

Aquapoten Co. Ltd. was established in 2015 as a joint venture with Poten Environment Group (HK) Limited who on 24 May 2017 transferred their 55% ownership to Congreen Ecological Agricultural (Beijing) Co., Ltd. but has no current activity.

20.5 Credit Facility Agreement

For a description See “—*Section 8.10 Liquidity and Capital Resources—Borrowings*”

21. Documents available

Copies of the following documents may be inspected and obtained during usual business hours on any day (excluding Saturdays, Sundays and Danish public holidays) at the Company’s registered office, at Nymøllevej 78, 2800 Kgs. Lyngby Denmark, during the period in which this Prospectus is in effect:

- the Company’s memorandum of association and the Articles of Association;
- the Consolidated Financial Statements;
- the Interim Financial Statements; and
- this Prospectus.

The Danish Companies Act requires the Company to make its statutory annual reports, including the audited financial statements, available to shareholders on the Company’s website three weeks before the annual General Meeting. At the same time, the Company is required to send these documents to registered shareholders who have so requested.

The Prospectus is, subject to certain restrictions, together with the Articles of Association, the Consolidated Financial Statements, the Interim Financial Statements, available on the Company's website at www.aquaporin.com. The information included on the Company's website does not form part of and is not incorporated by reference into this Prospectus, unless otherwise specifically stated herein.

PART IV—TERMS OF THE OFFERING

1. Persons responsible, third party information, experts' reports and competent authority approval

1.1 Persons responsible and approval from competent authority

See “*Responsibility statement*” for more details.

1.1.1 Experts' reports and third party information

This Prospectus does not contain any expert statements or expert reports, other than the statement of the auditors and financial reports included in the F-pages or incorporated by reference.

For details on information sourced from third parties, see “*General information—Third party information*”.

2. Risk Factors

See “*Part II—Risk Factors*” for more details.

3. Essential Information

3.1 Working Capital Statement

For a discussion on working capital and investments in the Group please refer to “*Part III—Section 8.10 Liquidity and Capital resources—Working Capital (non-IFRS)*” and “*Part III—Section 8.10 Liquidity and Capital resources—Capital Expenditures*”.

3.2 Capitalization and indebtedness

See “*Part III—Section 9.1 Capitalization and indebtedness*”.

3.3 Interest of natural or legal persons involved in the Offering

Danske Bank A/S is acting as Global Coordinator in the Offering and also wholly owns and controls one of the Major Shareholders, Danica Pension, Livsforsikringsaktieselskab, and therefore has an interest in the Offering. Danica Pension, Livsforsikringsaktieselskab's investment decisions are, however, made independently from Danske Bank A/S. In addition, in the ordinary course of business, the Global Coordinator and its affiliates may make or hold a broad array of investments including serving as counterparty to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for its (or its affiliates') own account and for the accounts of its (or its affiliates') customers, and such investment and securities activities may involve securities and/or instruments of the Company. Danske Bank A/S and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Moreover, Danske Bank A/S or certain of its affiliates have from time to time been engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or any of the Company's related parties including with respect to the Company's existing credit facility provided by Danske Bank A/S which will be secured by a pledged cash account. See “*Part III—Section 8.10 Liquidity and Capital Resources—Borrowings*” With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. Danske Bank A/S has received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with the interests of prospective investors and the Company. In addition, two members of the Board of Directors are employed by Danske Bank A/S and one of them is delivering investment and asset management services to Danica.

Members of the Board of Directors, certain members of the Executive Management and certain other employees in the Group hold Shares in the Company and participate in the Group's management incentive program, including an incentive program related to the completion of the Offering, and therefore have a direct economic interest in the Offering, see further “*Part III—Section 14.3 Incentive*

Programs." In addition, the Chairman and the Deputy Chairman is expected to receive a cash payment in due course after, and subject to, the successful completion of the Offering from the Company's largest shareholder, MGC, which has no financial impact on or involvement of the Company. Certain members of the Board of Directors are also employed by some of the Company's direct and indirect shareholders, see "*Part III—13.2.1 Biographies.*" Except for this, the Company is not aware of any interests, including conflicting ones, which are material to the Offering.

3.4 Reason for the Offering and use of proceeds

The Company's net proceeds in connection with the Offering from the sale of the New Shares is expected to amount to DKK 215 million (assuming all New Shares offered are subscribed for) after deducting estimated underwriting commissions and estimated offering expenses payable by the Company. The Company will not receive any proceeds from the sale of the existing Offer Shares sold by the Selling Shareholders. For more information about the ownership in the Selling Shareholders, please see "*Part III—Section 16.1 Overview*". Proceeds from the sale of Option Shares if the Overallotment Option is exercised, will be received by MGC.

The Company expects to primarily use the proceeds received in the Offering as follows:

- Approximately DKK 80-100 million to fund the Group's existing commercial activities and strengthen the commercial organization and activities as well as further development and expansion of such commercial organization and activities**

The Company's focus will be on the commercialization of all of its three primary segments, i.e. drinking water, industrial water and food and beverage. Drinking water is the most developed segment and accordingly the Company will give this segment its immediate focus. Within drinking water, key organizational strengthening will be in the form of additional commercial resources in Asia, North America and Europe. Within industrial water and food and beverage, the Company will invest in and expand the existing sales and application engineer resources and generally add commercial resources across the United States and Asia. Based on the maturity stage of the Company's commercial segments, the Company plans to refocus the majority of its existing commercial and technical organization from developing applications to sales and marketing to increasingly support the commercialization process. To support the commercial activities the Company will in parallel establish a customer support function to service all business segments.

For further information on the Company's commercialization plans, including go-to-market strategies, please refer to "*Part III—Section 6.11 Sales and Marketing*".

- Approximately DKK 30-40 million to increase its HFFO production capacity and other capital expenditures mainly related to the Group's industrial water segment and food and beverage segment**

In order to support the commercialization process, the Company intends to make key investments in select in-house manufacturing capabilities within forward osmosis, primarily through establishing a more automated and cost efficient in-house HFFO production capacity (including coating). HFFO membranes and modules are used in both industrial water and food and beverage segments where multiple final-stage pilot projects are currently ongoing. Part of the proceeds will also be used for investments into pilot systems that are expected to provide a strong basis for conversion of pilot projects into future customers and orders.

For further information on the Company's production setup please refer to "*Part III—Section 6.10 Manufacturing*".

- Approximately DKK 60-80 million to finance the Group's existing operations including continued investments in research and development**

The Company's current operations include its operational back-bone in the form of in-house production capacity, supply chain capabilities, administration and finance, technology centers as well as its research and development organization, which is responsible for ensuring that the Company stays at the forefront of new product and technology developments by improving the core technology on an ongoing basis. In addition, the research and development organization includes a team of experienced sales and application engineer

resources that will be instrumental in the commercialization of the Company's products over the coming years.

- The remaining amounts for working capital and general corporate purposes of which DKK 35 million will be deposited in a pledged cash account, which will serve as security for the Company's Credit Facility Agreement. See "*Part III—Section 8.10 Liquidity and Capital Resources—Borrowings.*"

Assuming net proceeds of DKK 215 million from the sale of New Shares and realization of its business plan, the Company believes it can commercialize its existing product portfolio within its three primary segments and at the same time sustain the continued development of existing and new products. Based on this, the Company currently believes that it will be able to become EBITDA positive by the end of 2024. See "*Business Medium term aspirations*". However, the Company may ultimately not be as successful in its commercialization efforts as expected or may decide to accelerate its investments or carry out acquisitions to support growth and commercialization, which could lead to the Company having to raise additional funds in the future. See "*Part II—Risk Factors—The Group will need to strengthen its financial foundation to ensure the Group can execute the Group's strategy, including commercialization plans and planned operational growth, such as the expected increase of HFFO production capacity.*"

The Admission is expected to strengthen the Group's capital structure by giving the Group access to a wider range of capital raising options which may be of use in the future. The Group's expected use of the net proceeds from the Offering represents the Group's intentions based upon the Group's current plans and business conditions. As of the date of this Prospectus, the Group cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of the Offering or the amounts that the Group will actually spend on the uses set forth above.

The Executive Management will have broad discretion over the use of the net proceeds from the Offering. The amounts and timing of these expenditures will depend upon numerous factors, including research and development efforts, success of commercialization efforts and the ability to obtain cash from current partnerships and future partnerships.

4. Information concerning the securities to be offered/admitted to trading

4.1 Type and class of the Shares

The Company only has one class of shares. Application has been made for all existing outstanding Shares as well as new shares issued due to exercise of existing warrants prior to the Admission or in connection with the Offering, which are or will be, issued in the form of Temporary Purchase Certificates to be admitted to trading on Nasdaq Copenhagen under the temporary ISIN code DK0061555299 and for the Shares, which the Temporary Purchase Certificates are exchanged into to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code DK0061555109.

4.2 Governing law and jurisdiction

The Shares have been issued in accordance with Danish law.

This Prospectus has been prepared in compliance with the standards and requirements of Danish law.

Any dispute that may arise as a result of the Offering is subject to the exclusive jurisdiction of the Danish courts.

4.3 Registration

The Shares will be registered in book-entry form electronically with VP Securities, Weidekampsgade, 14, 2300 Copenhagen S, Denmark. All Shares are registered on accounts with account holding banks in VP Securities. Investors that are not residents of Denmark may use a VP Securities member directly or their own bank's correspondent bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Registration of the New Shares issued by the Company with the Danish Business Authority will take place following completion of the Offering on the Settlement Date, which is expected to take place on 30 June 2021.

The Company's register of shareholders will be kept by Computershare A/S.

4.4 Currency

The Shares will be denominated in DKK.

4.5 Rights attached to the Shares

4.5.1 Dividend rights

Each Share entitles its holder to receive distributed dividends and will confer on the holder the right to receive dividends declared after the registration of the Shares with the Danish Business Authority.

The Company's dividends, if declared will be paid in DKK to the shareholders' accounts set up through VP Securities. No restrictions on dividends or special procedures apply to holders of Shares who are not residents of Denmark. See "*—Section 4.13 Taxation*" below for a description of the treatment of dividends under Danish tax law. The expected dividend policy of the Company is described in "*Part III—Section 18.4 Dividends and dividend policy*".

Dividends which have not been claimed by shareholders within three years from the time they are payable will be forfeited and will accrue to the Company. The Articles of Association do not contain provisions on cumulative payments of dividends.

4.5.2 Voting rights

All Shares in the Company will rank *pari passu*, including with respect to voting rights and pre-emption rights. All Shares will then carry one vote per Share of a nominal value of DKK 1.

The right of a shareholder to attend a general meeting and to vote is determined by the shares held by the shareholder at the record date. The record date is one week before the general meeting is held. The shares held by each shareholder are determined at the record date based on the number of shares held by that shareholder as registered in the Company's register of shareholders and any

notification of ownership received by the Company for the purpose of registration in its register of shareholders, but which have not yet been registered.

4.5.3 Liquidation rights

In case of the dissolution or winding-up of the Company, the Shares will be entitled to a proportionate part of the Company's assets after payment of the Company's creditors. The Articles of Association do not contain any provisions on redemption or exchange of Shares.

4.5.4 Preemptive rights

If the shareholders of the Company at a general meeting resolve to increase the share capital of the Company by a cash contribution, shareholders have a pre-emptive right to subscribe for new shares in proportion to their existing shareholdings (section 162 of the DCA). However, the pre-emptive right may be derogated from by a majority comprising at least two-thirds of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting, provided the share capital increase takes place at market price or nine-tenths of the votes cast, as well as at least nine-tenths of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase is directed at certain but not all shareholders (in which case all shareholders must consent); or (ii) such capital increase is directed at the Company's employees whereby a majority comprising at least two-thirds of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting is required. Further, the pre-emptive rights may be derogated from by an exercise of the board of directors of a valid authorization in the Company's Articles of Association, provided that the share capital increase takes place at or above market price.

4.5.5 Redemption and conversion provisions

None of the Shares, including the Offer Shares, carry any redemption or conversion rights or any other special rights, but the Shares, including the Offer Shares, may be subject to compulsory redemption pursuant to the Danish Companies Act, see “—Section 4.10 *Mandatory redemption of shares*” below.

4.6 Resolutions, authorizations and approvals of the Offering

The New Shares will be issued pursuant to an authorization granted to the Board of Directors as set out in section 3.1 of the Articles of Association.

On 11 June 2021, the Board of Directors exercised the authorization granted in article 3.1 of the Articles of Association and resolved to increase the Company's share capital in a nominal amount of up to DKK 1,445,087 by issue of 1,445,087 New Shares with a nominal value of DKK 1 each. The New Shares are issued without Pre-emptive Rights for the Company's Existing Shareholders and will rank *pari passu* with the other existing Shares.

The share capital increase related to the Offering will be registered upon completion of the Offering, following which the Company's registered share capital will amount to DKK 10,047,301 divided into 10,047,301 Shares with a nominal value of DKK 1 each, assuming subscription for all New Shares.

The total share capital of 10,047,301 also takes into account that 155,000 shares, including some of the Shares offered by the Other Selling Shareholders, will be issued when the Company has released an announcement on the close of the Offer Period and prior to Admission in accordance with the conditional warrants exercise notices provided by the Other Selling Shareholders. See also “Part III—Section 16.6 *Warrant holders*”.

4.7 Negotiability and transferability of the Shares

The Shares, including the Offer Shares, will be negotiable instruments and no restrictions under Danish law will apply to the transferability of the Shares.

The Company's Articles of Association do not contain any transfer restrictions.

4.8 Mandatory takeover offers

The Danish Capital Markets Act (Part 8) and the Danish Executive Order on Takeover Bids include rules concerning public offers for the acquisition of shares admitted to trading on a regulated market (including Nasdaq Copenhagen).

If a shareholding is transferred, directly or indirectly, in a company with one or more share classes admitted to trading on a regulated market, to an acquirer or to persons acting in concert with such acquirer, the acquirer and the persons acting in concert with such acquirer, if applicable, shall give all shareholders of the Company the option to dispose of their shares on identical terms, if the acquirer or the persons acting in concert with such acquirer gains control over the company as a result of the transfer.

Control as mentioned above exists if the acquirer or persons acting in concert with such acquirer, directly or indirectly, holds at least one-third of the voting rights in the company, unless it can be clearly proven in special cases that such ownership does not constitute control. An acquirer or persons acting in concert with such acquirer who does not hold at least one-third of the voting rights in a company, nevertheless has control when the acquirer has or persons acting in concert with such acquirer have:

- the right to control at least one-third of the voting rights in the company according to an agreement with other investors; or
- the right to appoint or dismiss a majority of the members of the central governing body.
- any warrants, call options and other potential voting rights, which may currently be exercised or converted, must be taken into account in the assessment of whether the acquirer holds a controlling interest. Voting rights attached to treasury shares shall be included in the calculation of voting rights.

The Danish Capital Markets Act contains specific exemptions from the obligation to submit a mandatory takeover offer, including transfers of shares by inheritance or transfer within the same group and as a result of a creditor's debt enforcement proceedings. Exemptions from the mandatory tender offer rules may be granted under special circumstances by the Danish FSA.

4.9 Short Selling

The Short Selling Regulation (236/2012/EU) includes certain notification requirements in connection with short selling and imposes restrictions on uncovered short selling of shares admitted to trading on a trading venue (including Nasdaq Copenhagen).

When a natural or legal person reaches or falls below a net, short position of 0.2% of the issued share capital of a company that has shares admitted to trading on a trading venue, such person shall make a notification to the relevant competent authority, which in Denmark is the Danish FSA. The obligation to notify the Danish FSA, moreover, applies in each case where the net short position reaches or falls below each 0.1% above the 0.2% threshold. In addition, when a natural or legal person reaches or falls below a net short position of 0.5% of the issued share capital of a company that has shares admitted to trading on a trading venue in the European Union and each 0.1% above that, such person shall make a public notification of its net short position via the Danish FSA. The notification requirements apply to both physical and synthetic short positions. In addition uncovered short selling (naked short selling) of shares admitted to trading on a trading venue is prohibited.

A natural or legal person is prohibited from entering into a short sale of shares admitted to trading on a trading venue unless one of the following conditions is satisfied: (i) the natural or legal person has borrowed the share or has made alternative provisions resulting in a similar legal effect; (ii) the natural or legal person has entered into an agreement to borrow the share or has another absolutely enforceable claim under contract or property law to be transferred ownership of a corresponding number of securities of the same class so that settlement can be effected when it is due; or (iii) the natural or legal person has an arrangement with a third party under which that third party has confirmed that the share has been located and has taken measures vis-à-vis third parties necessary for the natural or legal person to have a reasonable expectation that settlement can be effected when it is due. Certain exemptions apply to the prohibition, such as in the case of market-makers or in connection with stabilization in accordance with the Commission Delegated Regulation (EU) 2016/1052.

4.10 Mandatory redemption of shares

Where a shareholder holds more than nine-tenths of the shares in a company and a corresponding proportion of the voting rights, such shareholder may, pursuant to the Danish Company Act, Section 70, demand that the other shareholders have their shares redeemed by that shareholder. In this case, the other shareholders must be requested, under the rules governing notices for general meeting, to transfer their shares to the shareholder within four weeks after the request to transfer their shares. In addition, the other shareholders shall through the Danish Business Authority's IT system be requested to transfer their shares within the same four-week period. Specific requirements apply to the contents of the notices to the other shareholders regarding the redemption. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Company Act. However, the redemption price will be deemed fair under any circumstances, provided that (i) the redemption price is equal to the consideration paid by the bidder in connection with a voluntary tender offer by which the bidder obtained at least 90% of the voting rights or (ii) the redemption price is equal to the consideration paid by the bidder in connection with a mandatory tender offer. To the extent any minority shareholders have not transferred their shares to the acquiring shareholder before the expiry of the four-week period, the redeeming shareholder shall pay the redemption price to the remaining minority shareholders through the securities deposit. Upon such payment through the securities deposit, the minority shareholders will have been redeemed and the minority shareholders shall in such case through the Danish Business Authority's IT system be notified that the right to require determination of the redemption price by the independent expert expires at the end of a period, which cannot be less than three months pursuant to the Danish Company Act, Section 72.

Furthermore, where a shareholder holds more than nine-tenths of the shares in a company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to Section 73 of the Danish Company Act. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Company Act. Expenses relating to the determination of the redemption price must be paid by the shareholder requesting such determination. If the expert's valuation is higher than the price offered by the redeeming shareholder, the court may order the redeeming shareholder to pay the expenses relating to determination of the redemption price in full or in part.

4.11 Major Shareholdings

Shareholders in Danish companies with shares admitted to trading and official listing on Nasdaq Copenhagen are, pursuant to Section 38 of the Danish Capital Markets Act, required to give simultaneous notice to the company and the Danish Financial Supervisory Authority ("Danish FSA"), of the shareholding in the company, when the shareholding reaches, exceeds or falls below thresholds of 5%, 10%, 15%, 20%, 25%, 50% or 90% and limits of one-third or two-thirds of the voting rights or nominal value of the total share capital.

A shareholder in a company means a natural or legal person who, directly or indirectly, holds: (i) shares in the company on behalf of itself and for its own account; (ii) shares in the company on behalf of itself, but for the account of another natural or legal person; or (iii) depository receipts, where such holder is considered a shareholder in relation to the underlying shares represented by the depository receipts.

The duty to notify set forth above further applies to natural and legal persons who are entitled to acquire, sell or exercise voting rights which are:

- held by a third party with whom that natural or legal person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the issuer in question (common duty to inform for all parties to the agreement);
- held by a third party under an agreement concluded with that natural or legal person providing for the temporary transfer of the voting rights in question in return for consideration;
- attached to shares which are lodged as collateral for that natural or legal person, provided the person controls the voting rights and declares an intention of exercising them;

- attached to shares in which that natural or legal person has a lifelong right of disposal;
- held, or may be exercised within the meaning of (i) to (iv), by an undertaking controlled by that person or entity;
- attached to shares deposited with that natural or legal person and which the person can exercise at its own discretion in the absence of specific instructions from the shareholders;
- held by a third party in its own name on behalf of that person; or
- exercisable by that person through a proxy where that person may exercise the voting rights at its discretion in the absence of specific instructions of the shareholder.

The duty to notify set forth above also applies to anyone, who directly or indirectly holds (a) financial instruments that afford the holder either an unconditional right to acquire or the discretion as to its right to acquire existing shares (e.g., share options); and/or (b) financial instruments based on existing shares and with an economic effect equal to that of the financial instruments mentioned in (a), regardless of them not affording the right to purchase existing shares (e.g. under the circumstances, cash-settled derivatives linked to the value of the Shares). Holding these kinds of financial instruments counts towards the thresholds mentioned above and may thus trigger a duty to notify by themselves or when accumulated with a holding of shares. The Danish FSA will in certain cases publish information concerning sanctions imposed, including, as a general rule, the name of the shareholder in question, as a consequence of non-compliance with the above rules.

The notification shall be made promptly, but not later than four weekdays after the shareholder was aware or should have become aware of the completion of the transaction, and in accordance with the provisions of Danish Executive Order on Major Shareholders. The shareholder is deemed to have become aware of the completion of the transaction no later than two weekdays after the completion of the transaction. The shareholder shall disclose the change in voting rights and shares, including the number of voting rights (and the division of voting rights between share classes, if applicable) and shares held directly or indirectly by the shareholder following the transaction. The notification shall further state the transaction date on which the threshold was reached or no longer reached and the identity of the shareholder as well as the identity of any natural or legal person with the right to vote on behalf of the shareholder and in the case of a group structure, the chain of controlled undertakings through which voting rights are effectively held. The information shall be notified to the company and simultaneously submitted electronically to the Danish FSA. Failure to comply with the notification requirements is punishable by fine or suspension of voting rights in instances of gross or repeated non-compliance.

When an obligation to notify rests on more than one natural or legal person, the notification may be made through a joint notification. However, use of a joint notification does not exempt the individual shareholders or natural or legal persons from their responsibilities in connection with the obligation to notify or the contents of the notification.

After receipt of the notification, but not later than three weekdays thereafter, the company shall publish the contents of the notification.

Furthermore, the general duty of notification under Section 55 of the Danish Company Act in respect of notification of significant holdings (similar to the thresholds set out in the Danish Capital Markets Act Section 38) applies, including when the limit of 100% of the share capital's voting rights or nominal value of the company is reached or are no longer reached.

4.12 Takeover bids

No takeover offers have been made by any third party in respect of the Company's shares during the past or current financial year. The Company's Articles of Association do not contain provisions that are likely to have the effect of delaying, deferring or preventing a change in control of the Company.

4.13 Taxation

4.13.1 Danish tax considerations

The following is a summary of certain Danish income tax considerations relating to an investment in the Shares. The Danish tax legislation as well as the tax legislation of investors' member states may have an impact on the income received from the Shares. The Temporary Purchase Certificates are

from a Danish tax perspective evidence of a corresponding Share and each Temporary Purchase Certificate will automatically be exchanged into a Share when the Shares have been listed in the permanent ISIN in VP Securities. The Danish National Tax Board (in Danish: *Skatterådet*) has previously in connection with another Danish public offering confirmed that a temporary purchase certificate from a tax perspective shall be regarded as a share (and not as a financial instrument). Consequently, it is for Danish tax purposes assumed that the Temporary Purchase Certificates are shares and that the exchange of the Temporary Purchase Certificates into Shares is not regarded as a disposal of shares, but merely a technical change of the format into the final shares. Accordingly, the following description of the taxation of Shares is also a description of the taxation of the Temporary Purchase Certificates.

The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in the Shares. The summary is based solely upon the tax laws of Denmark in effect on the date of this Prospectus. Danish tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply and, therefore, may not be relevant, for example, to investors subject to the Danish Pension Yield Tax Act (i.e. pension savings), professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. The summary does not cover taxation of individuals and companies who carry on a business of purchasing and selling shares. Further, the summary only sets out the tax position of the direct owners of the Shares and assumes that the direct investors are the beneficial owners of the Shares and any dividends thereon, as interpreted by the Danish Tax Authority (in Danish “*Skattestyrelsen*” but herein referred to as the “**Danish Tax Authority**”). Sales are assumed to be sales to a third-party.

Potential investors in the Shares are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of the Shares based on their particular circumstances. Investors who may be affected by the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances, as such consequences may differ significantly from those described herein.

4.13.2 Taxation of Danish tax resident shareholders

Sale of shares—*individuals*

For the calendar year 2021, gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 56,500 (for cohabiting spouses, a total of DKK 113,000) and at a rate of 42% on share income exceeding DKK 56,500 (for cohabiting spouses over DKK 113,000). Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sale price. The purchase price is generally determined using the so-called “average method”, which means that each share is considered acquired at a price equivalent to the average acquisition price of all the shareholder’s shares in the issuing company.

Losses occurred in relation to the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market (i.e. received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Excess losses will be offset against a cohabiting spouse’s share income deriving from shares admitted to trading on a regulated market. Any remaining losses after the above deduction can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market can only be set off against other share income derived from other shares admitted to trading on a regulated market as outlined above if the Danish Tax Authority has received certain information concerning the ownership of the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish Tax Authority by the securities dealer or custodian, if the securities dealer or custodian is resident in Denmark.

Individuals investing through an investment savings account (*Aktiesparekonto*)

Gains and losses on shares owned through an investment savings account (*Aktiesparekonto*) are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the assets in the account at the beginning and end of the tax year adjusted for further deposits on the account and adjusted for withdrawals from the account. Thus taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

Any annual gain will be subject to 17 percent taxation, and any loss may be carried forward. In 2021, the account is limited to a deposit of DKK 102,300. Tax is settled by the account institute.

Sale of shares—companies

Tax on the sale of shares by companies is subject to different regimes depending on whether the shares are considered as Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares or Taxable Portfolio Shares defined as follows:

“Subsidiary Shares” are generally defined as shares owned by a company shareholder holding at least 10% of the nominal share capital of the issuing company.

“Group Shares” are generally defined as shares in a company in which the company shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law.

“Tax-Exempt Portfolio Shares” are generally defined as shares not admitted to trading on a regulated market owned by a company shareholder holding less than 10% of the nominal share capital in the issuing company. Tax-Exempt Portfolio Shares are not relevant in respect of this Offering and will not be described in further detail.

“Taxable Portfolio Shares” are shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares.

Gains or losses on disposals of Subsidiary Shares and Group Shares are not included in the taxable income of the company shareholder.

Special rules apply with respect to Subsidiary Shares and Group Shares in order to prevent circumvention of the 10% ownership requirement through pooling of shareholdings in a holding company, just as other anti-avoidance rules may apply under Danish law. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares are currently taxable at the corporate income tax rate of 22%. Losses on such shares are generally deductible. Gains and losses on Taxable Portfolio Shares are, as a general rule, calculated in accordance with the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the Taxable Portfolio Shares at realization. If the Taxable Portfolio Shares have been acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the Shares at the end of the income year.

A change of status from Subsidiary Shares or Group Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Dividends—*individuals*

For the calendar year 2021, dividends received by individuals who are tax residents of Denmark are taxed as share income. Share income is taxed at a rate of 27% on the first DKK 56,500 (for cohabiting spouses, a total of DKK 113,000) and at a rate of 42% on share income exceeding DKK 56,500 (for cohabiting spouses over DKK 113,000). Such amounts are subject to annual adjustments and include all share income (i.e. all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Dividends paid to individuals are generally subject to currently 27% withholding tax.

Dividends from Shares invested through an investment savings account (*Aktiesparekonto*) will be part of the return received and subject to the general tax principles for the account as described above.

