

Company announcement

No. 16/2024

Aquaporin A/S

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aquaporin.com

Company registration no.: DK28315694

Aquaporin announces results for first half 2024 with revenue increase of 44%

Kongens Lyngby, Denmark, August 22, 2024 – Aquaporin A/S (ticker: AQP) (“Aquaporin” or the “Company”), an innovative water technology company dedicated to rethinking water filtration with biotechnology, today announces the Company's Half-Year Interim Report for the period January 1 – June 30, 2024.

“Our commitment to cutting-edge water technology has driven revenue growth during the first half of 2024, with an increase of 44% compared to the same period last year. We continued to strengthen our market position, bringing our unique and innovative solutions to households and industries across the globe,” says Matt Boczkowski, Chief Executive Officer at Aquaporin.

“We have a solid foundation to continue on the path to profitability and have good visibility of the remainder of the year as we continue to drive revenue growth in line with our communicated guidance,” says Klaus Juhl Wulff, Chief Financial Officer at Aquaporin.

Financial highlights

- Revenue grew 44% to DKK 29.2 million (DKK 20.2 million) in the first six months of 2024.
- Year-to-date EBIT before special items for the period amounted to a loss of DKK 42.2 million (loss of DKK 45.1 million).
- Cash & cash equivalents at the end of the period amounted to DKK 103.5 million (DKK 52.3 million).
- The gross profit margin for the first six months of 2024 was in line with our target for the year.
- Successfully completed a Rights Issue, raising DKK 172.4 million in gross proceeds from both existing and new shareholders.

Business highlights

- Launched the CLEAR Series in China, introducing five brackish water reverse osmosis elements, designed for industry, municipalities, and businesses to increase energy-savings in water treatment.
- Secured repeat flat sheet orders from Aquashield/Philips Water Solutions.
- Achieved repeat development milestone payment with E. & J. Gallo Winery, continuing our successful joint development project to bring innovative FO solutions to the wine industry.
- Opened a new polymer lab at Aquaporin HQ to further drive the development of the next generation Aquaporin protein technology.
- Entered into EU-funded projects, KitNewCare and RESURGENCE, to explore, respectively, making dialysis more sustainable and investigate synergies between urban water treatment and industrial operations through innovative solutions.

Subsequent events

- Launched residential water purifier, Vestel Refine PRO, with Vestel, continuing the journey of water purification in Turkey.
- Secured large order with EMEA water treatment company within the industrial wastewater industry.

Outlook

We maintain the outlook for 2024, as published on April 5, 2024. Revenue is anticipated to be in the range of DKK 90-110 million by year-end 2024; gross profit margin is expected to be between 30-35%; EBIT (before special items) is expected to be a loss in the range of DKK 75-85 million.

Webcast

Aquaporin will host an investor webcast during which Management will present the Half-Year Interim Report 2024. The presentation will be followed by a Q&A session.

The webcast will be held in English on **Thursday, August 22, 2024, at 10.00 AM CET** and a replay will subsequently be available on Aquaporin's website.

Obtain access to the webcast via this link: <https://events.q4inc.com/attendee/838624868>

Dial in to ask a question: Denmark: +45 3274 0710 | Germany: +49 69 5899 64 217 | UK: +44 20 3481 4247 | US: +1 (646) 307 1963.

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Forward-looking statements

Matters discussed in this report may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “estimate”, “will”, “may”, “continue”, “should”, and similar expressions, as well as other statements regarding future events or prospects. Specifically, this report includes information with respect to projections, estimates, and targets that also constitute forward-looking statements. The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies, and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, and other important factors include, among others: Limited experience in commercialization of the Company's products, failure to successfully implement strategies, dependence on third parties for manufacturing certain product components and the supply of certain raw materials, manufacturing disruptions, strategic collaboration, protection of the Company's intellectual property rights and other risks disclosed in Aquaporin's annual reports and company announcements. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations, projections, estimates, and targets expressed or implied in this report by such forward-looking statements. The information, opinions, and forward-looking statements contained in this report speak only as at its date and are subject to change without notice. Aquaporin expressly disclaims any obligation to update or revise any forward-looking statements, except as required by law.

