

# Rethinking water

Annual Report 2024

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# Aquaporin at a glance

Our solutions are anchored in nature, based and inspired from the aquaporin protein – nature's own water filter. Listed on Nasdaq Copenhagen (ticker: AQP), Aquaporin has operations in Denmark (HQ), China, Singapore, Turkey, and the US.



## Rethinking water filtration with biotechnology

Our purpose



### Aquaporin Inside®

One core technology



### We are global

With 76 employees globally, merging biotechnological techniques and classical engineering



### Energy efficiency

Technology enables up to 30% energy savings



### Sustainability

26% reduction in Scope 1 emissions 2020-2024



### Filtered by nature

Technology based on Nobel-prize discovery



### We are in space

Our Aquaporin Inside® technology is tested on the International Space Station

# 01

## Commentary

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## Letter from the Chair and CEO

# A year focused on business growth and product innovation



Dear Shareholders,

Notwithstanding the significant and unexpected change in guidance during the second half of last year, 2024 was a pivotal year for Aquaporin as we advanced our mission to commercialize biotechnology-driven water purification solutions. We made tangible progress in product development, streamlined operations for efficiency, and expanded key business partnerships that position us for long-term growth.

### Turning science into business impact

At Aquaporin, our competitive advantage lies in transforming cutting-edge biotechnology into market-ready products that address real-world water and process challenges. Our Aquaporin Inside® technology remains the foundation of our innovation and in 2024 we strengthened its commercial viability. We advanced product innovation with the launch of our CLEAR Series in China and the Vestel Rafine PRO residential purifier in Turkey.

# “2024 was a pivotal year for Aquaporin as we advanced our mission to commercialize biotechnology-driven water purification solutions.”

**Niels Heering**  
Chair of the Board of Directors

We developed food-compliant Forward Osmosis (FO) modules, which are now poised for commercial applications. Most importantly, we successfully progressed the second-generation Aquaporin Inside® technology, enhancing efficiency and scalability for high-value markets such as Food & Beverage applications and select niche areas in industrial applications.

In the second half of 2024, we also filed a patent on the Aquaporin Inside® generation-2 formulation, which was enabled by the opening of our new polymer lab in Denmark. This is an important step towards ensuring that we maintain our leadership in biomimetic membrane advancements while keeping a sharp focus on translating research into business outcomes.

## A strategic approach to profitability

In April 2024, we completed a Rights Issue, raising DKK 172.4 million to support our long-term strategy. Despite facing unexpected demand fluctuations from key customers and project delays, we took decisive action to strengthen our financial position. Through cost control measures and organizational streamlining, we improved EBIT and secured a leaner cost structure that will enhance operational efficiency going forward. Our path to profitability remains a core priority, and we will continue taking disciplined steps to ensure long-term financial sustainability.

## Driving growth through partnerships

Strategic partnerships are key to our market expansion. Our supplier agreement with Brenntag in Turkey and the APAC region, which expanded to China through a Letter of Intent, significantly broadens our distribution reach. This enables us to scale our industrial water membrane solutions effectively.

In municipal water treatment, our collaboration with the PUB, Singapore's National Water Agency, holds significant potential. The ongoing trial aims to reduce energy consumption in wastewater treatment by up to 30%. Once successfully completed, the results will enable us to bid for membrane replacement projects with the PUB and leverage this important reference to potentially secure other membrane orders in cities worldwide. Having the PUB as a reference is a strong seal of approval in the water industry. Meeting the PUB's extensive requirements is a testament to the performance and robustness of our products.

While our main key-account partnership with AquaShield continued, we recognize that it did not meet expectations in 2024. Our focus remains on improving execution and ensuring all partnerships deliver meaningful revenue

contributions. With the recent advances in product development, we will strive to bring additional flat sheet accounts in 2025 with whom we will be able to develop global collaboration models. This will bring Aquaporin's Water Filtered by Nature® solution to a growing number of households. Additionally, we made significant progress in our partnership with Gallo, advancing our FO-based solution for wine and juice concentration, moving us closer to commercial readiness in the Food & Beverage sector. With our product readiness and the scalability targets that we have set for 2025, we will be in a position to discuss a growing number of small projects and pilot units for FO applications by the end of 2025.

## Strengthening our organization

In 2024, we restructured operations to drive cost efficiency and scalability. We streamlined our organization, achieving sustainable cost reductions exceeding DKK 10 million. These measures allow us to operate with greater agility and improve profitability as we scale up. Our strategic

priorities now center on advancing our high-value applications, particularly in Food & Beverage, while selectively expanding our presence in Residential Drinking Water solutions and Industrial Water Reverse Osmosis.

## A team committed to success

None of this progress would be possible without the dedication of the Aquaporin team. We extend our sincere gratitude to our employees, partners, and shareholders for your continued support as we drive forward in our mission to deliver innovative, high-impact water purification solutions.

## “Our focus remains on improving execution and ensuring all partnerships deliver meaningful revenue contributions.”

**Matt Boczkowski**,  
Chief Executive Officer

**Niels Heering**  
Chair of the Board of Directors

**Matt Boczkowski**  
Chief Executive Officer

# Highlights

In 2024, revenue decreased by 32% due to unexpected change in demand and the delay of a project. Strong cost control ensured improved EBIT (before special items) for the year, allowing Aquaporin to operate more cost efficiently.

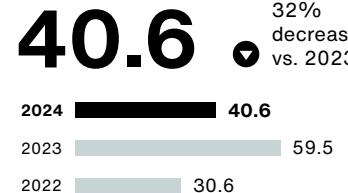
In October 2024, Aquaporin revised its guidance, lowering expected revenue from DKK 90-110 million to DKK 40-45 million and EBIT (before special items) from DKK (75)-(85) million to DKK (90) million. Subsequently, Aquaporin, in February 2025, specified revenue guidance to DKK 40-41 million and improved EBIT (before special items) to DKK (83) million. Gross profit margin remained unchanged at 30-35%.

The reduced guidance was mainly driven by significant and unexpected change in demand from Aquaporin's largest key account and a delay of an FO project into 2025. In line with the revised guidance, full-year 2024 revenue amounted to DKK 40.6 million, a decline of 32% compared to previous year. The decline is mainly driven by a decrease in Drinking Water sales. In Industrial Water, revenue showed solid growth of 192% to DKK 10.5 million.

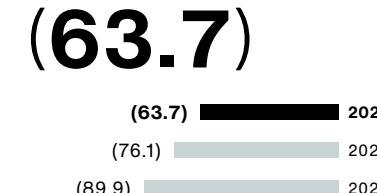
EBIT (before special items) amounted to DKK (83.0) million at year-end 2024. The improvement compared to initial guidance is driven by the implementation of strong cost control measures during the year as well as a reorganization of the business, leading to a simpler and more agile organization, operating at a lower cost base than previous years. This will allow Aquaporin to continue operating more cost efficiently in the coming years.

## Financial highlights

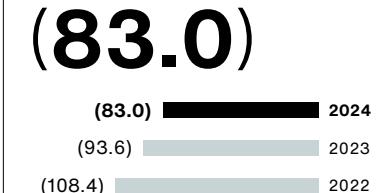
Revenue (DKKm)



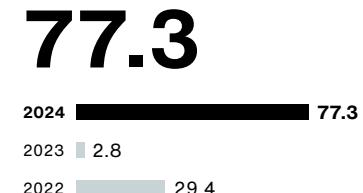
EBITDA before special items (DKKm)



EBIT before special items (DKKm)

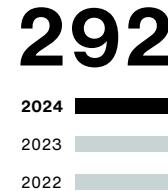


Cash and cash equivalents (DKKm)

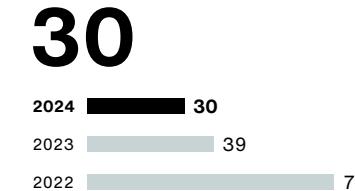


## Sustainability highlights

Direct GhG (Scope 1) (tCO<sub>2</sub>e)



Direct GhG (Scope 2 electricity) (tCO<sub>2</sub>e)



Renewable energy share (%)



## Revenue split on business areas

Residential  
Drinking Water  
DKKm 17.5

**43%**

Industrial  
Reverse Osmosis  
DKKm 10.5

**26%**

Forward Osmosis  
Market Development  
DKKm 12.5

**31%**

# Key figures

DKK 1,000	2024	2023	2022	2021	2020
<b>Income statement</b>					
Revenue	40,552	59,531	30,554	8,922	5,499
Distribution costs	10,499	12,691	16,376	6,394	-
Sales and marketing costs	21,205	30,252	26,220	27,553	20,811
Research and development costs	44,120	45,021	49,862	45,331	56,072
Administrative costs	19,800	24,934	21,461	17,823	13,059
EBITDA before special items	(63,722)	(76,093)	(89,918)	(74,842)	(67,515)
EBIT before special items	(82,974)	(93,575)	(108,384)	(93,728)	(85,869)
Special items <sup>1</sup>	(6,627)	-	(5,007)	(37,319)	-
Operating profit (EBIT)	(89,601)	(93,575)	(113,391)	(131,047)	(85,869)
Net financial items	(1,020)	(2,152)	(4,087)	(4,550)	(3,467)
Earnings after tax	(85,275)	(90,396)	(112,119)	(131,774)	(213,356)
<b>Financial position</b>					
Total non-current assets	190,730	200,190	203,263	204,542	214,017
Total current assets	117,264	62,372	67,283	180,804	32,799
Total assets	307,994	262,562	270,546	385,346	246,816
Equity	204,651	141,169	159,135	270,475	107,322
Total liabilities	103,343	121,393	111,411	114,871	139,494

1) Special items are non-recurring items, not attributed to the recurring operations. In 2024, activities recognized as Special Items relates to a restructuring of the organization recognized on the Income Statement. For further details, refer to note 2.5 Special Items.

DKK 1,000	2024	2023	2022	2021	2020
<b>Cash flows</b>					
Cash flow from operating activities	(60,150)	(80,484)	(94,942)	(115,189)	(57,027)
Cash flow from investment activities	(9,870)	(12,870)	(11,404)	(9,769)	(16,723)
- Investments in intangible assets	(9,334)	(11,927)	(9,728)	(9,149)	(12,162)
- Investments in tangible assets	(488)	(858)	(1,403)	(557)	(4,557)
Cash flow from financing activities	144,558	66,693	(7,562)	266,660	75,790
<b>Key ratios*</b>					
Equity share	66%	54%	59%	70%	43%
Earnings per share	(5)	(9)	(11)	(14)	(15)
Diluted earnings per share	(5)	(9)	(11)	(14)	(15)
Average number of FTE's	76	82	86	78	83
<b>ESG figures</b>					
Direct GhG emissions (Scope 1)	292	333	285	331	396
Indirect GhG emissions (Scope 2 - electricity - market-based)	30	39	76	111	113
Electricity consumption	311	359	443	545	647
Natural gas (heating)	124,309	114,120	120,570	145,868	173,234
Renewable energy share (Scope 2)**	75%	75%	68%	58%	66%
Sickness absence	3.82	3.30	4.50	3.76	3.70
Gender diversity total company	39%	37%	38%	39%	37%

\* Key figures and ratios are defined and calculated in accordance with applied accounting policies. See note 1.4 Key figures and financial ratios.

\*\* Data from subsidiaries is not included in this number

# Key events 2024



## March

Joined KitNewCare to enhance kidney healthcare across Europe by exploring the option of making dialysis more sustainable with Aquaporin's energy-efficient filter membranes



## May

Launched Brackish Water RO CLEAR Series in China



## August

Entered into strategic partnership with distributor Brenntag in APAC and Turkey



## November

- Announced promising lab results for Aquaporin Inside® Generation 2
- Expanded Brenntag partnership to China
- Secured milestone contract in Central Asia with CLEAR elements



## April

- Joined water treatment project RESURGENCE to explore synergies between urban water treatment and industrial operations through innovative solutions
- Completed successful Rights Issue raising DKK 172 million



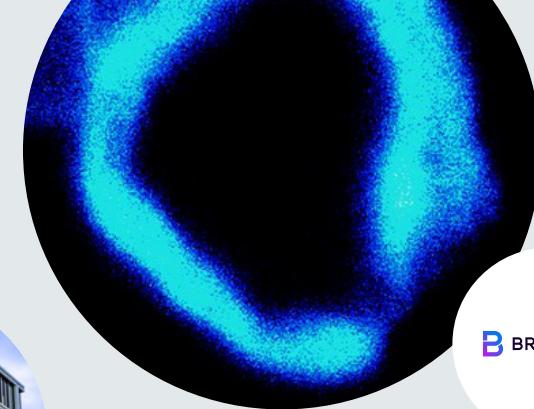
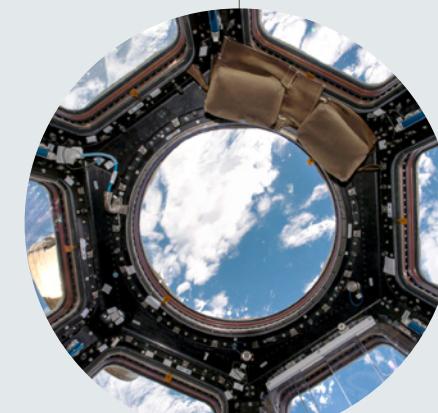
## July

Launched water purifier with Vestel in Turkey



## October

Signed new contract with the European Space Agency



# Outlook 2025

For 2025, we expect to be back on track with revenue growth across all business areas, including Residential Drinking Water, Industrial Reverse Osmosis, and Forward Osmosis Market Development.

For the full year 2025, we estimate revenue to be in the range of DKK 60-80 million. Revenue is expected to primarily be driven by Residential Drinking Water (35-45%), where we continue to expand the Aquaporin Inside® brand through our (co-)branding strategy and partnerships with large global customers and key accounts, capitalizing on a strong yearly global market growth of ~10% in the purifier segment. We expect Industrial Reverse Osmosis to contribute 30-40% of the full-year revenue, and Forward Osmosis Market Development to contribute 25-35% of the full-year revenue in 2025. As in previous years, the Company expects a large part of the revenue to materialize in the second half of 2025.

In 2024, Aquaporin revised the financial guidance for the year due to, amongst other, an unexpected change in demand from one of our largest key accounts and a delay in a Forward Osmosis project into 2025. While the change in demand significantly affected the 2024 guidance, Aquaporin expects demand to build back up during 2025 as we continue to diversify our customer portfolio. During 2025, Aquaporin expects to bring additional accounts for flat sheet. In Industrial Reverse Osmosis we expect that the cooperations with key accounts such as Brenntag, FCC Aqualia, and the PUB in Singapore, will continue to result in revenue growth. In addition, we expect to enter into other new collaboration agreements in various geographies during 2025, supporting continuous growth within Industrial Reverse Osmosis.

Within Forward Osmosis Market Development, the joint development with Gallo is progressing according to plan. Aquaporin expects to materialize revenue from milestone payments and potentially a pilot scale-up project in 2025. The on-going collaborations with Gallo and other customers in Forward Osmosis are expected to generate revenue in 2025 and beyond.

We continue to invest in R&D with a clear objective of developing the next-generation Reverse Osmosis and Forward Osmosis membranes, based on our Aquaporin Inside® technology. Building on a patent filed in Q4 2024, we aim to drive the development of our core technology and membrane prototypes which we are hopeful can bring a step change in water filtration. In 2025, we expect to initiate the development of the first prototypes using our optimized, second-generation technology.