Dividends—*companies*

Dividends received on Taxable Portfolio Shares are subject to the standard corporate tax rate of currently 22% irrespective of ownership period.

The withholding tax rate is 22%. If the distributing company withholds a higher amount, the shareholder can claim a refund of the excess tax. A claim for repayment must be filed within two months from the time of the adoption of the decision to distribute the dividend on the company's general meeting; otherwise the excess tax will instead be credited in the corporate income tax for the year.

Dividends received on Subsidiary Shares and Group Shares will not be subject to taxation irrespective of ownership period, subject, however, to certain anti-avoidance rules that will not be described in further detail.

4.13.3 Taxation of shareholders tax resident outside Denmark

Sale of shares—*individuals and companies*

Non-resident shareholders will normally not be subject to Danish taxation on any gains realized on the sale of shares, irrespective of the ownership period. Where a non-resident of Denmark holds Taxable Portfolio Shares which can be attributed to a permanent establishment in Denmark, such gains are taxable pursuant to the rules applicable to Danish tax residents as described above.

Dividends—*individuals*

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%. A request for a refund of Danish withholding tax may, however, be made by the shareholder in the following situations:

1) Tax Treaty

In the event that the dividend receiving individual is a tax resident of a state having a tax treaty with Denmark, the shareholder may claim a refund from Skattestyrelsen of the tax amount exceeding the treaty rate through certain application procedures. Denmark has executed double taxation treaties with approximately 85 countries, including the United States and almost all members of the EU. Most of the tax treaties provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Authority. The form can be completed and filed from the Danish Tax Authority's website.

When claiming such refund the shareholder must be able to document, *inter alia*, (i) that Danish dividend has been received by the shareholder and the amount of this dividend, (ii) that Danish dividend tax has been withheld and the actual amount withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved, (iv) that the shareholder is liable to pay tax in a country that is not Denmark and (v) that the withheld dividend tax exceeds that of the final tax payable according to the tax treaty or that the withheld dividend tax exceeds the final tax payable according to current Danish law.

The documentation requirements can be found on the website of the Danish Tax Authority. According to these requirements it will be necessary to provide a certification by the applicable local tax authority.

2) Relief under Danish tax law

In addition, if the individual shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a tax treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are generally subject to tax at a reduced rate of 15%. If the shareholder is an individual tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Dividends paid to a shareholder who is tax resident in a country which is "blacklisted" by EU (i.e. at present American Samoa, Anguilla, Barbados, U.S. Virgin Islands, the Republic of Fiji, Guam, Republic of Palau, Panama, the Independent State of Samoa, Republic of Seychelles, Republic of Trinidad and Tobago and the Republic of Vanuatu); and who is holding or within the last five years has been holding i) minimum 25% of the share capital of the Company; or ii) more than 50% of the voting rights on the share capital of the Company, is subject to a Danish tax rate of 44% (which is paid as a withholding taxation).

Where a non-resident of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above. See "—Section 4.13.2 *Taxation of Danish tax resident shareholders*".

Dividends for individuals investing through an investment savings account (*Aktiesparekonto*)

Individuals with tax residency outside Denmark can have an investment savings account if the account was established while the individual was tax resident in Denmark. In such case, the individuals will be subject to 15 percent taxation on any dividend on shares owned through an investment savings account. In 2021, the account is limited to a deposit of DKK 102,300. For shareholders residing outside Denmark, only dividends paid in respect of shares in Danish companies are included in the 15 percent taxation.

Dividends—companies

Dividends received on Subsidiary Shares are exempt from Danish withholding tax provided the taxation of the dividends is to be waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident.

Dividends received on Group Shares are exempt from Danish withholding tax provided the company investor is a resident of the EU or the EEA and the taxation of dividends should have been waived or reduced in accordance with the Parent Subsidiary Directive (2011/96/EU as amended by 2015/121/EU) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been Subsidiary Shares.

Dividend payments on Taxable Portfolio Shares are subject to Danish withholding tax at a rate of 27% irrespective of ownership period. Further, the aforesaid tax exemption for dividends received on Subsidiary Shares and Group Shares is subject to Danish anti-avoidance rules, in which case such dividend payments may also be subject to Danish withholding taxation. A request for a refund of Danish withholding tax can be made by the shareholder in the following situations:

All foreign corporate shareholders:

All foreign corporate shareholders can in general claim a refund from the Danish tax authorities of the tax amount exceeding 22%, subject to applicable anti-avoidance rules.

Tax Treaty

In the event that the dividend receiving company is a resident of a state with which Denmark has entered into a tax treaty, the shareholder may claim a refund from the Danish Tax Authority of the tax amount exceeding the treaty rate, through certain certification procedures. Denmark has executed double taxation treaties with approximately 85 countries, including the United States and almost all members of the EU. Most of the tax treaties provide for a 15% tax rate. The refund is sought by completing an online claim form and filing it with the Danish Tax Authority. The form can be completed and filed from the Danish Tax Authority's website.

When claiming such refund the shareholder must be able to document, *inter alia*, (i) that Danish dividend has been received by the shareholder and the amount of this dividend, (ii) that Danish dividend tax has been withheld and the actual amount withheld, (iii) that the shareholder was the beneficial owner of the shares when the dividend distribution was approved, (iv) that the shareholder is liable to pay tax in a country that is not Denmark and (v) that the withheld dividend tax exceeds that of the final tax payable according to the tax treaty or that the withheld dividend tax exceeds the final tax payable according to current Danish law. The documentation requirements can be found on the website of the Danish Tax Authority. According to these requirements, it will also be necessary to provide a certification by the applicable local tax authority.

Relief under Danish tax law

In addition, if the shareholder holds less than 10% of the nominal share capital of the company and the shareholder is a tax resident in a jurisdiction which has a tax treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obliged to exchange information with Denmark, dividends are generally subject to tax at a reduced rate of 15%. If the shareholder is a tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate. Thus, the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

Increased Danish taxation

Dividends received on Subsidiary Shares or Group Shares held by non-Danish companies tax resident in a country which is "blacklisted" by EU (i.e. at present American Samoa, Anguilla, Barbados, U.S. Virgin Islands, the Republic of Fiji, Guam, Republic of Palau, Panama, the Independent State of Samoa, Republic of Seychelles, Republic of Trinidad and Tobago and the Republic of Vanuatu) are subject to a Danish tax rate of 44% (which is paid as a withholding taxation).

Where a non-resident of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applicable to Danish tax residents described above, see "—Section 4.13.2 *Taxation of Danish tax resident shareholders*".

4.13.4 Proposal for a net-withholding mechanism

The Danish minister of taxation has published a draft bill regarding the so-called 'net-withholding mechanism' for the handling of dividend withholding taxation of 1) non-resident individuals having shares in Danish listed companies; and 2) corporate entities having portfolio shares in Danish listed companies. The final bill has not yet been published. It is thus uncertain when the proposal shall have legal effect.

The key point in the proposed mechanism is the elimination of the dividend tax reclaims, as dividend payments from Danish listed companies to non-resident shareholders will be distributed on a net basis and no longer on a gross basis.

From a technical perspective, this requires that non-resident shareholders must disclose certain key information to their respective custodian bank(s), including, *inter alia*, the characteristics of the entity, domicile state for tax purposes, a statement of beneficial ownership of the shares for Danish tax purposes and a power of attorney granted to the custodian. Based on this information, the Danish Tax Authority then issues a unique taxpayer identification number, which grants a right to receive dividends net of the rate of withholding tax applicable in the relevant tax treaty, e.g. most often 15% (if applicable).

Non-resident shareholders eligible for a special tax treatment different from the general tax rate according to the relevant tax treaty, e.g. pension funds with a right to receive Danish dividends with no withholding tax, must obtain an advance approval from the Danish Tax Authority to qualify for such special treatment.

Once the non-resident shareholders have submitted information and received a unique taxpayer identification number, they will receive dividends net of the applicable rate. Non-resident shareholders encompassed by the new net-withholding mechanism will no longer be able to request a reclaim under the current procedure. Instead, there is a 45 days rectification period subsequent to a dividend decision. Furthermore, a relief mechanism in a tax treaty is still available for a non-resident shareholder.

4.13.5 Share transfer tax and stamp duties

No Danish share transfer tax or stamp duties are payable on transfer of the shares.

4.13.6 Withholding tax obligations

An issuer of shares is subject to Danish withholding tax obligations in accordance with applicable Danish laws.

5. Terms and conditions of the Offering

5.1 Conditions, offer statistics, expected timetable and action required to apply for the Offering

5.1.1 Terms and conditions of the Offering

The Offering consist of (i) a public offering to retail and institutional investors in Denmark and (ii) private placements to institutional investors and, potentially, a limited number of other investors in the rest of the world outside the United States in compliance with Regulation S.

The Company is offering 1,445,087 New Shares in order to raise gross proceeds of DKK 250 million and the Selling Shareholders are offering up to 1,069,364 existing Shares (excluding any shares subject to the Overallotment Option), of which up to 976,364 existing Shares will be offered by the Main Selling Shareholders (excluding any shares subject to the Overallotment Option) and up to 102,000 Shares will be offered by the Other Selling Shareholders. The sale of existing Offer Shares will facilitate free float in the Shares since the New Shares have been committed by and pre-allocated to the Cornerstone Investors. The Other Selling Shareholders are selling such number of shares sold corresponding to raising net proceeds to fund their exercise of warrants prior to the Admission, which expires in September 2021 as well as to fund taxes and fees related to the exercise and sale of Shares from the exercise of these warrants. The Company has in this connection received conditional exercise notices from CEO, Peter Holme Jensen, CFO, Bo Karmark and board member, Lars Hansen for 125,000, 15,000 and 15,000 warrants, respectively. The exercise of such warrants is conditional upon the Company making an announcement of the close of the offer period with the view to complete the Offering. Peter Holme Jensen, Bo Karmark and Lars Hansen will in connection with the Offering sell up to 75,000, 11,000 and 16,000 Offer Shares, respectively, to fund such exercise of warrants and any tax liabilities resulting therefrom as well as the fee to the Global Coordinator.

The existing Offer Shares offered by the Main Selling Shareholders will only be sold in the Offering if all of the existing Offer Shares offered by the Other Selling Shareholders have been sold.

Assuming completion of the Offering, the Company's registered share capital will increase by up to a nominal value of DKK 1,445,087 as a result of the issue of New Shares. The Offer Price will be DKK 173 per Offer Share. The exact number of Offer Shares to be sold in the Offering will be determined by the Board of Directors and Main Selling Shareholders in consultation with the Global Coordinator based on a book-building process.

As a part of the Offering, the Global Coordinator has been granted a right to over-allot (the "**Overallotment Facility**") a number of Shares amounting to a maximum of 15% of the aggregate number of Offer Shares allocated in the Offering (the "**Overallotment Shares**"). In order to facilitate delivery in respect of any such overallotments made, MGC has granted the Global Coordinator a right to borrow Lending Shares under the Share Lending Agreement. If the Overallotment Facility is utilized in full, the number of Shares placed in the Offering may amount to a maximum of 2,891,619 Offer

Shares (assuming the maximum number of Offer Shares are sold). In order to facilitate for settlement of any borrowed Shares under the Share Lending Agreement, MGC has granted the Global Coordinator an option (the “**Overallotment Option**”) to acquire a number of existing Shares amounting up to the number of Overallotment Shares placed, at the Offer Price (“**Option Shares**”), exercisable, in whole or in part, from the date of Admission until 30 calendar days thereafter.

MEE Holding ApS, Topsøe Holding A/S, Claus Christiansen, Spar Nord Bank A/S, M. Goldschmidt Capital A/S and VP Capital N.V. have in connection with the Offering, subject to certain conditions, undertaken to subscribe for New Shares as “**Cornerstone Investors**” for a total amount of DKK 250 million. See “*Part III—Section 16.3 Cornerstone Investor Commitments*” and “*Part III—Section 20.3 Cornerstone Agreements*”. The commitments undertaken by the Cornerstone Investors are subject to certain conditions, e.g. the Offering having completed no later than 30 September 2021. Otherwise, the subscription for Cornerstone Shares will be made on terms and conditions identical to those on which all other investors subscribe for or purchase Offer Shares in the Offering, in accordance with and subject solely to the terms and conditions of this Prospectus.

Certain members of the Board of Directors and Executive Management have made binding commitments to purchase a total 10,428 Offer Share at the Offer Price of DKK 173 corresponding to DKK 1.8 million. Their individual commitments are as follows:

- Niels Heering, Chairman: 2890 Offer Shares
- Søren Bjørn Hansen, Deputy Chairman: 2890 Offer Shares
- Anne Broeng, Board member: 1156 Offer Shares
- Michael Frank, Board member: 692 Offer Shares
- Peter Holme Jensen, CEO: 1000 Offer Shares
- Matt Boczkowski, Deputy CEO & CCO: 1000 Offer Shares
- Joerg Hess, COO: 800 Offer Shares

5.1.2 Expected timetable for the Offering

Below is the expected timetable for the Offering

Offer Period starts 14 June 2021

Offer Period will not be closed in whole or in part before 23 June 2021 at 0:01 a.m. (CET)

Offer Period expires 25 June 2021 at 11:00 a.m. (CET)

Publication of the result announcement containing number of Offer Shares sold unless moved forward 28 June 2021 no later than 7.30 a.m. (CET)

First day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen under the temporary ISIN (subject to the Offering not being terminated or withdrawn) unless moved forward 28 June 2021 at 9:00 a.m. (CET)

Completion of the Offering, including settlement of the Offer Shares by way of delivery of Temporary Purchase Certificates 30 June 2021

Registration of the share capital increase regarding the New Shares to be issued by the Company pursuant to the Offering with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*) 30 June 2021

Last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen under the temporary ISIN 30 June 2021

First day of trading and official listing of the Shares on
Nasdaq Copenhagen under the permanent ISIN . . . 1 July 2021

Automatic exchange of the Temporary Purchase
Certificates for Shares in VP Securities 2 July 2021

The above timetable is subject to change. Any changes will be announced via Nasdaq Copenhagen. Until the publication by the Company of the announcement that the Offering has completed, expected on 30 June 2021, the admission of the Shares to trading and official listing on Nasdaq Copenhagen will remain conditional.

Trading on Nasdaq Copenhagen will commence before specific conditions to the Admission are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Offer Shares or Temporary Purchase Certificates prior to settlement of the Offering, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned. For a description of such conditions, see “—Section 5.4 *Withdrawal of the Offering*”

5.1.3 Offer Period

The Offer Period will commence on 14 June 2021 and will close no later than 25 June 2021 at 11:00 a.m. (CET). The Offer Period may be closed prior to 25 June 2021; however, the Offer Period will not be closed in whole or in part before 23 June 2021 at 00:01 a.m. (CET). If the Offer Period is closed before 25 June 2021, the first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen and the date of payment and settlement will be moved forward accordingly, subject to agreement with Nasdaq Copenhagen. The Offer Period in respect of applications for purchase or subscriptions for amounts up to, and including, DKK 3 million may be closed before the remainder of the Offering is closed at the discretion of the Global Coordinator, if the Global Coordinator deems the orders received sufficient to close the book-building process. Any such earlier closing, in whole or in part, will be announced through Nasdaq Copenhagen.

5.1.4 Submission of bids

5.1.4.1 Applications to purchase or subscribe for amounts of up to and including DKK 3 million

Applications by Danish investors to purchase or subscribe for amounts of up to and including DKK 3 million should be made by submitting the application form enclosed in the Prospectus to the investor's own account-holding bank during the Offer Period or such shorter period as may be announced through Nasdaq Copenhagen. Applications are binding and cannot be altered or cancelled.

Applications should be made for a number of Temporary Purchase Certificates representing Offer Shares or for an aggregate amount rounded to the nearest Danish kroner amount.

Only one application will be accepted from each account in VP Securities. For binding orders, the application form must be submitted to the investor's own account-holding bank in complete and executed form in due time to allow the investor's own account-holding bank to process and forward the application to ensure that it is in the possession of Danske Bank A/S, no later than 11:00 a.m. (CET) on 25 June 2021, or such earlier time at which the Offering is closed.

5.1.4.2 Applications to purchase or subscribe for amounts of more than DKK 3 million

Investors who wish to apply to purchase or subscribe for amounts of more than DKK 3 million can indicate their interest to the Global Coordinator during the Offer Period. During the Offer Period, such investors can continuously change or withdraw their declarations of interest, but these declarations of interest become binding applications at the end of the Offer Period.

Immediately following the result announcement, investors will be allocated a number of Temporary Purchase Certificates representing the Offer Shares at the Offer Price within the limits of the investor's most recently submitted or adjusted declaration of interest. All applications made at a price equivalent to the Offer Price will be settled at the Offer Price following allotment, if any.

5.2 Reductions of order applications

In the event that the total number of Shares applied for in the Offering exceeds the number of Offer Shares, reductions will be made as follows:

- With respect to applications for amounts of up to and including DKK 3 million, reductions will be made mathematically and may entail that no allocations will be made to certain investors, except for orders which are set out below.
- With respect to applications for amounts of more than DKK 3 million, individual allocations will be made. The Global Coordinator will allocate the Offer Shares after agreement upon such allocations with the Board of Directors and the Main Selling Shareholders.
- 1,445,087 New Shares (corresponding to 50% of the Offer Shares assuming full exercise of the Overallotment Facility) will be reserved for allocation to the Cornerstone Investors. Please see *“Part III—Section 16.3 Cornerstone Investor Commitments”*.
- Up to 50,000 Offer Shares (corresponding to 2% of the Offer Shares assuming full exercise of the Overallotment Facility) will be reserved for allocation to any orders received from members of the Board of Directors, Executive Management, the Company's employees, existing minority shareholders as well as certain investors with close ties to the Company and its Major Shareholders.

It is expected that the basis of the allocation will be announced through Nasdaq Copenhagen no later than 7:30 a.m. (CET) on 28 June 2021. If the Offer Period is closed before 25 June 2021, the announcement of the allocation will be brought forward accordingly.

Following the expiration of the Offer Period, investors will receive a statement indicating the number of Temporary Purchase Certificates representing Shares allocated, if any, and the equivalent value at the Offer Price unless otherwise agreed between the investor and the relevant account-holding bank.

Orders and indications of interest may not result in an allocation of Offer Shares.

If the total applications in the Offering exceed the number of Offer Shares, a reduction will be made. In such event, the Global Coordinator reserves the right to require documentation to verify that each application relates to a single account in VP Securities. Further, the Global Coordinator reserves the right to require documentation to verify the authenticity of all orders, to demand the name of each purchaser or subscriber, to pass on such information to the Company and the Selling Shareholders, and to make individual allocations if there are several orders that are determined to have originated from the same investor. To the extent several orders are determined to have originated from the same investor, only the largest order in DKK will be taken into consideration and all other orders will be rejected.

5.3 Minimum and/or maximum applications amounts

The minimum subscription or purchase amount is one Offer Share. No maximum subscription or purchase amount applies to the Offering. However, the number of shares is limited to the number of Offer Shares in the Offering.

5.4 Withdrawal of the Offering

Completion of the Offering is conditional upon Nasdaq Copenhagen's approval of the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, the Offering not being withdrawn prior to settlement of the Offering, including registration of the capital increase with respect to the New Shares with the Danish Business Authority, and the Company making an announcement to that effect. The Offering may be withdrawn by the Company at any time before pricing and allocation of the Offering and first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen take place. The Offering may also be withdrawn if Nasdaq Copenhagen is not satisfied that there will be a sufficiently broad distribution of the Shares to investors or if, for other reasons, the Temporary Purchase Certificates or the Shares cannot be admitted for trading and official listing on Nasdaq Copenhagen.

The Underwriting Agreement (as defined herein) contains provisions entitling the Company and the Selling Shareholders to terminate the Offering and the arrangements associated with their respective sale of Shares prior to announcing result of the Offering (expected on or around 28 June 2021). The

Underwriting Agreement contains closing conditions, which the Company believes are customary for offerings such as the Offering. In addition, the Company and the Selling Shareholders has given customary representations and warranties to the Global Coordinator. The completion of the Offering is dependent on compliance with the closing conditions set forth in the Underwriting Agreement, and the Global Coordinator is entitled to terminate the Offering until the completion and the settlement of the Offering under certain limited circumstances including o.a. any material adverse change to the Company's business, a material breach of the Underwriting Agreement or circumstances which makes the Offering obviously inadvisable to complete. Nasdaq Copenhagen's approval of the Admission is subject to completion and settlement of the Offering after announcement of the results of the Offering.

If the Offering is not completed, no Offer Shares will be delivered to investors. Consequently, any trades in the Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Shares sold and investors who have sold or acquired Shares on or off the market may incur a loss. Any such dealings will be at the sole risk of the parties concerned. If the Offering is terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any money received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and official listing of the Shares on Nasdaq Copenhagen will be cancelled. Consequently, any trades in the Temporary Purchase Certificates or the Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Temporary Purchase Certificates or the Shares sold, and investors who have sold or acquired Temporary Purchase Certificates or Shares on or off the market may incur a loss. All dealings in the Temporary Purchase Certificates or the Offer Shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned.

Any withdrawal of the Offering will be announced immediately through Nasdaq Copenhagen.

5.5 Investor's withdrawal rights

In the event that the Company is required to publish a supplement to this Prospectus, between the date of publication of this Prospectus and Admission, investors who have submitted orders to purchase or subscribe for Offer Shares in the Offering before the supplement is published shall have three trading days following the publication of the relevant supplement within which the investors can withdraw their offer to purchase or subscribe for Offer Shares in the Offering in its entirety. The right to withdraw an application to purchase or subscribe for Offer Shares in the Offering in these circumstances will be available to all investors in the Offering, provided that, the obligation to publish a supplement to this Prospectus was triggered before the closing of the Offer Period or the delivery of the Offer Shares, whichever occurs first. If the order is not withdrawn within the stipulated three trading days any order to purchase or subscribe for Offer Shares in the Offering will remain valid and binding.

The supplement will contain a prominent statement concerning the right of withdrawal, which clearly states:

- (a) that a right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before the supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted;
- (b) the period in which investors can exercise their right of withdrawal (and whether the Offer Period will be extended); and
- (c) whom investors may contact should they wish to exercise the right of withdrawal.

For withdrawal rights outside of situations where a supplement to this Prospectus has been published, see "—Section 5.1.4 Submission of bids".

5.6 Selling agents

Danske Bank A/S
Holmens Kanal 2-12
1092 Copenhagen K
Denmark

A request for copies of the Prospectus may be submitted by persons who satisfy the requirements of the applicable selling restrictions (see “—Section 5.16 *Jurisdictions in which the Offering will be announced and restrictions applicable to the Offering*”) from:

Danske Bank A/S
Holmens Kanal 2-12
1092 Copenhagen K
Denmark
Email: prospekter@danskebank.dk
Phone no. + 45 70 23 08 34 (requisition of the prospectus)

In addition, the Prospectus is available, subject to certain restrictions, on the Company’s website at www.aquaporin.com.

The distribution of this Prospectus and the offer or sale of the Offer Shares in certain jurisdictions is restricted by law. Persons possessing this Prospectus are required by the Company and the Global Coordinator to inform themselves about and to observe any restrictions. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offer Shares in any jurisdiction to any person to whom it would be unlawful to make such an offer in such jurisdiction.

5.7 Payment and settlement

The Shares and Temporary Purchase Certificates will be registered in book-entry form electronically with VP Securities, Weidekampsgade 14, 2300 Copenhagen S, Denmark. All Temporary Purchase Certificates and Shares are registered on accounts with account-holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own bank’s correspondent Danish bank as their account-holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Payment and settlement is expected to take place two business days after the announcement of the allocation (i.e., “**Settlement Date**”) by way of delivering Temporary Purchase Certificates under the temporary ISIN DK0061555299. The account-holding bank will normally send a statement to the name and address registered in VP Securities showing the number of Temporary Purchase Certificates representing the number of Offer Shares subscribed for or purchased by the investor unless otherwise agreed between the investor and the relevant account-holding bank. This statement also constitutes evidence of the investor’s holding.

Upon completion of the Offering and after payment for the Temporary Purchase Certificates representing Shares, the capital increase relating to the New Shares will be registered with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), which is expected to take place on the Settlement Date. Subject to completion of the Offering and registration of the New Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), the Temporary Purchase Certificates will automatically be exchanged in VP Securities for a corresponding number of Shares, which are expected to be delivered two business days after the Settlement Date under the permanent ISIN DK0061555109 in book-entry form to the holders of the Temporary Purchase Certificates’ respective accounts with VP Securities and through the facilities of Euroclear and Clearstream.

If the Offering is closed before 25 June 2021 (i.e., the closing of the Offer Period), the delivery of Temporary Purchase Certificates, the automatic exchange of Temporary Purchase Certificates for Shares and the first day of trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly, subject to agreement with Nasdaq Copenhagen.

The Offer Shares are expected to be delivered in book-entry form by way of Temporary Purchase Certificates through the facilities of VP Securities, Euroclear and Clearstream on or around 28 June 2021 against payment in immediately available funds in Danish kroner. If pricing and allocation of the Offering takes place before 25 June 2021, the first date of trading in and official listing of the Shares on Nasdaq Copenhagen and the date of payment and settlement may be brought forward accordingly.

All dealings in the Shares or the Temporary Purchase Certificates prior to settlement will be for the account of and at the sole risk of the parties involved.

Investors will not receive specific allocation information from the Company or the Selling Shareholders.

5.8 Publication of the result of the Offering

The result of the Offering will be announced through Nasdaq Copenhagen on or around 28 June 2021.

5.9 Pre-allotment information

See “—Section 5.2 *Reductions in order applications*.”

5.10 Pricing

The Offer Price is set at DKK 173 per Share.

5.11 Plan of distribution and allotments

As of the date hereof, the Company, the Selling Shareholders and the Global Coordinator have entered into an underwriting agreement (“**Underwriting Agreement**”) setting out the terms on which the offering of the Offer Shares will be conducted. Subject to certain conditions set forth in the Underwriting Agreement and the execution of an allocation agreement, the Company and the Selling Shareholders, severally but not jointly, will agree, respectively, to issue to or to sell to the subscribers and purchasers, as applicable, procured by the Global Coordinator or, failing which, to the Global Coordinator itself; and the Global Coordinator will agree to procure subscribers for and purchasers, as applicable, or failing such procurement, to subscribe for or purchase the total number of Offer Shares.

The Underwriting Agreement provides that the obligations of the Global Coordinator to procure subscribers for and purchasers, as applicable, or failing which, to purchase or subscribe itself for, the Offer Shares (excluding the Overallotment Shares), are subject to: (i) (receipt of opinions on certain legal matters from counsels; and (ii) certain other conditions, including receipt of auditor letters and reports and officer certificates. The Company and the Selling Shareholders have agreed to indemnify the Global Coordinator against certain losses and liabilities arising out of or in connection with the Offering.

The Underwriting Agreement provides that, upon the occurrence of certain events, such as o.a. any material adverse change to the Company’s business, any material breach of the Underwriting Agreement, and trading generally being suspended on Nasdaq Copenhagen, the Global Coordinator may terminate the Offering prior to completion of the Offering. All dealings in the Offer Shares or Temporary Purchase Certificates prior to delivery and settlement are at the sole risk of the parties concerned.

1,445,087 New Shares (corresponding to 50% of the Offer Shares assuming full exercise of the Overallotment Facility) will be reserved for allocation to the Cornerstone Investors.