Financial Highlights and Key Figures

<i>DKK thousand</i>	Q2 2024	Q2 2023	HY 2024	HY 2023	FY 2023
Consolidated Income Statement					
Revenue	22,996	9,334	29,154	20,186	59,531
Distribution costs	2,713	2,323	5,300	5,675	12,691
Sales and marketing costs	6,742	7,554	13,254	15,048	30,252
Research and development costs	10,976	10,068	23,194	21,926	45,021
Administrative costs	5,326	6,421	11,130	11,681	24,934
EBITDA before special items	(14,158)	(18,275)	(33,452)	(37,542)	(76,093)
EBIT before special items	(18,422)	(21,400)	(42,190)	(45,077)	(93,575)
Operating profit/loss (EBIT)	(20,798)	(21,400)	(44,566)	(45,077)	(93,575)
Net financial items	(499)	(239)	(772)	(687)	(2,152)
Earnings after tax	(19,922)	(20,278)	(42,588)	(43,030)	(90,396)
Consolidated Balance Sheet					
Total non-current assets			195,983	200,358	200,190
Total current assets			164,002	95,680	62,372
Total assets			359,985	296,038	262,562
Equity			247,424	187,262	141,169
Total liabilities			112,561	108,776	121,393
Consolidated Cash Flow					
Cash flow from operating activities	(29,075)	(21,123)	(40,964)	(38,890)	(80,484)
Cash flow from investment activities	(2,914)	(3,149)	(4,745)	(5,961)	(12,870)
- Investments in intangible assets	(2,839)	(2,746)	(4,650)	(5,223)	(11,927)
- Investments in tangible assets	(75)	(401)	(95)	(702)	(858)
Cash flow from financing activities	133,528	(1,487)	146,484	67,734	(66,693)
Key ratios					
Equity share ¹			68%	63%	54%
Earnings per share ²	(2)	(2)	(2)	(4)	(9)
Diluted earnings per share ³	(2)	(2)	(2)	(4)	(9)
Average number of FTE's	77	80	79	80	82

Key figures and ratios are defined and calculated in accordance with applied accounting policies as described in the Annual Report for 2023.

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 weighted-average number of ordinary shares outstanding during the period.

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.

Business Review

Aquaporin is a water technology pioneer, headquartered in Denmark with operations in Denmark, Singapore, Turkey, the United States, and China. We are committed to rethinking water filtration with biotechnology with a view to solve global water challenges. Our groundbreaking Aquaporin Inside® technology, inspired by nature and rooted in Nobel Prize-awarded research, is integrated into all our solutions and used to clean water in industries, in homes, and by NASA in space. From treating industrial wastewater to concentrating valuables and enhancing drinking water quality and accessibility, we collaborate with partners worldwide to address water challenges responsibly in the following categories: Residential Drinking Water, Industrial Reverse Osmosis, and Forward Osmosis Market Development. At the center of our product portfolio is our core technology, Aquaporin Inside®, which we continuously work to optimize and further develop.

We focus on collaborations with customers and strategic partners to develop products and solutions for targeted applications. This approach ensures that value creation begins at the end-user within each business area and works its way back to our R&D efforts.

Residential Drinking Water

For the first six months of 2024, Residential Drinking Water sales contributed 58% of the total revenue for the period, of which Point-of-Use (PoU) systems contributed 5% and non-PoUs (membranes, flat sheets) contributed 95%. Our Drinking Water products are commercialized through our own range as well as via co-branding with major players. Our offering is built around flexible business models to key accounts, including our DWRO membranes and PoU purifiers, with the business models for purifiers being based on licensing or strategic supply for volume accounts.

Industrial Reverse Osmosis

The market for industrial-size Reverse Osmosis membranes is global with applications in municipal drinking water, water reuse, and process applications. A major driver of the market for industrial-size Reverse Osmosis membranes is the increase in reuse applications and the continued growth of the desalination industry. We leverage the performance of the Aquaporin Inside® technology in our CLEAR product line, which has shown to decrease energy-consumption by up to 30%. Industrial Reverse Osmosis contributes 13% of the total revenue for the period.