Through Open Innovation, we are identifying new collaborations and partnerships that have the potential to provide ground-breaking solutions to the water industry. These endeavors are a part of our long-term strategy and are in line with our ambition to leverage our core technology to tackle health and environmental challenges with our unique technology.

In 2024, Aquaporin implemented measures to reduce operating expenses and secure a more simple and efficient organizational structure. The full-year effect of these changes will have positive impact in 2025. Aquaporin does not expect significant changes to the number of FTEs during 2025.

For 2025, Aquaporin is guiding on revenue, as in previous years, but rather than EBIT (before special items), we have chosen to guide on EBITDA. This change is driven by low levels of CAPEX, which in turn makes EBITDA (before special items) more relevant. For 2025, we expect EBITDA (before special items) of negative DKK (45)-(55) million, which is a 35% (mid-range) improvement compared to 2024.

As of the time of publication of this report, we only expect a smaller expense for special items in 2025. This is a result of cost actions taken in Q1 2025. Our financial guidance takes into account the uncertainty characterizing the global economy, driven directly or indirectly by the war in Ukraine and other geographical challenges. A worsening of the economic climate will likely also impact our business in 2025.

## 2025 financial guidance

	Unit	2025 guidance
Revenue	DKKm	60-80
EBITDA*	DKKm	(45)-(55)

\*Before special items.

# 02

## Our business

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# Our strategy coming to life

## Promote sustainability in everything we do

- Focus on sustainability as a core part of our value to customers
- Commitment to drive change and solve water scarcity
- Drive energy efficiency and water preservation
- Ensure full transparency with external stakeholders

## Advance game-changing protein technology

- Grow brand value of Aquaporin Inside® through co-branding with key accounts in Residential Drinking Water
- Focus on key applications with a unique selling proposition in Industrial Reverse Osmosis
- Focus on delivering solutions to specialty applications and blue-chip brands in Food & Beverage

## Commercialize products & solutions

- Anchor all our activities in a focused customer-first mentality and approach
- Invest in commercial resources and branding to generate strong market demand for our solutions
- Develop commercial engineering to support our expansion into high-value add solutions

## Grow and scale with partners

- Use contract manufacturing to scale fast with low CAPEX investment
- Focus on our core competences and benefit from best-in-class partners
- Increase local presence in key geographies
- Prioritize exclusivity in most significant win-win partnerships

## Continue to innovate

- Continue to develop and refine our core technology - Aquaporin Inside®
- Drive Open Innovation development partnerships
- Leverage existing technological foundation to develop next-generation biotech solutions

# Our values

# commit

We **commit** to our customers who determine our success

We **focus** on key applications to drive growth

We **dare** to look for new ways to break the status-quo

We **collaborate** with our stakeholders to make a difference

We **empower** each other to act with passion and responsibility

# collaborate empower

# focus

# dare

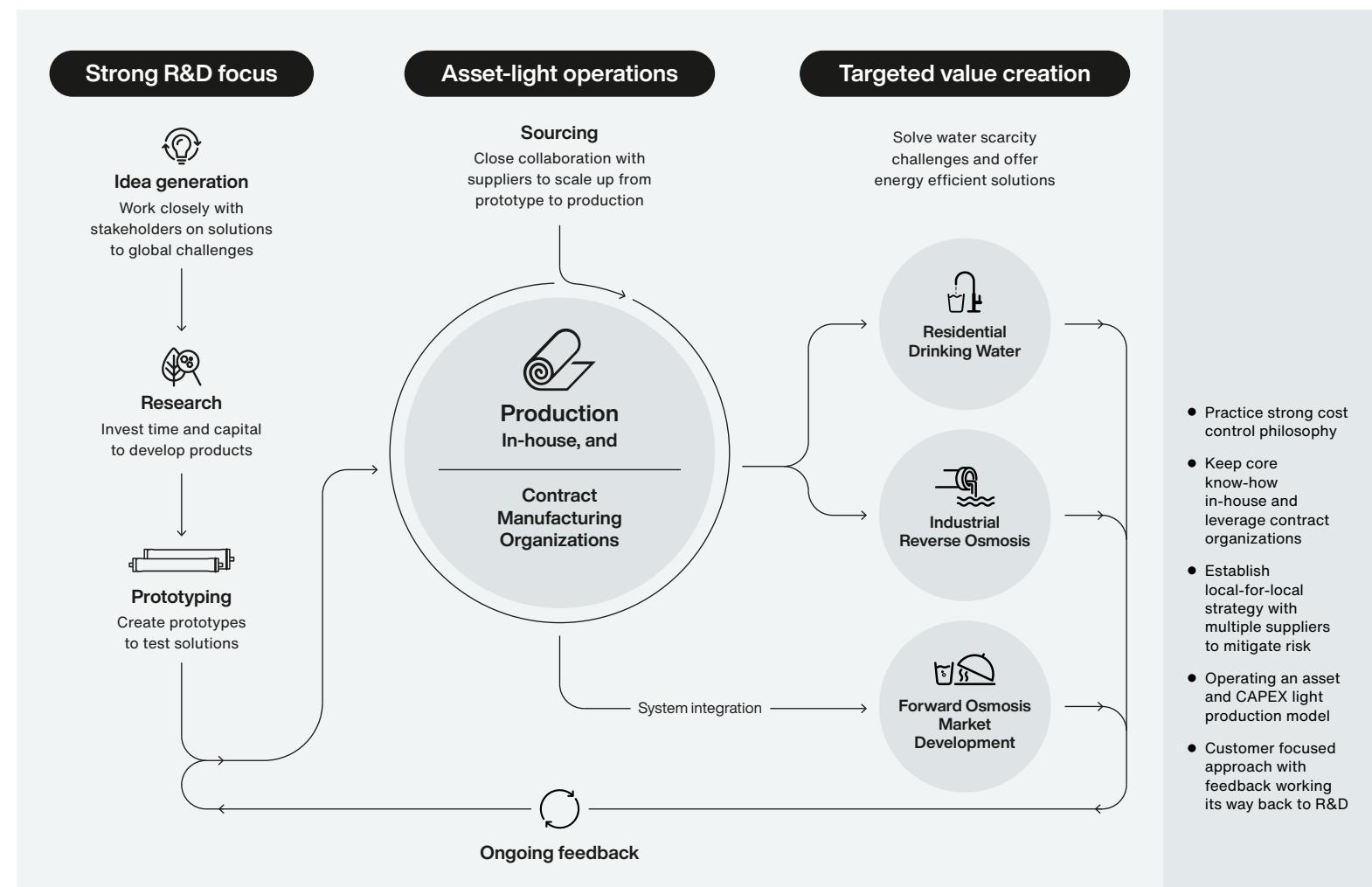
# Business model

In each of our business areas, we apply a customer-first strategy and we drive execution by leveraging our unique core Aquaporin Inside® technology.

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.

We operate an asset-light production to enhance agility and focus on core capabilities, keeping only the most value-adding production steps in-house. Our main in-house production priority is the Aquaporin Inside® technology. One part is the formulation for which we have successfully established large scale production. Membrane coating with Aquaporin Inside® technology is either applied at Contract Manufacturing Organizations (“CMO”) or at our production facility in Lyngby, Denmark.

Our CMO relationships are founded on close co-development of membranes to support the Aquaporin Inside® technology and optimize performance. Our selection process for CMOs is based on comprehensive technical, financial, geographic, and common values criteria. This approach allows us to scale without the need for large-scale investments.



# Our business areas

The Aquaporin Inside® technology is applied across residential and industrial product ranges, in all sizes of membrane elements.

With our unique Aquaporin Inside® technology, we conduct a focused approach on customer-centric applications with a unique value proposition to grow our brand. We provide sustainable, energy-efficient solutions that help reduce the environmental footprint in various geographies, reducing negative environmental exposure in the value chain.

Our business is split into three areas with unique opportunities to create value for our stakeholders. All business areas represent a differentiated value proposition for our customers by leveraging our core technology.

Residential Drinking Water is our most mature business area in which we deliver clean drinking water to end users through our flat sheet, membranes, and purifiers. Our go-to-market strategy is focused on co-branding and partnerships, utilizing collaborations to build our customer base.

In both Industrial Reverse Osmosis and Forward Osmosis Market Development we have a portfolio of products launched in the market. As we often operate in specific niche applications, application maturation may take longer due to testing and piloting stages. In Reverse Osmosis, we reduce energy consumption with our low-energy membrane elements. In Forward Osmosis, we work with

natural concentration ensuring optimal quality and yield. Examples of current partnerships include work with municipalities and beverage concentration in the food and beverage industry.

Business area	Technology		UN Sustainable Development Goals			
	Reverse osmosis	Forward osmosis	3	6	14	17
Residential Drinking Water	●	○				
Industrial Reverse Osmosis	●	○				
Forward Osmosis Market Development	○	●				

# Residential Drinking Water

Our Drinking Water solutions enable people to take water purification into their own hands, avoid pollution and reduce dependency on bottled water for hydration.

## Market

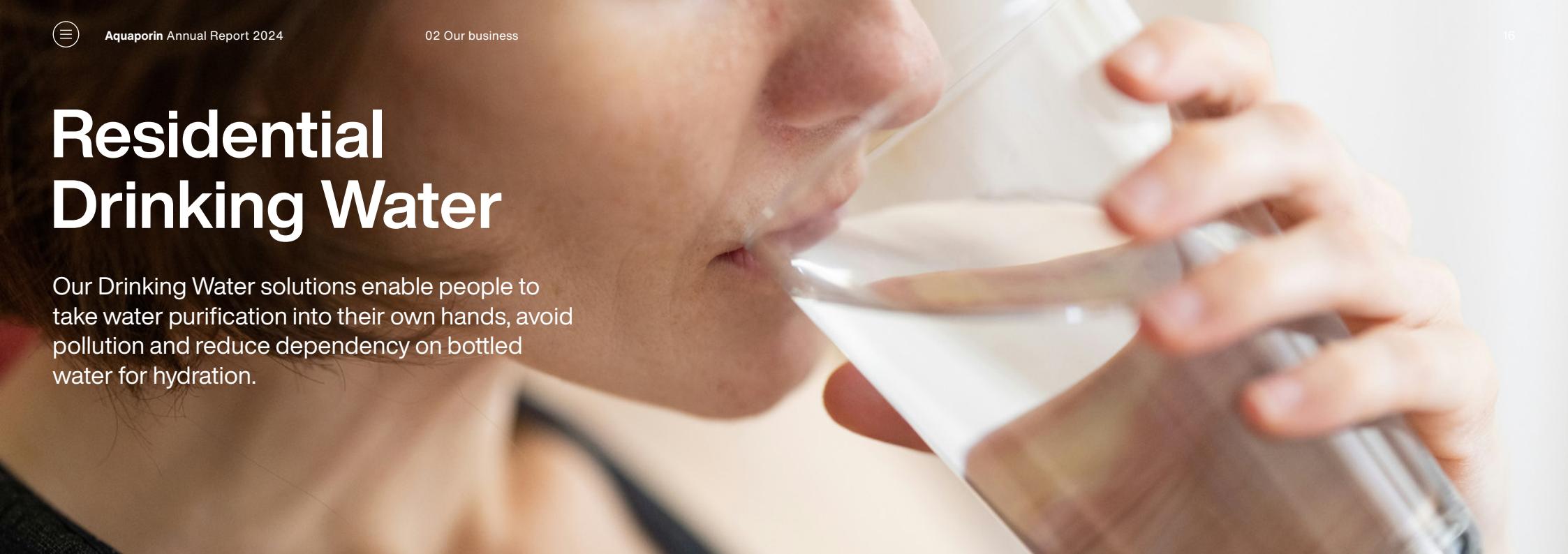
- Residential Drinking Water covers the market of Point-of-Use (PoU) water purification in households.
- The largest markets for PoU water purifiers are China and India followed by Southeast Asia and the United States. Southern Europe and Turkey are mature European markets where the Company has presence.
- Market studies estimate the PoU water purification market to grow with a Compound Annual Growth Rate (CAGR) of 8-12 percent in the 2023 to 2028 period.

## Strategy

- We help enable our customers in differentiating their products via co-branding, by utilizing the Aquaporin Inside® brand and “Water Filtered by Nature” storytelling towards end-consumers.
- We offer a full marketing package, including text, image, and video-based marketing material for SoMe and other channels, and can develop full campaigns which our customers can use.
- We target working with brands that are able to drive high volume through established sales and marketing channels and deliver after sales service.
- We utilize a collaborative approach to work with key accounts that recognize the benefit of co-branding and who can monetize the unique value proposition that we bring.

## Products

- Our offering is built around flexible business models to key accounts, including our Drinking Water Reverse Osmosis (DWRO) membranes and PoU purifiers, with the business models for purifiers being based on licensing or strategic supply for volume accounts.
- The value proposition is a combination of product performance and branding. We leverage the Nobel Prize discovery of the aquaporin protein, our media appearances, and our “Water Filtered by Nature” image as part of co-branding arrangements with key accounts.
- The main technical performance selling point is the enhanced flux of the Aquaporin Inside® membranes. This allows filtering more water through the same surface area compared to conventional membranes.





## Key wins 2024

- Launched Point-of-Use under-the-sink purifier, Rafine PRO, with Vestel in Turkey
- Received repeat flat sheet orders from AquaShield (Philips Water Solutions) in China
- Sold table-top purifiers through Imerco in Denmark
- Conducted a number of development tests with promising accounts in the US

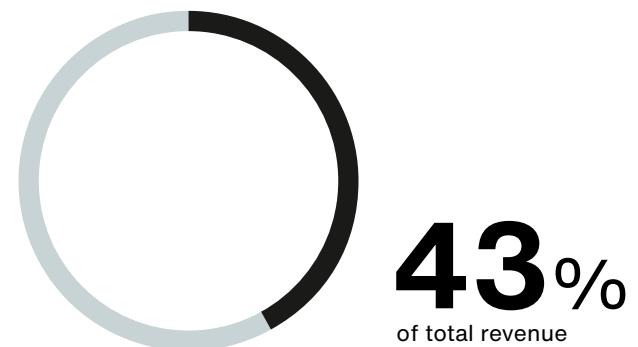
## Near-term focus

- In 2025, we aim to onboard at least two new high-potential flat sheet accounts.
- Grow existing accounts in Europe, India, Turkey, and China, with an additional launch in the United States.

## Financial performance 2024

**18 DKKm**  
Revenue

**(55)%** ▾  
decrease vs. 2023



# Industrial Reverse Osmosis

Our technology prevents pollution and contamination of water streams and enables companies to increase energy-efficiency in their production processes.