In connection with the Offering, the Global Coordinator and any affiliates acting as investors for their own account may take up the Shares and in that capacity may retain, purchase or sell the Shares, for their own account and may offer or sell such securities otherwise than in connection with the Offering, in each case, in accordance with applicable law. 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 obligation to do so.

No action has been or will be taken in any jurisdiction other than Denmark that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

5.12 Overallotment information

In connection with the Offering, and pursuant to the Overallotment Facility, the Global Coordinator may elect to overallot a number of Shares equalling up to 15% of the aggregate number of Offer Shares allocated in the Offering (amounting to up to 377,168 Shares), and MGC is expected to, under the Share Lending Agreement, grant the Global Coordinator a right to borrow a corresponding number of Shares in order to facilitate such overallotments.

If the Overallotment Facility is utilized in full, the number of Shares placed in the Offering may amount to a maximum of 2,891,619 Offer Shares, assuming the maximum number of Offer Shares are sold.

In order to facilitate settlement of any borrowed Shares under the Share Lending Agreement MGC has granted the Global Coordinator a right, under the Overallotment Option, to acquire a number of existing Shares amounting up to the number of Overallotment Shares placed, at the Offer Price (“**Option Shares**”), exercisable in whole or in part, from the date of Admission until 30 calendar days thereafter. The maximum number of Option Shares that may be sold pursuant to the Overallotment Option will equal the number of Overallotment Shares.

To the extent that the Global Coordinator has overallotted Shares in the Offering, the Global Coordinator has created a short position in the Shares. Danske Bank A/S, as the Stabilizing Manager, may close out this short position by buying Shares in the open market through stabilization activities and/or by exercising the Over-allotment Option.

The stock exchange announcement with information on the results of the Offering expected to be published or 28 June 2021, will include information on whether the Global Coordinator has overallotted Shares in connection with the Offering. Any exercise of the Overallotment Option will be promptly announced in a stock exchange announcement through the information system of Nasdaq Copenhagen.

The Company and the Global Coordinator and Stabilizing Manager have agreed that of the net profit, if any, resulting from stabilisation activities conducted by the Stabilizing Manager, will be for the account of the MGC and the Global Coordinator on a 50/50 basis.

5.13 Admission to trading

An application has been made for the Temporary Purchase Certificates to be admitted to trading on Nasdaq Copenhagen under the symbol “AQP TEMP” and for the Shares to be admitted to trading and official listing under the symbol “AQP” on Nasdaq Copenhagen, which is a regulated market in accordance with the Prospectus Regulation. The Admission is subject to, among other things, (i) Nasdaq Copenhagen’s approval of the distribution of the Offer Shares representing at least 25% of the share capital and amongst at least 500 qualified investors each holding Shares with a value of at least EUR 500, (ii) the Offering not being withdrawn prior to the settlement of the Offering, and (iii) the Company making an announcement to that effect. Trading on Nasdaq Copenhagen of the Temporary Purchase Certificates will commence before the condition (ii) and (iii) are met and will be suspended if the Offering is not completed. Consequently, all dealings in the Offer Shares or the Temporary Purchase Certificates prior to settlement of the Offering, and the Company making an announcement to that effect, will be conditional on the Offering not being withdrawn prior to settlement of the Offering, and the Company making an announcement to that effect, and any such dealings will be for the account of, and at the sole risk of, the parties concerned.

The first day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 28 June 2021 under the temporary ISIN, and the last day of trading of the Temporary Purchase Certificates on Nasdaq Copenhagen is expected to be 30 June 2021. The Shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen under the permanent ISIN on 1 July 2021. If the Offering is closed before 25 June 2021, the Admission, the Settlement Date, the delivery of Temporary Purchase Certificates, the automatic exchange of Temporary Purchase Certificates for Shares and the first day of trading and official listing of the Shares on Nasdaq Copenhagen may be moved forward accordingly, subject to agreement with Nasdaq Copenhagen.

Subject to completion of the Offering and registration of the New Shares with the Danish Business Authority (in Danish: *Erhvervsstyrelsen*), the Temporary Purchase Certificates will automatically be exchanged in VP Securities for a corresponding number of Shares, which are expected to be delivered on 2 July 2021. In connection with the Temporary Purchase Certificates being automatically exchanged for Shares, the Temporary Purchase Certificates will cease to exist.

If the Offering is not completed, terminated or withdrawn, the Offering and any associated arrangements will lapse, all submitted orders will be automatically cancelled, any monies received in respect of the Offering will be returned to the investors without interest (less any transaction costs) and admission to trading and/or official listing of the Temporary Purchase Certificates and/or the Shares on Nasdaq Copenhagen will be cancelled and no Temporary Purchase Certificates or Offer Shares will be delivered to investors. Consequently, any trades in the Temporary Purchase Certificates

and/or Shares effected on or off the market before settlement of the Offering may subject investors to liability for not being able to deliver the Temporary Purchase Certificates and/or Shares sold, and investors who have sold or acquired Temporary Purchase Certificates and/or Shares on or off the market may incur a loss. All dealings in the Temporary Purchase Certificates and/or the Offer Shares prior to settlement of the Offering are for the account of, and at the sole risk of, the parties concerned.

5.14 Stabilization

In connection with the Offering, the Stabilizing Manager, or its agents, on behalf of the Global Coordinator, may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares for up to 30 calendar days from the commencement of trading in and official listing of the Shares on Nasdaq Copenhagen.

Specifically, the Global Coordinator may overallot Overallotment Shares or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail. Accordingly, the Stabilizing Manager may overallot Overallotment Shares by accepting offers to purchase a greater number of Offer Shares than for which they are obligated to procure subscribers for and purchasers, as applicable, under the Underwriting Agreement, creating a short position. A short sale is covered if the short position is no greater than the number of Offer Shares available for purchase by the Stabilizing Manager under the Overallotment Option. The Global Coordinator can close out a covered short sale by exercising the Overallotment Option or purchasing Shares in the open market. In determining the source of Shares to close out a covered short sale, the Global Coordinator will consider, among other things, the open market price of Shares compared to the price available under the Overallotment Option. See “—Section 5.12 Overallotment Information.”

The Stabilizing Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken. If undertaken, the Stabilizing Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30 calendar days' period mentioned above.

Any stabilization activities will be conducted in accordance with the rules as set out in art. 5(4) of the EU Market Abuse Regulation and chapter III of the supplemental rules set out in the Commission Delegated (EU) 2016/1052 of 8 March 2016 with regard to regulatory technical standards for the conditions applicable to buy-back programs and stabilization measures. No later than the end of the seventh trading day following the date of execution of any stabilization transactions, the Stabilization Manager shall ensure adequate public disclosure of the details of the stabilization transactions taken. Following the expiry of the 30-day period of price stabilization, the Stabilizing Manager will publish information as to whether or not price stabilization activities were undertaken. If stabilization activities were undertaken, the statement will also include information about: (a) the total amount of Shares sold and purchased; (b) the dates on which the stabilization period began and ended; (c) the price range between which stabilization was carried out, as well as the highest, lowest and average price paid during the stabilization period; and (d) the date at which stabilization activities last occurred. Save as required by law or regulation, the Stabilizing Manager does not intend to disclose the extent of any stabilization transactions under the Offering.

To the extent that there is stabilization profits rendered as a result of stabilization activity by the Stabilizing Manager and any non-exercise or partial exercise of the Overallotment Option, such profits shall be split 50/50 between the Global Coordinator and MGC that has facilitated the Overallotment Facility and the Overallotment Option.

The Company has not entered into a market maker agreement which shall apply after the stabilization period.

5.15 Lock-up

The Company has agreed with the Global Coordinator that the Company will not, except as set forth below, for a period of 180 days from Admission, without the prior written consent of the Global Coordinator, (i) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any of Shares or any securities convertible into or exercisable or exchangeable for Shares, (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, whether any such transaction described in (i) or (ii) above is to be settled by

delivery of Shares or such other securities, in cash or otherwise, or (iii) submit to the Company's shareholders a proposal to effect any of the foregoing. The foregoing shall not apply to (a) the issue of New Shares and (b) the grant and the transfer of Shares or share based instruments in connection with the terms of the Company's incentive programs and any capital increase in connection with the exercise of warrants described in this Prospectus.

The Main Selling Shareholders have agreed with the Global Coordinator that the Main Selling Shareholders will not, except as set forth below, for a period of 180 days from Admission, without the prior written consent of the Global Coordinator: (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any of the Shares, or any securities convertible into or exercisable or exchangeable for the Shares; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares, whether any such transactions described in clause (i) or (ii) above are to be settled by delivery of the Shares or such other securities, in cash or otherwise; or (iii) propose any general meeting of the Company, or convene or take action to convene any general meeting for the purpose of proposing, any resolution of the Company authorizing the issue of any shares or warrants to subscribe for shares, in each case, without the prior written consent of the Global Coordinator (such consent not to be unreasonably withheld or delayed). The foregoing will not apply to (i) the sale of the Offer Shares in the Offering; (ii) the lending of Shares under the Share Lending Agreement; (iii) the transfer of Shares to the direct or indirect shareholders or wholly owned subsidiaries of the Main Selling Shareholders in connection with or arising out of any dividend or other distribution, or any liquidation, dissolution, reorganization or other similar event affecting the Main Selling Shareholders or any of their respective affiliates; provided, however that if any such distribution or other event takes place during the 180 day lock-up period of the Main Selling Shareholders the restrictions set forth above shall apply to such shareholder of the Selling Shareholders receiving the Shares as part of any such distribution or other event; (iv) sale of subscription rights received in connection with a rights issue or other pre-emptive share offering by the Company (v) any disposal of Shares in accordance with any order made by a court of competent jurisdiction or required by law or regulation and (vii) any disposal of Shares pursuant to a general offer made to all holders of Shares in the Company made in accordance with takeover regulations on terms which treat all such holders alike.

In addition, the members of the Board of Directors and Executive Management have agreed with the Global Coordinator that, for a period of 360 days from Admission, they will be subject to materially the same lock-up restrictions as the Selling Shareholders set forth above in respect of any Shares held in the Company as of the date of this Prospectus. In addition to the exceptions set out above, the lock-up obligations agreed by the members of the Board of Directors and Executive Management, will not apply to (i) the transfer of any or all of the Shares to a spouse, child or any legal entity over which a member of the Board of Directors or Executive Management who holds Shares in the Company alone or together with any other related party has or have a controlling influence, (ii) the transfer of any or all of the Shares as a result of death, disability or an interruption in employment for a continuous period of not less than 16 weeks due to disability or illness; (iii) the pledge of any Shares to or in favour of a financial institution for such amount as was borrowed from such financial institution to finance the purchase of Shares, subject to certain restrictions; (iv) any disposal of Shares pursuant to a general offer made to all holders of Shares in the Company made in accordance with takeover regulations on terms which treat all such holders alike; (vi) any transfer of Shares occurring after termination of the employment by the Company or resignation of such member of Executive Management; (vii) the transfer of any and all Shares whose proceeds will be used in their entirety to fund the fees incurred with a sale of Shares or the exercise of existing warrants; (viii) any sale of Shares made with a view to settle, directly or indirectly, any tax liabilities arising as a result of (a) the sale of Shares allowed under these exemptions; (b) the exercise of existing warrants in the Company; or (c) mark-to-market taxation; provided, however, with respect to (i), that the transferring party procures the transferee to execute an undertaking of adherence with respect to the Shares containing the same lock-up terms.

For the aggregate number of Shares subject to the lock-up undertaking, see "*Part III—Section 16.5 Shareholders*".

5.16 Jurisdictions in which the Offering will be announced and restrictions applicable to the Offering

5.16.1 General

The Offering consist of (i) a public offering to retail and institutional investors in Denmark and (ii) private placements to institutional investors, and, potentially a limited number of other investors in the rest of the world outside the United States in compliance with Regulation S.

No action has been or will be taken in Denmark or in any country or jurisdiction by the Company that would or is intended to permit a public offering of the Shares or the possession, circulation or distribution of this Prospectus or any other offering material relating to the Company or the Shares offered hereby in any jurisdiction where action for any such purpose may be required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other material or advertisements made public in connection with the Offering may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

5.16.2 United States

The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold outside the United States in compliance with Regulation S.

5.16.3 European Economic Area restrictions

In relation to each Relevant State, no shares have been offered or will be offered to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Offer Shares at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Global Coordinator for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company or the Global Coordinator to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

5.16.4 United Kingdom restrictions

No Offer Shares, have been offered or will be offered pursuant to the Offering to the public in the United Kingdom, except that the Offer Shares may be offered to the public in the United Kingdom at any time: (a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK Prospectus Regulation**”); (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Global Coordinator for any such offer; or (c) in any other circumstances falling within Section 86 of the UK Financial Services and Markets Act 2000; provided that no such offer of the Offer Shares, shall require the Company or the Global Coordinator to publish a prospectus

pursuant to Section 85 of the UK Financial Services and Markets Act 2000 or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Offer Shares.

In the United Kingdom, this Prospectus is being distributed only to, and is directed only at, and any offer in relation to any Offer Shares is only directed at, persons who are: (A) "qualified investors" (as defined in Article 2(e) of the UK Prospectus Regulation) and who are also: (B) (i) persons having professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order; and/or (iii) persons to whom it may otherwise lawfully be communicated under the Order (all such persons together being referred to as "**Relevant Persons**"). This Prospectus must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, Relevant Persons. Any person in the United Kingdom who participates in the Offering will be deemed to have represented, warranted and acknowledged to the Company and the Global Coordinator that: (i) it is a Relevant Person (as defined above) and undertakes that it will purchase or subscribe for, hold, manage or dispose of any Offer Shares that are allocated to it for the purposes of its business; (ii) it is purchasing or subscribing for the Offer Shares for its own account or is purchasing or subscribing for the Offer Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties and acknowledgements contained herein; and (iii) if it is a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, that any Offer Shares purchased or subscribed for by it in the Offering will not be subscribed for on a non-discretionary basis on behalf of, nor will they be purchased or subscribed for with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale in the United Kingdom or a member state of the EEA to "qualified investors" (as defined in Article 2(e) of the UK Prospectus Regulation or the Prospectus Regulation, as applicable), or in circumstances in which the prior consent of the Global Coordinator has been given to each such proposed offer or resale.

6. Expense of the Offering

The Company estimates that the net proceeds from the Offering, after deducting estimated underwriting commissions and estimated offering expenses payable by the Company, to be approximately DKK 215 million. These estimates are based on the Offer Price and assume the maximum number of Offer Shares are sold in the Offering.

Neither the Company, the Selling Shareholders nor the Global Coordinator will charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account keeping financial institution.

The total expenses in relation to the Admission and Offering payable by the Company are estimated to be approximately DKK 35 million. In addition, certain expenses in relation to the Offering, including commission and fees to be paid to the Global Coordinator, are payable by the Selling Shareholders based on the number of Offer Shares that are sold on their behalf in the Offering.

Further, the Company and the Selling Shareholders have agreed to pay a selling commission to account-holding banks (unless such account-holding bank is the Global Coordinator) equivalent to 0.25% of the Offer Price of the Offer Shares that are allocated in respect of orders of up to and including DKK 3 million submitted through the account-holding banks (except for the Global Coordinator) to be paid by the Company or the Selling Shareholders based on the number of Offer Shares that are sold and subscribed for.

7. Dilution

The existing Shares issued and outstanding as of the date hereof and prior to completion of the Offering will be diluted in connection with the Offering by the issuance of 1,445,087 New Shares,

corresponding to a nominal value of DKK 1,445,087. Following completion of the Offering, the New Shares issued and outstanding will represent 14.4% of the Company's share capital at the time of completion of the Offering, assuming full subscription for all New Shares issued in connection with the Offering and that no warrants are exercised prior hereto other than the 155,000 warrants already conditionally exercised by the Other Selling Shareholders.

The Company's net asset value as at 31 March 2021 was 91,325 thousand or approximately 11.1 per Share. The net asset value per existing Share prior to the Offering is determined by dividing the net asset value by the total number of existing Shares prior to the Offering at the aforementioned date.

8. Additional information

- Financial advisor to the Company: Danske Bank A/S
- Legal advisor to the Company: Gorrisen Federspiel Advokatpartnerselskab
- Auditors to the Company: PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab,
- Legal advisor to the Global Coordinator: Plesner Advokatpartnerselskab

PART V—GLOSSARY

(1935/2004/EC)	Regulation (EC) No 1935/2004 of the European Parliament and of the Council of 27 October 2004 on materials and articles intended to come into contact with food and repealing Directives 80/590/EEC and 89/109/EEC
Admission	Admission of the Company's Temporary Purchase Certificates to trading on Nasdaq Copenhagen
Articles of Association	The Articles of Association of the Company proposed adopted at the General Meeting
Audit Committee	The audit committee of the Company
Auditors	PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab, Strandvejen 44, 2900 Hellerup, Denmark
Board of Directors	The Board of Directors of the Company at any given time
BWRO	Brackish water type reverse osmosis
Chairman	The chairman of the Board of Directors
CEO:	Chief executive officer of the Company
CFO	Chief financial officer of the Company
CMO	Contract manufacturer
COO	Chief operating officer of the Company
Company	Aquaporin A/S
Cornerstone Agreements	The cornerstone agreements entered into between Company, the Global Coordinator and each of the Cornerstone Investors prior to the date of the Prospectus
Cornerstone Investors	Each of Topsøe Holding A/S, Claus Christiansen, MEE Holding ApS, Spar Nord Bank A/S, M. Goldschmidt Capital A/S, and VP Capital N.V.
Cornerstone Shares	1,445,087 New Shares, equal to a total purchase price amount of DKK 250 million.
Corporate Governance Recommendations	Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued in December 2020
Danica	Danica Pension, Livsforsikringsaktieselskab
Danish Business Authority	<i>Erhvervsstyrelsen</i> (In Danish)
Danish Capital Markets Act	the Danish Consolidated Act on Capital Markets no. 1767 as of 27 November 2020, as amended (in Danish “Kapitalmarkedsloven”)
Danish Companies Act	Consolidated Act no. 1767 of 27 November 2020 on limited liability companies, as amended (in Danish “Selskabsloven”)
Danish Executive Order on Major Shareholders	Executive Order no. 1172 of 31 October 2017 on major shareholders
Danish Executive Order on Takeover Bids	Executive Order no. 636 of 15 May 2020 on takeover bids
Danish FSA	The Danish Financial Supervisory Authority, (in Danish “Finanstilsynet”)
Danske Bank	Danske Bank A/S
Deputy CEO and CCO	Deputy CEO and chief commercial officer of the Company
Deputy Chairman	The deputy chairman of the Board of Directors
DKK	Danish Kroner

Draw solution	A high saline solution that creates an osmotic pressure difference which induces water to flow from the feed solution through a membrane
DWRO	Drinking water reverse osmosis
EEA	European Economic Area
EU	The European Union
EUR	The euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community.
Executive Management . . .	The executive management of the Company at any given time
FDA	The U.S. Food and Drug Administration
Forward Osmosis	A water separation process in which a semipermeable membrane is used to separate water from dissolved solutes and natural energy in the form of osmotic pressure is used to transport water through the membrane while retaining the dissolved solutes on the other side.
FY	Financial Year
Global Coordinator	Danske Bank
Group	Aquaporin A/S, including its wholly owned subsidiaries
Hollow Fiber Forward Osmosis	Forward osmosis membranes in the hollow fiber configuration, i.e. thin straws coated with a rejection layer. The Company's HFFO products have a coating containing aquaporin proteins on the inside of the straw
IFRS	International Financial Reporting Standards as adopted by the European Union
Interim Financial Statements	Condensed consolidated interim financial statements / or 1 January 2021 to 31 March 2021 in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.
ISIN	International Security Identification Number
Kg-scale	Producing kilograms of a product.
Main Selling Shareholders	MGC and Danica.
Major Shareholders	The shareholders mentioned in the CVR register who hold above 5% of the share capital of the Company
MGC	M. Goldschmidt Capital A/S
Nasdaq Copenhagen . . .	Nasdaq Copenhagen A/S, company reg. no. 19042677
Nasdaq Issuer Rules . . .	The Nordic Main Market Rulebook for Issuers of Shares on Nasdaq Copenhagen of 1 February 2021
New Shares	1,445,087 Shares (which will be delivered by way of Temporary Purchase Certificates representing such New Shares until being exchanged for a corresponding number of Shares).
Nomination Committee . . .	The nomination committee of the Company
Offering	The initial public offering of the Offer Shares by the Company
Offer Period	The offer period will commence on 14 June 2021 and will close no later than 25 June 2021 at 11:00 a.m. (CET).
Offer Price	The price at which the Offer Shares will be sold ("Offer Price") will be DKK 173 per Offer Share.
Offer Shares	New Shares and up to 1,069,364 Shares offered by the Selling Shareholders, which will be delivered by way of Temporary Purchase Certificates representing the Offer Shares until being exchanged for a corresponding number of Shares.

Option Shares	The Main Selling Shareholders have granted an option to the Global Coordinator, exercisable in whole or in part by the Stabilizing Manager, to purchase additional Shares in the Company at the Offer Price. The number of Option Shares may not exceed 15% of the Offer Shares, and will accordingly be up to 377,168 Shares
Overallotment Option . . .	The option granted by MGC to acquire a number of existing Shares amounting up to the number of Overallotment Shares placed, at the Offer Price, exercisable, in whole or in part, from the date of Admission until 30 calendar days thereafter.
Osmosis	The spontaneous passage or diffusion of water or other solvents through a semipermeable membrane.
Other Selling Shareholders	The Company's CEO, Peter Holme Jensen, the CFO, Bo Karmark, and board member, Lars Hansen
Prospectus	The Prospectus, which has been approved by the Danish FSA
Prospectus Regulation . .	Regulation (EU) no. 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended
Public Private Partnerships	Publicly supported innovation projects, such as Horizon 2020.
R&D	Research and development
Remuneration Committee	The Company's remuneration committee
Reverse osmosis	Reverse osmosis is a membrane process that uses a semipermeable membrane to remove ions, molecules, and larger particles from the feed water. In reverse osmosis, the water is forced through the membrane using hydraulic pressure to overcome the natural osmotic pressure leaving impurities behind.
Selling Shareholders	The Main Selling Shareholders and the Other Selling Shareholders
Settlement Date	The date of payment for and settlement of the Offer Shares by way of delivery of Temporary Purchase Certificates expected to take place on or around 30 June 2021.
Shareholders' Agreement	The shareholders' agreement dated 29 January 2015 among the shareholders of the Company and the Company.
Shares	The outstanding shares of the Company at any given time.
Temporary Purchase Certificates	The temporary purchase certificates representing the Offer Shares from Admission until automatic exchange for a corresponding number of Shares
Stabilizing Manager	Danske Bank A/S
SWRO	Saltwater reverse osmosis
TDS	Total dissolved solids
TSS	Total suspended solids
Underwriting Agreement . .	The underwriting agreement entered into between Company, the Selling Shareholders and the Global Coordinator on 14 June 2021.
U.S. or United States . . .	United States of America
USD	United States Dollars
VP Securities	VP Securities A/S, a Danish limited liability company with company registration no. 21599336
Zero liquid discharge . . .	Zero liquid discharge systems are systems where all wastewater is cleaned and recycled

FINANCIAL INFORMATION
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**Condensed Consolidated Interim Financial Statements as at and for the three months
ended 31 March 2021 (unaudited)**

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Management Statement on the Interim Statement

The Board of Directors and the Executive Board have considered and approved the interim financial report of Aquaporin A/S for the period 1 January to 31 March 2021.

The interim financial report for the period 1 January–31 March 2021 has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the interim financial report are consistent with those accounting policies used in Aquaporin A/S' 2020 Annual Report.

In our opinion, the interim condensed consolidated financial statements give a true and fair view of Aquaporin A/S' assets, liabilities, and financial position at March 31 2021 and of the results of its operations and cash flows for the period 1 January to 31 March 2021.

Copenhagen, 14 June 2021

Board of Directors

Niels Heering
Chairman

Søren Bjørn Hansen
Deputy Chairman

Anne Broeng
Board Member

Jianwen Cai
Board Member

Jens Denkov
Board Member

Lars Hansen
Board Member

Michael Frank
Board Member

Weiming Jiang
Board Member

Executive Management

Peter Holme Jensen
CEO

Bo Karmark
CFO

Maciej Boczkowski
Deputy CEO and CCO

Joerg Hess
COO

The Independent Auditor's Review Report on Condensed Consolidated Interim Financial Statements

To the Shareholders of Aquaporin A/S

We have reviewed the condensed consolidated interim financial statements of Aquaporin A/S for the period 1 January 2021–31 March 2021 comprising consolidated statements of profit and loss and comprehensive income, consolidated balance sheet, statement of changes in equity and cash flow statement as well as selected explanatory notes.

Management's Responsibility for the Condensed Consolidated Interim Financial Statements

Management is responsible for the preparation of condensed consolidated interim financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with ethical requirements.

A review of interim financial statements in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on the condensed consolidated interim financial statements.

Other Matter

Please note that the comparative figures for Q1 2020 stated in the condensed consolidated interim financial statements have not been subject to review.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared in all material respects in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

Copenhagen, 14 June 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-no. 33 77 12 31

Gert Fisker Tomczyk
State Authorised Public Accountant
mne9777

René Otto Poulsen
State Authorised Public Accountant
mne26718

Financial Highlights and Key figures

DKK thousand	Q1 2021	Q1 2020*
Income statement		
Product sales	2,221	789
Strategic Commercial Partnerships	—	—
Total net revenue	2,221	789
Sales and distribution costs	6,726	5,148
Research and development costs	13,478	14,793
Administrative costs	3,047	4,000
EBITDA	(18,306)	(19,582)
Operating profit (EBIT)	(22,638)	(23,481)
Net financial items	(1,128)	(642)
Result for the period	(23,767)	(24,123)
Balance sheet	31.03.21	31.12.20
Total non-current assets	211,866	214,017
Total current assets	25,970	32,799
Total assets	237,836	246,816
Equity	91,325	107,322
Total liabilities	146,511	139,494
Cash flow	Q1 2021	Q1 2020
Cash flow from operating activities	(18,051)	(19,722)
Cash flow from investment activities	(2,553)	(4,906)
–Investments in intangible assets	(1,631)	(3,295)
–Investments in tangible assets	(918)	(1,684)
Cash flow from financing activities	19,691	24,320
Key ratios		
Equity share ⁽¹⁾	38%	43%
Earnings per share ⁽²⁾	(3)	(3)
Diluted earnings per share ⁽³⁾	(3)	(3)
Average number of FTE's	74	90

(1) Equity share is calculated as the equity divided by the total assets as of the balance sheet date.

(2) Earnings per share is calculated as the net result for the period divided by the total nominal number of shares as of the balance sheet date.

(3) Diluted earnings per share is calculated as the net result for the period divided by the weighted-average number of ordinary shares outstanding during the period adjusted by the dilutive effect of warrants

Key figures and ratios are defined and calculated in accordance with applied accounting policies.