Forward Osmosis Market Development

Our solutions provide brands with novel and superior concentration processes and potentially new products. Membrane concentration also offers a more energy efficient process and enables less capital-intensive production methods. Forward osmosis as a process is being tested and implemented in a range of water, food, and niche applications, with the greatest potential in food & beverages. We offer hollow-fiber modules, HFFO2 and HFFO14 for piloting and small-scale applications, a standardized Forward Osmosis Essence GO pilot system for small-scale testing and applications, and have the capability to deliver larger systems through a project-based approach. Forward Osmosis Market Development contributes 29% of the total revenue for the period.

Research & development

At Aquaporin, we are committed to research & development to fully utilizing the unique properties of our Aquaporin Inside® technology. We continue to prioritize investments in our research to ensure the further development and refinement of our core technology, supporting the development of improved products and differentiation from competitors. Our technology team is focusing on developing the next generation of the Aquaporin Inside® formulation, to create higher energy efficiency, water flux, and rejection rates.

We made significant progress in the first half of 2024 by expanding our methods to attach and visualize proteins on membrane surfaces. This is key in enhancing the performance of our biomimetic membranes and opening up new high-value applications for Forward and Reverse Osmosis. We opened a polymer laboratory where we tested new polymer-based structures that stabilize the aquaporin protein on the surface of the membrane. With these accomplishments, we are one step closer to further enhance water transport across membrane surfaces without allowing an increasing number of contaminants passing through (preserving rejection), which is often the case with traditional polyamide coated membranes. One specific application that could benefit from this in the future is membrane-based seawater desalination. Our success in this area paves the way for Aquaporin in seawater desalination.

Using Open Innovation and Public Private Partnerships as a toolbox, we currently have 8 active projects, co-funded by governments in Europe and Asia, where we in collaboration with other industrial partners and universities, utilize Aquaporin Inside® products to create full application solutions in drinking water and industrial water treatment solutions.

Environmental, Social, and Governance

We strive to minimize the impact we have on the environment and climate and work to integrate the same thinking across all our operations. With innovation and R&D, we continue to improve the performance of our membranes, extending the operational lifetime and driving energy-efficient solutions. We work to decrease our overall energy consumption and are transitioning to renewable energy sources. We believe in the power of diversity and aspire to provide equal opportunity by implementing various initiatives to encourage diversity throughout the organization as defined by gender, age, religion, ethnicity, and sexual orientation. Please refer to our Annual Report 2023 for a more in-depth description of our sustainability targets and key ESG figures.

Risks and assumptions

As we focus our commercial approach on a key account strategy, revenue recognition is to a larger extent based on sizeable deliveries and projects. With H2 revenue numbers representing approximately 70% of the full-year revenue outlook, the last part of the year presents a risk of some deliveries being delayed from the end of 2024 to the beginning of 2025. At this point in time, we expect to complete deliveries and projects in line with the communicated revenue guidance for 2024. In addition, we continuedly monitor the global geopolitical situation and any adverse changes related hereto that could potentially impact our business. We strive to minimize and mitigate these and other risks, for example by working to secure a local-for-local supplier setup.

An extensive description of risk factors can be found in the Aquaporin Annual Report 2023, which is available on our website, in the section "Risk management".

Management Statement on the Interim Report

The Board of Directors and the Executive Board have considered and approved the interim financial report of Aquaporin A/S for the period January 1 to June 30, 2024.

The interim report, which is unaudited and has not been reviewed by the company's auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further requirements in accordance with the Danish Financial Statement Act.

The accounting policies used in the interim financial report are consistent with those accounting policies used in Aquaporin A/S' 2023 Annual Report.

In our opinion, the interim condensed consolidated financial statements for the six months ended June 30, 2024, give a true and fair view of the Group's assets, liabilities, and financial position at June 30, 2024 and of the results of the Group's operations and cash flows for the period January 1 to June 30, 2024.

We further consider that the Management's Review in the preceding pages includes a true and fair account of the development and performance of the Group, the results for the period and the financial position, together with a description of the principal risks and uncertainties that the Group faces, in accordance with Danish disclosure requirements for listed companies.