## Market

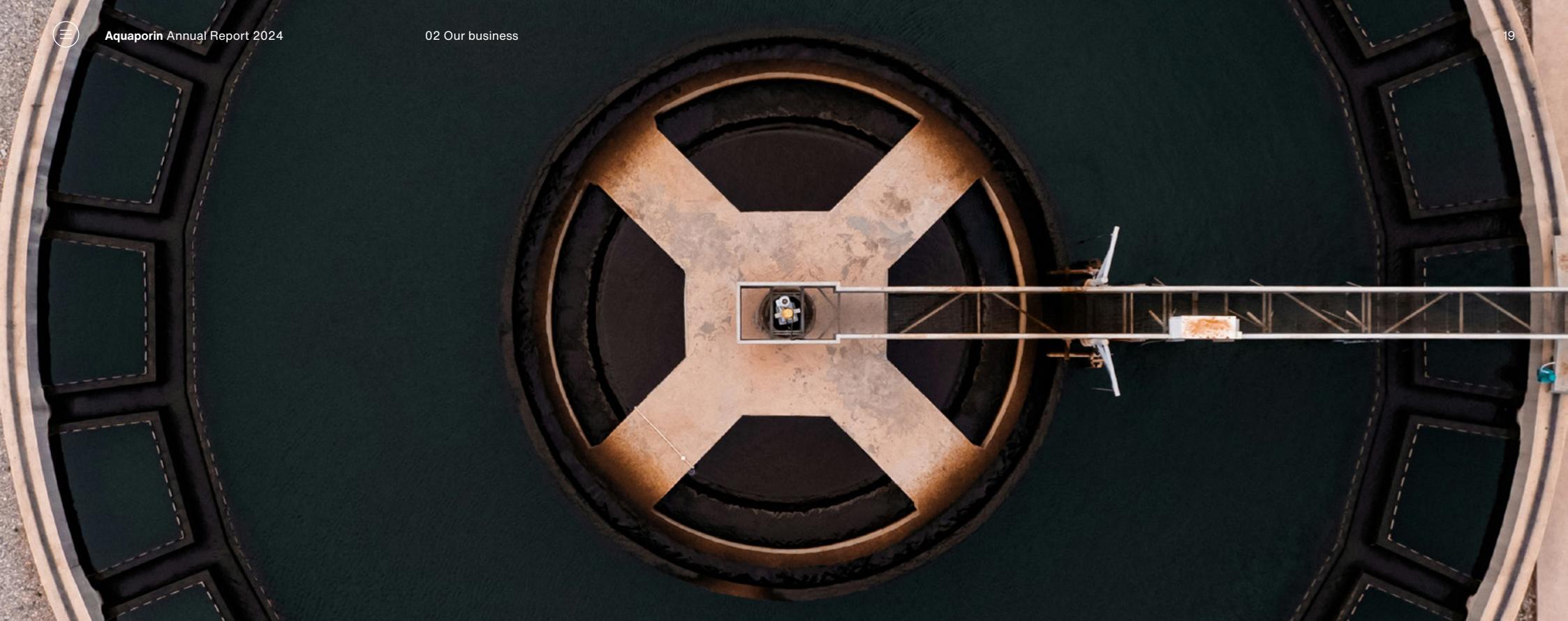
- The market for industrial-size Reverse Osmosis membranes is global with applications in municipal drinking water, water reuse, and process applications. A major driver of the market for industrial-size Reverse Osmosis membranes is the increase in reuse applications and the continued growth of the desalination industry.
- Reverse Osmosis installations are diverse and may range from industrial lines of 10 m<sup>3</sup> per day and up to public water plants of more than 100,000 m<sup>3</sup> per day.
- Market studies estimates that the Industrial Reverse Osmosis market will grow with a CAGR of around 10 percent between 2024 and 2029.

## Strategy

- Our strategy is leveraging the performance of the Aquaporin Inside® technology in our CLEAR products line and our ability to offer products at competitive prices.
- Our strategy of outsourcing manufacturing to CMOs lets us scale supply while maintaining quality consistency and operating on an asset and CAPEX-light model. This allows us to offer competitive pricing for our CLEAR product line.
- We are primarily targeting key accounts with volume potential and repeat business opportunities.
- We work to build references with select customers to increase market acceptance of our products.

## Products

- We have finalized the development of and launched a series of Brackish Water Reverse Osmosis (BWRO) membranes for industrial Reverse Osmosis, under the “CLEAR” brand, all using our core Aquaporin Inside® technology.
- The CLEAR portfolio includes: “CLEAR Classic”, “CLEAR Plus”, “CLEAR Plus FR”, “CLEAR Ultra”, and “CLEAR Eco”, all serving different needs in the market.
- We plan to integrate the Aquaporin Inside® technology into more CMO-produced products, extending our product line.



## Key wins 2024

- Entered into strategic partnership with distributor Brenntag in APAC, China, and Turkey.
- Secured milestone contract in Central Asia with CLEAR elements.
- Received order valued at USD 300,000 from a larger water treatment company in the EMEA region.
- Concluded large-scale product demonstration with PUB in Singapore (504 membrane elements) with positive initial results.
- Continued to expand our relationship with Aqualia by offering Aquaporin Inside® membranes to a growing number of municipalities in Spain.

## Near-term focus

- Double revenue in 2025 compared to 2024.
- Implement key account focus and build a pipeline of key accounts where our products are being tested and validated.

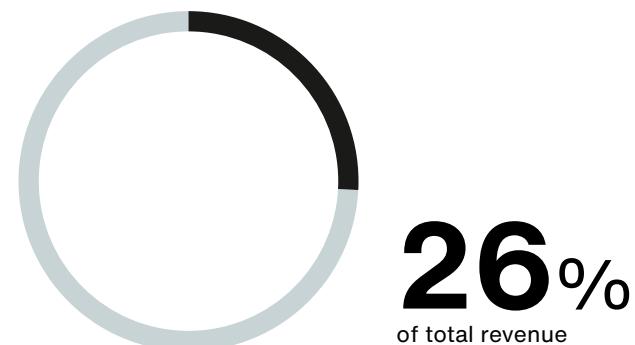
## Financial performance 2024

**11 DKKm**

Revenue

**192%** 

growth vs. 2023



# 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.

## Market

- Forward Osmosis (FO) as a process is being tested and implemented in a range of water, food, and niche applications.
- We see the greatest potential for Forward Osmosis solutions in Food & Beverage.
- Within Food & Beverage, we are actively commercializing in the flavors and fragrances segment, the coffee segment, and the wine segment. We plan to enter larger installations in juice and coconut water products when our solutions are proven at a larger scale.
- In addition to the Food & Beverage area, Forward Osmosis can also play in pharmaceuticals, resource recovery, and wastewater treatment.

## Strategy

- We focus on Food & Beverage, leveraging the higher quality of concentrates produced with Aquaporin Inside® membranes compared to conventional concentration methods.
- Our development is driven by our collaboration with Gallo and by repeat sales of small standardized systems and membranes.
- We are exploring alternative applications and plan to add new focus areas over time.

## Products

- We currently offer two hollow fiber modules in FO: HFFO2 for lab scale tests and HFFO14 for piloting or small-scale applications.
- We also offer three standardized FO systems: Essence-Go for small-scale testing and applications, Essence 1 for piloting and small-scale production, and Essence 2 for larger-scale production.
- We are working to launch two second-generation, scalable, 'standard' Forward Osmosis products: The first for the Food & Beverage industry, developed with Gallo, the second an industrial product for non-food applications.
- We will continue to offer small standardized systems and develop solution competences to offer engineering and process design capabilities as part larger projects.





## Key wins 2024

- Delivered on milestones for joint development with Gallo.
- Initiated testing with large US-based customers, with potential to develop into pilot projects in 2025.
- Initiated a pilot in coffee on an innovative application together with our partner Flavourtech.

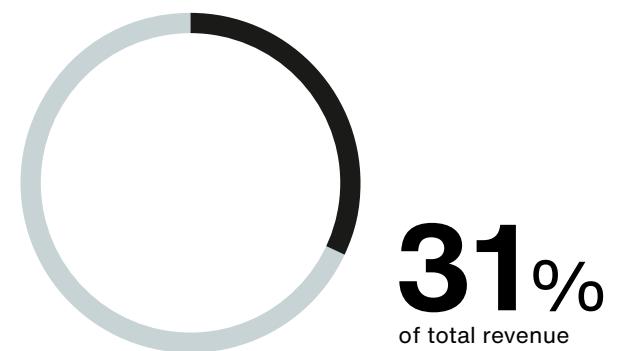
## Near-term focus

- Continue Joint Development Agreement with Gallo and deliver on all milestone targets.
- Develop two additional applications for Forward Osmosis in 2025 by validating business cases, value propositions, and pilot-testing with customers.
- Apply value-based business model in select applications.

## Financial performance 2024

**12 DKKm**  
Revenue

**(27)%** ◀  
decrease vs. 2023



# Research & development

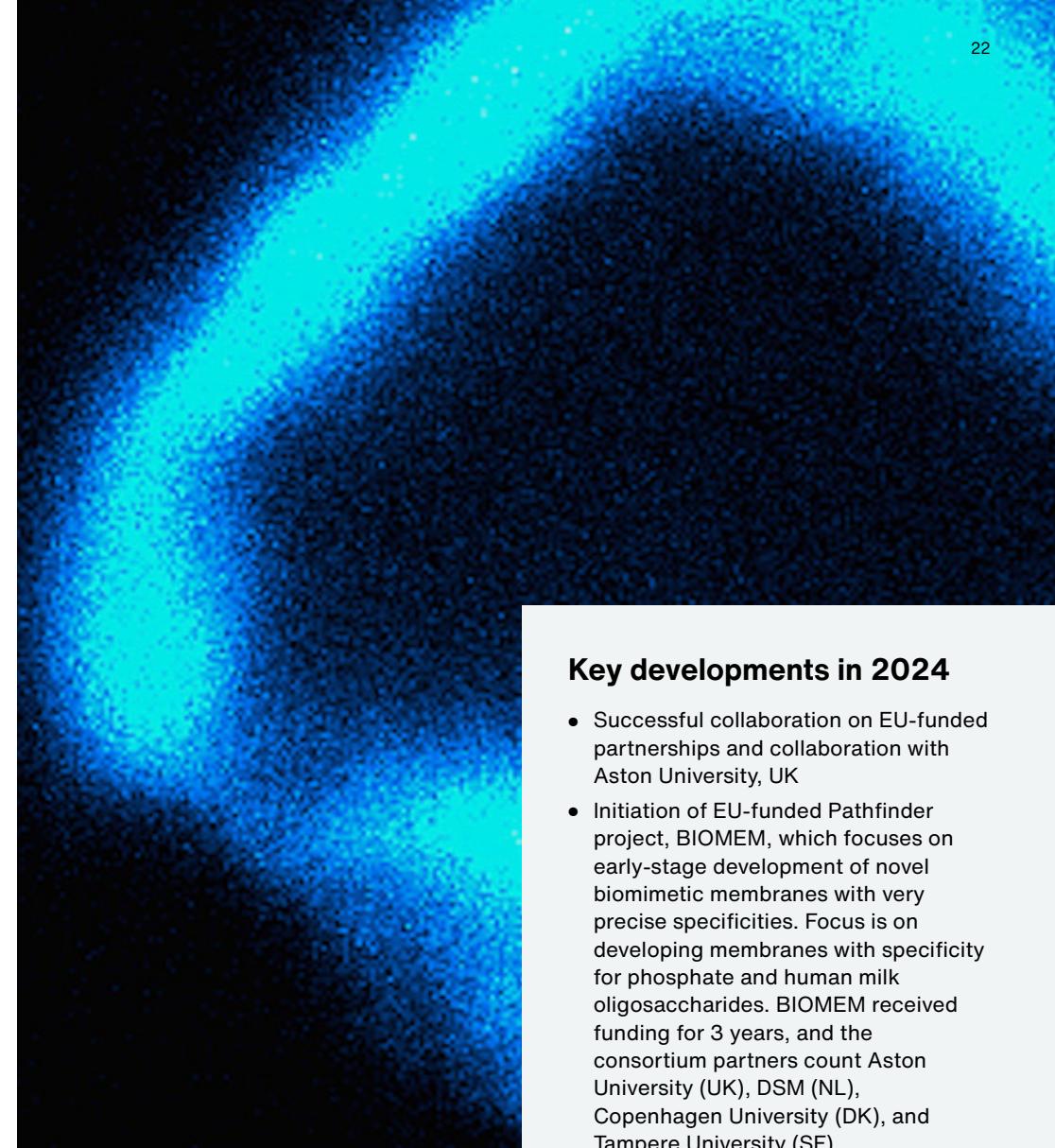
Comprehensive research & development is essential to fully utilizing the unique properties of our Aquaporin Inside® technology.

Research & development continues to be a pillar of our company and is essential to fully utilize the unique properties of our Aquaporin Inside® technology. We continue to invest in our research and in developing better products for continued commercial growth in the future. These efforts are split between our development team, who works in close collaboration with our commercial business areas to tailor solutions, and our research team, who focuses on improving our core technologies and early-stage research and prototyping. In addition, our research department is responsible for the development of alternative and more sustainable ways to decrease the footprint of our products.

Our Deep Tech team focuses its efforts on developing the next generation of our Aquaporin Inside® formulation. This biomimicry technology is central in our value proposition of using biotechnology to drive innovation in the water treatment industry and we are extremely proud of the milestones and technological convergence this has unlocked to date. In 2023, we developed a visualization tool for protein localization in the membrane, facilitating reliable quality control and quick

assessments during scale-up. In 2024, we achieved very promising preliminary lab results, marking an important milestone in the development of our next-generation Aquaporin Inside® technology. Next steps include developing prototypes with the new Aquaporin Inside® technology, which entails pivoting into pilot testing to build experience with continuous fabrication and, ultimately, scaling up manufacturing to a production environment. Our focus extends to maturing the existing Aquaporin Inside® technology for better performance and working with CMOs that can further help decrease the carbon footprint of our products. Additionally, we actively seek partnerships, exemplified by our collaborations with Aston University in the UK and EU-funded projects such as BIOMEM, KitNewCare, and RESURGENCE, to advance biomimetic membrane research and continuously improve membrane performance.

We see the potential of our membrane being even greater and seek to improve our formulation to create even higher energy efficiency, water flux, and rejection rates of unwanted pollutants in our drinking water, such as PFAS, which today has become a global challenge. Our close interaction with



end users through pilot testing and commercial partnerships creates valuable insights for our research and guides our development focus. It reinforces our company culture through close internal collaboration across departments and ensures high levels of efficiency in application development.

## Key developments in 2024

- Successful collaboration on EU-funded partnerships and collaboration with Aston University, UK
- Initiation of EU-funded Pathfinder project, BIOMEM, which focuses on early-stage development of novel biomimetic membranes with very precise specificities. Focus is on developing membranes with specificity for phosphate and human milk oligosaccharides. BIOMEM received funding for 3 years, and the consortium partners count Aston University (UK), DSM (NL), Copenhagen University (DK), and Tampere University (SF).
- Introduced initial laboratory results for next-generation Aquaporin Inside®, utilizing novel visualization tools to assess immobilization of protein in membranes – subsequent laboratory tests indicate a strong positive effect from protein “formulation” technology on membrane performance.

# Enhancing our R&D capabilities

Scientific collaborations are at the heart of Aquaporin – together with Open Innovation, they function as tools to help develop our technological platform. By engaging with leading institutions and collaboration partners, we seek to innovate, develop our organization, secure funding, and contribute to creating a circular research ecosystem.

As the company is embarking on its commercial journey, it was important to create a structure where our Open Innovation department thrives at Aquaporin. Many of our successes stem from successful innovation partnerships and co-development projects, which we want to continue growing as we take on new challenges that require a long-term research and development focus.

Through initiatives that are anchored in Open Innovation, we aim to ensure that we develop our talent, secure funding for our continued development, and play our part in creating a circular research ecosystem. We believe that giving Open Innovation a clearly defined focus will reaffirm, formalize, and structure our work to ensure sustained progress in many areas of Open Innovation.