* Comparatives throughout the report as regards Q1 2020 and 31 March 2020 have not been subject to review by the auditor

Consolidated Interim Statement of Profit and Loss

DKK thousand	Notes	Three months period ended 31 March 2021	Three months period ended 31 March 2020*
Net revenue	4	2,221	789
Cost of goods sold		(1,608)	(329)
Gross profit		613	460
Sales and marketing costs		(6,726)	(5,148)
Research and development costs		(13,478)	(14,793)
Administrative costs		(3,047)	(4,000)
Operating profit		(22,638)	(23,481)
Finance income		126	78
Finance costs		(1,254)	(720)
Earnings before income tax		(23,766)	(24,123)
Income tax		(1)	—
Earnings for the period		(23,767)	(24,123)
Earnings per share in DKK			
Earnings per share		(3)	(3)
Diluted earnings per share		(3)	(3)

Consolidated statement of comprehensive income

DKK thousand		Three months period ended 31 March 2021	Three months period ended 31 March 2020
Earnings for the period		(23,767)	(24,123)
Other comprehensive income			
<i>Items that can be reclassified to profit and loss:</i>			
Exchange differences regarding foreign operations		241	(193)
Other comprehensive income for the period, net of tax		241	(193)
Total comprehensive income for the period		(23,526)	(24,316)

* Comparatives throughout the report as regards Q1 2020 and 31 March 2020 have not been subject to review by the auditor

Consolidated Interim Balance Sheet

DKK thousand	Notes	As at 31.03.21	As at 31.12.20	As at 31.03.20*
Know-how		2,899	2,899	2,899
Development projects	5	83,512	83,337	78,688
Intangible assets		86,411	86,236	81,587
Plant and machinery		46,833	47,940	51,533
Right-of-use assets		51,538	52,432	55,294
Other equipment		3,767	3,777	4,398
Leasehold improvements		19,491	19,882	20,959
Tangible assets		121,629	124,031	132,184
Investments in associates		1,717	1,649	1,671
Financial assets		1,717	1,649	1,671
Deposits		2,109	2,101	2,146
Deferred tax assets		—	—	39,239
Other non-current assets		2,109	2,101	41,385
Total non-current assets		211,866	214,017	256,827
Inventories		17,606	16,565	18,842
Trade receivables		1,520	3,131	264
Other receivables		5,338	4,918	4,709
Income tax receivables		4	5,504	5,504
Prepayments		897	1,177	573
Current assets		25,365	31,295	29,892
Cash and cash equivalents		605	1,504	1,055
Total current assets		25,970	32,799	30,947
Total assets		237,836	246,816	287,774

* Comparatives throughout the report as regards Q1 2020 and 31 March 2020 have not been subject to review by the auditor

Consolidated Interim Balance Sheet (continued)

DKK thousand	Notes	As at 31.03.21	As at 31.12.20	As at 31.03.20*
Share capital		8,237	8,174	7,948
Retained earnings		31,821	49,015	116,545
Reserve for exchange rate transactions		665	424	477
Reserve for share-based payments		10,771	10,600	10,618
Other reserves		39,831	39,109	31,987
Capital and reserves attributable to owners of Aquaporin A/S		91,325	107,322	167,575
Lease liability		53,308	53,809	55,407
Other payables		3,483	3,483	1,214
Total non-current liabilities		56,791	57,292	56,621
Lease liability		2,976	3,093	3,338
Trade payables		3,663	2,659	3,446
Other payables		11,366	12,066	10,653
Other liabilities		35,500	35,749	31,984
Borrowings		36,104	28,635	14,157
Contract liabilities		111	—	—
Total current liabilities		89,720	82,202	63,578
Total liabilities		146,511	139,494	120,199
Total equity and liabilities		237,836	246,816	287,774

* Comparatives throughout the report as regards Q1 2020 and 31 March 2020 have not been subject to review by the auditor

	Notes
Contingent liabilities	6
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Consolidated Interim Statement of changes in equity

DKK thousand	Share capital	Retained earnings	Reserve for exchange rate translation	Reserve for sharebased payment	Other reserves	Total equity
Balance at 31.12.2019 hereafter	7,789	115,610	670	10,380	29,613	164,062
Profit/Loss for the period	—	(26,497)	—	—	2,374	(24,123)
Other comprehensive income	—	—	(193)	—	—	(193)
Total comprehensive income for the period	—	(26,497)	(193)	—	2,374	(24,316)
<i>Transactions with owners in their capacity as owners</i>						
Increase in share capital	159	27,432	—	—	—	27,591
Share-based payment	—	—	—	238	—	238
Balance at 31.03.2020	7,948	116,545	477	10,618	31,987	167,575
Balance at 31.12.2020 hereafter	8,174	49,015	424	10,600	39,109	107,322
Profit/Loss for the period	—	(24,489)	—	—	722	(23,767)
Other comprehensive income	—	—	241	—	—	241
Total comprehensive income for the period	—	(24,489)	241	—	722	(23,526)
<i>Transactions with owners in their capacity as owners</i>						
Increase in share capital	63	7,437	—	—	—	7,500
Capital increase costs	—	(142)	—	—	—	(142)
Share-based payment	—	—	—	171	—	171
Balance at 31.03.2021	8,237	31,821	665	10,771	39,831	91,325

* Comparatives throughout the report as regards Q1 2020 and 31 March 2020 have not been subject to review by the auditor

Consolidated Interim Statement of Cash flow

DKK thousand	Three months period ended 31 March 2021	Three months period ended 31 March 2020*
Earnings before tax	(23,766)	(24,123)
Reversal of financial items	1,128	642
Depreciations and amortizations	4,332	3,899
Non-cash items	246	1,331
Change in net working capital	596	(1,249)
Cash flow from primary operating activities	(17,464)	(19,500)
Paid interests and other financial expenses	(587)	(222)
Cash flow from operating activities	(18,051)	(19,722)
Investments in non-current assets	(2,553)	(4,906)
Cash flow from investing activities	(2,553)	(4,906)
External financing	7,469	(2,637)
Proceed from sale of tax receivable	5,367	—
Repayment of lease liabilities	(645)	(872)
Capital injections	7,500	27,829
Cash flow from financing activities	19,691	24,320
Net cash flow for the period	(913)	(308)
Cash and cash equivalents, beginning of the year	1,504	1,382
Foreign exchange adjustment of cash and cash equivalents	14	(19)
Cash and cash equivalents, end of the period	605	1,055

* Comparatives throughout the report as regards Q1 2020 and 31 March 2020 have not been subject to review by the auditor

Notes to the interim statement

Note 1—Basis of preparation of the interim statement

The interim condensed consolidated financial statements of Aquaporin A/S ("the Company") have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and as adopted by EU. The interim condensed consolidated financial statements are presented in Danish kroner (DKK) which is also the functional currency of the parent company.

The accounting policies used in the interim condensed consolidated financial statements are consistent with those used in the Company's Annual report for the year ended December 31, 2020.

Note 2—Changes in accounting estimates

In connection with the preparation of the interim statement, the management makes accounting estimates, assessments and assumptions which form the basis of the presentation, recognition and measurement of the group's assets and liabilities for accounting purposes. There are no changes in the estimates or assessments reported in the annual report for 2020.

Note 3—Segment information

The group has the revenue divided into three main segments: the drinking water segment, the industrial water segment, and the food and beverage segment, as each of these segments relate to the sale of various products. No other structural or organizational aspects allow for a different division of earnings from individual products due to the fact that sales channels, customer types and sales organizations are identical for all important markets. Furthermore, production processes and internal controls and reporting are identical, which means that, with the exception of revenue, no other line items are required to be segmented.

Note 4—Net revenue

Revenue

DKK thousand	Three months period ended 31 March 2021	Three months period ended 31 March 2020
Drinking Water	1,454	51
Industrial Water	699	738
Food and Beverage	68	—
	2,221	789

Note 5—Intangible assets

Since 1 January 2021, intangible assets have increased by a net amount of DKK 0.2 million to DKK 86.4 million. The increase is driven by investments in ongoing development projects, which mainly comprise products within the industrial water and food & beverage segments.

Note 6—Contingent liabilities

Warrant obligation in regards to the products covers a period of 12 months or shelf life of the objects whichever period expires first. Liability is recognized on behalf of this warrant.

There are no pending court and arbitration cases or other contingent liabilities.

Note 7—Related party transactions

Aquaporin A/S has had the following transactions and balances with related parties:

DKK thousand	Three months period ended 31 March 2021	Three months period ended 31 March 2020
Short-term lease costs to related parties	9	6
Trade payables to related parties	4	—
Finance costs	133	—

In Q1 2021 Aquaporin A/S has disposed tax receivables nominal DKK 5.5 million to a related party from which finance cost occurred. The receivables were disposed at index 97.6.

Note 8—Events after the balance sheet date

We secured additional funding in Q2 2021 amounting to DKK 25.2 million related to exercise of warrants. Additionally, the credit facility was extended to 30 June 2022. Further, Deputy CEO & Chief Commercial Officer Matt Boczkowski and Chief Operating Officer Joerg Hess became registered members of the Executive Board.

Besides the above the management is not aware of other events of importance to the interim statement, which have occurred after the balance sheet date.

Annex A—Articles of association

1 Name and objects

1.1 The Company's name is Aquaporin A/S.

1.2 The objectives of the Company are to engage in research, development, production, marketing, sales and/or licensing or other related activities, including, but not limited to, with respect to selective membranes and systems for filtration of solutions. The Company may participate with capital in other enterprises and partnerships or co-operate with other businesses in situations where this, in the opinion of the Board of Directors, may contribute towards promoting the objectives of the Company.

2 Share capital and shares

2.1 The Company's nominal share capital is DKK 8,447,214 divided into shares of DKK 1 each or multiples thereof.

2.2 The share capital has been fully paid up.

2.3 The shares shall be issued in the name of the holder and shall be recorded in the name of the holder in the Company's register of shareholders.

2.4 The register of shareholders is kept by Computershare A/S, CVR no. 27 08 88 99.

2.5 The shares are negotiable instruments. No restrictions shall apply to the transferability of the shares.

2.6 No shares shall carry special rights.

2.7 No shareholder shall be under an obligation to have his/her shares redeemed in full or in part by the Company or by any third party.

2.8 The shares are registered with and issued in dematerialised form through VP SECURITIES A/S, CVR no. 21 59 93 36. Dividend is paid out through VP SECURITIES A/S. Rights concerning the shares shall be notified to VP SECURITIES A/S in accordance with applicable rules.

3 Increase of share capital

3.1 At an extraordinary general meeting with effect on 8 February 2021 it was resolved to authorise the board of directors to increase the share capital of the Company on one or several occasions in the period until and including 31 January 2023 by up to a total nominal amount of DKK 1,635,000 without pre-emptive rights for all the shareholders of the Company. This does not rule out that new shares are subscribed for by some of the shareholders of the Company. The subscription shall take place by cash payment at market price determined by the board of directors and shall be at a minimum of DKK 173 per nominally DKK 1.00 share (corresponding to DKK 17,300 per nominally DKK 100 shares).

3.2 In the period until 30 May 2026, the Board of Directors is authorised to increase the Company's share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 1,800,000. The capital increase shall take place at or above market price and may be effected by cash payment, conversion of debt or by contribution of assets other than cash.

3.3 In the period until 30 May 2026, the Board of Directors is authorised to increase the Company's share capital in one or more issues of new shares with pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 1,800,000. The Capital increase may be effected by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

3.4 In the period until 30 May 2026, the Board of Directors is authorised to increase the Company's share capital in one or more issues of new shares without pre-emption rights for the Company's existing shareholders by up to a nominal amount of DKK 300,000 in connection with the issue of new shares to members of the Executive Management and/or employees of the Company and/or of the Company's subsidiaries. The capital increase

shall take place by cash payment at a subscription price to be determined by the Board of Directors, which may be below market price.

3.5 The capital increases that the board of directors are authorised to carry out pursuant to Articles 3.2 and 3.3 may not exceed a nominal amount of DKK 1,800,000, and the capital increases that the board of directors are authorised to carry out pursuant to Articles 3.4 and 4.15 may not exceed a nominal amount of DKK 500,000.

3.6 New shares issued pursuant to Articles 3.1, 3.2, 3.3 and 3.4 shall be paid in full, shall be issued in the name of the holder, shall be recorded in the name of the holder in the Company's register of shareholders, shall be negotiable instruments and shall in every respect carry the same rights as the existing shares. The Board of Directors is authorised to lay down the terms and conditions for capital increases pursuant to the above authorisations and to make any such amendments to the Company's Articles of Association as may be required as a result of the Board of Directors' exercise of said authorisations.

4 Warrants

4.1-4.8(d) [Intentionally left blank]

4.8.e It was resolved at the extraordinary general meeting in the Company on 26 September 2014 to issue a total of 125,000 warrants, each entitling the holder to subscribe one share of a nominal value of DKK 1.00 in the Company at a price of DKK 20 per share of a nominal value of DKK 1.00, to the Company's executive officer, and the general meeting resolved at the same time to increase the capital accordingly. The resolution by the general meeting on the terms of the issued warrants and the capital increase in this connection is attached hereto as Appendix 4.8.e and forms an integral part of these Articles of Association. No separate consideration has been paid for the warrants.

4.9 At the general meeting on 16 January 2014, it was resolved to authorise the board of directors to issue warrants on one or several occasions by up to a total capital increase of nominally DKK 50,000 and to make a cash increase of the capital in this connection. According to the authorisation, warrants may be issued to the Company's employees, including the executive board. Warrants may also be allotted to companies in which the employee in question owns all shares and voting rights. The issuing of warrants and the increases of the capital in this connection will take place without pre-emption rights for the existing shareholders. The price on exercise of warrants is fixed by the board of directors and may be lower than the market price. The board of directors will lay down the other conditions of the warrants, including term etc. The authorisation in this article 4.9 will expire on 15 January 2019.

For shares issued as a consequence of exercise of the warrants issued under this article 4.9, the following will apply:

- (a) that the shares do not confer special rights on any shareholder;
- (b) that the shares are non-negotiable instruments;
- (c) that the shares are registered shares;
- (d) that restrictions apply to the negotiability of the new shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (e) that the shares entitle the holder to dividends and other rights in the Company from the time of the registration of the capital increase with the Danish Business Authority.

4.9.a [Intentionally left blank]

4.9.b On 29 September 2014, the board of directors resolved—on the basis of an authorisation resolved by the general meeting on 16 January 2014, see article 4.9—to issue a total of 13,000 warrants, each entitling the holder to subscribe one share of a nominal value of DKK 1.00 in the Company for one or more employees, and the board of directors resolved at the same time to increase the capital accordingly. The complete terms of the warrants are attached hereto as Appendix 4.9.b and form an integral part of these Articles of

Association. No separate consideration has been paid for the warrants. As of 29 September, 27,000 warrants thus remain according to the authorisation stated in article 4.9.

As of On 18 June 2015, 1,500 of the warrants mentioned in this article 4.9.b were exercised to acquire nominally DKK 1,500 shares in the Company, and the Company's share capital, see article 4.1, was increased correspondingly.

4.10 At the general meeting on 26 September 2014, it was resolved to authorise the board of directors to issue warrants on one or several occasions by up to a total capital increase of nominally DKK 30,000 and to make a cash increase of the capital in this connection. According to the authorisation, warrants may be issued to the Company's employees, including the executive board. Warrants may also be allotted to companies in which the employee in question owns all shares and voting rights. The issuing of warrants and the increases of the capital in this connection will take place without pre-emption rights for the existing shareholders. The price on exercise of warrants is fixed by the board of directors and may be lower than the market price. The board of directors will lay down the other conditions of the warrants, including term etc. The authorisation in this article 4.10 will expire on 26 September 2019.

For shares issued as a consequence of exercise of the warrants issued under this article 4.10, the following will apply:

- (a) that the shares do not confer special rights on any shareholder;
- (b) that the shares are non-negotiable instruments;
- (c) that the shares are registered shares;
- (d) that restrictions apply to the negotiability of the new shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (e) that the shares entitle the holder to dividends and other rights in the Company from the time of the registration of the capital increase with the Danish Business Authority.

4.10.a On 26 September 2014, the board of directors resolved—on the basis of an authorisation resolved by the general meeting on 26 September 2014, see article 4.10—to issue a total of 30,000 warrants, each entitling the holder to subscribe one share of a nominal value of DKK 1.00 in the Company for one or more employees, and the board of directors resolved at the same time to increase the capital accordingly. The complete terms of the warrants and the capital increase are attached hereto as Appendix 4.10.a and form an integral part of these Articles of Association. No separate consideration has been paid for the warrants. As of 26 September 2014, no warrants thus remain according to the authorisation stated in article 4.10.

4.11 At the extraordinary general meeting in the Company held on 19 December 2014, it was resolved to issue a total of 106,932 share options ("share options" or "warrants"), each entitling the holder to subscribe one share of nominally DKK 1,00 in the Company at a price of 3,000 equalling DKK 30 per share of nominally DKK 1.00, to certain new investors in the Company, and the general meeting resolved at the same time to carry out a capital increase in this connection. The general meeting's resolution as to the terms of the issued warrants and the related capital increase has been recorded as Appendix 4.11 and is an integral part of these articles of association. No separate consideration has been paid for the warrants.

4.12 At the general meeting on 16 December 2015, it was resolved to authorise the board of directors to issue up to a total of 150,000 warrants on one or several occasions entitling the holder to subscribe and on or several occasions to carry out the cash increase of the Company's capital in this connection by up to a nominal value of DKK 150,000 (adjusted, if required, as a consequence of changes in the Company's capital structure as laid down in the terms of the warrants issued).

According to the authorisation, warrants may be issued to the employees, including the executive board, in the Company or the Company's subsidiaries, including Aquaporin Asia

Pte Ltd. In addition, up to 15,000 of the 150,000 warrants in total may be issued to the board member Lars Hansen. Warrants may also be allotted to companies in which the employee or board member in question owns all shares and voting rights.

The issuing of warrants and the increases of the capital in this connection will take place without pre-emption rights for the existing shareholders. The price on exercise of warrants is fixed by the board of directors and may be lower than the market price, but not lower than a price equalling the equivalent in Danish kroner of USD 18,0938 per nominally DKK 1 share (based on the exchange rate published by the Danish central bank, Danmarks Nationalbank, at the latest banking day before the date of the board of directors' resolution to issue the warrants) with the changes resulting from adjustments (if any) caused by changes in the Company's capital structure as laid down in the terms of the warrants issued. The board of directors will lay down the other conditions of the warrants, including term etc. The authorisation in this article 4.12 will expire on 15 December 2020.

For shares issued as a consequence of exercise of the warrants issued under this article 4.12, the following will apply:

- (a) that the shares do not confer special rights on any shareholder;
- (b) that the shares are non-negotiable instruments;
- (c) that the shares are registered shares;
- (d) that restrictions apply to the negotiability of the new shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (e) that the shares entitle the holder to dividends and other rights in the Company from the time of the registration of the capital increase with the Danish Business Authority.

4.12.a On 8 September 2016 (the "date of the Board Resolution"), the board of directors resolved to fully exercise the authority granted to the board of directors at the general meeting held on 16 December 2015, cf. clause 4.12, to issue warrants ("Warrants"), and the board of directors has decided, without pre-emption rights for the Company's shareholders, to issue up to a total of 150,000 Warrants, each entitling the holder to subscribe one share of a nominal value of DKK 1.00 in the Company of DKK 119.86 (the "Exercise Price"). Warrants are offered in the period until and including 1 September 2017 to the board member Lars Hansen and employees in the Company and the Company's subsidiaries. At the same time, the board of directors passed a resolution on the cash increases of the Company's share capital relating to the Warrants of up to nominally DKK 150,000. However, an adjustment according to the terms applicable to the said Warrants may result in a larger nominal amount and/or a changed Exercise Price. The terms in Appendix 4.12.a, which constitutes an integrated part of these articles of association, apply to the said Warrants, including with regard to subscription, allotment and exercise, and to the cash increases of the capital relating to the said Warrants, including the new shares. As of 8 September 2016, 0 warrants remain according to the authorisation stated in article 4.12.

As per 1 September 2017 all Warrants have been acquired by said member of the board of directors, or employees of the Company or the Company's subsidiaries.

4.13 [Intentionally left blank]

4.14 At the extraordinary general meeting with the effect on 31 January 2018, it was resolved to authorise the board of directors to issue on one or more occasions up to a total of 50,000 warrants with the right to subscribe for shares up to an aggregate amount of nominally DKK 50,000 and to on one or more occasions effect the corresponding increase of the Company's share capital by up to nominally DKK 50,000 by cash payment in connection with the exercise of the warrants (or by such a nominal amount caused by adjustment (if any) in the nominal value of the issued shares due to changes in the capital structure as laid down in the terms and conditions of the warrants issued).

According to the authorisation, warrants may be issued to employees, including the executive board, of the Company and the Company's subsidiaries, including Aquaporin Asia Pte Ltd. Warrants may also be issued to companies in which the employee in question or said board member owns all shares and voting rights.

The issuing of warrants and the increases of the share capital in this connection will take place without pre-emption rights for the existing shareholders. The price on exercise of warrants is fixed by the board of directors and may be fixed at a lower price than the market price, however not lower than a price corresponding to DKK 119.86 per share of nominally DKK 1 with the changes caused by adjustment (if any) due to changes in the capital structure as laid down in the terms and conditions of the warrants issued. The board of directors will lay down the other conditions of the warrants, including term etc. The authorisation in this article 4.14 will expire on 30 January 2023.

For shares issued as a consequence of exercise of warrants issued under this article 4.14, the following will apply:

- (a) that the shares do not confer special rights on any shareholder;
- (b) that the shares are non-negotiable instruments;
- (c) that the shares shall be registered in the name of the holder;
- (d) that restrictions apply to the negotiability of the new shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (e) that the shares entitle the holder to dividends and other rights in the Company from the time of the registration of the capital increase with the Danish Business Authority.

4.14.a On 27 February 2018 ("the date of the Board Resolution"), the board of directors resolved to exercise the authority granted to the board of directors at the general meeting held on 31 January 2018, cf. clause 4.14, to issue warrants ("Warrants"), and the board of directors has decided to issue a total of 10,000 Warrants each entitling to subscribe one share of a nominal value of DKK 1.00 in the Company for the price of DKK 119.86 (the "Exercise Price"). The Warrants are issued to an employee of the Company and hence without pre-emption rights for the Company's shareholders. At the same time, the board of directors passed a resolution on the cash increases of the Company's share capital relating to the Warrants of up to nominally DKK 10,000. However, an adjustment according to the terms applicable to the said Warrants may result in a larger nominal amount and/or a changed Exercise Price. The terms in Appendix 4.14.a, which constitutes an integrated part of these articles of association, apply to the said Warrants, including with regard to subscription, allotment and exercise, and to the cash increases of the capital relating to the said Warrants, including the new shares. As of 27 February 2018, 40,000 warrants remain according to the authorisation stated in article 4.14.

4.14.b On 1 July 2019 ("the date of the Board Resolution"), the board of directors resolved to exercise the authority granted to the board of directors at the general meeting held on 31 January 2018, cf. clause 4.14, to issue warrants ("Warrants"), and the board of directors has decided to issue a total of 40,000 Warrants each entitling to subscribe one share of a nominal value of DKK 1.00 in the Company for the price of DKK 157.84 (the "Exercise Price"). The Warrants are issued to certain employees of the Company and hence without pre-emption rights for the Company's shareholders. At the same time, the board of directors passed a resolution on the cash increases of the Company's share capital relating to the Warrants of up to nominally DKK 40,000. However, an adjustment according to the terms applicable to the said Warrants may result in a larger nominal amount and/or a changed Exercise Price. The terms in Appendix 4.14.a, which constitutes an integrated part of these articles of association, apply to the said Warrants, including with regard to subscription, allotment and exercise, and to the cash.

4.15 At the general meeting on 11 June 2021, it was resolved to authorise the board of directors until 30 May 2026 to issue up to a total of 500,000 warrants on one or several occasions entitling the holder to subscribe for one share with a nominal value of DKK 1 by cash payment and on one or several occasions to carry out the related share capital

increase by up to a nominal value of DKK 500,000 or such an amount caused by an adjustment (if any) in the number of warrants due to changes in the capital structure. According to the authorisation, warrants may be issued to the employees, including the Executive Management, in the Company or the Company's subsidiaries. Warrants may also be allotted to companies in which the employee or board member in question owns all shares and voting rights. The issuance of warrants and the increases of the capital in this connection will take place without pre-emption rights for the existing shareholders. The price on exercise of warrants is fixed by the Board of Directors to a price which may below the market price at the time of grant of the warrants and with the changes resulting from adjustments (if any) caused by changes in the Company's capital structure as laid down in the terms of the warrants issued. The board of directors will lay down the specific terms and conditions of the warrants. Pursuant to the provisions of the Danish Companies Act in force from time to time, the Board of Directors may reapply or reissue any lapsed non-exercised warrants, provided that such reapplication or reissue is made under the terms and conditions and within the time limits specified under this authority. Reapplication means the right of the Board of Directors to let another contractual party become a party to an already existing agreement on warrants. Reissue means the possibility for the Board of Directors to reissue new warrants under the same authorization if those already issued have lapsed. The board of directors is authorised to amend the articles of association as required following issuance/exercise of warrants issued pursuant to this authorisation in Article 4.15.

4.16 The Company will keep a register of issued warrants.

5 General meeting, venue and notice

5.1 The general meetings of the Company shall be held in the region of the Company's registered office, in Municipality of Lyngby-Taarbæk or in the Capital Region of Denmark.

5.2 The Board of Directors may decide to hold general meetings electronically without physical attendance. A decision to conduct a general meeting electronically requires that the general meeting can be conducted in a proper manner ensuring that shareholders will be able to exercise their shareholder rights by electronic means. If the Board of Directors decides to conduct an electronic general meeting, further details on the procedures for electronic attendance and participation will be provided on the Company's website and in the notice to convene the general meeting.

5.3 The annual general meeting of the Company shall be held before the end of April. The Company shall no later than eight weeks before the contemplated date of the annual general meeting publish the date of the general meeting and the deadline for submitting requests for specific proposals to be included on the agenda.

5.4 Extraordinary general meetings shall be held when determined by the Board of Directors or requested by the Company's auditor. Furthermore, an extraordinary general meeting shall be held when requested by shareholders possessing no less than five per cent of the share capital. Such request shall be submitted in writing to the Board of Directors and be accompanied by a specific proposal for the business to be transacted. The Board of Directors convenes an extraordinary general meeting no later than two weeks after such request has been made.

5.5 General meetings shall be convened by the Board of Directors with at least three weeks' and not more than five weeks' notice. The notice shall be published on the Company's website. Furthermore, a notice of the general meeting shall be sent to all shareholders recorded in the Company's register of shareholders who have so requested.

5.6 For a period of at least three weeks prior to the general meeting, including the date of the general meeting, the following information shall be available on the Company's website:

- a. The notice convening the general meeting
- b. The aggregate number of shares and voting rights as at the date of the notice
- c. The documents to be presented at the general meeting

- d. The agenda and the complete proposals as well as, for annual general meetings, the audited annual report
- e. The forms to be used for voting by proxy or by postal vote.

5.7 General meetings shall be held in Danish or English as decided by the Board of Directors unless otherwise decided by the general meeting. Documents prepared in connection with or following a general meeting shall be in Danish or English as decided by the Board of Directors or required by applicable law.

5.8 The general meeting shall be presided over by a chairman appointed by the Board of Directors.

6 Agenda for the annual general meeting

6.1 The agenda for the annual general meeting shall include the following:

- a. The Board of Directors' report on the Company's activities in the past financial year
- b. Presentation and adoption of the annual report
- c. Distribution of profit or covering of loss according to the adopted annual report
- d. Resolution to grant discharge of liability to the Board of Directors and the Executive Management
- e. Presentation of the remuneration report for the past financial year for an advisory vote
- f. Approval of remuneration of the Board of Directors for the current financial year
- g. Election of members to the Board of Directors
- h. Election of auditor
- i. Authorisation to acquire treasury shares, if relevant
- j. Any proposals from the Board of Directors or shareholders
- k. Any other business

6.2 Any shareholder shall be entitled to have a specific matter considered at the annual general meeting. Any request must be submitted in writing to the Board of Directors not later than six weeks prior to the annual general meeting.