Copenhagen, August 22, 2024

Executive Management

Matt Boczkowski
Chief Executive Officer

Klaus Juhl Wulff
Chief Financial Officer

Joerg Hess
Chief Operating Officer

Board of Directors

Niels Heering
Chair

Søren Bjørn Hansen
Deputy Chair

Anne Broeng

Lars Hansen

Anupam Bhargava

Weiming Jiang

Jianlong Zhuang

Peter Holme Jensen

Please note that comparative figures for 2023 are shown in brackets throughout the report.

Financial Review

The financial review is based on the Group's consolidated financial information for the first six months of 2024, with comparative figures for the same period in 2023.

Income statement

Revenue

Revenue amounted to DKK 29.2 million (DKK 20.2 million) for the first six months of 2024. Revenue grew significantly in both Residential Drinking Water and Industrial Reverse Osmosis, with Forward Osmosis Market Development revenue being in line with the same period last year.

Costs

Our fixed cost base increased to DKK 52.9 million (DKK 54.3 million), driven mainly by organizational restructuring costs.

Distribution costs amounted to DKK 5.3 million (DKK 5.7 million) for the first six months of 2024. The reduced distribution costs in 2024 are a result of reduced freight costs.

Sales and marketing costs amounted to DKK 13.3 million (DKK 15.0 million) for the first six months of 2024. The reduction of DKK 1.7 million was due to reduced operational costs and due to the organizational changes coming into effect.

Research and development costs amounted to DKK 23.2 million (DKK 21.8 million) for the first six months of 2024. The increase is primarily caused by reduced capitalization of development projects and non-recurring costs.

Administrative costs amounted to DKK 11.1 million (DKK 11.7 million) for the first six months of 2024. The administrative costs are slightly reduced compared with the same period last year, which is due to a strong cost focus.

Earnings

EBIT before special items was a loss of DKK 42.2 million (loss of DKK 45.1 million). The improved operating profit before special items of DKK 2.9 million is a result of increased revenue and reduced costs. The special items comprise organizational restructuring activities of DKK 2.4 million.

EBIT was a loss of DKK 44.6 million (loss of DKK 45.1 million) for the first six months of 2024. The improved operating profit is a result of increased revenue.

Liquidity and capital resources

Cash position

As of June 30, 2024, Aquaporin A/S held cash of DKK 103.5 million (DKK 52.3 million).

Equity

Equity amounted to DKK 247.4 million (187.3 million) as of June 30, 2024.

Cash flow*Cash flow from operating activities*

The cash flow generated by operating activities amounted to an outflow of DKK 41.0 million (DKK 38.9 million) in the six-month period ending June 30, 2024. The increased cash outflow is linked to an increase in net working capital.

Cash flow from investing activities

The cash flow from investing activities amounted to a net outflow of DKK 4.7 million (outflow of DKK 6.0 million) for the six-month period ending June 30, 2024. Investments are primarily driven by development projects.

Cash flow from financing activities

The cash flow from financing activities contributed a net inflow of DKK 146.5 million (outflow of DKK 67.7 million) in the six-month period ending June 30, 2024. The capital base was strengthened by a Rights Issue completed in April 2024, raising gross proceeds of DKK 172.4 million.

Outlook

Based on the financial performance in the first six months of the fiscal year 2024, we maintain the full-year outlook published in the annual report for 2023:

- Revenue is anticipated to be in the range of DKK 90-110 million
- Gross profit margin is expected to be 30-35%
- EBIT (before special items) is expected to be a loss in the range of DKK 75-85 million