## Our focus areas

### Public-private partnerships

We work with academic and private research institutions to solve challenges through co-creation and co-funding.

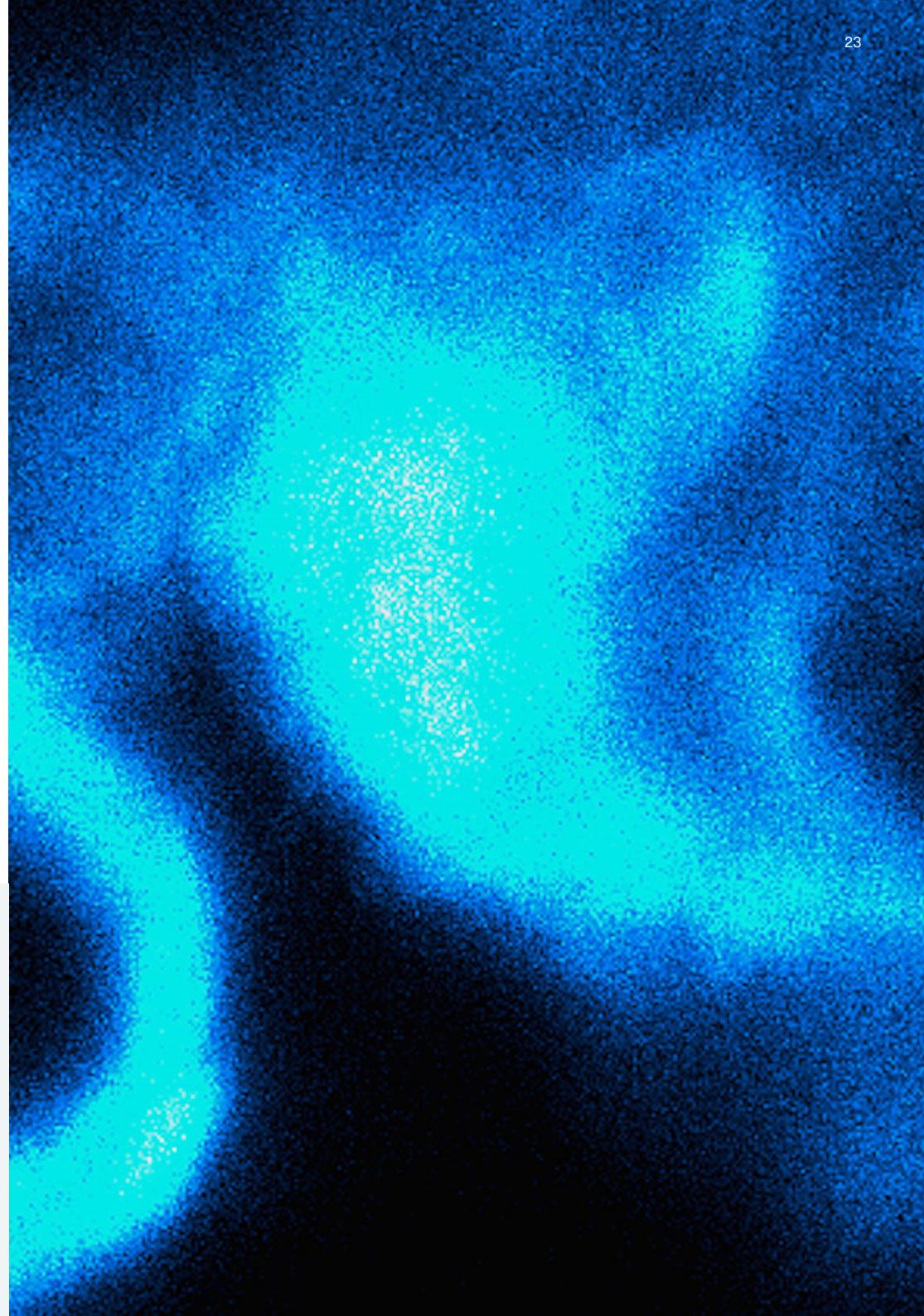
### In-house open innovation

We share our office space and laboratories with students and start-ups to unlock their potential and allow them to take part in our innovative water technology research. As a bonus, it provides us with a pipeline of young

talent. Approximately 15% of the more than 200 students who have participated have transitioned into full-time positions at Aquaporin.

### DeepTech

In public-private partnerships and other Open Innovation activities we engage in, the competences and capabilities of our DeepTech department are essential enablers for Aquaporin in being a valued and desired collaboration partner on a global scale.



# Core technology

Aquaporin Inside® is the technology that drives our products. Put simply, it is an energy-efficient biomimetic membrane that incorporates aquaporin proteins to filter water or concentrate streams.

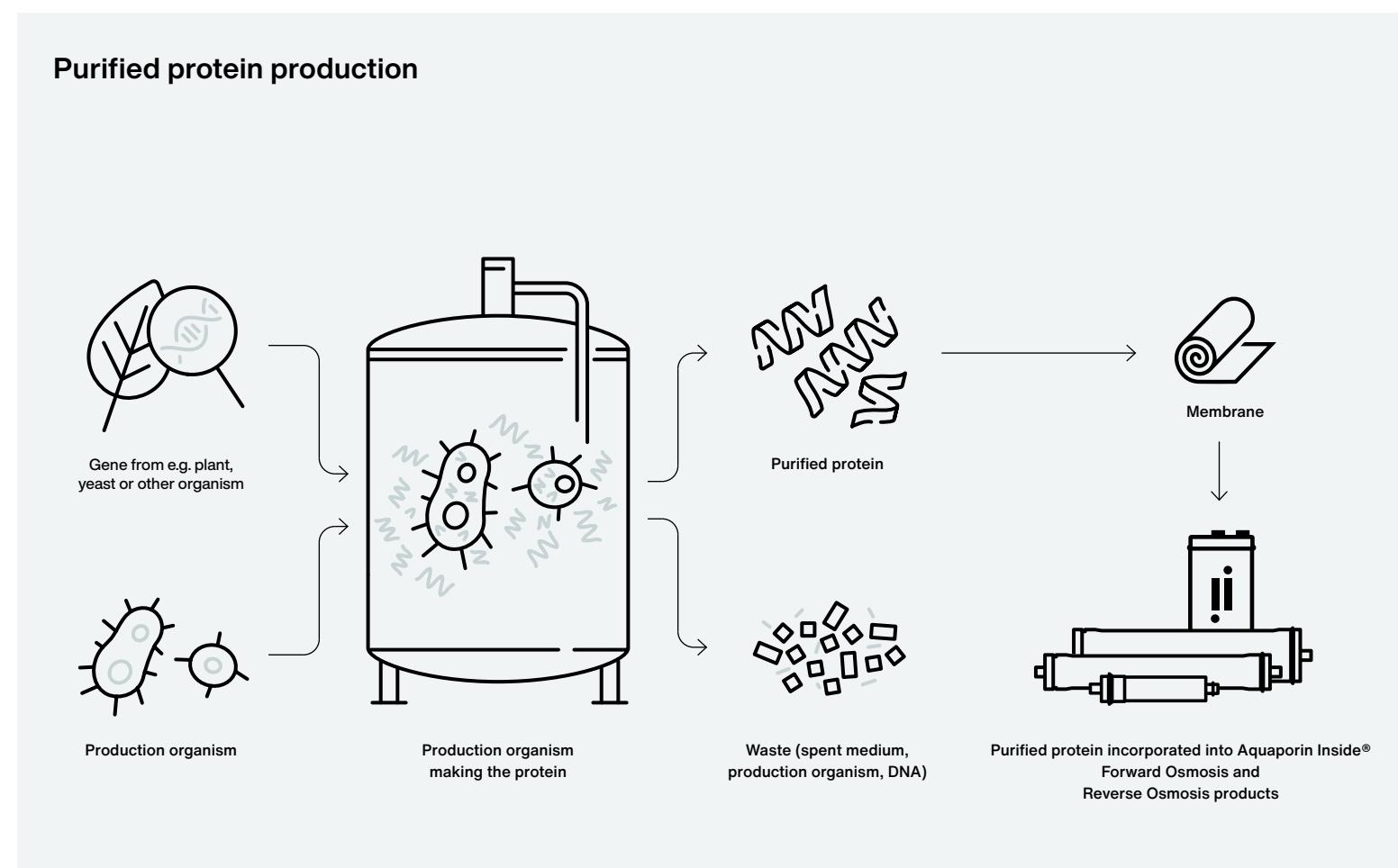
Flat sheet, hollow fiber, reverse osmosis, and forward osmosis. Almost exclusively, all our membranes use Aquaporin Inside® to purify and clean water, and they are revolutionizing water treatment – in industries, homes, and even in space.

The Aquaporin Inside® technology incorporates aquaporin proteins. Specialist water channels, aquaporin proteins exist in the membrane of all living cells. They can be found in every living organism, from plants and animals to human beings, and are essential to all life on Earth.

Placed within the cell membrane, aquaporin proteins transport water – and only water – in and out of the cell. Billions of years of evolution have made them extremely efficient and highly selective, like a superhighway for water. They are far better than any manmade water filter. One square meter of synthetic manmade membrane can filter around 50 liters of water per hour. One gram of aquaporins can filter 700 liters per second, enabling fast, energy-efficient, and natural water filtration.



Scan QR code  
to learn more



# Financial review

The financial review is based on the Group's consolidated financial information for the year ended December 31, 2024, with comparative 2023 figures for the Group in brackets.

The following financial review includes both the Group and the parent company as the parent company constitutes the majority of the Group. Consequently, the parent company is not described separately as it would largely be a rewording of the financial review of the Group.

In 2024, the Group experienced an unexpected change in demand from one of our largest key accounts and a delay in a Forward Osmosis project into 2025, which led to a lowering of guidance in October 2024.

Revenue guidance for 2024 was lowered from DKK 90-110 million to DKK 40-45 million in October 2024 and further adjusted to DKK 40-41 million in February 2025. Full-year 2024 realized revenue amounted to DKK 40.6 million (DKK 59.5 million).

Gross profit margin for 2024 amounted to 31% (32%) compared to a guidance of 30-35%. The guidance range remained unchanged throughout the year.

EBIT (before special items) amounted to a loss of DKK 83.0 million (DKK 93.6 million). In February 2025, the Group revised its EBIT guidance to a loss of DKK 83 million, aligning with the actual result. This revision followed a previous guidance of a DKK 90 million loss and an original guidance of a loss between DKK 75-85 million. In 2024, EBIT before

special items was influenced by increased write-down of slow-moving inventory by DKK 6.2 million and impairments of intangible assets by DKK 2.0 million.

## Income statement

### Revenue

For the full year, Group revenue decreased by 32% amounting to DKK 40.6 million (DKK 59.5 million). The decrease in revenue is mainly a result of lower-than-expected demand within Residential Drinking Water. Industrial Reverse Osmosis showed strong growth with a 195% increase compared to 2024 Forward Osmosis Market Development sales decreased by 24%, driven by delay of projects.

### Residential Drinking Water

Revenue in 2024 decreased to DKK 17.5 million (DKK 38.8 million), a decrease of 55%. The decrease in revenue was driven by a significant and unforeseen change in demand from our largest key account customer. We expect demand from this customer to build up again during 2025 and 2026. In addition, Aquaporin also witnessed a slower conversion of membrane customers from testing to commercialization. Finally, Aquaporin took a decision to discontinue the sale of the A2O Bar, which resulted in lower revenue for the year.

### Industrial Reverse Osmosis

Revenue in 2024 was DKK 10.5 million (DKK 3.6 million), an increase of 192%. The completion of the development project and the launch of the CLEAR membrane product series has been a central part of revenue growth.

In 2024, we sold 504 industrial water membranes to the PUB in Singapore. The membranes have been tested at a treatment facility in Singapore and preliminary results show that the performance aligns with the expectations set by the customer. In 2025, Aquaporin also announced a new distribution agreement with Brenntag. The agreement covers APAC and Turkey and has already resulted in orders in 2024, with the expectation of significant opportunities in the coming years.

### Forward Osmosis Market Development

Revenue in 2024 was DKK 12.5 million (DKK 17.1 million), a decrease of 27%.

Revenue in Forward Osmosis is tied to relatively large orders. Thus, the timing, and any potential delays, of these significantly impacts revenue from year to year.

In 2024, a key project within Forward Osmosis was delayed into 2025, causing a delay in revenue for the period. The Joint Development Agreement entered into in 2023 with Gallo has been a significant contributor to the revenue stream and continues to do so in 2024. All project milestones have so far been completed successfully.

### Gross profit

Gross profit amounted to DKK 12.7 million (DKK 19.3 million). Gross margin for 2024 was 31% (32%).

In 2024 the gross margin was affected by increased write-down of slow-moving inventory. The impact on the cost of goods sold was negative by DKK 6.2 million.

### Operating costs

Operating costs comprise Distribution costs, Sales & Marketing costs, Research & Development costs and Adminsitritive costs. In 2024, Operating costs totaled DKK 95.6 million (DKK 112.9 million), a decrease of DKK 17.3 million compared with 2023.

The cost decrease partly relates to organizational restructuring initiated in 2024, reduced bonus provisions, and continued strong cost management focus and actions taken to simplify the organization at an overall lower cost base.

### Distribution costs

Distribution costs amounted to DKK 10.5 million (DKK 12.7 million)

The distribution costs comprise warehousing, procurement, and logistic functions. The function supports the commercial activities. The reduction in costs derives from reduced in-house supply chain activities in line with the delays in demand of Drinking Water products.

### Sales & marketing costs

Sales & Marketing costs amounted to DKK 21.2 million (DKK 30.3 million). The reduction

# Financial review

in costs mainly arose due to restructuring of the organization, reduced bonus provisions, and strong cost management, reducing travelling and marketing costs.

## Research and development costs

Research & Development (R&D) costs amounted to DKK 44.1 million (DKK 45.0 million). The costs in 2024 are slightly reduced compared with the previous year. This mainly relates to engineering activities directly supporting revenue, and therefore recognized as cost of goods sold.

## Administrative costs

Administrative costs amounted to 19.8 million (DKK 24.9 million). Savings in administrative costs were driven by restructuring in the organization, focus on cost management, reduced bonus provisions, and reversal of the 2019 warrants program which forfeited in 2024.

## EBITDA before special items

EBITDA before special items amounted to a loss of DKK 63.7 million (loss of DKK 76.1 million).

## Depreciations of tangible assets and amortization of finished development projects

Depreciations of tangible assets and amortization of finished development projects amounted to DKK 19.3 million (DKK 17.5 million). The increase in depreciations and amortization relates to a write-down of a discontinued finished development project, which was fully amortized by DKK 2.0 million.

## Special items

Special items recognized in the Income Statement were an expense of DKK 6.6 million

in 2024 (DKK 0.0 million). Special items were a result of the change in guidance for 2024 which led to an implementation of cost saving initiatives in 2024. Restructuring of the organization has been part of these initiatives and resulted in a non-recurring cost that amounted to DKK 6.6 million.

## Net financial items and investments

Net financial items amounted to a loss of DKK 1.0 million (net loss of DKK 2.2 million). Net financial items comprise interest received, and interest paid, interest component of payments under finance leases, surcharges, and items denominated in a foreign currency. The improvement in net financial items are mainly driven by positive interests on cash placed on deposit accounts.