7 Shareholders' attendance and voting rights at the general meeting

7.1 The right of a shareholder to attend and vote at a general meeting is determined by the shares held by the shareholder at the record date. The record date is one week prior to the general meeting. The shares held by each shareholder are determined at the record date based on the registration of the number of shares held by that shareholder as registered in the Company's register of shareholders as well as on any notification of ownership received by the Company at the record date for the purpose of registration in the Company's register of shareholders, which have not yet been registered.

7.2 A shareholder who is entitled to attend the general meeting pursuant to Article 7.1 and who wants to attend the general meeting shall notify the Company of its attendance not later than three days prior to the date of the general meeting.

7.3 A shareholder may attend in person or by proxy, and the shareholder or the proxy may attend together with an adviser.

7.4 The right to vote may be exercised by a written and dated instrument of proxy in accordance with applicable law.

7.5 A shareholder who is entitled to participate in the general meeting pursuant to Article 7.1 may vote by postal vote in accordance with the provisions of the Danish Companies Act. Such postal votes shall be received by the Company not later than the business day before the general meeting. Postal votes cannot be withdrawn.

7.6 Each share capital amount of nominally DKK 1 shall carry one vote.

8 Resolutions at general meetings

8.1 Resolutions by the general meeting shall be passed by a simple majority of votes cast unless otherwise prescribed by law or by these Articles of Association.

8.2 Adoption of changes to these Articles of Association, dissolution of the Company, merger or demerger requires that the decision is adopted with at least 2/3 of the votes cast as well as the share capital represented at the general meeting, unless applicable laws prescribe stricter or less strict adoption requirements or applicable laws confer independent competence to the Board of Directors or other bodies.

9 Board of Directors

9.1 The Board of Directors consists of not less than three and not more than ten members elected by the general meeting for a term of one year. Re-election of board members may take place.

9.2 The Board of Directors elects a Chairman and a Deputy Chairman among its members. If the Chairman of the Board of Directors resigns during a term of election, the Deputy Chairman shall take up the position as Chairman and a new Deputy Chairman shall be elected among the Board of Directors until the Board of Directors elects a new Chairman among the members of the Board of Directors.

9.3 Resolutions of the Board of Directors are passed by simple majority. In the event of an equality of votes, the Chairman shall have a casting vote, or—in the Chairman's absence—the Deputy Chairman shall have the casting vote.

9.4 The Board of Directors forms a quorum when more than half of its members are represented, including the Chairman or the Deputy Chairman.

9.5 The Board of Directors is authorised to pass one or more resolutions to distribute interim dividends.

10 Executive Management

10.1 The Board of Directors appoints an Executive Management consisting of one to five members to be in charge of the day-to-day management of the Company.

11 Rules of signature

11.1 The Company shall be bound (i) by the joint signatures of the Chairman and a member of the Executive Management, (ii) by the joint signatures of the Deputy Chairman and a member of the Executive Management, (iii) by the joint signatures of a member of the Board of Directors and the Chief Executive Officer or (iv) by the signatures of the entire Board of Directors.

12 Communication and corporate language

12.1 All communication from the Company to the individual shareholders, including notices convening general meetings, may take place electronically by posting on the Company's website or by email. General notices shall be published on the Company's website and in such other manner as may be prescribed by applicable law. The Company may as an alternative choose to send notices, etc. by ordinary post.

12.2 Communication from a shareholder to the Company may take place by email or by ordinary post.

12.3 Each shareholder is responsible for ensuring that the Company has the correct email address at all times. The Company is not obliged to verify such contact information or to send notices in any other way.

12.4 The Company's website contains information about system requirements and electronic communication procedures.

12.5 Company announcements shall be prepared in English and, if decided by the Board of Directors, in Danish.

12.6 The Company's corporate language is English.

13 Annual report

13.1 The Company's annual accounts shall be audited by a state-authorised public accountant elected by the general meeting for a one-year term. Re-election may take place to the extent permitted under applicable law.

13.2 Annual reports shall be prepared in English and, if decided by the Board of Directors, in Danish.

14 Financial year

14.1 The Company's financial year is the calendar year.

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As adopted at the Company's annual general meeting on 11 June 2021.

Appendix 4.8.e to
The Articles of Association of Aquaporin A/S
Warrants

1. INTRODUCTION—RESOLUTIONS

1.1 At the extraordinary general meeting in the Company held on 26 September 2014, it was resolved to issue 125,000 warrants (“Warrants”) to the Company’s executive officer without pre-emption rights for the existing shareholders as the general meeting at the same time resolved to increase the capital in this connection. Each Warrant entitles (but does not obligate) the holder of the Warrant in question (“Holder”) to subscribe one share of nominally DKK 1.00 at DKK 20.00 per share (“Exercise Price”), on the terms stipulated in article 1.2 ff.

1.2 Unless otherwise provided by article 3 (on advanced exercise), or Warrants have lapsed under articles 1.3–1.4, the Holder may exercise the Warrants at any time within an Exercise Period.

1.3 If the Holder terminates his employment, or if the Company terminates the Holder’s employment, all non-exercised Warrants held on the effective date of termination of the Holder’s employment will lapse (however, in case of summary dismissal, on the date of such dismissal, see article 1.4(iv), but see article 1.4).

1.4 However, irrespective of article 1.3, Warrants will not lapse in case of:

- (i) termination of the employment due to the Holder (a) reaching the retirement age determined by the Company from time to time, or (b) becoming entitled to retirement pension, or
- (ii) termination of the employment due to the Holder’s death, or
- (iii) the Holder’s termination of the employment due to the Company’s material breach of the employment, or
- (iv) the Company’s termination or summary dismissal of the Holder for other reasons than the Holder’s breach of the employment (emphasising that, on summary dismissal, the Holder’s non-exercised warrants will lapse immediately from the date of such dismissal).

2. EXERCISE OF WARRANT—EXERCISE PERIODS

2.1 Unless otherwise provided above, the Holder is entitled to exercise his Warrant within each exercise period (“Exercise Period”). The Exercise Period runs (i) if the Company’s shares are listed on a regulated market place, (a) for a period of 21 days from the publication of the Company’s quarterly and interim report and (b) for a period of 21 days from the publication of the Company’s preliminary announcement of financial statements, and (ii) if the Company’s shares are not listed on a regulated market place, at any time as from the date of the general meeting’s resolution to issue the Warrant and for 7 (seven) years ahead (including the seventh anniversary).

2.2 If the Holder wishes to exercise his Warrant, he shall notify the chairman of the board in writing in advance (“Notice of Exercise”). Such Notice of Exercise must be given by the Holder within an Exercise Period. The Notice of Exercise is deemed given by the Holder within the Exercise Period if the Notice of Exercise was sent to the Company’s address (attention of the chairman of the board) by surface mail, registered letter, fax or letter delivered by hand after the commencement and before the expiry of the Exercise Period in question. The Holder shall state in the Notice of Exercise how many Warrants the Holder wishes to exercise.

2.3 If the Holder does not pay the full subscription amount in accordance with article 5.1(ii) below for the shares to be subscribed according to the Notice of Exercise, the Notice of Exercise will lapse automatically and have no force of law.

2.4 Provided that Notice of Exercise is given in time and the subscription amount is paid to the Company in time, the Company shall apply to the Danish Business Authority for registration of the capital increase in connection with the Holder’s exercise of his Warrants.

3. ADJUSTMENT OF EXERCISE PRICE, ADVANCING OF EXERCISE DATE, ETC.

3.1 If the Company—in the period until exercise of a Warrant—resolves to:

- (i) increase the Company's share capital at a price equivalent to or higher than the market price of the Company's shares at the time of the resolution;
- (ii) issue convertible instruments at a conversion price equivalent to or higher than the market price of the Company's shares at the time of the resolution, or issue new shares as a consequence of the exercise of the conversion right thereunder;
- (iii) issue new warrants at an exercise price equivalent to or higher than the market price of the Company's shares at the time of the resolution, or issue new shares as a consequence of the exercise of such warrants;
- (iv) or issue warrants or convertible instruments of debt to the Company's employees or to employees of subsidiaries or to others as part of the duty to act as a member of the board of directors or the executive board, or issue new shares as a consequence of the exercise of such warrants and conversion right, respectively, under such convertible instruments of debt;

the legal position of the Warrant will remain unchanged.

3.2 If the Company—in the period until exercise of a Warrant—resolves to:

- (i) issue bonus shares;
- (ii) reduce the Company's share capital with a view to covering losses; or
- (iii) reduce the Company's share capital with a view to establishing a special reserve under section 188 (1), no. 3 of the Danish Companies Act;

and provided that such change results in a dilution or increase of the value of the Warrant in question, the subscription price and/or the number of shares that may be subscribed under the Warrant in question shall be adjusted (to the extent permitted by legislation) so as to compensate for the dilution or increase, if any, of the value of the Warrant caused by the resolution.

3.3 If the Company—in the period until exercise of a Warrant, and without the event being covered by 3.1—resolves to:

- (i) increase the Company's share capital at a price lower than the market price of the Company's shares at the time of the resolution;
- (ii) issue convertible instruments of debt at a conversion price lower than the market price of the Company's shares at the time of the resolution;
- (iii) issue new warrants at an exercise price lower than the market price of the Company's shares at the time of the resolution;
- (iv) acquire shares (own shares) in the Company at a price higher than the market price of the Company's shares at the time of acquisition; or
- (v) reduce the Company's share capital for any other purpose than the purposes stated in article 3.2(ii) above;

the Exercise Price and/or the number of shares that may be subscribed under the Warrant in question shall be adjusted upwards or downwards (to the extent permitted by legislation) so as to compensate the Holder for the dilution, if any, of the value of the Warrant caused by the resolution.

3.4 If the Company—in the period until exercise of a Warrant—resolves to wind up the Company by a solvent liquidation, the Company is entitled and obligated to advance the date of exercise of such Warrant by giving written notice with a time limit of 2 (two) weeks to the Holder to exercise the Warrant before the resolution to wind up the Company takes effect. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or

compensation to the Holder at the time when the resolution to wind up the Company takes effect.

3.5 If the Company—in the period until the exercise of a Warrant—resolves to merge with the Company as the discounting company, the Holder in the continuing company is entitled to subscribe shares to an extent and on terms entailing that the terms of the Holder's warrants after the merger are the same as before the merger wherever possible. The number of subscribable shares must be adjusted if the rate of exchange of shares in the discontinuing company determined in the merger plan (compared to the value of the shares in the continuing company) gives grounds for such adjustment. If funds are distributed to the Company's shareholders in connection with the merger, the Exercise Price must be reduced on the basis thereof.

A non-cash contribution of all the Company's shares in another company is comparable to a merger with the Company as the discontinuing company.

3.6 If the Company—in the period until exercise of a Warrant—resolves to demerge the Company, the Holder shall receive warrants of an equal value in the company in which the Holder is employed or otherwise attached after the demerger. If the Holder is not employed with the Company immediately before the signing of the demerger plan but maintains the Warrant, the Holder shall receive warrants in the receiving company/-ies, the total value of which must equal the value of the Holder's Warrants prior to the demerger, pro rata to the demerger ratio. The Holder's warrants in the receiving company/-ies entitle the Holder to subscribe shares in the receiving company/-ies to an extent and on terms entailing that the terms of the Holder's warrants after the demerger are the same as before the demerger, wherever possible. If funds are distributed to the Company's shareholders in connection with the demerger, the Exercise Price must be reduced on the basis thereof.

3.7 If—in the period until the exercise of a Warrant—the Company (without making a non-cash contribution of all the Company's shares to another company, cf. article 3.5), or a significant part of the Company's activities and assets are sold to a third party ("Transfer"), the Company is entitled and obligated to advance the date of exercise of such Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. The notice must be given to the Holder within 3 (three) months of the Transfer having taken place. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice and/or compensation to the Holder unless the Company has given prior notice that the Warrant will not lapse.

3.8 If a shareholder in the Company—in the period until exercise of a Warrant—obtains a controlling interest in the Company as defined in section 7 of the Companies Act (individually or jointly with one or more units which control, are controlled by or are under joint control with such shareholder) ("Change of Ownership"), the Company is entitled and obligated to advance the date of exercise of the Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. Notice must be given to the Holder within 3 (three) months of the Transfer of Ownership. The Holder's Notice of Exercise must be given in accordance with the procedures stated in clause 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically without further notice, consideration and/or compensation to the Holder unless the Company has given prior notice that the Warrant will not lapse.

3.9 Section 3.7 concerning Transfer applies correspondingly in case of listing of the Company on a regulated market.

3.10 If the Company is listed on a regulated market, a subsequent delisting of the Company will entitle and obligate the Company to advance the exercise date of a Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. Notice must be given to the Holder within 3 (three) months of the delisting. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically without further notice, consideration and/or compensation to the Holder unless the Company has given prior notice that the Warrant will not lapse.

3.11 If the Company—in the period until exercise of a Warrant—resolves to change the Company's capital structure by other means than assumed in articles 3.1–3.10, including by distribution of dividend, and provided that such change results in a dilution of the value of the Warrant in question, the subscription price and/or the number of shares that may be subscribed under the Warrant in question shall be adjusted (to the extent permitted by legislation) so as to compensate the Holder for the dilution, if any, of the value of the Warrant caused by the resolution.

3.12 If a resolution is passed to make any of the changes in articles 3.2, 3.3, 3.5, 3.6 and 3.11, the Company's board of directors shall ask the Company's auditor to provide a statement of (a) whether an adjustment of the Exercise Price and/or the number of shares subscribable under the Warrant is required according to such provisions and (b), if such provision prescribes an adjustment, the nature and scope of such adjustment. The Company shall immediately after having received the auditor's statement provide a copy thereof to the Holder. The conclusion in the auditor's statement is binding on the Company and the Holder and may not be subject to any objections or disputes, including without limitation article 9.

3.13 Where adjustments pursuant to this clause 3 lead to the Exercise Price being lower than par value, the Warrant may, in general, not be exercised. The Holder may, however, exercise the Warrant if he accepts that the Exercise Price is increased to par value without the Holder being entitled to compensation.

3.14 In case of an advanced exercise period under articles 3.7–3.10 (the "Event"), the Company and/or the Holder is entitled to inform the Holder/the Company that the Company instead of issuing shares will make a cash settlement of the exercised warrants or demand that warrants be sold to the Company or order at a price as stated below to the extent this does not result in a loss for the Holder. In case of a cash settlement or a sale of warrants to the Company or order, the consideration in case of a sale shall be a price per share equaling the price per share obtained by the Event (and after dilution) reduced by the exercise price and in case of a merger or other uniting of interests at the valued price per share reduced by the exercise price obtained by the merger or other uniting of interests (after dilution).

3.15 In cases where it has been resolved to implement a change concerning the company covered by articles 3.7–3.10, the board of directors is entitled to offer an extraordinary advanced exercise period so that it is placed immediately before the implementation of the change.

4. CONSIDERATION FOR WARRANT

4.1 The Holder shall not pay any separate consideration for the Warrant.

5. TERMS OF THE SHARES

5.1 The following terms and conditions apply to shares subscribed in connection with the exercise of the Warrant:

- (i) the Company's shareholders shall not hold pre-emption rights to shares acquired on exercise of a Warrant; and
- (ii) the subscription amount shall be paid by the Holder at the time of the Holder's issue of the Notice of Exercise to the Company under article 2.2. The subscription amount may be paid either in cash, by a cheque issued to the Company or by electronic transfer. In case of the Holder's failure to pay the subscription amount in time, the Notice of Exercise will lapse and will be deemed not to have been issued by the Holder.

5.2 The following terms and conditions apply to shares issued in connection with the exercise of a Warrant:

- (i) the shares are to be issued in shares of DKK 1.00 or multiples thereof;
- (ii) the shares are to be non-negotiable instruments;
- (iii) no share shall confer special rights on any shareholder;

- (iv) the shares shall entitle the Holder to dividend and other rights in the Company from the date of subscription (the date of the Holder's Notice of Exercise);
- (v) restrictions shall apply to the negotiability of the shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (vi) the shares shall be subject to the same other rights and obligations as laid down in the Company's articles of association;

In case of an amendment to the articles of association prior to the exercise of a Warrant, any such amended rights and obligations shall apply to the Warrant and to all shares subscribed in connection with the exercise of a Warrant.

6. SHAREHOLDERS' AGREEMENT

6.1 On exercise of the Warrant, the Holder shall accept the shareholders' agreement of the Company in force from time to time.

7. NEGOTIABILITY OF THE WARRANT

7.1 The Warrant is a non-negotiable instrument. Any transfer, pledging or other assignment of this Warrant may only take place with written consent from the board of directors, which consent may be given, refused or made conditional at the board of directors' discretion (however, except a transfer due to the Holder's death, in which case the board of directors shall approve the transfer to the Holder's close relatives *mortis causa*).

8. LAPSE OF THE WARRANT

8.1 Unless the Warrant has lapsed previously, the Warrant will lapse automatically and without further notice, consideration or compensation to the Holder 7 (seven) years after the general meeting's resolution to issue the Warrant.

9. ARBITRATION AND GOVERNING LAW

9.1 Any dispute arising out of or in connection with the Warrant and/or this appendix to the Company's articles of association is to be settled with final and binding effect under the "Rules of procedure for arbitration proceedings at the Danish Institute of Arbitration (Danish Arbitration)".

9.2 The Warrant and this document are governed by and are to be interpreted in accordance with Danish law, save for the Danish choice of law rules.

10. COSTS

10.1 The Company shall pay its own costs in connection with the issue and exercise of the Warrant and the capital increase in this connection.

11. TAXATION OF THE EMPLOYEE

11.1 Neither the Company nor the Company's board of directors, executive board or advisers undertake any responsibility for the tax implications of the Holder's subscription and exercise of the Warrant. Each Holder has prior to the subscription of the Warrant been requested to obtain independent advice on the potential tax implications of the subscription and exercise of the Warrant.

Appendix 4.9.b to
The Articles of Association of Aquaporin A/S
Warrants

1. INTRODUCTION—RESOLUTIONS

1.1 At a general meeting in the Company held on 16 January 2014, it was resolved to authorise the board of directors to issue warrants on specified terms to members of the Company's executive board and to the Company's employees without pre-emption rights for the existing shareholders. The authorisation to the board of directors is laid down in article 4.9 of the Company's articles of association.

According to the authorisation, the board of directors resolved on 29 September 2014 to issue the below warrants ("Warrants") in the Company and to make a cash increase of the capital in this connection.

1.2 13,000 Warrants in total have been issued to one or more employees. Each Warrant entitles (but does not obligate) the Holder to subscribe one share of nominally DKK 1.00 at DKK 20.00 per share ("Exercise Price"), on the terms laid down in article 1.3 ff.

1.3 Unless otherwise provided by article 3 (on advanced exercise), or Warrants have lapsed under articles 1.4–1.5, the Holder may exercise the Warrants at any time within an Exercise Period.

1.4 If the Holder terminates his employment, or if the Company terminates the Holder's employment, all non-exercised Warrants held on the effective date of termination of the Holder's employment will lapse (however, in case of summary dismissal, on the date of such dismissal, see article 1.5(iv)), but see article 1.5.

1.5 However, irrespective of article 1.4, Warrants will not lapse in case of:

- (i) termination of the employment due to the Holder (a) reaching the retirement age determined by the Company from time to time, or (b) becoming entitled to retirement pension, or
- (ii) termination of the employment due to the Holder's death, or
- (iii) the Holder's termination of the employment due to the Company's material breach of the employment, or
- (iv) the Company's termination or summary dismissal of the Holder for other reasons than the Holder's breach of the employment (emphasising that, on summary dismissal, the Holder's non-exercised warrants will lapse immediately from the date of such dismissal).

2. EXERCISE OF WARRANT—EXERCISE PERIODS

2.1 Unless otherwise provided above, the Holder is entitled to exercise his Warrant within each exercise period ("Exercise Period"). The Exercise Period runs (i) if the Company's shares are listed on a regulated market place, (a) for a period of 21 days from the publication of the Company's quarterly and interim report and (b) for a period of 21 days from the publication of the Company's preliminary announcement of financial statements, and (ii) if the Company's shares are not listed on a regulated market place, at any time as from the date of the board of directors' resolution to issue the Warrant and for 7 (seven) years ahead (including the seventh anniversary).

2.2 If the Holder wishes to exercise his Warrant, he shall notify the chairman of the board in writing in advance ("Notice of Exercise"). Such Notice of Exercise must be given by the Holder within an Exercise Period. The Notice of Exercise is deemed given by the Holder within the Exercise Period if the Notice of Exercise was sent to the Company's address (attention of the chairman of the board) by surface mail, registered letter, fax or letter delivered by hand after the commencement and before the expiry of the Exercise Period in question. The Holder shall state in the Notice of Exercise how many Warrants the Holder wishes to exercise.

2.3 If the Holder does not pay the full subscription amount in accordance with article 5.1(ii) below for the shares to be subscribed according to the Notice of Exercise, the Notice of Exercise will lapse automatically and have no force of law.

2.4 Provided that Notice of Exercise is given in time and the subscription amount is paid to the Company in time, the Company shall apply to the Danish Business Authority for registration of the capital increase in connection with the Holder's exercise of his Warrants.

3. ADJUSTMENT OF EXERCISE PRICE, ADVANCING OF EXERCISE DATE, ETC.

3.1 If the Company—in the period until exercise of a Warrant—resolves to:

- (i) issue bonus shares;
- (ii) reduce the Company's share capital with a view to covering losses; or
- (iii) reduce the Company's share capital with a view to establishing a special reserve under section 188 (1), no. 3 of the Danish Companies Act;

and provided that such change results in a dilution or increase of the value of the Warrant in question, the subscription price and/or the number of shares that may be subscribed under the Warrant in question shall be adjusted (to the extent permitted by legislation) so as to compensate for the dilution or increase, if any, of the value of the Warrant caused by the resolution.

3.2 If the Company—in the period until exercise of a Warrant—resolves to:

- (i) increase the Company's share capital by other means than an issue of bonus shares;
- (ii) issue convertible instruments of debt;
- (iii) distribute dividend;
- (iv) issue new warrants;
- (v) acquire shares (treasury shares) in the Company; or
- (vi) reduce the Company's share capital for any other purpose than the purposes stated in articles 3.1(ii) and 3.1(iii) above;

the legal position of the Warrant will remain unchanged.

3.3 If the Company—in the period until exercise of a Warrant—resolves to wind up the Company by a solvent liquidation, the Company is entitled and obligated to advance the date of exercise of such Warrant by giving written notice with a time limit of 2 (two) weeks to the Holder to exercise the Warrant before the resolution to wind up the Company takes effect. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or compensation to the Holder at the time when the resolution to wind up the Company takes effect.

3.4 If the Company—in the period until the exercise of a Warrant—resolves to merge with the Company as the discounting company, the Holder in the continuing company is entitled to subscribe shares to an extent and on terms entailing that the terms of the Holder's warrants after the merger are the same as before the merger wherever possible. The number of subscribable shares must be adjusted if the rate of exchange of shares in the discontinuing company determined in the merger plan (compared to the value of the shares in the continuing company) gives grounds for such adjustment.

A non-cash contribution of all the Company's shares in another company is comparable to a merger with the Company as the discontinuing company.

3.5 If the Company—in the period until exercise of a Warrant—resolves to demerge the Company, the Holder shall receive warrants of an equal value in the company in which the Holder is employed or otherwise attached after the demerger. If the Holder is not employed with the Company immediately before the signing of the demerger plan but maintains the

Warrant, the Holder shall receive warrants in the receiving company/-ies, the total value of which must equal the value of the Holder's Warrants prior to the demerger, pro rata to the demerger ratio. The Holder's warrants in the receiving company/-ies entitle the Holder to subscribe shares in the receiving company/-ies to an extent and on terms entailing that the terms of the Holder's warrants after the demerger are the same as before the demerger, wherever possible.

- 3.6 If—in the period until the exercise of a Warrant—the Company (without making a non-cash contribution of all the Company's shares to another company, cf. article 3.4), or a significant part of the Company's activities and assets are sold to a third party ("Transfer"), the Company is entitled and obligated to advance the date of exercise of such Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. The notice must be given to the Holder within 3 (three) months of the Transfer having taken place. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice and/or compensation to the Holder.
- 3.7 If a shareholder in the Company—in the period until exercise of a Warrant—obtains a controlling interest in the Company as defined in section 7 of the Companies Act (individually or jointly with one or more units which control, are controlled by or are under joint control with such shareholder) ("Change of Ownership"), the Company is entitled and obligated to advance the date of exercise of the Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. Notice must be given to the Holder within 3 (three) months of the Transfer of Ownership. The Holder's Notice of Exercise must be given in accordance with the procedures stated in clause 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or compensation to the Holder.
- 3.8 Section 3.6 concerning Transfer applies correspondingly in case of listing of the Company on a regulated market.
- 3.9 If the Company is listed on a regulated market, a subsequent delisting of the Company will entitle and obligate the Company to advance the exercise date of a Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. Notice must be given to the Holder within 3 (three) months of the delisting. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or compensation to the Holder.
- 3.10 If the Company—in the period until exercise of a Warrant—resolves to change the Company's capital structure by other means than assumed in articles 3.1–3.9, the legal position of the Warrant remains unchanged.
- 3.11 If a resolution is passed to make any of the changes in articles 3.1, 3.4 and 3.5, the Company's board of directors shall ask the Company's auditor to provide a statement of (a) whether an adjustment of the Exercise Price and/or the number of shares subscribable under the Warrant is required according to such provisions and (b), if such provision prescribes an adjustment, the nature and scope of such adjustment. The Company shall immediately after having received the auditor's statement provide a copy thereof to the Holder. The conclusion in the auditor's statement is binding on the Company and the Holder and may not be subject to any objections or disputes, including without limitation article 9.
- 3.12 Where adjustments pursuant to this clause 3 lead to the Exercise Price being lower than par value, the Warrant may, in general, not be exercised. The Holder may, however, exercise the Warrant if he accepts that the Exercise Price is increased to par value without the Holder being entitled to compensation.
- 3.13 In case of an advanced exercise period under articles 3.6–3.9 (the "Event"), the Company and/or the Employee is entitled to inform the Employee/the Company that the Company instead of issuing shares will make a cash settlement of the exercised warrants or demand that warrants be sold to the Company or order at a price as stated below to the extent this does not result in a loss for the Employee. In case of a cash settlement or sale of warrants to the Company or order, the consideration in case of a sale shall be a price per share

equalling the price per share obtained by the Event reduced by the exercise price and by a merger or other uniting of interests at the valued price per share reduced by the exercise price obtained by the merger or other uniting of interests.

3.14 In cases where it has been resolved to implement a change concerning the company covered by articles 3.6–3.9, the board of directors is entitled to offer an extraordinary advanced exercise period so that it is placed immediately before the implementation of the change.