Consolidated Interim Financial Statements H1 2024

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Interim Income Statement

<i>DKK thousand</i>	Notes	Q2 2024	Q2 2023	HY 2024	HY 2023
Revenue	4	22,996	9,334	29,154	20,186
Cost of sales		(15,660)	(4,368)	(18,466)	(10,933)
Gross profit		7,336	4,966	10,688	9,253
Distribution costs		(2,713)	(2,323)	(5,300)	(5,675)
Sales and marketing costs		(6,742)	(7,554)	(13,254)	(15,048)
Research and development costs		(10,976)	(10,068)	(23,194)	(21,926)
Administrative costs		(5,326)	(6,421)	(11,130)	(11,681)
EBIT before special items		(18,422)	(21,400)	(42,190)	(45,077)
Special items		(2,376)	-	(2,376)	-
Operating profit/loss (EBIT)		(20,798)	(21,400)	(44,566)	(45,077)
Financial income		1,108	321	1,344	645
Financial costs		(1,607)	(560)	(2,116)	(1,332)
Earnings before tax		(21,297)	(21,639)	(45,338)	(45,764)
Tax		1,375	1,361	2,750	2,734
Earnings after tax		(19,922)	(20,278)	(42,588)	(43,030)
<i>Attributable to:</i>					
Owners of Aquaporin A/S		(19,922)	(20,278)	(42,588)	(43,030)
Earnings per share in DKK					
Earnings per share		(2)	(2)	(2)	(4)
Diluted earnings per share		(2)	(2)	(2)	(4)

Interim Statement of Comprehensive Income

<i>DKK thousand</i>	Q2 2024	Q2 2023	HY 2024	HY 2023
Earnings after tax	(19,922)	(20,278)	(42,588)	(43,030)
Other comprehensive income				
Items that will be reclassified to income statement:				
Exchange rate adjustments	(13)	(1,112)	(26)	(750)
Other comprehensive income, after tax	(13)	(1,112)	(26)	(750)
Total comprehensive income (loss)	(19,935)	(21,390)	(42,614)	(43,780)

Consolidated Interim Statement of Cash Flow

<i>DKK thousand</i>	Q2 2024	Q2 2023	HY 2024	HY 2023
Earnings before tax (EBT)	(21,297)	(21,639)	(45,338)	(45,764)
Reversal of items from the income statement	5,670	4,137	11,686	9,482
Changes in working capital	(13,448)	(3,607)	(7,312)	(2,592)
Paid/received tax	-	(14)	-	(16)
Cash flow from operating activities	(29,075)	(21,123)	(40,964)	(38,890)
Investments in intangible assets	(2,839)	(2,746)	(4,650)	(5,223)
Investments in tangible assets	(75)	(401)	(95)	(702)
Deposits	-	(2)	-	(36)
Cash flow from investing activities	(2,914)	(3,149)	(4,745)	(5,961)
Proceeds from loan facilities	-	-	14,224	-
Repayment of loan facilities	(14,224)	-	(14,224)	-
Installments of lease liabilities	(1,268)	(1,487)	(2,536)	(3,033)
Proceeds from capital increase	172,361	-	172,361	73,789
Flotation costs	(23,341)	-	(23,341)	(3,022)
Cash flow from financing activities	133,528	(1,487)	146,484	67,734
Net cash flow for the period	101,539	(25,759)	100,775	22,883
Cash and cash equivalents beginning of period	2,000	78,072	2,756	29,417
Exchange rate adjustments	8	9	16	22
Cash and cash equivalents end of period	103,547	52,322	103,547	52,322

Interim Statement of Financial Position

<i>DKK thousand</i>	Notes	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Goodwill		2,899	2,899	2,899
Development projects in progress		69,047	61,081	64,374
Development projects completed		27,885	31,242	31,313
Other intangible assets		312	401	526
Total intangible assets		100,143	95,623	99,112
Property, plant and equipment		93,301	102,238	98,541
Total tangible assets		93,301	102,238	98,541
Investments		15	24	15
Deposits		2,524	2,473	2,522
Total financial assets		2,539	2,497	2,537
Total non-current assets		195,983	200,358	200,190
Inventories		20,407	22,672	17,563
Trade receivables		22,964	4,741	25,688
Other receivables		6,397	4,457	6,473
Income tax receivables		8,250	8,250	5,500
Prepayments		2,437	3,238	4,392
Cash and cash equivalents		103,547	52,322	2,756
Total current assets		164,002	95,680	62,372
Total assets		359,985	296,038	262,562