## Tax for the year

Income tax for the year ended December 31, 2024, amounted to an income of DKK 5.3 million (an income of DKK 5.3 million). An income tax benefit for both years includes a tax credit for R&D costs at the applicable tax rate under the Danish Corporate Income Tax Act.

## Cash flows

### Cash flow from operating activities

Net cash used in operating activities was a cash outflow of DKK 60.2 million (DKK 80.5 million). The improved cash flow from operating activities was due to a positive impact on net-working capital and reduced loss in 2024 compared to 2023.

## Cash flow from investing activities

Cash flow used for operational investment activities was DKK 9.9 million (DKK 12.9 million). The reduced investing activities are partly driven by lower cost, recognized as development projects and reduced capital expenditures for machinery and equipment.

## Cash flow from financing activities

Net cash provided by financing activities was positive by DKK 144.6 million (DKK 66.7 million). The cash from financing activities in 2024 was influenced by gross proceeds from a capital raise through the Rights Issue completed in April 2024. Aquaporin's cash and cash equivalents amounted to DKK 77.3 million (DKK 2.8 million) and are placed in deposit accounts with highly rated banks.

## Financial position

The balance sheet total was DKK 308.0 million as of December 31, 2024 (DKK 262.6 million).

## Assets

Total non-current assets amounted to DKK 190.7 million (DKK 200.2 million). Intangible assets amounted to DKK 99.9 million (DKK 99.1 million), an increase of DKK 0.8 million driven by capitalized costs for development projects of DKK 9.2 million, reduced by amortizations and write-downs on DKK 8.4 million. Tangible assets amounted to DKK 88.3 million (DKK 98.5 million), a decrease of DKK 10.3 million due to depreciations and reduced capital expenditures. As a part of the tangible assets, rights-of-use assets

amounted to DKK 41.9 million (DKK 46.3 million).

Inventory amounted to DKK 21.3 million (DKK 17.6 million), of which finished goods amounted to DKK 19.1 million, with a majority comprising Drinking Water products.

Trade receivables amounted to DKK 4.6 million (DKK 25.7 million). The reduction in trade receivables relates to less sales in Q4 2024, and the trade receivables comprise a mix of customers in all three markets.

Contract receivables amounted to DKK 2.2 million (DKK 0 million). Contract receivables comprise a research and development project with partial completion in 2024.

## Equity

Total equity amounted to DKK 204.7 million (DKK 141.2 million). The increase in equity mainly relates to the capital raise completed in April 2024 amounting to net DKK 149.0 million less a loss in retained earnings for the year on DKK 85.3 million.

## Parent Company considerations

The parent company is incorporated into the financial review of the Group, as it constitutes the majority of the Group. Consequently, the parent company is not separately described as it would be a rewording of the financial review of the Group.

# 03

## Sustainability

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# Sustainability approach

We are committed to making clean drinking water accessible globally. Through our unique technology and know-how, we offer energy efficient solutions for water purification and concentration.

## **The World's most valuable resource**

We work to preserve Earth's most valuable resource: Water. Our business is highly focused on sustainability, including taking responsibility for ensuring the longevity of the resources that we use at Aquaporin. We aim to make a positive difference and challenge linear approaches to resource use.

With our drinking water purifiers, we offer solutions to increase access to clean drinking water that are energy efficient, increase water recovery, and help reduce plastic pollution. In the food & beverage segment, we create new or improved products closer to the natural taste and feel, while improving energy efficiency.

## **A sustainable future**

Our sustainability focus is two-fold: We aim to create value for society by delivering innovative water solutions – our “handprint” – while minimizing harm in our upstream value chain by avoiding unnecessary waste streams and closing resource loops – our “footprint”. While we believe our “handprint”, is part of the solution to a more sustainable

future, we continue to focus on our environmental footprint, as one does not balance out the other.

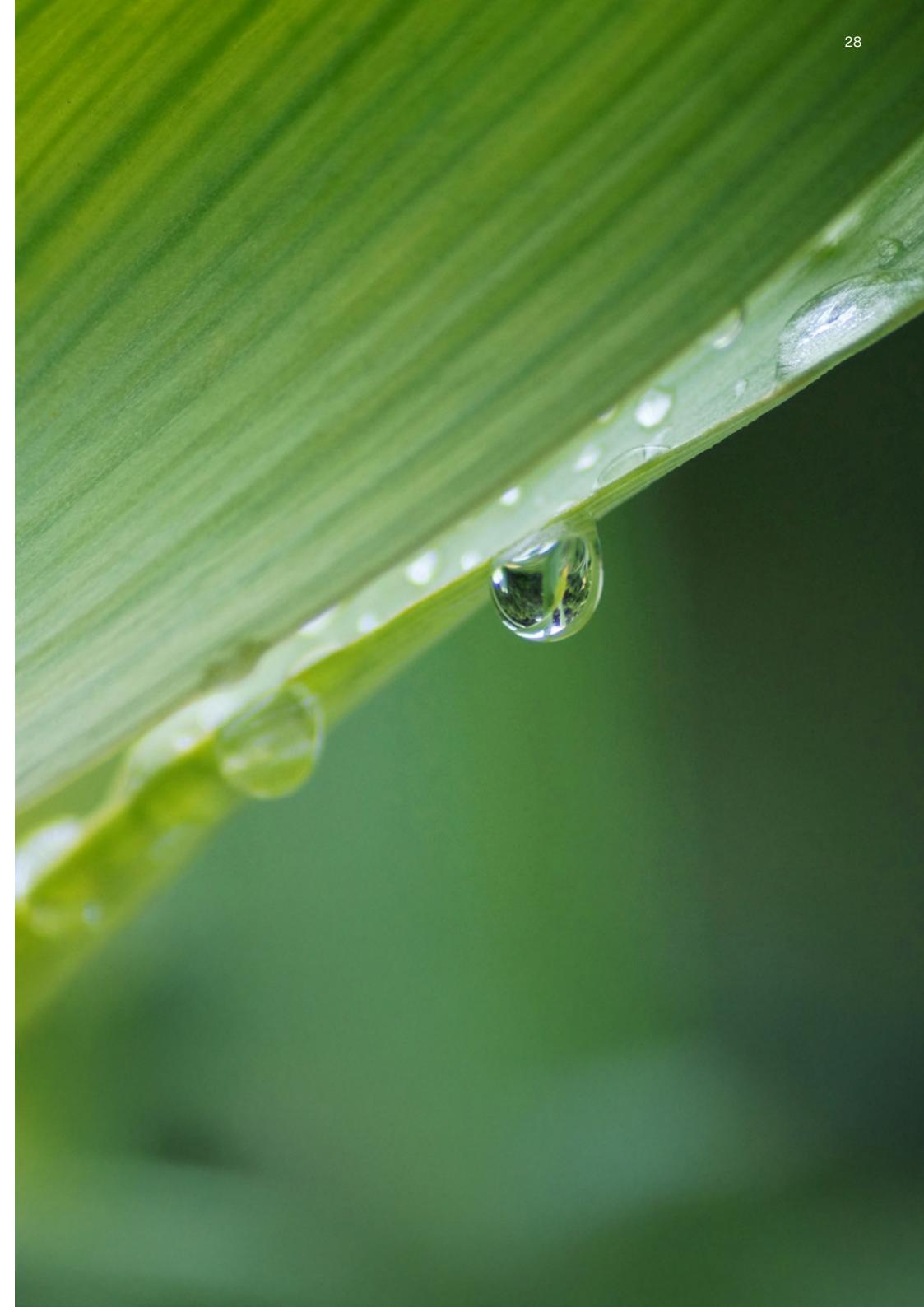
We consider the impact that climate change has on our company and its future resilience, while also assessing the negative impacts that we may potentially have on the climate.

We are committed to being transparent about our environmental footprint in order to be able to decrease it. Therefore, we have initiated preparatory work and plan to include a more detailed mapping of our value chain as well as a double materiality analysis in the coming years.

2024 marks the fourth year of disclosing our ESG matrix and reporting our Corporate Responsibility cf. section 99a of the Danish Financial Statements Act.



[ESG matrix, page 41](#)



# Addressing global challenges by providing sustainable solutions

Sustainability is deeply integrated into our product solutions and our way of thinking, our strategy, work environment, and business ethics.

A decade before the 17 UN Sustainable Development Goals (SDGs) were introduced in 2015, our technology was developed to cater for the targets captured in SDG 6 of minimizing pollution, reducing the proportion of untreated wastewater, increasing water reuse efficiency, and improving recycling of water.

Aquaporin 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 we operate and our

products directly contribute to addressing five of the UN Sustainable Development Goals.

We continue to invest in initiatives to improve the way that we use water, and we take responsibility for delivering solutions for a more sustainable future.

## Aquaporin's technology contributes to

3 GOOD HEALTH AND WELL-BEING



- Improving access to clean drinking water and thus problems with waterborne diseases.
- Improving the quality of life for patients, e.g., in dialysis, by decreasing exposure to waterborne diseases, incl. removal of PFAS and micropollutants.

6 CLEAN WATER AND SANITATION



- Improving access to clean drinking water.
- Strengthening water quality through better wastewater treatment.
- Reducing water consumption through more efficient processing.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Optimizing customers' water consumption.
- Contributing to the sustainable management of natural resources.
- Reducing wastewater volumes.

14 LIFE BELOW WATER



- Reducing marine pollution by reducing the need for drinking water in plastic bottles.
- Improving desalination methods and the circular impact of brine on marine life.
- Reducing wastewater volumes.

17 PARTNERSHIPS FOR THE GOALS



- Focusing on knowledge sharing and entering public private partnerships.
- Offering our technology in cooperation with partners in developing countries.

# Environment

We strive to minimize the impact we have on the environment and climate and work to integrate the same thinking across all our operations.

Aquaporin is located in Denmark, Singapore, the United States, China, and Turkey. Our headquarters in Denmark is by far the largest site, and our focus is primarily on optimizing how we use resources at this site.

We are continuously looking to improve our supply chain - currently, we utilize external partners. Therefore, we do not link data on emissions and consumption with the number of units produced in-house, since this would not portray an accurate and comparable picture.

## Our greenhouse gas emissions

Our Scope 1 (primarily natural gas) and Scope 2 emissions (electricity) decreased from 2019 to 2024 due to reductions in our in-house production at Nymøllevej in Denmark. These emissions have potentially been moved to our suppliers, and in the future, we plan to report on our Scope 3 emissions.

To offset our footprint, we have entered into a PPA (Power Purchase Agreement) with Reel. This has ensured that we, starting early 2025, get approximately 50% of the electricity used at our headquarters in Lyngby supplied from a newly built solar park in Denmark. In addition, we have entered into a PPA for wind-energy, which will enter into force in 2026, to cover the remainder of our electricity usage at our headquarters. In the meantime, we have purchased green origin certificates for the electricity utilized at our headquarters in Lyngby. We cannot purchase similar certificates in Singapore, so we are not allowed to book these as 100% renewable energy resources and claim zero emissions.

## Our energy consumption

Our consumption of electricity, natural gas, and water decreased from 2019 to 2024 following our reduction in in-house production. We aim to further reduce our energy consumption, as well as support the transition to renewable energy sources and this is embodied in the PPA we have signed.

We currently measure our energy consumption in absolute terms. In the future, we will link our consumption to the number of units produced or FTEs to give a more accurate picture of consumption.

## Our water usage

Our products aim to reduce the negative impact that polluted wastewater has on biodiversity and the water quality worldwide – and to provide clean drinking water without dependency on single-use plastic. While this “handprint” on society is a potential benefit, we utilize water in our production to test our elements. We pay particular attention to this in Singapore, where water is a scarce resource and there is a high dependency on clean water from outside the country.

We currently measure and report on absolute water consumption, since it cannot yet be linked with the number of units that we produce.

## Key figures

# 26%

Reduction in Scope 1 emissions  
2020-2024

# 75%

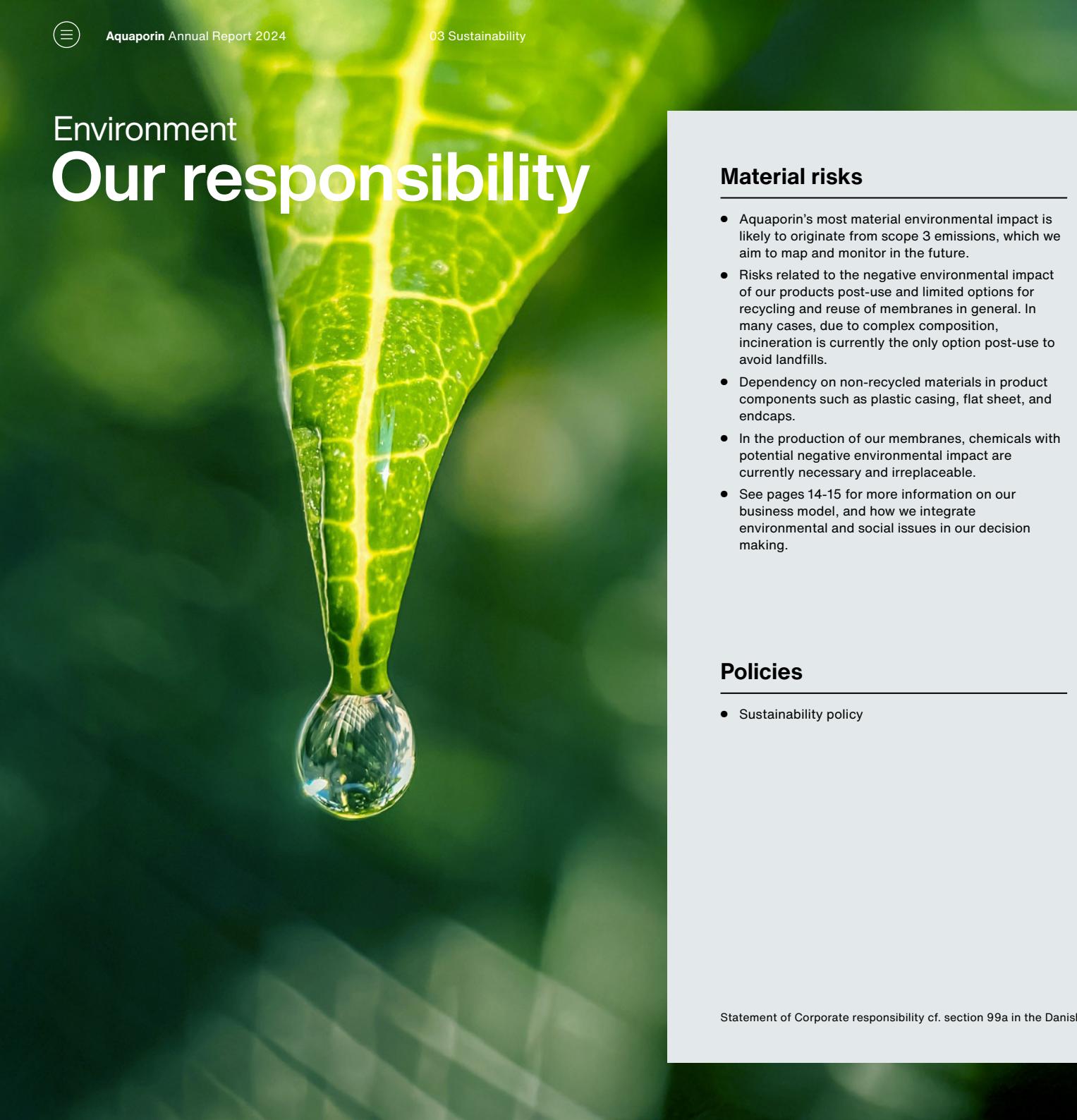
Share of renewables  
(Scope 2\*)

# 52%

Reduction of electricity  
consumption 2020-2024

# Environment

# Our responsibility



## Material risks

- Aquaporin's most material environmental impact is likely to originate from scope 3 emissions, which we aim to map and monitor in the future.
- Risks related to the negative environmental impact of our products post-use and limited options for recycling and reuse of membranes in general. In many cases, due to complex composition, incineration is currently the only option post-use to avoid landfills.
- Dependency on non-recycled materials in product components such as plastic casing, flat sheet, and endcaps.
- In the production of our membranes, chemicals with potential negative environmental impact are currently necessary and irreplaceable.
- See pages 14-15 for more information on our business model, and how we integrate environmental and social issues in our decision making.