4. CONSIDERATION FOR WARRANT

4.1 The Holder shall not pay any consideration for the Warrant.

5. TERMS OF THE SHARES

5.1 The following terms and conditions apply to shares subscribed in connection with the exercise of the Warrant:

- (i) the Company's shareholders shall not hold pre-emption rights to shares acquired on exercise of a Warrant; and
- (ii) the subscription amount shall be paid by the Holder at the time of the Holder's issue of the Notice of Exercise to the Company under article 2.2. The subscription amount may be paid either in cash, by a cheque issued to the Company or by electronic transfer. In case of the Holder's failure to pay the subscription amount in time, the Notice of Exercise will lapse and will be deemed not to have been issued by the Holder.

5.2 The following terms and conditions apply to shares issued in connection with the exercise of a Warrant:

- (i) the shares are to be issued in shares of DKK 1.00 or multiples thereof;
- (ii) the shares are to be non-negotiable instruments;
- (iii) no share shall confer special rights on any shareholder;
- (iv) the shares shall entitle the Holder to dividend and other rights in the Company from the date of subscription (the date of the Holder's Notice of Exercise);
- (v) restrictions shall apply to the negotiability of the shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (vi) the shares shall be subject to the same other rights and obligations as laid down in the Company's articles of association;

In case of an amendment to the articles of association prior to the exercise of a Warrant, any such amended rights and obligations shall apply to the Warrant and to all shares subscribed in connection with the exercise of a Warrant.

6. SHAREHOLDERS' AGREEMENT

6.1 On exercise of the Warrant, the Holder shall accept the shareholders' agreement of the Company in force from time to time.

7. NEGOTIABILITY OF THE WARRANT

7.1 The Warrant is a non-negotiable instrument. Any transfer, pledging or other assignment of this Warrant may only take place with written consent from the board of directors, which consent may be given, refused or made conditional at the board of directors' discretion (however, except a transfer due to the Holder's death, in which case the board of directors shall approve the transfer to the Holder's close relatives mortis causa).

8. LAPSE OF THE WARRANT
- 8.1 Unless the Warrant has lapsed previously, the Warrant will lapse automatically and without further notice, consideration or compensation to the Holder 7 (seven) years after the board of directors' decision to issue the Warrant.
9. ARBITRATION AND GOVERNING LAW
- 9.1 Any dispute arising out of or in connection with the Warrant and/or this appendix to the Company's articles of association is to be settled with final and binding effect under the "Rules of procedure for arbitration proceedings at the Danish Institute of Arbitration (Danish Arbitration)".
- 9.2 The Warrant and this document are governed by and are to be interpreted in accordance with Danish law, save for the Danish choice of law rules.
10. COSTS
- 10.1 The Company shall pay its own costs in connection with the issue and exercise of the Warrant and the capital increase in this connection.
11. TAXATION OF THE EMPLOYEE
- 11.1 Neither the Company nor the Company's board of directors, executive board or advisers undertake any responsibility for the tax implications of the Holder's subscription and exercise of the Warrant. Each Holder has prior to the subscription of the Warrant been requested to obtain independent advice on the potential tax implications of the subscription and exercise of the Warrant.

Appendix 4.10.a to
The Articles of Association of Aquaporin A/S
Warrants

1. INTRODUCTION—RESOLUTIONS

1.1 At an extraordinary general meeting in the Company held on 26 September 2014, it was resolved to authorise the board of directors to issue warrants on specified terms to members of the Company's executive board and to the Company's employees without pre-emption rights for the existing shareholders. The authorisation to the board of directors is laid down in article 4.10 of the Company's articles of association.

According to the authorisation, the board of directors resolved on 26 September 2014 to issue the below warrants ("Warrants") in the Company and to make a cash increase of the capital in this connection.

1.2 30,000 Warrants in total have been issued to one or more employees. Each Warrant entitles (but does not obligate) the Holder to subscribe one share of nominally DKK 1.00 at DKK 20.00 per share ("Exercise Price"), on the terms laid down in article 1.3 ff.

1.3 Unless otherwise provided by article 3 (on advanced exercise), or Warrants have lapsed under articles 1.4–1.5, the Holder may exercise the Warrants at any time within an Exercise Period.

1.4 If the Holder terminates his employment, or if the Company terminates the Holder's employment, all non-exercised Warrants held on the effective date of termination of the Holder's employment will lapse (however, in case of summary dismissal, on the date of such dismissal, see article 1.5(iv)), but see article 1.5.

1.5 However, irrespective of article 1.4, Warrants will not lapse in case of:

- (i) termination of the employment due to the Holder (a) reaching the retirement age determined by the Company from time to time, or (b) becoming entitled to retirement pension, or
- (ii) termination of the employment due to the Holder's death, or
- (iii) the Holder's termination of the employment due to the Company's material breach of the employment, or
- (iv) the Company's termination or summary dismissal of the Holder for other reasons than the Holder's breach of the employment (emphasising that, on summary dismissal, the Holder's non-exercised warrants will lapse immediately from the date of such dismissal).

2. EXERCISE OF WARRANT—EXERCISE PERIODS

2.1 Unless otherwise provided above, the Holder is entitled to exercise his Warrant within each exercise period ("Exercise Period"). The Exercise Period runs (i) if the Company's shares are listed on a regulated market place, (a) for a period of 21 days from the publication of the Company's quarterly and interim report and (b) for a period of 21 days from the publication of the Company's preliminary announcement of financial statements, and (ii) if the Company's shares are not listed on a regulated market place, at any time as from the date of the board of directors' resolution to issue the Warrant and for 7 (seven) years ahead (including the seventh anniversary).

2.2 If the Holder wishes to exercise his Warrant, he shall notify the chairman of the board in writing in advance ("Notice of Exercise"). Such Notice of Exercise must be given by the Holder within an Exercise Period. The Notice of Exercise is deemed given by the Holder within the Exercise Period if the Notice of Exercise was sent to the Company's address (attention of the chairman of the board) by surface mail, registered letter, fax or letter delivered by hand after the commencement and before the expiry of the Exercise Period in question. The Holder shall state in the Notice of Exercise how many Warrants the Holder wishes to exercise.

2.3 If the Holder does not pay the full subscription amount in accordance with article 5.1(ii) below for the shares to be subscribed according to the Notice of Exercise, the Notice of Exercise will lapse automatically and have no force of law.

2.4 Provided that Notice of Exercise is given in time and the subscription amount is paid to the Company in time, the Company shall apply to the Danish Business Authority for registration of the capital increase in connection with the Holder's exercise of his Warrants.

3. ADJUSTMENT OF EXERCISE PRICE, ADVANCING OF EXERCISE DATE, ETC.

3.1 If the Company—in the period until exercise of a Warrant—resolves to:

- (i) issue bonus shares;
- (ii) reduce the Company's share capital with a view to covering losses; or
- (iii) reduce the Company's share capital with a view to establishing a special reserve under section 188 (1), no. 3 of the Danish Companies Act;

and provided that such change results in a dilution or increase of the value of the Warrant in question, the subscription price and/or the number of shares that may be subscribed under the Warrant in question shall be adjusted (to the extent permitted by legislation) so as to compensate for the dilution or increase, if any, of the value of the Warrant caused by the resolution.

3.2 If the Company—in the period until exercise of a Warrant—resolves to:

- (i) increase the Company's share capital by other means than an issue of bonus shares;
- (ii) issue convertible instruments of debt;
- (iii) distribute dividend;
- (iv) issue new warrants;
- (v) acquire shares (treasury shares) in the Company; or
- (vi) reduce the Company's share capital for any other purpose than the purposes stated in articles 3.1(ii) and 3.1(iii) above;

the legal position of the Warrant will remain unchanged.

3.3 If the Company—in the period until exercise of a Warrant—resolves to wind up the Company by a solvent liquidation, the Company is entitled and obligated to advance the date of exercise of such Warrant by giving written notice with a time limit of 2 (two) weeks to the Holder to exercise the Warrant before the resolution to wind up the Company takes effect. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or compensation to the Holder at the time when the resolution to wind up the Company takes effect.

3.4 If the Company—in the period until the exercise of a Warrant—resolves to merge with the Company as the discounting company, the Holder in the continuing company is entitled to subscribe shares to an extent and on terms entailing that the terms of the Holder's warrants after the merger are the same as before the merger wherever possible. The number of subscribable shares must be adjusted if the rate of exchange of shares in the discontinuing company determined in the merger plan (compared to the value of the shares in the continuing company) gives grounds for such adjustment.

A non-cash contribution of all the Company's shares in another company is comparable to a merger with the Company as the discontinuing company.

3.5 If the Company—in the period until exercise of a Warrant—resolves to demerge the Company, the Holder shall receive warrants of an equal value in the company in which the Holder is employed or otherwise attached after the demerger. If the Holder is not employed

with the Company immediately before the signing of the demerger plan but maintains the Warrant, the Holder shall receive warrants in the receiving company/-ies, the total value of which must equal the value of the Holder's Warrants prior to the demerger, pro rata to the demerger ratio. The Holder's warrants in the receiving company/-ies entitle the Holder to subscribe shares in the receiving company/-ies to an extent and on terms entailing that the terms of the Holder's warrants after the demerger are the same as before the demerger, wherever possible.

- 3.6 If—in the period until the exercise of a Warrant—the Company (without making a non-cash contribution of all the Company's shares to another company, cf. article 3.4), or a significant part of the Company's activities and assets are sold to a third party ("Transfer"), the Company is entitled and obligated to advance the date of exercise of such Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. The notice must be given to the Holder within 3 (three) months of the Transfer having taken place. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice and/or compensation to the Holder.
- 3.7 If a shareholder in the Company—in the period until exercise of a Warrant—obtains a controlling interest in the Company as defined in section 7 of the Companies Act (individually or jointly with one or more units which control, are controlled by or are under joint control with such shareholder) ("Change of Ownership"), the Company is entitled and obligated to advance the date of exercise of the Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. Notice must be given to the Holder within 3 (three) months of the Transfer of Ownership. The Holder's Notice of Exercise must be given in accordance with the procedures stated in clause 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or compensation to the Holder.
- 3.8 Section 3.6 concerning Transfer applies correspondingly in case of listing of the Company on a regulated market.
- 3.9 If the Company is listed on a regulated market, a subsequent delisting of the Company will entitle and obligate the Company to advance the exercise date of a Warrant by giving written notice to the Holder to exercise the Warrant within 2 (two) weeks. Notice must be given to the Holder within 3 (three) months of the delisting. The Holder's Notice of Exercise must be given in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or compensation to the Holder.
- 3.10 If the Company—in the period until exercise of a Warrant—resolves to change the Company's capital structure by other means than assumed in articles 3.1–3.9, the legal position of the Warrant remains unchanged.
- 3.11 If a resolution is passed to make any of the changes in articles 3.1, 3.4 and 3.5, the Company's board of directors shall ask the Company's auditor to provide a statement of (a) whether an adjustment of the Exercise Price and/or the number of shares subscribable under the Warrant is required according to such provisions and (b), if such provision prescribes an adjustment, the nature and scope of such adjustment. The Company shall immediately after having received the auditor's statement provide a copy thereof to the Holder. The conclusion in the auditor's statement is binding on the Company and the Holder and may not be subject to any objections or disputes, including without limitation article 9.
- 3.12 Where adjustments pursuant to this clause 3 lead to the Exercise Price being lower than par value, the Warrant may, in general, not be exercised. The Holder may, however, exercise the Warrant if he accepts that the Exercise Price is increased to par value without the Holder being entitled to compensation.

3.13 In case of an advanced exercise period under articles 3.6–3.9 (the “Event”), the Company and/or the Employee is entitled to inform the Employee/the Company that the Company instead of issuing shares will make a cash settlement of the exercised warrants or demand that warrants be sold to the Company or order at a price as stated below to the extent this does not result in a loss for the Employee. In case of a cash settlement or sale of warrants to the Company or order, the consideration in case of a sale shall be a price per share equalling the price per share obtained by the Event reduced by the exercise price and by a merger or other uniting of interests at the valued price per share reduced by the exercise price obtained by the merger or other uniting of interests.

3.14 In cases where it has been resolved to implement a change concerning the company covered by articles 3.6–3.9, the board of directors is entitled to offer an extraordinary advanced exercise period so that it is placed immediately before the implementation of the change.

4. CONSIDERATION FOR WARRANT

4.1 The Holder shall not pay any consideration for the Warrant.

5. TERMS OF THE SHARES

5.1 The following terms and conditions apply to shares subscribed in connection with the exercise of the Warrant:

- (i) the Company's shareholders shall not hold pre-emption rights to shares acquired on exercise of a Warrant; and
- (ii) the subscription amount shall be paid by the Holder at the time of the Holder's issue of the Notice of Exercise to the Company under article 2.2. The subscription amount may be paid either in cash, by a cheque issued to the Company or by electronic transfer. In case of the Holder's failure to pay the subscription amount in time, the Notice of Exercise will lapse and will be deemed not to have been issued by the Holder.

5.2 The following terms and conditions apply to shares issued in connection with the exercise of a Warrant:

- (i) the shares are to be issued in shares of DKK 1.00 or multiples thereof;
- (ii) the shares are to be non-negotiable instruments;
- (iii) no share shall confer special rights on any shareholder;
- (iv) the shares shall entitle the Holder to dividend and other rights in the Company from the date of subscription (the date of the Holder's Notice of Exercise);
- (v) restrictions shall apply to the negotiability of the shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (vi) the shares shall be subject to the same other rights and obligations as laid down in the Company's articles of association;

In case of an amendment to the articles of association prior to the exercise of a Warrant, any such amended rights and obligations shall apply to the Warrant and to all shares subscribed in connection with the exercise of a Warrant.

6. SHAREHOLDERS' AGREEMENT

6.1 On exercise of the Warrant, the Holder shall accept the shareholders' agreement of the Company in force from time to time.

7. NEGOTIABILITY OF THE WARRANT

7.1 The Warrant is a non-negotiable instrument. Any transfer, pledging or other assignment of this Warrant may only take place with written consent from the board of directors, which

consent may be given, refused or made conditional at the board of directors' discretion (however, except a transfer due to the Holder's death, in which case the board of directors shall approve the transfer to the Holder's close relatives *mortis causa*).

8. LAPSE OF THE WARRANT

8.1 Unless the Warrant has lapsed previously, the Warrant will lapse automatically and without further notice, consideration or compensation to the Holder 7 (seven) years after the board of directors' decision to issue the Warrant.

9. ARBITRATION AND GOVERNING LAW

9.1 Any dispute arising out of or in connection with the Warrant and/or this appendix to the Company's articles of association is to be settled with final and binding effect under the "Rules of procedure for arbitration proceedings at the Danish Institute of Arbitration (Danish Arbitration)".

9.2 The Warrant and this document are governed by and are to be interpreted in accordance with Danish law, save for the Danish choice of law rules.

10. COSTS

10.1 The Company shall pay its own costs in connection with the issue and exercise of the Warrant and the capital increase in this connection.

11. TAXATION OF THE EMPLOYEE

11.1 Neither the Company nor the Company's board of directors, executive board or advisers undertake any responsibility for the tax implications of the Holder's subscription and exercise of the Warrant. Each Holder has prior to the subscription of the Warrant been requested to obtain independent advice on the potential tax implications of the subscription and exercise of the Warrant.

1. INTRODUCTION—RESOLUTIONS AND CONDITIONS OF EXERCISE

- 1.1 At the extraordinary general meeting in the Company held on 19 December 2014, it was resolved to issue a total of 106,932 warrants ("Warrants") to certain new investors without pre-emption rights for the existing shareholders while the general meeting at the same time resolved to increase the capital in this connection. Each Warrant entitles (but does not obligate) the holder ("Holder") of the Warrant in question to subscribe one share of nominally DKK 1.00 at DKK 30.00 per share ("Exercise Price"), on the terms stipulated in article 1.2 ff.
- 1.2 Notwithstanding anything stated to the contrary herein, it is a condition for the Holder's exercise of Warrants that other warrants issued by the Company in advance and not exercised or lapsed on 19 December 2014 ("Existing Warrants") are exercised, and the Holder may exercise a maximum number of Warrants (rounded down) which equals Y multiplied by X deducting (a) Warrants exercised by the Holder in advance and (b) those of the Holder's Warrants which have lapsed, where Y is the total number of Warrants acquired by the Holder according to the resolution at the general meeting on 19 December 2014, while X is (i) the number of Existing Warrants, which after exercise have resulted in an increase of the Company's share capital, divided by (ii) 424,000.
- 1.3 Unless otherwise provided by article 3 (on advanced exercise), the Holder may exercise the Warrants at any time within an Exercise Period, provided and only to the extent the conditions in article 1.2 have been met, and provided that the Warrants in question have not lapsed, see article 8.

2. EXERCISE OF WARRANT—EXERCISE PERIODS

- 2.1 Unless otherwise provided above, the Holder is entitled to exercise his Warrant within each exercise period ("Exercise Period"). The Exercise Period runs (i) if the Company's shares are listed on a regulated market place, (a) for a period of 21 days from the publication of the Company's quarterly and interim report and (b) for a period of 21 days from the publication of the Company's preliminary announcement of financial statements, and (ii) if the Company's shares are not listed on a regulated market place, at any time as from the date of the general meeting's resolution to issue the Warrant and for 7 (seven) years ahead (including the seventh anniversary).
- 2.2 If the Holder wishes to exercise her Warrant, the Holder shall notify the chairman of the board in writing in advance ("Notice of Exercise") as such Notice of Exercise must be given by the Holder and received by the Company within an Exercise Period. The Holder shall state in the Notice of Exercise how many Warrants the Holder wishes to exercise.
- 2.3 If the Holder does not pay the full subscription amount in accordance with article 5.1(ii) below for the shares to be subscribed according to the Notice of Exercise, the Notice of Exercise will lapse automatically and have no force of law, unless otherwise stated herein.
- 2.4 Provided that Notice of Exercise is given in time and the subscription amount is paid to the Company in time, the Company shall apply to the Danish Business Authority for registration of the capital increase in connection with the Holder's exercise of his Warrants.

3. ADJUSTMENT OF EXERCISE PRICE, ADVANCING OF EXERCISE DATE, ETC.

- 3.1 If the Company—in the period until exercise of a Warrant—resolves to:
 - (i) increase or reduce the share capital;
 - (ii) issue new convertible instruments of debt or new shares as a consequence of the exercise of the conversion rights in this respect;
 - (iii) issue new warrants or new shares as a consequence of the exercise of such or existing warrants;

- (iv) acquire own shares or warrants; or

3.1a in any other way resolves to change the Company's capital structure, the terms of the Warrant will not change, including as regards the Exercise Price and the number of shares which may be acquired.

3.2a If the Company distributes dividend in the period until exercise of a Warrant, the exercise price shall be adjusted (to the extent permitted by legislation) so as to compensate for the dilution of the value of the Warrant caused by the resolution.

3.2 If the Company resolves to enter into liquidation, the Company is entitled and obligated to advance the date of exercise of the Warrants which the Holder under article 1.2 is entitled to exercise, by giving written notice with a time limit of 2 (two) weeks to the Holder to exercise such Warrants. The Holder's Notice of Exercise shall be received by the Company in accordance with the procedure stated in article 2.2. Any Warrant not exercised by the Holder on the Company's receipt of the Notice of exercise before the expiry of the time limit of two weeks to give notice will lapse automatically and without further notice, consideration and/or compensation to the Holder. Likewise, the warrants which may be exercised will lapse automatically and without further notice if the Holder's Notice of Exercise has been received in time but the Holder has failed to pay the subscription amount in time. The Warrants which the Holder is not entitled to exercise will lapse at the time when the resolution to wind up the Company takes effect.

3.3 If the Company—in the period until the exercise of a Warrant—resolves to merge with the Company as the discounting company, the Holder in the continuing company is entitled to subscribe shares to an extent and on terms entailing that the terms of the Holder's warrants after the merger are the same as before the merger wherever possible. The number of subscribable shares must be adjusted if the rate of exchange of shares in the discontinuing company determined in the merger plan (compared to the value of the shares in the continuing company) gives grounds for such adjustment. If funds are distributed to the Company's shareholders in connection with the merger, the Exercise Price must be reduced on the basis thereof.

A non-cash contribution of all the Company's shares in another company is comparable to a merger with the Company as the discontinuing company.

3.4 If the Company—in the period until exercise of a Warrant—resolves to demerge the Company, the Holder shall receive warrants in the receiving company/-ies, the total value of which must equal the value of the Holder's Warrants prior to the demerger, pro rata to the demerger ratio. The Holder's warrants in the receiving company/-ies entitle the Holder to subscribe shares in the receiving company/-ies to an extent and on terms entailing that the terms of the Holder's warrants after the demerger are the same as before the demerger, wherever possible. If funds are distributed to the Company's shareholders in connection with the demerger, the Exercise Price must be reduced on the basis thereof.

3.5 Where all Existing Warrants have been exercised and/or have lapsed, the Company may notify the Holder that the Holder has a time limit of two weeks to exercise all the Warrants which the Holder is entitled to exercise according to the terms in article 1.2. Any warrants which the Holder is not entitled to exercise due to the terms in article 1.2 will in that case lapse automatically without further notice, consideration and/or compensation. Any Warrants which the Holder is entitled to exercise under article 1.2 and in respect of which the Company has not received the Holder's Notice of Exercise within the said two weeks' time limit will also lapse automatically without further notice, consideration and/or compensation. To the extent the said two weeks' time limit falls outside an Exercise Period, the time limit will be extended accordingly into the next Exercise Period. Likewise, the Warrants which the Holder is entitled to exercise will lapse automatically and without further notice if the Holder's Notice of Exercise has been received in time but the Holder has failed to pay the subscription amount in time.

3.6 If a resolution is passed to make any of the changes in clauses 3.2a, 3.3 or 3.4, the Company's board of directors shall ask the Company's auditor to provide a statement of (a) whether an adjustment of the Exercise Price and/or the number of shares subscribable under the Warrant is required according to such provisions and (b), if such provision

prescribes an adjustment, the nature and scope of such adjustment. The Company shall immediately after having received the auditor's statement provide a copy thereof to the Holder. The conclusion in the auditor's statement is binding on the Company and the Holder and may not be subject to any objections or disputes, including without limitation article 9.

3.7 Where adjustments pursuant to this clause 3 lead to the Exercise Price being lower than par value, the Warrant may, in general, not be exercised. The Holder may, however, exercise the Warrant if he accepts that the Exercise Price is increased to par value without the Holder being entitled to compensation.

4. CONSIDERATION FOR WARRANT

4.1 The Holder shall not pay any separate consideration for the Warrant.

5. TERMS OF THE SHARES

5.1 The following terms and conditions apply to shares subscribed in connection with the exercise of the Warrant:

- (i) the Company's shareholders shall not hold pre-emption rights to shares acquired on exercise of a Warrant; and
- (ii) The subscription amount must be paid by the Holder to the Company within three weekdays of the Company's receipt of the Holder's Notice of Exercise. The subscription amount may be paid either in cash, by a cheque issued to the Company or by electronic transfer. In case of the Holder's failure to pay the subscription amount in time, the Notice of Exercise will lapse and will be deemed not to have been issued by the Holder.

5.2 The following terms and conditions apply to shares issued in connection with the exercise of a Warrant:

- (i) the shares are to be issued in shares of DKK 1.00 or multiples thereof;
- (ii) the shares are to be non-negotiable instruments;
- (iii) no share shall confer special rights on any shareholder;
- (iv) the shares shall entitle the Holder to dividend and other rights in the Company from the date of subscription (the date of the Holder's Notice of Exercise);
- (v) restrictions shall apply to the negotiability of the shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (vi) the shares shall be subject to the same other rights and obligations as laid down in the Company's articles of association;

In case of an amendment to the articles of association prior to the exercise of a Warrant, any such amended rights and obligations shall apply to the Warrant and to all shares subscribed in connection with the exercise of a Warrant.

6. SHAREHOLDERS' AGREEMENT

6.1 On exercise of the Warrant, the Holder shall accept the shareholders' agreement of the Company in force from time to time. This term does not apply to the extent that the Company is listed on a regulated market.

7. NEGOTIABILITY OF THE WARRANT

7.1 The Warrant is a non-negotiable instrument. Any transfer, pledging or other assignment of this Warrant may only take place with written consent from the board of directors, which consent may be given, refused or made conditional at the board of directors' discretion.

8. LAPSE OF THE WARRANT
- 8.1 Unless the Warrant has lapsed previously, the Warrant will lapse automatically and without further notice, consideration or compensation to the Holder 7 (seven) years after the general meeting's resolution to issue the Warrant.
9. ARBITRATION AND GOVERNING LAW
- 9.1 Any dispute arising out of or in connection with the Warrant and/or this appendix to the Company's articles of association is to be settled with final and binding effect under the "Rules of procedure for arbitration proceedings at the Danish Institute of Arbitration (Danish Arbitration)".
- 9.2 The Warrant and this document are governed by and are to be interpreted in accordance with Danish law, save for the Danish choice of law rules.
10. COSTS
- 10.1 The Company shall pay its own costs in connection with the issue and exercise of the Warrant and the capital increase in this connection.
11. LANGUAGE
- 11.1 The Danish version is the official version. In case of any disagreement between the Danish and the English versions, the Danish version shall prevail.

Appendix 4.12.a to
The Articles of Association of Aquaporin A/S
Warrants

1. INTRODUCTION

1.1 Use and terms. This Appendix 4.12.a to the Articles of Association of Aquaporin A/S, CVR no. 28 31 56 94, (the “Company”), sets out the terms and conditions laid down by the board of directors of the Company for the warrants (“Warrants” and individually “Warrant”), which according to the Company’s Articles of Association, are to be covered by this Appendix 4.12.a, and for the related capital increases (the content of this Appendix is hereinafter referred to as the “Terms”).

1.2 Beneficiaries. The shareholders of the Company shall not hold pre-emption rights to the Warrants. Warrants are issued to the benefit of certain members of the Company’s board of directors and/or employees, including members of the executive board, in the Company or the Company’s direct or indirect subsidiaries (each a “Group Company” and collectively the “Group”, including Aquaporin Asia Pte Ltd. (collectively the “Employees” and individually an “Employee”). Where the Employee is a member of the Company’s board of directors, but not employed, the concept “employment” relates to the Employee’s formal membership of the Company’s board of directors.

2. SUBSCRIPTION OF AND CONSIDERATION FOR WARRANTS

2.1 Subscription of Warrants. Employees may subscribe Warrants in the period stated in the Subscription Agreement by signing a separate subscription agreement (“Subscription Agreement”).

2.2 No consideration for Warrants. No consideration is paid for the allotment of the Warrants.

3. ALLOTMENT OF WARRANTS

3.1 Allotment of warrants conditional on employment. The allotment of Warrants is conditional and will take place on three allotment dates. 1/3 of the Warrants subscribed by the Employee (the “Subscribed Warrants”) will be allotted eight weeks after the date of the board of directors’ resolution to issue the Subscribed Warrants (the “Board Resolution”); 1/3 of the Subscribed Warrants will be allotted on the first anniversary of the Board Resolution; and the last 1/3 of the Subscribed Warrants will be allotted on the second anniversary of the Board Resolution. The date of the Board Resolution appears from the Articles of Association. The Employee will be allotted Warrants on the individual date of allotment if the Employee’s employment with the Group has not ceased at the time of allotment (but see clause 10.2). This applies regardless of who terminates the employment and regardless of the cause of the termination, including if the Group Company in which the Employee is employed ceases to be a direct or indirect subsidiary of the Company, or if the Employee’s employment is transferred to a company outside the Group.

3.2 Non-allotted Warrants. Warrants not yet allotted may not be exercised.

3.3 Rounding down. Where the calculation of the number of Warrants to be allotted on a specific date does not result in an equal number of Warrants, the number shall be rounded down to the first whole number of Warrants.