Interim Statement of Financial Position (continued)

<i>DKK thousand</i>	Notes	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
Share capital	6	23,258	10,946	10,946
Retained earnings		222,726	174,755	128,757
Reserve for exchange rate adjustments		1,440	1,561	1,466
Total equity		247,424	187,262	141,169
Lease liabilities		48,033	51,129	50,265
Other payables		3,659	3,596	3,724
Deferred government grants		32,548	29,726	27,564
Total non-current liabilities		84,240	84,451	81,553
Provisions		4,939	3,670	7,249
Lease liabilities		4,185	3,893	4,171
Contract liabilities		573	651	721
Trade payables		5,655	5,202	10,556
Other payables		10,996	8,936	15,170
Deferred government grants		1,973	1,973	1,973
Total current liabilities		28,321	24,325	39,840
Total liabilities		112,561	108,776	121,393
Total equity and liabilities		359,985	296,038	262,562

Interim Statement of Changes in Equity

<i>DKK thousand</i>	Share capital	Retained earnings	Reserve for exchange rate adjustments	Total equity
Equity at December 31, 2022	10,131	146,693	2,311	159,135
Earnings after tax	-	(43,030)	-	(43,030)
Other comprehensive income	-	-	(750)	(750)
Total comprehensive income for the period	-	(43,030)	(750)	(43,780)
<i>Transactions with owners in their capacity as owners</i>				
Proceeds from capital increase	815	72,974	-	73,789
Flotation costs	-	(3,022)	-	(3,022)
Share-based payments	-	1,140	-	1,140
Equity at June 30, 2023	10,946	174,755	1,561	187,262
Equity at December 31, 2023	10,946	128,757	1,466	141,169
Earnings after tax	-	(42,588)	-	(42,588)
Other comprehensive income	-	-	(26)	(26)
Total comprehensive income for the period	-	(42,588)	(26)	(42,614)
<i>Transactions with owners in their capacity as owners</i>				
Proceeds from capital increase	12,312	160,049	-	172,361
Flotation costs	-	(23,341)	-	(23,341)
Share-based payments	-	(151)	-	(151)
Equity at June 30, 2024	23,258	222,726	1,440	247,424

Notes to the Interim Report

Note 1 - Basis of preparation of the interim report

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 and disclosure requirements for Danish listed companies. 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 applied in the interim condensed consolidated financial statements are consistent with those used in the Company's Annual Report for the year ended December 31, 2023.

New and amended standards

The Company has implemented the latest IFRS amendments, which took effect on January 1, 2024, and have been approved by the EU. None of those amendments have significantly affected recognition and measurement, nor are they expected to have a material effect in the near future.

Segment information

Aquaporin is managed and operated as one business unit, which means that no structural or organizational aspects allow for an alternative presentation of earnings from individual product candidates or geographical markets because sales channels, customer types, and sales organizations are identical for all important markets and have similar economical characteristics. Hence, no segment information is currently included in the internal reporting. The vast majority of the Group's assets is situated in Denmark as the parent company owns the Group's intellectual property rights.

Note 2 - Accounting estimates

In connection with the preparation of the interim report, 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 2023.

Information on the most critical judgments, estimates, and assumptions where a change will significantly impact the consolidated financial statements are included in the following notes in the Annual Report 2023:

- Impairment of non-current assets (Note 3.1)
- Capitalized development costs (Note 3.2)
- Deferred tax (Note 3.9)

Impairment consideration of non-current assets

Management has assessed no need for impairments on non-current assets during the period. Further information of the impairment consideration of non-current assets are included in the Annual Report 2023 note 3.1

Note 4 - Revenue

Revenue is presented in line with the Annual Report 2023. It is presented according to internal reporting and strategic plans by Management.