## Policies

- Sustainability policy

## Mitigating actions & 2024 results

- Adopted a Sustainability Policy in 2021, establishing the foundation for our approach towards a greener future. To our knowledge, there have been no breaches of the policy nor our Supplier CoC during the year.
- Adopted an Environmental, Social, and Governance (ESG) performance framework to track and report development.
- In 2024, all Aquaporin employees completed an introductory ESG training course and we strive to think ESG into all plausible parts of the operation of the Company.
- Integrated ESG risks with our regular risk management process.
- Reviewed our key product components and the material lists of our main products. We continue to assess our dependency on materials and the related risks.
- Via the Green Circular Transition project, we developed a take-back assessment model, which allows us to analyze the environmental costs of a take-back scheme.

## Future plans

- Aim to integrate innovation and circular design into products and practices at Aquaporin.
- Detailed mapping of our Company value chain and a double materiality analysis is planned for the coming years.
- Even though it requires questioning the status quo, we will continue to ask our partners and suppliers for more sustainable alternatives, and we will continue to search for alternative ways to develop products with a lower environmental footprint without compromising on the safety or the functionality of our products.

# Environment

# Our impact

## Rethinking water filtration using biotechnology

In 2023, we initiated a test setup with the Public Utility Board (PUB) in Singapore. The PUB is testing our CLEAR membranes for the purpose of cleaning wastewater and removing pollution from drinking water, aiming to secure clean drinking water for the citizens of Singapore. The tests concluded in 2024 showed positive initial results.

Aquaporin is part of an innovative and impactful project aimed at developing sustainable sanitation devices. By contributing our expertise in Forward Osmosis technology, we are helping to create efficient, decentralized sanitation solutions that support long-term sustainability and accessibility.

6 CLEAN WATER AND SANITATION



17 PARTNERSHIPS FOR THE GOALS



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Helping to protect marine life

Aquaporin's drinking water solutions aim to reduce the number of plastic bottles used in the World through ensuring clean drinking water in households, schools, and workplaces.

By the end of 2024, Aquaporin Inside® expect to be helping to ensure clean drinking water in more than 500,000 homes, in China. We have also sold point-of-use water purifiers to several other countries, ensuring clean drinking water and decreased usage of plastic bottles.

14 LIFE BELOW WATER



## Integrating the SDGs through the SDG Ambition Accelerator Program

The SDGs are deeply integrated into the way we work. Therefore, we are proud to participate in the SDG Ambition Accelerator, a six-month UN-program aiming to support UN Global Compact participants in accelerating the integration of the SDGs into core business management. The program is still in progress and we are using this process to steer us in the right direction and defining our targets on our path towards Net Zero.

SUSTAINABLE DEVELOPMENT GOALS



# Social

At Aquaporin we are here to make a difference.

Our employees are our most important asset. They are central to our development and as such we are focused on creating a safe, diverse, and inclusive workplace.

We have a pioneering spirit and value inclusive collaborations between departments, cultures, people, and companies.

We strive for technological development, and are committed to being environmentally, socially, and financially responsible.

## Health & safety

The health and safety of our employees is crucial for our *raison d'être*, and we continue to monitor this very closely. In Aquaporin, we aspire to achieve the highest possible safety standards – this is particularly crucial in our R&D, laboratories, and production facilities.

We have a strong focus on preventing and mitigating health & safety risks through mandatory safety walks for all new employees, training, and registration of near-miss accidents.

Our internal Environment, Health, and Safety (EHS) management system ensures that we log and define procedures, conduct regular risk assessments, internal spot checks and track our monitoring and reporting.

Aquaporin remains below a rate of 5% of absence due to sickness annually. From 2019 to 2024, we remained in this range with less than 4 days absent per FTE annually.

Aquaporin internally reports accidents, injuries, and near-miss, which are analyzed by the safety organization to implement preventive actions to minimize risk. All accidents and injuries are reported to Executive Management. In 2024, we had one accident with recorded employee absence in our Singapore office.

## Human rights

Aquaporin's core business is centered around water and process purification, but as a company with global activities and a strong sustainability culture, we also work to promote rights to clean water as well as to protect and respect human rights in general.

We work to avoid infringement on human rights, and we strive to address any adverse human rights impact in which we, or our business partnerships, are involved.

Further, we aim to improve communication and requirements towards our suppliers on human rights and related issues.

→ [Health & safety, page 34](#)

→ [Sustainability targets, page 42](#)

## Social – health & safety

# Our responsibility



## Material risks

- Negative impacts on our employee conditions would pose a threat to our business and continuous operations. We do our best to avoid any such impacts.
- Our employees are our most important asset, and they are central to our development. Should we be unable to retain and attract qualified and skilled employees this would represent a risk to the Company's growth as it could impact our ability to innovate and adapt to an ever-changing environment.

## Mitigating actions & 2024 results

- The internal Safety Organization conducts a safety tour for all new employees in their first week of employment.
- Our internal Safety Organization performs periodical safety inspection walks to discuss and monitor safety to prevent accidents. In addition, it was in 2024 decided that Management must also perform such safety walks on an on-going basis.
- The focus on safety has in general been increased and as such, the Company has implemented so-called "safety moments", which are to be had at the start of all meetings with six participants or more. Moreover, the Safety Organization is seeking to heighten awareness by having added visual reminders throughout the office and laboratory spaces.
- All new or changed laboratory, test and production processes are systematically risk-evaluated and chemical APVs are implemented where required.
- At our subsidiary in Singapore, we have reinforced and strengthened a local Safety Organization, which reports quarterly to Group Management.
- Aquaporin internally reports accidents & injuries or near miss which individual is analyzed by the Safety organization to implement preventive actions to minimize risk; all accidents and injuries are reported to Executive Management. In 2024, we had no accidents with recorded employee absence.

## Policies

- Health & Safety policy and internal procedures that are in place to minimize the risk of safety-related issues.
- Aquaporin A/S is certified ISO 9001:2015 which requires us to operate to high-quality management standards for product development, production, and customer service. In the same management system, AQMS implements Environment, Health, and Safety guidelines following the structure of ISO 14001 and ISO 45001.

## Future plans

- Focus on even more health and safety involvements from mid-management or further improve focus on "safety at work" and the well-being of our employees.
- Continue work to increase safety at all global offices, cf. the steps taken to improve overall safety, as described above in "Mitigating actions & 2024 results".

Statement of Corporate responsibility cf. section 99a in the Danish Financial Statements Act.

Social – human rights

# Our responsibility

## Material risks

- Human rights violations related to child labor, living wages, and forced labor represent a risk in Aquaporin's supply chain. This is not a high risk in Denmark, but we acknowledge that a global supply chain introduces higher uncertainty and more limited transparency.
- Human rights violations related to discrimination and diversity pose a minor risk at our offices in Denmark, Singapore, and the US.

## Policies

- Supplier Code of Conduct (CoC)
- Human Rights Policy
- Whistleblower scheme
- Employee handbook

## Mitigating actions & 2024 results

- Our Supplier CoC describes requirements towards our suppliers related to human rights and general labor conditions and is now included as part of our Supply and Manufacturing agreements.
- No breaches of our CoC or other policies were reported in 2024.

## Future plans

- Continue to closely monitor the whistleblower scheme and the Executive Management report, and update the Board of Directors at every board meeting.
- Improve our focus on avoiding human rights violations in our value chain by focusing on our responsible supplier strategy.
- Aim to promote diversity going beyond gender and are considering implementing additional metrics going forward.

# Social

# Our impact

We see access to clean water and sanitation as a basic human right.

We are working to secure access to and promote rights to clean water.

## Securing clean, healthy water

Our drinking water solutions ensure that households, schools, and workplaces can have clean drinking water, cleared for Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS), bacteria, pesticides, and viruses.

Through partnership with e.g. AquaShield, global exclusive brand licensee for Phillips Water Systems, in China, our drinking water solutions secured clean and healthy drinking water in more than 500,000 homes at the end of 2024.

In Singapore, a large-scale test with the Public Utility Board (PUB) shows positive initial results, potentially leading to Aquaporin's solutions being used to secure clean drinking water for Singaporeans.

We are working together with the University of Las Palmas de Gran Canaria, and Canary Islands Institute of Technology to combine desalination and wastewater treatment to ensure sufficient clean water supplies.

Desalination brine is a significant challenge to marine life, and a shared project is focused on removing the concentrated desalination brine from the ocean and using it to filtrate wastewater.



## Potential health benefits associated with clean water

Our goal to secure clean and healthy drinking water also brings a strong focus on health.

Our Aquaporin Inside® membranes are documented by Aarhus University to remove more than 99.9% of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS). PFAS are a forever chemical that accumulate in human bodies and are believed to cause cancer, liver damage, decreased fertility, and increased risk of asthma and thyroid disease. With more than 500,000 households Worldwide with a water filtration system with Aquaporin Inside® by the end of 2024, and an anticipated increase over the coming years, means that Aquaporin is ensuring that PFAS, bacteria, pesticides, and viruses are removed from drinking water, hence contributing to good health and wellbeing.



# Governance

Diligent governance is key to ensure a sustainable business in compliance with relevant regulations.

There are several key aspects to governance at Aquaporin – our general governance practices, which relate to how we operate the business, including anti-corruption & bribery.

Read more about Corporate Governance, including Executive Management and Board of Directors, governance structure, and ownership in Section 04, page 44.

## Anti-corruption & bribery

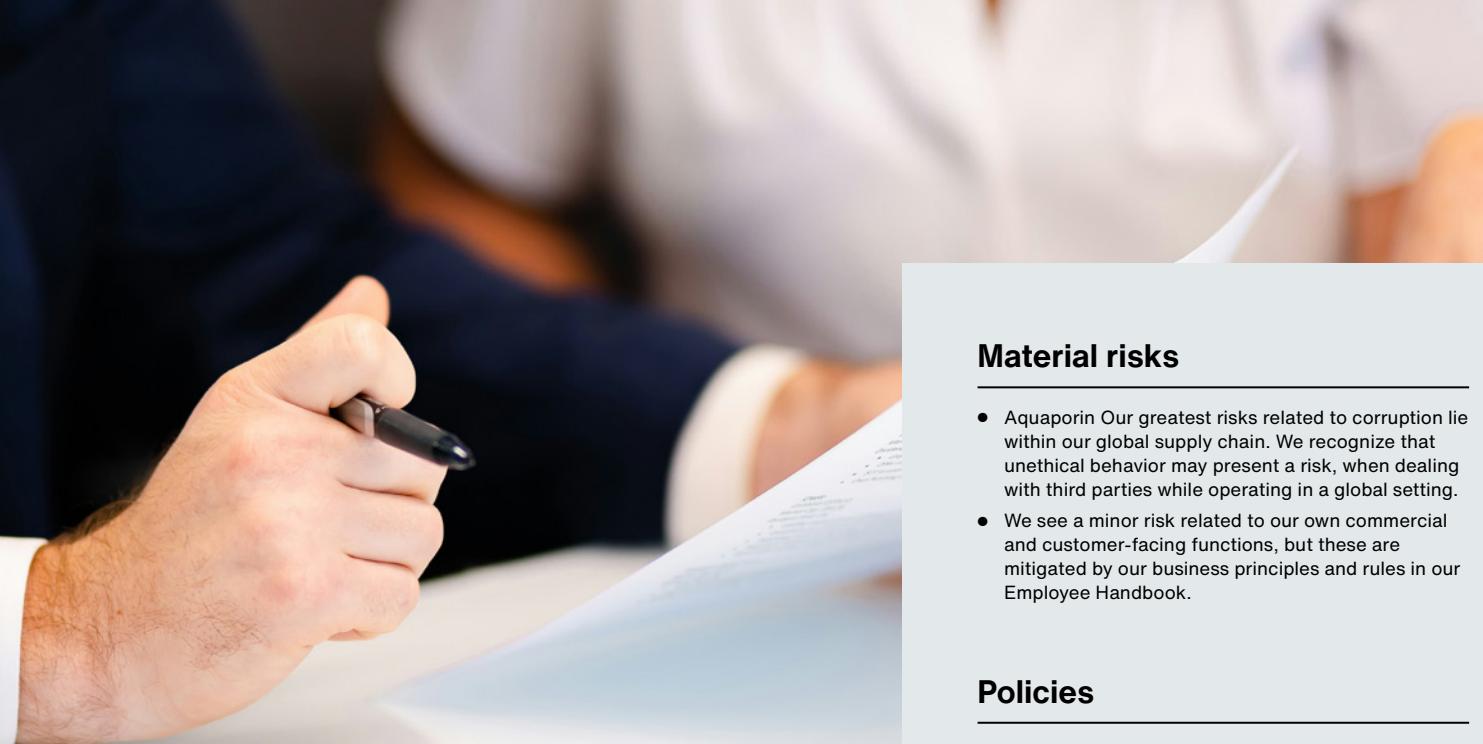
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At Aquaporin, we promote an ethical business environment. Subsequently, we have a zero-tolerance policy on anti-corruption and bribery, and aim to ensure our business practices comply with all relevant laws and regulations.

Given our extensive global supply chain, there are potential risks of corruption and bribery within our business. These are described in more detail under Risk management on page 46.

## Governance

# Our responsibility



## Material risks

- Aquaporin Our greatest risks related to corruption lie within our global supply chain. We recognize that unethical behavior may present a risk, when dealing with third parties while operating in a global setting.
- We see a minor risk related to our own commercial and customer-facing functions, but these are mitigated by our business principles and rules in our Employee Handbook.

## Policies

- Anti-corruption Policy.
- Sanctions and Anti-money Laundering Policy.
- Our Employee Handbook contains information on gifts and anti-bribery measures.

## Mitigating actions & 2024 results

- Aquaporin has a zero-tolerance policy against bribery and corruption and condemns it in all forms.
- Employee participation in UN Global Compact's network on anti-corruption.
- In 2024, no cases of corruption or bribery were identified or reported.

## Future plans

- Aquaporin is committed to conducting its business free from corruption and we will continue to take active measures to ensure that bribery and corruption do not occur in any of our business activities.
- We continue to improve our focus in this area as we scale up as a commercial organization and plan to establish further anti-corruption and bribery procedures in 2024.

# Diversity

We believe in the power of diversity. We aspire to provide equal opportunities and focus on respecting differences.

## Gender diversity

As of December 31, 2024, Aquaporin's joint workforce consisted of 30 (39%) females and 46 (61%) males; in Management (Executive, Management and direct report Managers), two (14%) were female and 12 (86%) male; the Board of Directors consisted of eight members – one (13%) woman and seven (87%) men.