3.4 Exercise price. The individual Warrant entitles, but does not obligate, the Employee to subscribe one share of a nominal value of DKK 1.00 in the Company at the exercise price fixed by the board of directors of the Company at the time of issue of the Warrant (the “Exercise Price”) with any adjustments and on the terms and conditions described herein. According to these Terms, the Exercise Price shall be adjusted in certain circumstances, but the Exercise Price may not at any time be lower than par value, and each share of a nominal value of DKK 1.00 shall therefore be subscribed at DKK 1.00 as a minimum, whether the adjustment mechanisms of the Terms might result in a lower Exercise Price.

4. ORDINARY EXERCISE OF WARRANTS

4.1 Exercise. Unless otherwise prescribed below, allotted Warrants may be exercised at any time within the exercise period ("Exercise Period"), which means the period from the third anniversary of the Board Resolution, see clause 3.1, until the fifth anniversary of the Board Resolution, see clause 3.1. Where the Company's shares have been admitted for listing on a regulated market place, allotted Warrants may only be exercised in each of the Windows (as defined below), which are open in the Exercise Period.

"Window" shall mean a period of four weeks from the publication of the Company's financial statements and the publication of the Company interim financial statements, respectively. An Employee may give notice of exercise of allotted Warrants on several occasions, but if the Employee fails to exercise all the allotted Warrants, the Employee shall as a minimum exercise 25% at a time of the total number of existing Warrants allotted to the Employee based on these Terms.

4.2 Inside information. Where the Company's shares have been admitted for listing on a regulated market place, the Employee may not exercise allotted Warrants if the Employee is in possession of inside information (as defined in the legislation in force from time to time, currently the market abuse regulation) about the Company or a Group Company. Where an Employee is in possession of inside information in the last window of the Exercise Period, the Employee is entitled—notwithstanding the above—to exercise allotted Warrants in the next Window (the "Extraordinary Window") after the fifth anniversary of the Board Resolution where the Employee is not in possession of inside information, and the Exercise Period for the Employee in question shall be considered extended until and including the Extraordinary Window.

4.3 Lapse of Warrants. Warrants not exercised on or before the expiry of the Exercise Period shall lapse automatically without notice and without compensation at the expiry of the Exercise Period.

5. PROCEDURE FOR EXERCISE OF WARRANTS

5.1 Procedure for exercise. Where an Employee wishes to exercise allotted Warrants wholly or partly, the Employee shall give notice in writing ("Notice of Exercise") to the Company (attn.: the chairman of the board). The notice must contain information as to how many Warrants the Employee wishes to exercise and, if the Company's shares have been admitted for listing on a regulated market place, to which custody account they are to be transferred. The Company must receive the Notice of Exercise (i) if the Company's shares have been admitted for listing on a regulated market place before the expiry of a Window in the Exercise Period and otherwise (ii) before the expiry of the Exercise Period. No later than on the date of the Notice of Exercise, the Employee shall make a cash payment or electronic transfer of the exercise amount (the "Exercise Amount") to the Company's account. The Exercise Amount must equal the Exercise Price (if required, adjusted according to clause 6 multiplied by the number of shares (if required, adjusted according to clause 6 below), which the exercised Warrants entitle the Employee to acquire.

5.2 Delivery of shares. Where an Employee exercises all or parts of allotted Warrants in accordance with these Terms, provided that the Exercise Amount has been duly paid, the subscribed shares shall be delivered at a time determined by the Company; the shares cannot be delivered until the capital increase in connection with the exercise has been registered with the Danish Business Authority. Where the Company's shares have been admitted for listing on a regulated market place, the Company shall make efforts to deliver the shares within 90 calendar days after the Company has received the Employee's notice of exercise of Warrants.

5.3 Right to cash settlement. Where the Company's shares have been admitted for listing on a regulated market place, the board of directors of the Company may decide to pay a cash amount to the Employee (cash settlement), notwithstanding clause 5.2, equalling the amount by which the market place of the Company's shares exceeds the Exercise Price (if required, adjusted according to clause 6 instead of delivering the shares relating to the Warrants; any Exercise Amount paid by the Employee shall in that case be repaid. Where the board of directors of the Company wishes to exercise the right to cash settlement, the board of

directors shall notify the Employee within 90 calendar days after the Company's receipt of the Employee's Notice of Exercise, see clause 5.1. The board of directors may also decide to make a cash settlement in other specific cases, see clause 6.13. The tax implications for the Employee of a cash settlement are of no concern to the Company.

6. ADJUSTMENT OF EXERCISE PRICE/NUMBER OF SHARES, MERGER, DEMERGER, ETC. ADVANCED ALLOTMENT AND EXERCISE DATE, ETC.

6.1 Any changes in the Company's capital giving rise to adjustments. Where the Company—in the period until exercise of a Warrant—resolves to:

- (a) issue bonus shares;
- (b) reduce the Company's share capital with a view to covering losses; or
- (c) reduce the Company's share capital with a view to establishing a special reserve under section 188 (1), no. 3 of the Danish Companies Act;

and provided that such change results in a dilution or increase of the value of the Warrant in question, the Exercise Price and/or the number of shares that may be subscribed under the Warrant in question shall be adjusted (to the extent permitted by legislation) so as to compensate for the dilution or increase, if any, of the value of the Warrant caused by the resolution.

6.2 No adjustment. Where the Company—in the period until exercise of a Warrant—resolves to:

- (a) increase the Company's share capital by other means than an issue of bonus shares, whether at a price lower than the market price of the Company's shares at the time of the issue;
- (b) issue convertible instruments of debt, whether they entitle the Employee to subscribe shares in the Company at a price lower than the market price of the Company's shares at the time of the issue;
- (c) distribute dividend;
- (d) issue new warrants, whether they entitle the Employee to subscribe shares in the Company at a price lower than the market price of the Company's shares at the time of the issue;
- (e) acquire shares (treasury shares) in the Company, whether at a price higher than the market price at the time of the acquisition; or
- (f) reduce the Company's share capital for any other purpose than the purposes stated in clauses 6.1(b) and 6.1(c) above, whether at a price higher than the market price of the Company's shares at the time of the reduction of the capital;

the legal position of the Warrant will remain unchanged.

6.3 Merger. Where—in the period until the exercise of a Warrant—the Company resolves to merge with the Company as the discounting company, the Employee shall receive warrants in the continuing company to subscribe shares to an extent and on terms entailing that the terms of the Employee's warrants after the merger are the same as before the merger wherever possible. The number of subscribable shares and/or the Exercise Price must be adjusted if the rate of exchange of shares in the discontinuing company determined in the merger plan (compared to the value of the shares in the continuing company) gives grounds for such adjustment; such adjustment shall ensure that the value of non-exercised Warrants immediately after the merger equals the value of non-exercised Warrants immediately before the merger.

6.4 Exchange of shares. Where it is finally resolved to implement an exchange of shares whereby all the Company's shares are transferred to another company with consideration in shares in the receiving company, clause 6.3 on merger with the Company as the discontinuing company shall apply correspondingly.

6.5 Demerger. Where—in the period until exercise of a Warrant—it is finally resolved to dissolve the Company by way of a demerger, the Employee shall receive warrants of an equal value in the company in which the Employee is employed or otherwise attached after the demerger. Where the Employee is no longer employed with/a member of the board of directors of the Company or a Group Company, the Employee shall receive warrants in the receiving company/-ies, the total value of which must equal the value of the Employee's allotted Warrants prior to the demerger, pro rata to the demerger ratio. The Employee's warrants in the receiving company/-ies entitle the Employee to subscribe shares in the receiving company/-ies to an extent and on terms entailing that the terms of the Employee's warrants after the demerger are the same as before the demerger, wherever possible; such adjustment shall ensure that the value of non-exercised Warrants immediately after the demerger equals the value of non-exercised Warrants immediately before the demerger.

6.6 Advancing allotments. Notwithstanding clause 6, the Company may demand in the situations mentioned in clauses 6.3–6.5 that the Employee exercise all the Warrants allotted but not yet exercised. Where the Company demands that the Employee exercise all the Warrants allotted, but not yet exercised, all non-allotted Warrants will be allotted at the same time, meaning that all the Employee's subscribed Warrants are allotted with immediate effect. These Warrants shall be exercised in accordance with the provisions in clauses 6.6 and 6.7.

6.7 Notice. The board of directors of the Company shall give each Employee notice in writing about any resolutions passed in accordance with clause 6.6. Thereafter, the Employee shall inform the Company within 30 calendar days of the notice whether he wishes to exercise all his Warrants and within the same time limit make a cash payment of the Exercise Amount to the Company's account. Where the Employee elects not to exercise the Warrants or fails to pay the Exercise Amount, they will lapse automatically without notice and compensation.

6.8 Transfer. Where—in the period until exercise of a Warrant—100% of the shares in the Company (without the matter being covered by clause 6.4) is sold to a third party (the "Transfer"), the Company is entitled to advance the Exercise Period of the Warrants by giving notice in writing to the individual Employee to exercise his Warrants within 2 (two) weeks; all not yet allotted Warrants thus being allotted at the same time so that all the Employee's subscribed Warrants are immediately allotted to the individual Employee. The notice must be given to the Employee within 3 (three) months of the Transfer having taken place. The Employee's Notice of Exercise must be given in accordance with the procedure stated in clause 5. Any warrant not exercised by the Employee before the expiry of the time limit of two weeks to give notice of exercise will lapse automatically without notice and without compensation.

6.9 Delisting. Where the Company's shares have been admitted for listing on a regulated market place, a subsequent delisting of the Company will entitle and obligate the Company to advance the Exercise Period of the Warrants by giving notice in writing to the individual Employee to exercise his Warrants within two weeks; all not yet allotted Warrants thus being allotted at the same time so that all the Employee's Subscribed Warrants are immediately allotted to the individual Employee. Notice must be given to the Employee within three weeks of the delisting. The Employee's Notice of Exercise must be given in accordance with the procedure stated in clause 5. Any Warrant not exercised by the Employee before the expiry of the time limit of two weeks to give notice of exercise will lapse automatically without notice and compensation.

6.10 Other changes in the Company's capital structure. Where—in the period until exercise of a Warrant—the Company resolves to change the Company's capital structure by other means than described in clauses 6.1–6.5, the legal position of the Warrant remains unchanged.

6.11 Statement of adjustment of shares and Exercise Price respectively exchanged to new warrants. Where the Company resolves to make any of the changes in clause 6.1, the Company's board of directors shall ask the Company's auditor to provide a statement of (a) whether an adjustment of the Exercise Price and/or the number of shares subscribable under the Warrant is required according to such provisions and (b), if such provision prescribes an adjustment, the nature and scope of such adjustment. This applies likewise in respect to the calculation of the exchange to new warrants and the terms and conditions of

such warrants in case of any of the events in clauses 6.3–6.5 unless the Company has applied clause 6.6. The Company shall immediately after having received the auditor's statement provide a copy thereof to the Employee. The conclusion in the auditor's statement is binding on the Company and the Employee and may not be subject to any objections or disputes, including without limitation clause 13. The costs for the auditor are paid by the Company.

6.12 Exercise Price not lower than par value. Where adjustments pursuant to this clause 6 lead to the Exercise Price being lower than par value, the Warrant may, in general, not be exercised. The Employee may, however, exercise the Warrant if he accepts that the Exercise Price is increased to par value without the Employee being entitled to compensation.

6.13 Cash settlement. In case of an advanced allotment according to clause 6.6, 6.8 or 0 (the "Event"), the Company is also entitled to inform the Employee that the Company will make a cash settlement of the Warrants instead of delivering shares, and the Company may demand that the Warrants be sold to the Company or order. Where the Company's shares have been admitted for listing on a regulated market place, the amount to be paid to the Employee shall be calculated in accordance with clause 5.3. If not, the amount to be paid to the Employee is calculated at the value of the individual share which the Warrant entitles the Employee to acquire, deducting the Exercise Price, and the value of the share is fixed at the measured price per share obtained in connection with the merger, demerger, exchange of shares, etc.; always provided that the value shall be fixed by the Company's auditor if a cash price has not been fixed for the Company's shares in connection with the Event. In that case, the Company shall immediately after having received the auditor's measurement inform the Employee about the result, and the Employee shall have access to review the auditor's statement concerning the measurement, if requested. The auditor's measurement is binding on the Company and the Employee and may not be subject to any objections or disputes, including without limitation clause 13. Any Exercise Amount paid by the Employee to the Company in connection with exercise of the Warrants shall be repaid as per settlement according to this clause 6.13. The tax implications for the Employee of settlement according to this clause 6.13 are of no concern to the Company.

6.14 Automatic cancellation. Where the Company has notified the occurrence of an event as described in clause 6.6, 6.8 or 6.9, and the event does not occur, the Company's notice under clause 6.6, 6.8 and 6.9 shall lapse automatically and without notice, including the Employee's Exercise Notice (in relation to exercise of Warrants), and at the same time any advancing of the allotment of Warrants is cancelled.

7. LEGAL POSITION IN CASE OF LIQUIDATION

7.1 Automatic exercise of Warrants upon liquidation. Where the Company is liquidated, all allotted Warrants are considered automatically exercised. The Employee is thus unable to acquire the shares which the Warrants entitle the Employee to acquire, but the Employee is entitled to receive a cash amount (cash settlement) within 30 calendar days after the Company has been liquidated, equalling the amount by which the market price of the Company's shares exceeds the Exercise Price (if required, adjusted according to clause 6) at the time of the liquidation multiplied by the number of shares (if required, adjusted according to clause 6), which the Employee could otherwise have acquired according to the non-exercised, allotted Warrants. Market price shall in this connection be construed as the liquidation proceeds which the Employee would have received if the Employee had exercised all his allotted Warrants at the time of the liquidation (with the deduction of the Exercise Amount).

7.2 Lapse of Warrants. Where the Exercise Price (if required, adjusted according to clause 6) equals or exceeds the market price of the Company's shares, see clause 7.1, such allotted Warrants will be considered non-exercised in connection with the liquidation, and such Warrants will thereafter lapse automatically without notice and compensation at the time of the liquidation. Any Warrants not allotted shall also lapse automatically without notice and compensation at the time of the liquidation.

7.3 Notice of liquidation. Within 14 calendar days of a resolution to liquidate the Company, the Company shall notify the Employee in writing.

8. TERMS OF THE SHARES

8.1 Terms of the new shares. The following terms apply to shares subscribed in connection with the exercise of a Warrant:

- (g) The Company's shareholders shall not hold pre-emption rights to shares acquired on exercise of a Warrant;
- (h) The shares shall be issued in shares of DKK 1.00 or multiples thereof;
- (i) The subscription amount, which must equal the Exercise Amount, shall be paid by the Employee at the time of the Employee's issue of the Notice of Exercise to the Company under clause 3.4. The subscription amount shall be paid either in cash or by electronic transfer to the Company's account. In case of the Employee's failure to pay the Exercise Amount in time, the Notice of Exercise will lapse and will be deemed not to have been issued by the Employee;
- (j) The shares shall be non-negotiable instruments;
- (k) No share shall confer special rights on any shareholder;
- (l) The shares shall entitle the Employee to dividend and other rights in the Company from the date of registration of the relevant capital increase with the Danish Business Authority;
- (m) Restrictions shall apply to the negotiability of the shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (n) The shares shall be subject to the same other rights and obligations as laid down in the Company's articles of association.

In case of an amendment to the Articles of Association prior to the exercise of a Warrant, any such amended rights and obligations shall apply to the Warrant and to all shares subscribed in connection with the exercise of a Warrant.

9. SHAREHOLDERS' AGREEMENT

9.1 Obligation to accept shareholders' agreement. Where the Company's shares have not been admitted for listing on a regulated market place, the Employee is upon exercise of allotted Warrants obligated to accept the shareholders' agreement for the Company in force from time to time.

10. TERMINATION OF EMPLOYMENT

10.1 "Good leaver"—allotted, non-exercised Warrants. Where an Employee ceases to be employed with the Group as a so-called "good leaver", all the Employee's allotted, non-exercised Warrants remain on unchanged terms. The Employee is a "good leaver" in the following situations:

- (a) The Employee terminates his employment due to the employer's material breach of the employment; or
- (b) the Employee is terminated by the employer without the termination being caused by the Employee's breach of the employment; or
- (c) the Employee (i) reaches the age of retirement from the Employee's profession or from the employer, or the Employee may receive state pension or retirement pension from the employer, or (ii) becomes incapacitated for work due to a permanent illness; or
- (d) the Group Company in which the Employee is employed ceases to be a Group Company, or
- (e) the Group Company in which the Employee is employed sells or otherwise transfers all or parts of its activities, including the Employee's employment, to a purchaser outside the Group as part of a corporate acquisition.

In case of either situation (a) or (b), the termination of employment will be counted from the time when the Employee's employment contracts expires (the "Date of Termination"). As regards the situations mentioned in (c), where notice of termination is not to be given to the Employee, the Date of Termination will be the date when the situation in question occurs. With reference to the situation mentioned in (d) and (e), the Date of Termination will be the date when the Employee's employment is transferred to a company outside the Group.

- 10.2 "Good leaver"—subscribed, but not yet allotted Warrants. Where the Employee is a good leaver as defined in clause 10.1, and the Date of Termination has occurred before the last allotment of the subscribed Warrants, the Employee shall receive a proportionate share of the Warrants which would otherwise have been allotted to the Employee at the next relevant date of allotment. Clause 3.3 shall apply to the calculation of the number of Warrants.
- 10.3 "Bad leaver". Where the Employee ceases to be employed with the Group, and the termination occurs for other causes than described above in clause 10.1, (i) the Company is entitled and obligated to advance the date of exercise of the Employee's allotted Warrants by giving notice in writing to the individual Employee to exercise his allotted Warrants within 2 (two) weeks. In addition, not yet allotted Warrants will lapse, and no additional Warrants will be allotted according to the principles in clause 10.2. The Warrants will lapse automatically without notice and without compensation on the Date of Termination.
- 10.4 Still employed with the Group. Where the Employee ceases to be employed with one Group Company and becomes employed with another Group Company, this situation will not be considered covered by the above provisions in clauses 10.1—10.3, and the Employee will maintain the Warrants on unchanged terms.
- 10.5 Death. In case of the Employee's death, the right to the Employee's allotted Warrants will pass to the Employee's beneficiaries. The Employee's beneficiaries will further be allotted a proportionate share of the Warrants which would otherwise have been allotted to the Employee on the next relevant Date of Allotment. Any allotted, non-exercised Warrants shall be exercised within six months after the Employee's death, but no later than within the Exercise Period. Where the allotted Warrants have not been exercised within said period, they will lapse automatically without notice and without compensation.

11. TRANSFER OF THE WARRANT

- 11.1 The Warrant is a non-negotiable instrument. The Warrants may not be subject to execution. Any transfer whether for ownership or as security, or other assignment of this Warrant, including in case of division of property, may only take place with written consent from the board of directors, which consent may be given, refused or made conditional at the board of directors' discretion (however, except a transfer due to the Employee's death, in which case the board of directors shall approve the transfer to the Employee's closest relatives, mortis causa).

12. LAPSE OF THE WARRANT

- 12.1 The Warrant is a non-negotiable instrument. The Warrants may not be subject to execution. Any transfer whether for ownership or as security, or other assignment of this Warrant, including in case of division of property, may only take place with written consent from the board of directors, which consent may be given, refused or made conditional at the board of directors' discretion (however, except a transfer due to the Employee's death, in which case the board of directors shall approve the transfer to the Employee's closest relatives, mortis causa).

13. ARBITRATION AND GOVERNING LAW

- 13.1 Any dispute arising out of or in connection with the Warrant and/or this appendix to the Company's Articles of Association is to be settled with final and binding effect under the "Rules of procedure for arbitration proceedings at the Danish Institute of Arbitration (Danish Arbitration)". The arbitration tribunal shall decide on costs; however, the costs shall be allocated so that the Company will reimburse those of the Employee's costs in connection

with the arbitration proceedings, which exceed the costs which would have been imposed on the Employee if the dispute had been heard before the ordinary courts.

13.2 The Warrant, including the subscription, allotment and exercise, shall be governed by and construed in accordance with Danish law, save for the Danish choice of law rules.

14. COSTS

14.1 The Company shall pay its own costs in connection with the issue and exercise of the Warrant and the capital increase in this connection.

15. TAXATION OF THE EMPLOYEE

15.1 The Company and the Employee have agreed that the Warrants for Employees liable to pay income tax in Denmark shall as far as possible be taxed according to the rules in section 7P of the Danish Tax Assessment Act.

15.2 Neither the Company nor the Company's board of directors, executive board or advisers undertake any responsibility for the tax implications of the Employee's subscription and exercise of the Warrant. Each Employee has prior to the subscription of the Warrant been requested to obtain independent advice on the potential tax implications of the subscription and exercise of the Warrant.

Appendix 4.14.a to
The Articles of Association of Aquaporin A/S
Warrants

1. INTRODUCTION

1.1 Use and terms. This Appendix 4.14.a to the Articles of Association of Aquaporin A/S, CVR no. 28 31 56 94, (the "Company"), sets out the terms and conditions laid down by the board of directors of the Company for the warrants ("Warrants" and individually "Warrant"), which according to the Company's Articles of Association, are to be covered by this Appendix 4.14.a, and for the related capital increases (the content of this Appendix is hereinafter referred to as the "Terms"), however the Terms may have been deviated from in the board resolution as described in articles of the Company's Articles of Association that refer to this Appendix.

1.2 Beneficiaries. The shareholders of the Company shall not hold pre-emption rights to the Warrants. Warrants are issued to the benefit of certain members of the Company's board of directors and/or employees, including members of the executive board, in the Company or the Company's direct or indirect subsidiaries (each a "Group Company" and collectively the "Group", including Aquaporin Asia Pte Ltd. (collectively the "Employees" and individually an "Employee"). Where the Employee is a member of the Company's board of directors, but not employed, the concept "employment" relates to the Employee's formal membership of the Company's board of directors.

2. SUBSCRIPTION OF AND CONSIDERATION FOR WARRANTS

2.1 Subscription of Warrants. Employees may subscribe Warrants in the period stated in the Subscription Agreement by signing a separate subscription agreement ("Subscription Agreement").

2.2 No consideration for Warrants. No consideration is paid for the allotment of the Warrants.

3. ALLOTMENT OF WARRANTS

3.1 Allotment of warrants conditional on employment. The allotment of Warrants is conditional and will take place on three allotment dates. 1/3 of the Warrants subscribed by the Employee (the "Subscribed Warrants") will be allotted eight weeks after the date of the board of directors' resolution to issue the Subscribed Warrants (the "Board Resolution"); 1/3 of the Subscribed Warrants will be allotted on the first anniversary of the Board Resolution; and the last part of the Subscribed Warrants will be allotted on the second anniversary of the Board Resolution. The date of the Board Resolution appears from the Articles of Association. The Employee will be allotted Warrants on the individual date of allotment if the Employee's employment with the Group has not ceased at the time of allotment (but see clause 10.2). This applies regardless of who terminates the employment and regardless of the cause of the termination, including if the Group Company in which the Employee is employed ceases to be a direct or indirect subsidiary of the Company, or if the Employee's employment is transferred to a company outside the Group.

3.2 Non-allotted Warrants. Warrants not yet allotted may not be exercised.

3.3 Rounding down. Where the calculation of the number of Warrants to be allotted on a specific date does not result in a whole number of Warrants, the number shall be rounded down to the first whole number of Warrants.

3.4 Exercise price. The individual Warrant entitles, but does not obligate, the Employee to subscribe one share of a nominal value of DKK 1.00 in the Company at the exercise price fixed by the board of directors of the Company at the time of issue of the Warrant (the "Exercise Price") with any adjustments and on the terms and conditions described herein. According to these Terms, the Exercise Price shall be adjusted in certain circumstances, but the Exercise Price may not at any time be lower than par value, and each share of a nominal value of DKK 1.00 shall therefore be subscribed at DKK 1.00 as a minimum, whether the adjustment mechanisms of the Terms might result in a lower Exercise Price.

4. ORDINARY EXERCISE OF WARRANTS

4.1 Exercise. Unless otherwise prescribed below, allotted Warrants may be exercised at any time within the exercise period ("Exercise Period"), which means the period from the third anniversary of the Board Resolution, see clause 3.1, until the fifth anniversary of the Board Resolution, see clause 3.1. Where the Company's shares have been admitted for listing on a regulated market place, allotted Warrants may only be exercised in each of the Windows (as defined below), which are open in the Exercise Period.

"Window" shall mean a period of four weeks from the publication of the Company's financial statements and the publication of the Company interim financial statements, respectively. An Employee may give notice of exercise of allotted Warrants on several occasions, but if the Employee fails to exercise all the allotted Warrants, the Employee shall as a minimum exercise 25% at a time of the total number of existing Warrants allotted to the Employee based on these Terms.

4.2 Inside information. Where the Company's shares have been admitted for listing on a regulated market place, the Employee may not exercise allotted Warrants if the Employee is in possession of inside information (as defined in the legislation in force from time to time, currently the market abuse regulation) about the Company or a Group Company. Where an Employee is in possession of inside information in the last window of the Exercise Period, the Employee is entitled—notwithstanding the above—to exercise allotted Warrants in the next Window (the "Extraordinary Window") after the fifth anniversary of the Board Resolution where the Employee is not in possession of inside information, and the Exercise Period for the Employee in question shall be considered extended until and including the Extraordinary Window.

4.3 Lapse of Warrants. Warrants not exercised on or before the expiry of the Exercise Period shall lapse automatically without notice and without compensation at the expiry of the Exercise Period.

5. PROCEDURE FOR EXERCISE OF WARRANTS

5.1 Procedure for exercise. Where an Employee wishes to exercise allotted Warrants wholly or partly, the Employee shall give notice in writing ("Notice of Exercise") to the Company (attn.: the chairman of the board). The notice must contain information as to how many Warrants the Employee wishes to exercise and, if the Company's shares have been admitted for listing on a regulated market place, to which custody account they are to be transferred. The Company must receive the Notice of Exercise (i) if the Company's shares have been admitted for listing on a regulated market place before the expiry of a Window in the Exercise Period and otherwise (ii) before the expiry of the Exercise Period. No later than on the date of the Notice of Exercise, the Employee shall make a cash payment or electronic transfer of the exercise amount (the "Exercise Amount") to the Company's account. The Exercise Amount must equal the Exercise Price (if required, adjusted according to clause 6 multiplied by the number of shares (if required, adjusted according to clause 6 below), which the exercised Warrants entitle the Employee to acquire.

5.2 Delivery of shares. Where an Employee exercises all or parts of allotted Warrants in accordance with these Terms, provided that the Exercise Amount has been duly paid, the subscribed shares shall be delivered at a time determined by the Company; the shares cannot be delivered until the capital increase in connection with the exercise has been registered with the Danish Business Authority. Where the Company's shares have been admitted for listing on a regulated market place, the Company shall make efforts to deliver the shares within 90 calendar days after the Company has received the Employee's notice of exercise of Warrants.

5.3 Right to cash settlement. Where the Company's shares have been admitted for listing on a regulated market place, the board of directors of the Company may decide to pay a cash amount to the Employee (cash settlement), notwithstanding clause 5.2, equalling the amount by which the market place of the Company's shares exceeds the Exercise Price (if required, adjusted according to clause 6 instead of delivering the shares relating to the Warrants; any Exercise Amount paid by the Employee shall in that case be repaid. Where the board of directors of the Company wishes to exercise the right to cash settlement, the board of directors shall notify the Employee within 90 calendar days after the Company's receipt of the Employee's Notice of Exercise, see clause 5.1. The board of directors may also decide to make a cash

settlement in other specific cases, see clause 6.13. The tax implications for the Employee of a cash settlement are of no concern to the Company.