Revenue	HY 2024	HY 2023
<i>DKK thousand</i>		
Products & Services		
Sales of goods	23,547	11,285
Sales of services	5,607	8,901
Total	29,154	20,186
Business area		
Drinking Water	16,994	10,589
Industrial Water RO	3,706	315
FO Market Development	8,454	9,282
Total	29,154	20,186
Timing of revenue recognition		
Total revenue recognized at a point in time	23,547	11,285
Total revenue recognized over time	5,607	8,901
Total	29,154	20,186

Note 5 - Share-based payments

Aquaporin has established incentive plans based on warrant programs for Executive Management and certain key employees. The purpose of these programs is to ensure common goals for management, employees, and shareholders. The allocation of programs is set by the Board of Directors in accordance with the Company's Articles of Association.

The warrant program comprises a total of 255,359 warrants on June 30, 2024 (December 31, 2023: 270,526). Each warrant gives the holder the right to buy one ordinary share of nominally DKK 1 in Aquaporin A/S.

For the first six months of 2024, the recognized items related to share-based payments, due to forfeiture of warrants, had a positive impact which amounted to net DKK 0.2 million compared to an expense of DKK 1.1 million for the same period in 2023. The expense for share-based payments comprises the following warrant programs:

Warrants in the "2022 Long-Term Incentive Program (LTIP)" were DKK 48.4 thousand (DKK 48.4 thousand), which was recognized as operating expenses in the first six months of 2024.

The long-term share-based incentive program established in May 2022 was recognized as operating expenses in the first six months of 2023 by DKK 0.9 million (DKK 1.2 million).

The share-based incentive program established in February 2023 was recognized as operating expenses in the first six months of 2023 by DKK 0.1 million (DKK 0.3 million).

18,000 warrants from 2019 expired and were forfeited. The previously recognized value amounts to DKK 1.2 million, which is now recognized with a positive impact on the operating expenses in the first six months of 2024. Additionally, 10,000 warrants from 2023 were forfeited. The previously recognized value amounts

to DKK 0.3 million, which is now recognized with a positive impact on the operating expenses in the first six months of 2024.

In 2023, 10,000 warrants from 2018 expired and were forfeited. The previously recognized value amounts to DKK 0.4 million, which was recognized with a positive impact on the operating expenses in the first six months of 2023.

No warrants have been exercised by Executive Management or other related parties for the first six months of 2024. Members of the Board of Directors do not have any warrants.

Note 6 - Share capital

A capital increase was completed on April 29, 2024. The capital increase took place in the form of a Rights Issue of 12,311,477 shares representing 112.5% of the registered share capital of the Company prior to the capital increase and 52.9% of the share capital following the share capital increase. In consequence hereof, the share capital increased by 12,311,477 shares with a nominal value of DKK 1 each at a price of DKK 14. The flotation costs directly related to the completion of the rights issue was DKK 23.3 million and has been recognized directly against equity.

A capital increase was completed on February 23, 2023. The capital increase took place in the form of a Private Placement of 815,353 shares representing 8.0% of the registered share capital of the Company prior to the capital increase and 7.4% of the share capital following the share capital increase.

<i>Number of shares</i>	Ordinary shares
December 31, 2022	10,130,801
Capital increase related to Private Placement in February 2023	815,353
December 31, 2023	10,946,154
Capital increase related to Rights Issue in April 2024	12,311,477
June 30, 2024	23,257,631

Following the above activity, the share capital comprises 23,257,631 shares of a nominal value of DKK 1 each as of June 30, 2024. The shares are not divided into share classes, and each share carries one vote. No shares carry any special rights.

Note 7 - Related party transactions

During the first six months of 2024, the Group was not involved in any transactions with the shareholders, members of the Board of Directors, members of the Executive Board, or companies outside the Group in which these parties have significant influence, except for the payment of the Management's remuneration and the transactions listed below.

Within the period the company obtained a loan facility of DKK 14.2 million from significant shareholders to secure financing in the period up to the capital increase. Following the successful completion of the capital raise, the loan facility has been fully repaid.

Aquaporin A/S has additionally had the following transactions and balances with related parties:

<i>DKK thousand</i>	HY 2024	HY 2023
Revenue received from associated companies	-	74
Revenue from related parties	1	169
Cost to related parties	-	6
Finance costs to significant shareholders	535	-

Note 8 - Events after the balance sheet date

Management is not aware of any events of importance to the interim report, which have occurred after the balance sheet date.