In accordance with our Diversity Policy, we aim to increase the number of underrepresented gender on our Board of Directors and in Management to 33% by 2027. The timeline illustrates the importance of achieving a higher level of gender equality on both levels, while acknowledging that we need more time to identify female candidates. In 2024, there were no relevant candidates from the underrepresented gender for positions on the other levels of Management. For our overall workforce, we aim to increase the under-represented gender to 45-50% by 2025.

Aquaporin works to achieve and maintain gender balance and increase the percentage of the underrepresented gender. Our ambition is to be an attractive workplace for all genders and that all genders shall have equal opportunities in relation to employment, conditions of employment, education, and promotions. Aquaporin seeks a more well-balanced distribution of genders on all levels within the Group through the Company's initiatives to increase diversity as

stated below. In addition, Aquaporin continues to focus on diversity in terms of nationalities. As of the end of 2024, 21 nationalities were represented among our employees.

## Initiatives

We continuously seek to improve the gender diversity on our Board of Directors as well as in Management. We investigate options to further the level of diversity and, in 2023, implemented a procedure that seeks to include both female and male candidates in hiring processes.

For the Company's joint workforce, we have taken measures to encourage equal employment terms, which we find are at the core of a diverse and differentiated workforce:

- Our hiring process is based on individual, professional qualifications and we encourage applicants to apply for positions irrespective of gender, age, religion, ethnicity, and sexual orientation. In all recruitment processes, we seek to ensure both female and male candidates, when possible.
- We conduct half-yearly performance reviews to ensure career development for all employees, seeking to empower the individual.
- Leadership development is a central focus area, where we strive to ensure equal

opportunity on several levels of management, through training and coaching.

- Through tailor-made projects, Aquaporin Academy offers national and international students a unique opportunity to become a part of the development of Aquaporin.
- In 2023, we launched a Young Professionals Program with the goal of strengthening and developing our younger talent pool. Please refer to page 40 for more information.

## Governance data

Included in our ESG reporting are key governance metrics, including board diversity on gender and nationality.

At the board-level, the percentage of females has declined since 2019. In 2022, 2023, and

## Gender distribution

	2024	2023
<b>Gender distribution Board of Directors</b>		
Total number of members	8	7
Underrepresented gender in pct.	13%	14%
Target figure in pct.	33%	33%
Year for fulfilment of target figure	2027	2027
<b>Gender distribution Other Management</b>		
Total number of members	14	23
Underrepresented gender in pct.	14%	18%
Target figure in pct.	33%	33%
Year for fulfilment of target figure	2027	2027

again in 2024, we reconfirmed the target of reaching 33% females in the Board of Directors by 2027, cf. our Diversity Policy.

As of this date, Aquaporin has not been able to identify additional female candidates suitable and available to join Aquaporin's Board of Directors.

The share of nationalities represented at the board level remained unchanged in 2024. Currently, three shareholder-elected board members are of non-Danish nationality. The Board of Directors remains committed to having international members.

The CEO pay ratio is calculated as the ratio between the CEO salary (including cash bonuses and excluding pension and warrant programs) to the median FTE compensation as of December 31, 2024.

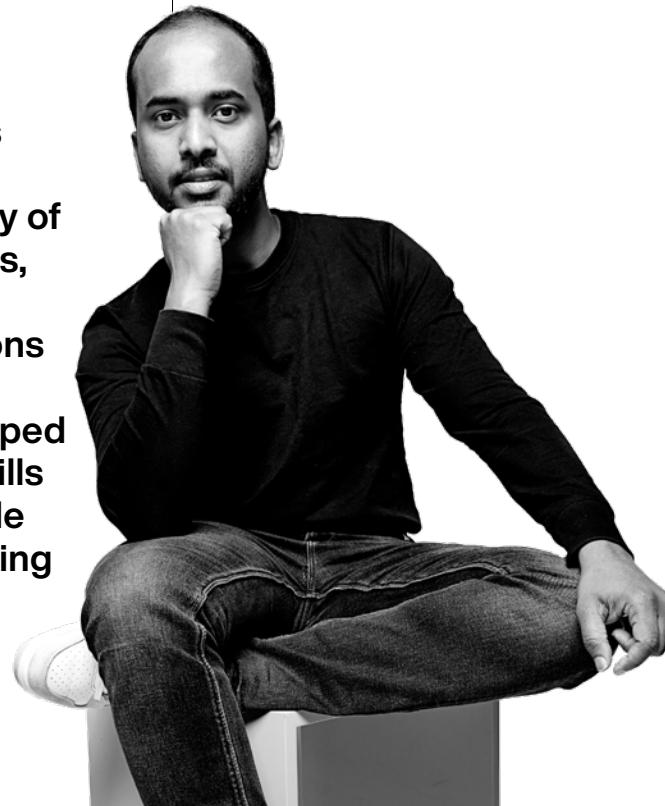
# Nurturing the next generation

At Aquaporin, we recognize the importance of nurturing the next generation of professionals by investing in their personal and professional development. In 2023, we therefore launched the Aquaporin Young Professionals Program. The initiative is designed for employees with up to six years' work experience, aiming to equip them with the skills, connections, and confidence needed to grow into impactful contributors and future leaders.

The program offers a comprehensive blend of expert-led workshops, hands-on learning, and a dedicated mentorship program. The Young Professionals participate in regular sessions, engage in a one-and-a-half-day immersive camp, and present their learnings in a grand finale. By participating, they gain tools to enhance their communication skills, navigate challenging situations, and strengthen their understanding of personal and team dynamics.

**“Participating in this program felt like joining a community of young professionals, fostering both personal connections and professional collaboration. It helped me develop soft skills and offered valuable insights for navigating my career”**

**Manas Dalvi**  
Product Manager FO



**“I truly enjoyed the mentorship program, which paired me with a mentor I can rely on for guidance. It taught me valuable lessons about project management and the importance of planning for success. Being part of such a fun, supportive group that connects departments has been a fantastic experience.”**

**Türkan Ormancı Acar**  
Lead Formulation Specialist

Mentorship is a key element of the program. Each participant is matched with a senior colleague who provides tailored guidance, shares insights, and helps them set and achieve personal and professional goals. This relationship aims to foster a culture of trust and collaboration, while mentors also benefit from the opportunity to refine their leadership skills.



The program encourages participants to build networks across the company. It helps the Young Professionals envision their future career paths and development within Aquaporin.

The Aquaporin Young Professionals Program exemplifies our commitment to cultivating talent and fostering an environment where individuals can grow, get inspired, and be equipped to achieve their potential.

# ESG matrix

		Unit	2024	2023	2022	2021	2020
 <b>Environment</b>	Direct GhG emissions (Scope 1)	Tons CO <sub>2</sub> e	292	333	285	331	396
	Indirect GhG emissions (Scope 2 - electricity) - location-based*	Tons CO <sub>2</sub> e	30	39	76	111	-
	Indirect GhG emissions (Scope 2 - electricity) - market-based	Tons CO <sub>2</sub> e	150	151	178	202	239
	Electricity consumption	Megawatt hours	311	359	443	545	647
	Natural gas (heating)	m <sup>3</sup>	124,309	144,120	124,570	145,868	173,234
	Renewable energy share (scope 2)**	%	75%	75%	68%	58%	66%
	Water consumption	m <sup>3</sup>	3,350	3,533	3,439	5,471	5,319
 <b>Social</b>	Full time workforce	FTE	76	82	86	78	83
	Gender diversity (percentage female)	%	39%	37%	38%	39%	37%
	Gender diversity in management (percentage female)***	%	14%	18%	13%	17%	18%
	National diversity (number of nationalities)	Absolute number	21	24	24	24	23
	Employee turnover ratio****	%	29%	21%	25%	18%	30%
	Employee turnover ratio, voluntary	%	17%	15%	N/A	N/A	N/A
	Sickness absence	Days per FTE annually	3.8	3.3	4.5	3.8	3.7
	Total incidents (stop-work orders)	Absolute number	1	0	0	2	3
	Lost time incident rate (LTIR)	%	0%	0%	0%	0%	0%
 <b>Governance</b>	Gender diversity, Board of Directors	%	13%	14%	14%	13%	22%
	Nationality diversity, Board of Directors	%	25%	29%	29%	25%	22%
	CEO pay ratio	Ratio	7.3	7.71	7.30	7.79	3.65

**Notes**

Emissions. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from electricity displayed using both location-based method and market-based method. Our location-based method reports on the actual energy grid mix at the time of consumption and is sourced from Reel, who has calculated our real-time energy emissions based on hourly data in Denmark from 2020 - 2024. For emissions using the market-based method, we used the emissions equivalent from Energinet's energy standard factors updated yearly. For Singapore, we used emission factors from the International Energy Agency (IEA). Renewable energy share: Singapore data is not included in this number. Water usage: Excludes US office. For more details on how we calculate our ESG data, please refer to Glossary on page 51 in Annual Report 2023.

\* Data from Singapore is based on market-based methodology

\*\* Data from subsidiaries is not included in this number

\*\*\* Management is here defined as Executive Management and Managers reporting to Executive Management

\*\*\*\* Employee turnover ratio includes voluntary and involuntary departures. For 2024, there was an increase in the combined departures (compared to 2023) due to reorganization measures taken during the year.

# Sustainability targets

We continue to invest in initiatives to improve the way in which we use water, and we take responsibility for delivering solutions for a more sustainable future.

For 2025 and beyond, we have introduced several new targets, including environmental metrics covering emissions and consumption and a target for under-represented gender diversity across all employees\*.

We remain committed to our other targets and initiatives as outlined.

## Continued commitment to sustainability

<b>Environment</b>	<b>Emissions</b>	20% reduction in scope 1 (direct greenhouse gas) emissions by 2030
	<b>Energy consumption</b>	5% yearly reduction in MWh/FTE
<b>Social</b>	<b>Diversity/inclusion</b>	Increase under-represented gender to 45-50% for all employees*
		Increase under-represented gender to 33% in Management** by 2027
	<b>Employee turnover</b>	Reduce volunteer leavers to <15% by 2025
	<b>Accidents</b>	Class 1 (accidents causing death or serious deterioration) maintain at 0%
		Class 2 (all other accidents reported to WEA) to below 0.1%
		Class 3 (all other accidents) of below 1%
	<b>Incidents</b>	Below 5 total stop-work orders in the relevant year
	<b>Absence</b>	Maintain absence due to sickness at <5%
<b>Governance</b>	<b>Diversity/inclusion</b>	Increase under-represented gender to 33% in Board of Directors by 2027

\* "All employees" excluding Executive Management, student workers, and temporary hires

\*\* "Management" defined as Executive Management and Managers reporting to Executive Management

# 04

## Governance

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# Corporate governance

We apply corporate governance practices to ensure transparency and accountability to the benefit of customers, shareholders, partners, employees, authorities, and other stakeholders. As a Danish company listed on Nasdaq Copenhagen Main Market, our corporate governance efforts are subject to the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

The governing body of Aquaporin is comprised of a two-tier management structure consisting of a non-executive Board of Directors and the Executive Management team. The allocation of responsibilities between the Board of Directors and Executive Management are outlined in the Rules of Procedure. The two bodies are independent, and no person serves as a member of both.

Information concerning remuneration of the Board of Directors and Executive Management is disclosed in note 5.1 in the consolidated financial statements.

## Board of Directors

The Board of Directors has the responsibility to ensure the right management and organizational structure of the company.

It supervises the overall and strategic management of Aquaporin's business and operations, and together with the Executive Management develops the Group's corporate strategy, oversees progress, financial performance as well as the operational management of Aquaporin. The Board of Directors consists of eight members, of which six are independent. All Board members are elected at the Annual General Meeting. They serve a one-year term and are eligible for re-election.

## Audit Committee

The Audit Committee assists the Board of Directors in handling and auditing matters, which by decision of the Board or the Audit Committee require a more thorough evaluation. Among its duties are the supervision of the Company's financial reporting and the Group's external auditors, the assessment of the internal controls and the risk management systems of Aquaporin.

## Remuneration Committee

The role of the Remuneration Committee is to ensure that the Company maintains a remuneration policy for the members of the Board and Executive Management, including overall guidelines on incentive pay to the Board and Executive Management, and to evaluate and make recommendations for the

remuneration of the members of the Board and the Executive Management. The remuneration policy and any changes thereto must be approved both by the Board as well as on a general meeting. The 2024 Remuneration Report is available on the Company's website.

## Nomination Committee

The Nomination Committee assists the Board of Directors with ensuring that appropriate plans and processes are in place for the nomination of candidates to the Board, the Executive Management, and the board committees. The Nomination Committee must also evaluate the composition of and make recommendations to the nomination or appointment of members of the Board, the Executive Management, and the board committees.

## Executive Management

The Executive Management consists of the Chief Executive Officer, Chief Financial Officer, and Chief Technology Officer, and is appointed by the Board of Directors. The Executive Management is responsible for strategy execution and day-to-day management in accordance with the guidelines issued by the Board of Directors. The Executive Management also presents and recommends proposals to the overall

strategy and objectives to the Board of Directors. Duties, obligations, and liabilities of the Executive Management, including specific authorizations within which the Executive Management may transact business, are laid down in the Management Instructions for the Executive Management.

# Corporate governance

## Board of Directors

We apply adequate corporate governance practices to ensure transparency and accountability to the benefit of customers, shareholders, partners, employees, authorities, and other stakeholders. As a Danish company listed on Nasdaq Copenhagen, our corporate governance efforts are subject to the Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

The governing body of Aquaporin is comprised of a two-tier management structure consisting of a non-executive Board of Directors and the Executive Management team. The allocation of responsibilities between the Board of Directors and Executive Management are outlined in the Rules of Procedures. The two bodies are independent, and no person serves as a member of both. Information concerning remuneration of the Board of Directors and Executive Management is disclosed in Note 5.1 in the consolidated financial statements.

### Meeting attendance

	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
<b>Niels Heering</b> Chair	● ● ● ● ● ●		● ● ●	● ● ●
<b>Søren Bjørn Hansen*</b> Deputy Chair	● ● ● ● ● ●	● ● ● ● ● ●	●	● ●
<b>Anne Broeng</b>	● ● ● ● ● ●	● ● ● ● ● ●		
<b>Lars Hansen</b>	● ● ● ● ● ●		● ●	● ● ●
<b>Weiming Jiang</b>	● ● ● ● ● ○ ○			
<b>Anupam Bhargava*</b>	● ● ● ● ● ●		●	●
<b>Jianlong Zhuang</b>	● ● ● ○ ○ ○ ○			
<b>Peter Holme Jensen**</b>	● ● ● ● ○ ○ ○			

● Chair

The dots indicate the individual member's attendance in meetings held in 2024.

\* Søren Bjørn Hansen stepped down from the Remuneration and Nomination Committees on April 29, 2024, at which time Anupam Bhargava took his place in both committees.

\*\* Peter Holme Jensen was appointed to the Board of Directors at the Annual General Meeting on April 29, 2024 and thus did not attend meetings as a board member before that time.

# Risk management

As a natural part of our core values, we manage risks rigorously and systematically to create and protect value, short, medium, and long term. We seek to achieve this by cross-departmental analyses ensuring a shared focus on mitigating risks.