6. **ADJUSTMENT OF EXERCISE PRICE/NUMBER OF SHARES, MERGER, DEMERGER, ETC. ADVANCED ALLOTMENT AND EXERCISE DATE, ETC.**

6.1 **Any changes in the Company's capital giving rise to adjustments. Where** the Company—in the period until exercise of a Warrant—resolves to:

- (a) issue bonus shares;
- (b) reduce the Company's share capital with a view to covering losses; or
- (c) reduce the Company's share capital with a view to establishing a special reserve under section 188 (1), no. 3 of the Danish Companies Act;

and provided that such change results in a dilution or increase of the value of the Warrant in question, the Exercise Price and/or the number of shares that may be subscribed under the Warrant in question shall be adjusted (to the extent permitted by legislation) so as to compensate for the dilution or increase, if any, of the value of the Warrant caused by the resolution.

6.2 **No adjustment. Where** the Company—in the period until exercise of a Warrant—resolves to:

- (a) increase the Company's share capital by other means than an issue of bonus shares, whether at a price lower than the market price of the Company's shares at the time of the issue;
- (b) issue convertible instruments of debt, whether they entitle the Employee to subscribe shares in the Company at a price lower than the market price of the Company's shares at the time of the issue;
- (c) distribute dividend;
- (d) issue new warrants, whether they entitle the Employee to subscribe shares in the Company at a price lower than the market price of the Company's shares at the time of the issue;
- (e) acquire shares (treasury shares) in the Company, whether at a price higher than the market price at the time of the acquisition; or
- (f) reduce the Company's share capital for any other purpose than the purposes stated in clauses 6.1(b) and 6.1(c) above, whether at a price higher than the market price of the Company's shares at the time of the reduction of the capital;

the legal position of the Warrant will remain unchanged.

6.3 **Merger. Where**—in the period until the exercise of a Warrant—the Company resolves to merge with the Company as the discontinuing company, the Employee shall receive warrants in the continuing company to subscribe shares to an extent and on terms entailing that the terms of the Employee's warrants after the merger are the same as before the merger wherever possible. The number of subscribable shares and/or the Exercise Price must be adjusted if the rate of exchange of shares in the discontinuing company determined in the merger plan (compared to the value of the shares in the continuing company) gives grounds for such adjustment; such adjustment shall ensure that the value of non-exercised Warrants immediately after the merger equals the value of non-exercised Warrants immediately before the merger.

6.4 **Exchange of shares.** Where it is finally resolved to implement an exchange of shares whereby all the Company's shares are transferred to another company with consideration in shares in the receiving company, clause 6.3 on merger with the Company as the discontinuing company shall apply correspondingly.

6.5 **Demerger.** Where—in the period until exercise of a Warrant—it is finally resolved to dissolve the Company by way of a demerger, the Employee shall receive warrants of an equal value in the company in which the Employee is employed or otherwise attached after the demerger. Where the Employee is no longer employed with/a member of the board of directors of the Company or a Group Company, the Employee shall receive warrants in the receiving company/-ies, the total

value of which must equal the value of the Employee's allotted Warrants prior to the demerger, pro rata to the demerger ratio. The Employee's warrants in the receiving company/-ies entitle the Employee to subscribe shares in the receiving company/-ies to an extent and on terms entailing that the terms of the Employee's warrants after the demerger are the same as before the demerger, wherever possible; such adjustment shall ensure that the value of non-exercised Warrants immediately after the demerger equals the value of non-exercised Warrants immediately before the demerger.

- 6.6 **Advancing allotments.** Notwithstanding clause 6, the Company may demand in the situations mentioned in clauses 6.3—6.5 that the Employee exercise all the Warrants allotted but not yet exercised. Where the Company demands that the Employee exercise all the Warrants allotted, but not yet exercised, all non-allotted Warrants will be allotted at the same time, meaning that all the Employee's subscribed Warrants are allotted with immediate effect. These Warrants shall be exercised in accordance with the provisions in clauses 6.6 and 6.7.
- 6.7 **Notice.** The board of directors of the Company shall give each Employee notice in writing about any resolutions passed in accordance with clause 6.6. Thereafter, the Employee shall inform the Company within 30 calendar days of the notice whether he wishes to exercise all his Warrants and within the same time limit make a cash payment of the Exercise Amount to the Company's account. Where the Employee elects not to exercise the Warrants or fails to pay the Exercise Amount, they will lapse automatically without notice and compensation.
- 6.8 **Transfer.** Where—in the period until exercise of a Warrant—100% of the shares in the Company (without the matter being covered by clause 6.4) is sold to a third party (the "Transfer"), the Company is entitled to advance the Exercise Period of the Warrants by giving notice in writing to the individual Employee to exercise his Warrants within 2 (two) weeks; all not yet allotted Warrants thus being allotted at the same time so that all the Employee's subscribed Warrants are immediately allotted to the individual Employee. The notice must be given to the Employee within 3 (three) months of the Transfer having taken place. The Employee's Notice of Exercise must be given in accordance with the procedure stated in clause 5. Any warrant not exercised by the Employee before the expiry of the time limit of two weeks to give notice of exercise will lapse automatically without notice and without compensation.
- 6.9 **Delisting.** Where the Company's shares have been admitted for listing on a regulated market place, a subsequent delisting of the Company will entitle and obligate the Company to advance the Exercise Period of the Warrants by giving notice in writing to the individual Employee to exercise his Warrants within two weeks; all not yet allotted Warrants thus being allotted at the same time so that all the Employee's Subscribed Warrants are immediately allotted to the individual Employee. Notice must be given to the Employee within three weeks of the delisting. The Employee's Notice of Exercise must be given in accordance with the procedure stated in clause 5. Any Warrant not exercised by the Employee before the expiry of the time limit of two weeks to give notice of exercise will lapse automatically without notice and compensation.
- 6.10 **Other changes in the Company's capital structure.** Where—in the period until exercise of a Warrant—the Company resolves to change the Company's capital structure by other means than described in clauses 6.1—6.5, the legal position of the Warrant remains unchanged.
- 6.11 **Statement of adjustment of shares and Exercise Price respectively exchanged to new warrants.** Where the Company resolves to make any of the changes in clause 6.1, the Company's board of directors shall ask the Company's auditor to provide a statement of (a) whether an adjustment of the Exercise Price and/or the number of shares subscribable under the Warrant is required according to such provisions and (b), if such provision prescribes an adjustment, the nature and scope of such adjustment. This applies likewise in respect to the calculation of the exchange to new warrants and the terms and conditions of such warrants in case of any of the events in clauses 6.3—6.5 unless the Company has applied clause 6.6. The Company shall immediately after having received the auditor's statement provide a copy thereof to the Employee. The conclusion in the auditor's statement is binding on the Company and the Employee and may not be subject to any objections or disputes, including without limitation clause 13. The costs for the auditor are paid by the Company.
- 6.12 **Exercise Price not lower than par value.** Where adjustments pursuant to this clause 6 lead to the Exercise Price being lower than par value, the Warrant may, in general, not be exercised.

The Employee may, however, exercise the Warrant if he accepts that the Exercise Price is increased to par value without the Employee being entitled to compensation.

6.13 Cash settlement. In case of an advanced allotment according to clause 6.6, 6.8 or 6.9 (the "Event"), the Company is also entitled to inform the Employee that the Company will make a cash settlement of the Warrants instead of delivering shares, and the Company may demand that the Warrants be sold to the Company or order. Where the Company's shares have been admitted for listing on a regulated market place, the amount to be paid to the Employee shall be calculated in accordance with clause 5.3. If not, the amount to be paid to the Employee is calculated at the value of the individual share which the Warrant entitles the Employee to acquire, deducting the Exercise Price, and the value of the share is fixed at the measured price per share obtained in connection with the merger, demerger, exchange of shares, etc.; always provided that the value shall be fixed by the Company's auditor if a cash price has not been fixed for the Company's shares in connection with the Event. In that case, the Company shall immediately after having received the auditor's measurement inform the Employee about the result, and the Employee shall have access to review the auditor's statement concerning the measurement, if requested. The auditor's measurement is binding on the Company and the Employee and may not be subject to any objections or disputes, including without limitation clause 13. Any Exercise Amount paid by the Employee to the Company in connection with exercise of the Warrants shall be repaid as per settlement according to this clause 6.13. The tax implications for the Employee of settlement according to this clause 6.13 are of no concern to the Company.

6.14 Automatic cancellation. Where the Company has notified the occurrence of an event as described in clause 6.6, 6.8 or 6.9, and the event does not occur, the Company's notice under clause 6.6, 6.8 and 6.9 shall lapse automatically and without notice, including the Employee's Exercise Notice (in relation to exercise of Warrants), and at the same time any advancing of the allotment of Warrants is cancelled.

7. LEGAL POSITION IN CASE OF LIQUIDATION

7.1 Automatic exercise of Warrants upon liquidation. Where the Company is liquidated, all allotted Warrants are considered automatically exercised. The Employee is thus unable to acquire the shares which the Warrants entitle the Employee to acquire, but the Employee is entitled to receive a cash amount (cash settlement) within 30 calendar days after the Company has been liquidated, equalling the amount by which the market price of the Company's shares exceeds the Exercise Price (if required, adjusted according to clause 6) at the time of the liquidation multiplied by the number of shares (if required, adjusted according to clause 6), which the Employee could otherwise have acquired according to the non-exercised, allotted Warrants. Market price shall in this connection be construed as the liquidation proceeds which the Employee would have received if the Employee had exercised all his allotted Warrants at the time of the liquidation (with the deduction of the Exercise Amount).

7.2 Lapse of Warrants. Where the Exercise Price (if required, adjusted according to clause 6) equals or exceeds the market price of the Company's shares, see clause 7.1, such allotted Warrants will be considered non-exercised in connection with the liquidation, and such Warrants will thereafter lapse automatically without notice and compensation at the time of the liquidation. Any Warrants not allotted shall also lapse automatically without notice and compensation at the time of the liquidation.

7.3 Notice of liquidation. Within 14 calendar days of a resolution to liquidate the Company, the Company shall notify the Employee in writing.

8. TERMS OF THE SHARES

8.1 Terms of the new shares. The following terms apply to shares subscribed in connection with the exercise of a Warrant:

- The Company's shareholders shall not hold pre-emption rights to shares acquired on exercise of a Warrant;
- The shares shall be issued in shares of DKK 1.00 or multiples thereof;

- (c) The subscription amount, which must equal the Exercise Amount, shall be paid by the Employee at the time of the Employee's issue of the Notice of Exercise to the Company. The subscription amount shall be paid either in cash or by electronic transfer to an account designated by the Company. In case of the Employee's failure to pay the Exercise Amount in time, the Notice of Exercise will lapse and will be deemed not to have been issued by the Employee;
- (d) The shares shall be non-negotiable instruments;
- (e) No share shall confer special rights on any shareholder;
- (f) The shares shall entitle the Employee to dividend and other rights in the Company from the date of registration of the relevant capital increase with the Danish Business Authority;
- (g) Restrictions shall apply to the negotiability of the shares, and any transfer of shares requires approval from the board of directors in accordance with the provisions of the articles of association; and
- (h) The shares shall be subject to the same other rights and obligations as laid down in the Company's articles of association.

In case of an amendment to the Articles of Association prior to the exercise of a Warrant, any such amended rights and obligations shall apply to the Warrant and to all shares subscribed in connection with the exercise of a Warrant.

9. SHAREHOLDERS' AGREEMENT

- 9.1 Obligation to accept shareholders' agreement. Where the Company's shares have not been admitted for listing on a regulated market place, the Employee is upon exercise of allotted Warrants obligated to accept the shareholders' agreement for the Company in force from time to time.

10. TERMINATION OF EMPLOYMENT

- 10.1 "Good leaver"—allotted, non-exercised Warrants. Where an Employee ceases to be employed with the Group as a so-called "good leaver", all the Employee's allotted, non-exercised Warrants remain on unchanged terms. The Employee is a "good leaver" in the following situations:

- (a) The Employee terminates his employment due to the employer's material breach of the employment; or
- (b) the Employee is terminated by the employer without the termination being caused by the Employee's breach of the employment; or
- (c) the Employee (i) reaches the age of retirement from the Employee's profession or from the employer, or the Employee may receive state pension or retirement pension from the employer, or (ii) becomes incapacitated for work due to a permanent illness; or
- (d) the Group Company in which the Employee is employed ceases to be a Group Company, or
- (e) the Group Company in which the Employee is employed sells or otherwise transfers all or parts of its activities, including the Employee's employment, to a purchaser outside the Group as part of a corporate acquisition.

In case of either situation (a) or (b), the termination of employment will be counted from the time when the Employee's employment contracts expires (the "Date of Termination"). As regards the situations mentioned in (c), where notice of termination is not to be given to the Employee, the Date of Termination will be the date when the situation in question occurs. With reference to the situation mentioned in (d) and (e), the Date of Termination will be the date when the Employee's employment is transferred to a company outside the Group.

- 10.2 "Good leaver"—subscribed, but not yet allotted Warrants. Where the Employee is a good leaver as defined in clause 10.1, and the Date of Termination has occurred before the last allotment of the subscribed Warrants, the Employee shall receive a proportionate share of the Warrants

which would otherwise have been allotted to the Employee at the next relevant date of allotment. Clause 3.3 shall apply to the calculation of the number of Warrants.

- 10.3 **Bad leaver**. Where the Employee ceases to be employed with the Group, and the termination occurs for other causes than described above in clause 10.1, (i) the Company is entitled and obligated to advance the date of exercise of the Employee's allotted Warrants by giving notice in writing to the individual Employee to exercise his allotted Warrants within 2 (two) weeks. Where the Employee does not exercise the allotted Warrants or fails to pay the Exercise Amount within the time limit, the allotted Warrants will lapse automatically without notice and compensation. In addition, not yet allotted Warrants will lapse, and no additional Warrants will be allotted according to the principles in clause 10.2. The Warrants will lapse automatically without notice and without compensation on the Date of Termination.
- 10.4 **Still employed with the Group**. Where the Employee ceases to be employed with one Group Company and becomes employed with another Group Company, this situation will not be considered covered by the above provisions in clauses 10.1—10.3, and the Employee will maintain the Warrants on unchanged terms.
- 10.5 **Death**. In case of the Employee's death, the right to the Employee's allotted Warrants will pass to the Employee's beneficiaries. The Employee's beneficiaries will further be allotted a proportionate share of the Warrants which would otherwise have been allotted to the Employee on the next relevant Date of Allotment. Any allotted, non-exercised Warrants shall be exercised within six months after the Employee's death, but no later than within the Exercise Period. Where the allotted Warrants have not been exercised within said period, they will lapse automatically without notice and without compensation.

11. TRANSFER OF THE WARRANT

- 11.1 The Warrant is a non-negotiable instrument. The Warrants may not be subject to execution. Any transfer whether for ownership or as security, or other assignment of this Warrant, including in case of division of property, may only take place with written consent from the board of directors, which consent may be given, refused or made conditional at the board of directors' discretion (however, except a transfer due to the Employee's death, in which case the board of directors shall approve the transfer to the Employee's closest relatives, *mortis causa*).

12. LAPSE OF THE WARRANT

- 12.1 Unless the Warrant has lapsed previously, the Warrant will lapse automatically without notice and without compensation to the Employee if the Warrant has not been exercised on or before the fifth anniversary of the Board Resolution, see clause 3.1, cf. clause 4.2 on the Extraordinary Window.

13. ARBITRATION AND GOVERNING LAW

- 13.1 Any dispute arising out of or in connection with the Warrant and/or this appendix to the Company's Articles of Association is to be settled with final and binding effect under the "Rules of procedure for arbitration proceedings at the Danish Institute of Arbitration (Danish Arbitration)". The arbitration tribunal shall decide on costs; however, the costs shall be allocated so that the Company will reimburse those of the Employee's costs in connection with the arbitration proceedings, which exceed the costs which would have been imposed on the Employee if the dispute had been heard before the ordinary courts.
- 13.2 The Warrant, including the subscription, allotment and exercise, shall be governed by and construed in accordance with Danish law, save for the Danish choice of law rules.

14. COSTS

- 14.1 The Company shall pay its own costs in connection with the issue and exercise of the Warrant and the capital increase in this connection.

15. TAXATION OF THE EMPLOYEE

- 15.1 The Company and the Employee have agreed that the Warrants for Employees liable to pay income tax in Denmark shall as far as possible be taxed according to the rules in section 7P of the Danish Tax Assessment Act.
- 15.2 Neither the Company nor the Company's board of directors, executive board or advisers undertake any responsibility for the tax implications of the Employee's subscription and exercise of the Warrant. Each Employee has prior to the subscription of the Warrant been requested to obtain independent advice on the potential tax implications of the subscription and exercise of the Warrant.

Annex B—Order Forms
Application form in English

Application form (Only one form per custody account)	Offering of up to 2,514,451 Offer Shares of DKK 1 nominal value each
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Application for purchase of Offer Shares in Aquaporin A/S, CVR-no. 28315694

Selling agents:	Danske Bank A/S Holmens Kanal 2-12 1092 Copenhagen K Denmark
Global Coordinator	Danske Bank A/S (“Danske Bank” or “Global Coordinator”).
Offer Period:	14 June 2021 to 25 June 2021 at 11:00 a.m. (CET) unless the Offering is closed earlier in whole or in part. The Offer Period for order applications up to and including DKK 3 million may be closed before the remainder of the Offering. The Offering will not be closed before 23 June 2021 at 00:01 a.m. (CET).
Offer Price:	DKK 173 per Offer Share
ISIN	Permanent ISIN: DK0061555109 Temporary ISIN for the Temporary Purchase Certificates: DK0061555299

The Prospectus dated 14 June 2021 includes *inter alia* the Articles of Association of Aquaporin A/S, the consolidated financial statements of Aquaporin A/S as at and for the years ended 31 December 2020, 2019 and 2018 (incorporated by reference) and as of and for the three month period ended 31 March 2021 and the terms and conditions for the purchase of Offer Shares.

Both binding order applications and expressions of interest can be submitted.

For binding orders up to and including DKK 3 million the application form is submitted to the purchaser's own account holding institution duly filled in and signed.

The application form shall be submitted within an appropriate amount of time for the account holding institution to process and forward the application form so that the application reaches Danske Bank no later than 25 June 2021 at 11:00 a.m. (CET) or such earlier time as the Offering may be closed in whole or in part.

Expressions of interest to purchase Offer Shares for more than DKK 3 million shall be submitted to the Global Coordinator (e.g. by using this application form).

On the terms and conditions stated in the Prospectus dated 14 June 2021 including in “*Part II—Risk Factors*” and “*Part IV—Section 5.16 Jurisdictions in which the Offering will be announced and restrictions applicable to the Offering*”, I/we hereby submit an order application to purchase Offer Shares in Aquaporin A/S and simultaneously declare to have received a copy of the Prospectus and that I/we have solely based my/our investment decision on the contents of the Prospectus. Only one application form per custody account with VP Securities A/S (VP) will be accepted.

Application submitted as a binding application (for orders up to and including DKK 3 million)

I/we accept that the Global Coordinator may demand information about my/our name(s), address(es) and application and are entitled to pass on such information to the Selling Shareholders, Aquaporin A/S and the Global Coordinator. I/we undertake to pay the equivalent of the Offer Shares allocated at the offer price fixed.

Field (1) or (2) should be completed

(1) For Danish kroner (DKK) (rounded to the nearest Danish krone amount)	(2) Number of Offer Shares:

Expression of interest submitted pursuant to the book-building process (for orders above DKK 3 million)

I/we accept that the application form and information about my/our name(s) and address(es) are entitled to be passed on to the Selling Shareholders, Aquaporin A/S and the Global Coordinator. I/we accept that I/we during the Offer Period can amend or revoke this expression of interest but that this expression of interest automatically will be converted into a binding purchase order upon expiry of the Offer Period.

Field (1) or (2) should be completed

(1) For Danish kroner (DKK): <i>(rounded to the nearest Danish krone amount)</i>	(2) Number of Offer Shares:

If the aggregate applications to purchase and expressions of interest exceeds the total number of Offer Shares, a reduction will be completed as further described in the Prospectus. Neither submission of application orders nor submission of expressions of interest entitles to any Offer Shares. Settlement of the Offering will be effected by way of registration of the allocated number of Temporary Purchase Certificates on your custody account with VP Securities A/S (VP) against payment in DKK, which is expected to take place on or before 30 June 2021.

Information and signature

Name: _____

Address: _____

Postal code and city: _____ VP custody account no.: _____

Tel.: _____ Settlement account no.: _____

Date: _____ Custodian bank: _____

This application form was submitted to (to be completed by account-holding institution):

Reg. No.: _____ Participant ID-no. (CD-ident.): _____

Date: _____ Tel.: _____

Signature

Company stamp and signature

Please complete the form overleaf when opening a new VP custody account.

Opening of new VP custody account (This box should be filled in when opening a new VP custody account and any related settlement account)	
Civil registration (CPR) no./company registration (CVR) no.:	
Name:	
Address:	
Postal code and city:	
Tel.:	
Position:	
Existing account no. for settlement, if any:	

Application form in Danish (Ordreblanket)

Ordreblanket (Kun én blanket pr. depot)

Udbud af op til 2.514.451 stk. Udbudte Aktier à nominelt DKK 1

Ordre om køb af Udbudte Aktier i Aquaporin A/S, CVR-nr. 28315694

Salgssteder:	Danske Bank A/S Holmens Kanal 2-12 1092 Copenhagen K Denmark
Emissionsbank	Danske Bank A/S ("Danske Bank" eller "Emissionsbank").
Udbudsperiode:	14. juni 2021 til 25. juni 2021 kl. 11:00 (dansk tid), medmindre Udbuddet helt eller delvist lukkes tidligere. Udbudsperioden for ordrer til og med DKK 3 mio. kan lukkes før resten af Udbuddet. Udbuddet vil tidligst blive lukket den 23. juni 2021 kl. 00:01 (dansk tid).
Udbudskurs:	DKK 173 pr. Udbudt Aktie
ISIN-kode	Permanent ISIN-kode: DK0061555109 Midlertidig ISIN kode for de Midlertidige Aktiebeviser: DK0061555109

Prospekt dateret den 14. juni 2021 indeholder bl.a. vedtægter for Aquaporin A/S, konsolideret årsregnskab for Aquaporin A/S for regnskabsåret 2020, 2019 og 2018 (indarbejdetred henvisning) og delårsregnskab for 3-månedersperioden indtil 31. marts 2021 samt vilkårene for køb af Udbudte Aktier.

Både bindende ordrer og interesseltilkendegivelser kan afgives.

For bindende ordrer til og med DKK 3 mio. indleveres ordreblanketten til ordregivers eget kontoførende institut i udfyldt og underskrevet stand.

Ordreblanketten skal indleveres i så god tid, at det kontoførende institut har mulighed for at behandle og videresende ordren, således at den er Danske Bank, i hænde senest den 25. Juni 2021 kl. 11:00 dansk tid eller et sådant tidligere tidspunkt, hvor Udbuddet måtte blive lukket helt eller delvist.

Interesseltilkendegivelser om at købe Udbudte Aktier for mere end DKK 3 mio. skal afgives til Emissionsbanken (f.eks. ved brug af denne ordreblanket).

På vilkår som anført i dette Prospekt dateret den 14. Juni 2021, herunder afsnittene "Part II—Risk Factors" og "Part IV—Section 5.16 Jurisdictions in which the Offering will be announced and restrictions applicable to the Offering", afgiver jeg/vi hermed ordre om køb af Udbudte Aktier i Aquaporin A/S og bekræfter samtidig at have fået udleveret et eksemplar af Prospektet, og at jeg/vi alene har baseret min/vores investeringsbeslutning på indholdet af det Engelsksprogede Prospekt. Der kan kun afgives én ordreblanket pr. depot hos VP Securities A/S (VP).

Ordre afgivet som bindende ordre (for ordrebøløb til og med DKK 3 mio.)

Jeg/vi accepterer, at Emissionsbanken kan kræve oplysninger om mit/vores navn(e), adresse(r) og ordre og er berettiget til at videregive disse oplysninger til de Sælgende Aktionærer, Aquaporin A/S og Emissionsbanken. Jeg/vi forpligter mig/os hermed til at betale modværdien af de Udbudte Aktier tildelt til den fastsatte udbudskurs.

Felt (1) eller (2) skal udfyldes

(1) For kroner (DKK): <i>(afrundet til nærmeste krone)</i>	(2) Antal Udbudte Aktier:

Interessetilkendegivelse afgivet efter bookbuilding-metoden (for ordrebeløb større end DKK 3 mio.)

Jeg/vi accepterer, at ordreblanketten samt oplysninger om mit/vores navn(e) og adresse(r) videregives til de Sælgende Aktionærer, Aquaporin A/S og Emissionsbanken. Jeg/vi accepterer, at jeg/vi kan ændre eller tilbagekalde interessetilkendegivelsen i løbet af Udbudsperioden, men at interessetilkendegivelsen bliver til en bindende ordre ved Udbudsperiodens udløb.

Felt (1) eller (2) skal udfyldes

(1) For kroner (DKK): (afrundet til nærmeste krone)	(2) Antal Udbudte Aktier:

Overstiger de samlede ordrer og interessetilkendegivelser det samlede antal Udbudte Aktier, vil der ske reduktion som anført i det Engelsksprogede Prospekt (jf. afsnittet "Plan of Distribution and Allotments"). Afgivelse af ordrer eller interessetilkendegivelser berettiger ikke til tildeling af Udbudte Aktier. Afvikling af Udbuddet sker ved registrering af antal tildelte Midlertidige Aktiebeviser på Deres depot i VP Securities A/S (VP) mod betaling i DKK, hvilket forventes at finde sted senest den 30. juni 2021.

Oplysninger og underskrift

Navn:

Adresse:

Postnr. og by: VP-depotnr.:

Telefon: Kontonr. til afregning:

Dato: Kontoførende institut:

Ordren er indleveret til (udfyldes af kontoførende institut):

Reg.nr.: CD-ident.:

Dato: Telefon:

Underskrift

Firmastempel og underskrift

Udfyld nedenfor ved oprettelse af et nyt VP-depot.

Oprettelse af nyt VP-depot (Denne rubrik udfyldes i forbindelse med oprettelse af nyt VP-depot og evt. tilhørende afregningskonto)	
CPR-nr./CVR-nr.:	
Navn:	
Adresse:	
Postnr. og by:	
Telefon:	
Stilling:	
Evt. eksisterende konto nr. til afregning:	

THE COMPANY

Aquaporin A/S
Nymøllevej 78
DK-2800 Kgs. Lyngby
Denmark

Global Coordinator

Danske Bank A/S
Holmens Kanal 2-12
DK-1092 Copenhagen K
Denmark

LEGAL ADVISERS

To the Company:

Gorrisen Federspiel Advokatpartnerselskab
Axel Towers, Axel Torv 2
DK-1609 Copenhagen V
Denmark

To the Global Coordinator:

Plesner Advokatpartnerselskab
Amerika Plads 37
DK-2100 Copenhagen Ø
Denmark

AUDITORS OF THE COMPANY

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup
Denmark