## Risk governance structure

Aquaporin continues to have a strong focus on risk management to ensure that it remains an integrated part of our decision-making. The Board of Directors holds the final responsibility for risk management in the Aquaporin Group and determines the overall framework for identifying and mitigating risks. The Audit Committee supervises compliance within the agreed risk management strategy.

The Executive Management is responsible for the day-to-day implementation of risk mitigating actions as well as the continuous development of risk management activities to ensure a proactive approach to potential risk scenarios.

## Our risk management process

Each quarter, the Executive Management performs a risk analysis. While conducting these analyses, we identify and define Aquaporin's gross risks to ensure an updated risk overview. Each risk is described, and potential risk mitigating actions are discussed. In addition, all Group departments are involved in performing bottom-up risk analyses on a half-year basis. The risk overview is presented to the Audit Committee, who discusses the risk situation and decides on further mitigating actions. The process of identifying, handling, and

reporting risks is continuously addressed by the Audit Committee to ensure that the underlying risk identification methodology is appropriate and that it reflects the current risk picture.

## Internal control

Risk management and internal controls related to financial reporting are designed to limit the risk of material misstatements. Standard procedures for the month-end closing process are implemented to ensure an in-depth analysis of potential deviations between actual performance, business plans, budgets, and quarterly estimate updates.

## Commercial risk

Aquaporin is highly dependent on delivering relevant and value-creating solutions to its customers. The Company has established a global key account approach aiming to grow and partner with large accounts. If the Company fails to attract new key accounts or if any of its current key account business should cease, this would negatively affect the financial outlook of the Company.

## Product supply and product safety

Using third-party manufacturers, one of the main risks is the dependency for manufacturing product components and the supply of raw materials, semi-finished and finished goods. If such third-party

manufacturers or suppliers do not deliver their products or services in time or with the sufficient quality, it could have adverse effects on the ability to service customers. To the extent possible, Aquaporin prioritizes a preventative approach to secure dual suppliers for critical products and inventory management, including build-up of contingency inventories of critical raw materials. Moreover, the Company, when relevant, seeks to have a local-for-local supplier setup to minimize the risks associated with geopolitical changes. An extensive quality assurance program covering the entire value chain contributes to higher product safety. Production and manufacturing processes are subject to periodic and routine inspections to ensure that production and product quality standards are met. Aquaporin's product safety program is certified according to internationally recognized standards, including ISO 9001:2015 and NSF.

## Health, safety, and security

Risks associated with health and safety at Aquaporin mainly relate to ergonomic and physical hazards. Aquaporin's business is a low intense production with limited manual interaction, noise, smell, and vibration. The Company is committed to ensuring a healthy psychosocial and physical working environment for its employees and has

implemented several initiatives to underline the importance of a safe working environment. Incidents are monitored and handled both on department and Executive Management level.

## Intellectual property rights

Aquaporin maintains a proactive patent strategy and protects new knowledge created to support the business. Aquaporin actively monitors third party patent positions within our relevant fields to secure freedom-to-operate for our products and technologies. Aquaporin currently has 69 granted patents within 17 different patent families.

## Financial risk

Management monitors the Company's funding risks and liquidity needs with a view to continue as a going concern. Subsequently, funding options are evaluated on a continuous basis, including equity financing or debt, to ensure the road to profitability.

Due to the nature of its operations, investments, and financing, Aquaporin is exposed to risks related to currencies, funding, liquidity, credit, and counterparties. Aquaporin aims to actively address financial risks to mitigate potential material impacts on the Group's financial position. The

# Risk management

financial risks are managed centrally with an objective to reduce the impact and sensitivity on earnings from fluctuations in exchange rates, interest rates and liquidity.

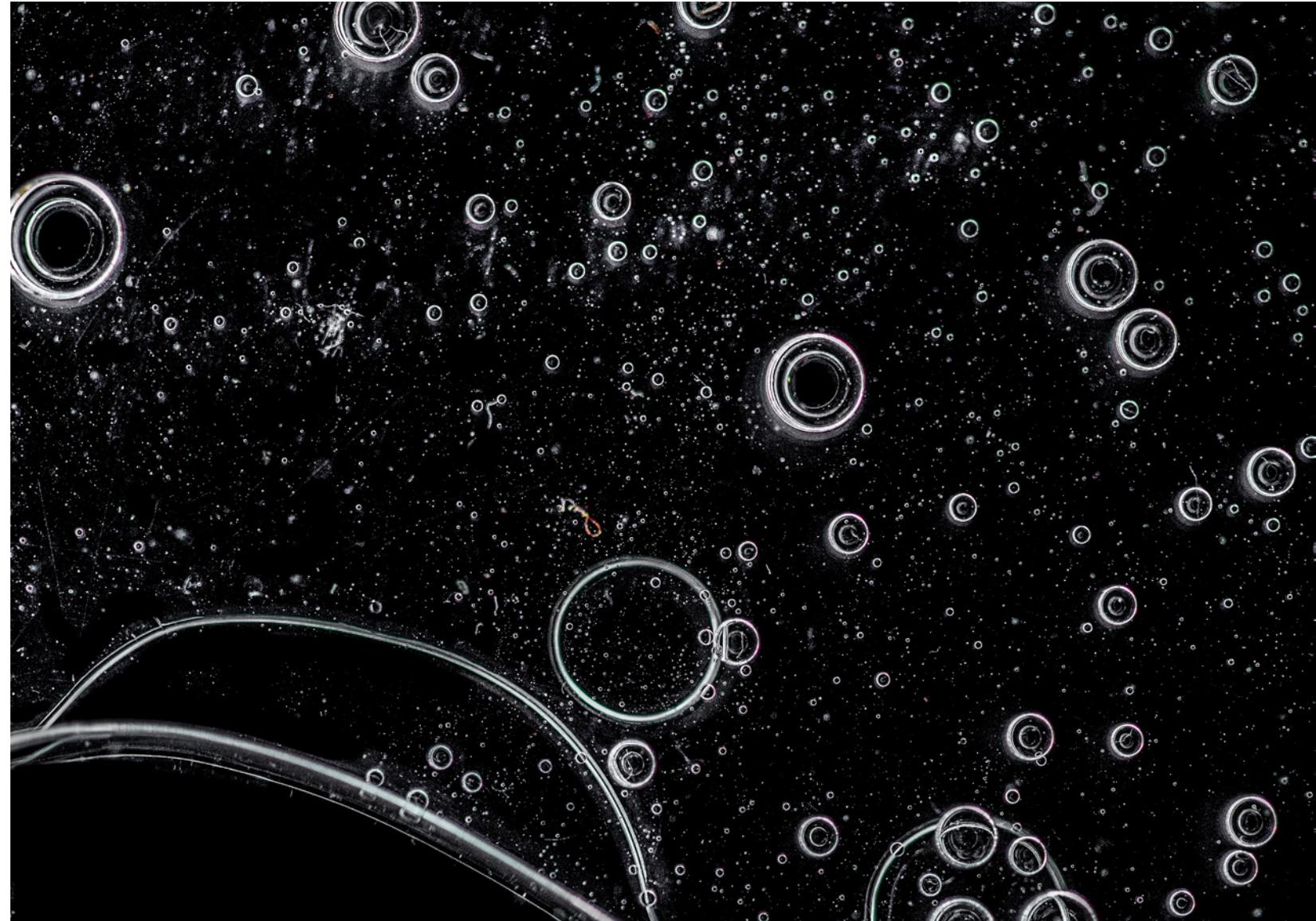
## Data ethics

With this reporting on our Data Ethics Policy, we comply with the requirements under section 99d of the Danish Financial Statements Act. We implemented our Data Ethics Policy in 2021 and have continued to monitor our Data Ethics Policy since then.

Our policy focuses on the principles: Responsibility, inclusiveness, and leadership, which are important to us in relation to serving our customers, employees, shareholders, and any other stakeholders. Our Data Ethics Policy is based on applicable legislation and standards, and we revise our policy at least once a year. In our own organisation we mainly process data about our employees, provided by the employees themselves. Through collaborations, some of our partners have access to data on behalf of or in collaboration with Aquaporin. In both instances, it is mandatory to use data responsibly by following the guiding principles on data ethics, including applying a data-centric approach ensuring sustainability when using data.

Please find more information at:

→ [investors.aquaporin.com/investors/governance-documents/default.aspx](https://investors.aquaporin.com/investors/governance-documents/default.aspx)



# Shareholder information

## Share and ownership structure

Aquaporin was listed on the Nasdaq Copenhagen stock exchange (ticker: AQP, ISIN: DK0061555109) on June 28, 2021. The total number of shares as of December 31, 2024 was 23,257,631. The Company does not hold treasury shares. The company has one share class, with each share representing one vote in company matters.

The shareholders have authorized the Board of Directors to issue new shares and warrants, in accordance with the Articles of Association.

Our share price closed at DKK 16.85 on the last day of trading in the financial year 2024, representing a 63% decrease in share price compared to the share price on the last day of trading in the financial year 2023. Our share capital as of December 31, 2024 was 23,257,631 with a market capitalization of DKK 391,891,082.

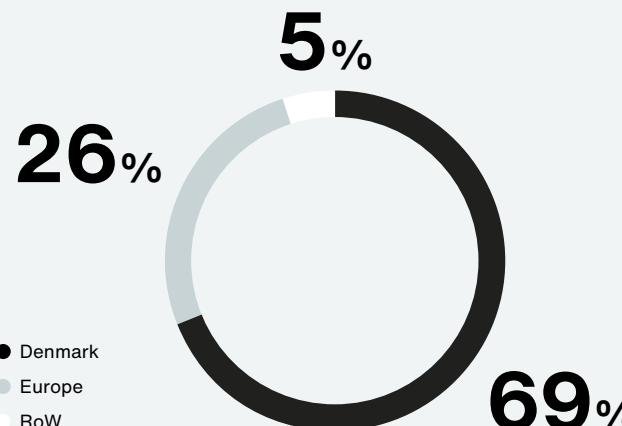
In total, Aquaporin had 4,447 name-registered shareholders as of December 31, 2024. Aquaporin has received notifications of holdings of 5% or more of the share capital or voting rights from the following 4 shareholders:

- M. Goldschmidt Capital A/S
- Danica Pension, Livsforsikringsaktieselskab
- VP Capital N.V.
- Topsøe Holding A/S

## Shareholder return policy

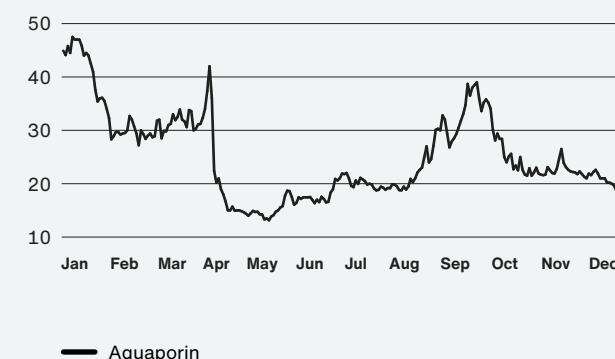
Distributions to shareholders are subject to Board of Directors' proposals.

## Geographical shareholder split



## Share price development

January 1 to December 31, 2024



## Financial calendar 2025\*

**Apr 24** Annual General Meeting

**May 21** Q1 2025 Trading Statement

**Aug 21** Half-Year Interim Report 2025

**Nov 14** Q3 2025 Trading Statement

\* Any updates to this financial calendar will be published on Aquaporin's website, [aquaporin.com](http://aquaporin.com).

# Executive Management

## Klaus Juhl Wulff

Chief Financial Officer (CFO)

Nationality	Danish	Year of birth	1973
Gender	Male	Joined	2022

### Other positions and management duties

Wulff Consulting (Owner)

### Qualifications

Experience with various growth companies with exposure to M&A and global business strategy. Brings extensive knowledge from several corporate finance functions in international companies which include positions in FLSmidth, Cobham Satcom, Berendsen Facility Division, and Stena Recycling. Holds an MSc in Economics and Business Administration from University of Aarhus.

Registered with the Danish Business Authority.

## Matt Boczkowski

Chief Executive Officer (CEO)

Nationality	Canadian, Polish	Year of birth	1978
Gender	Male	Joined	2021

### Other positions and management duties

No other management positions.

### Qualifications

Broad experience in global growth initiatives in both water and waste treatment with global companies in senior leadership roles – including Suez and GE Water & Process Technologies – encompassing corporate account management, business development, strategic marketing, technology development and business management. Holds an MBA from HEC Montreal, a BEng in Chemical Engineering, and a BSc in Microbiology and Biotechnology from McGill University, Canada.

Registered with the Danish Business Authority.

## Torsten Høybye Bak Regueira

Chief Technology Officer (CTO)

Nationality	Danish	Year of birth	1978
Gender	Male	Joined	2017

### Other positions and management duties

No other management positions.

### Qualifications

More than 15 years' experience from several corporate research & development positions and two start-ups. Specialist knowledge within various scientific areas, including molecular biology and fermentation optimization. Holds a PhD in Biotechnology and an MSc in Chemical Engineering from the Technical University of Denmark.



# Board of Directors



**Niels Heering**

Chair

Nationality Danish  
Year of birth 1955  
First elected 2015

**Independency assessment**  
Independent

**Board committee(s)**  
Remuneration Committee (Chair)  
Nomination Committee (Chair)

**Aquaporin shares as of December 31, 2024**  
52,045

**Primary position**  
Senior General Counsel, Danske Bank

**Other appointments and board positions:**

**Chair:** Aquaporin Space Alliance ApS, Arborethusene A/S, Danish Aerospace Company A/S, Danish Aerospace Medical Company A/S, JEU Holding ApS, Nesdugaard Holding ApS, Nesdugaard NewCo ApS, Viga Re ApS, Viga Re Management ApS, and WAMA Consult ApS

**Deputy Chair:** 15. Juni Fonden

**Member:** 15. JF Invest A/S, Global Equestrian Group Holding ApS (and 1 subsidiary), and Lise og Valdemar Kählers Familieliefond

**Other:** Managing Director of CCKN Holding ApS, Executive management in Heering Invest ApS and 15. JF Invest A/S

**Special qualifications**

Extensive board experience from listed and private companies as well as within capital markets, mergers & acquisitions, and corporate law, including corporate governance. Expertise within real estate and the financial sector along with broad international experience.



**Søren Bjørn Hansen**

Deputy Chair

Nationality Danish  
Year of birth 1972  
First elected 2007

**Independency assessment**  
Non-independent

**Board committee(s)**  
Audit Committee (Member)

**Aquaporin shares as of December 31, 2024**  
90,000

**Primary position**  
CEO, M. Goldschmidt Holding A/S, M. Goldschmidt Ejendomme A/S and M. Goldschmidt Capital A/S

**Other appointments and board positions:**

**Deputy Chair:** Aquaporin Space Alliance, Danish Aerospace Company A/S, and Danish Aerospace Medical Company A/S

**Member:** Aquaporin Space Alliance and Aquapotens Co Ltd., China.

**Other:** Chief Executive Officer of Atlas Ejendomme A/S, Komplementarselskabet MGE Frederiksbro II ApS, MGE16 ApS, MGE Frederiksbro II P/S, Kokkedal Slot ApS, M. Goldschmidt Ejd., Ringsted ApS, MGE Frederiksbro II Holding A/S, MGE Frederiksbro ApS, MGE Hornbæk ApS. Executive Management of SILVER BEAR HOLDINGS ApS, MGE Marienbergvej 108, Vordingborg ApS, Slotshotellet ApS, MGE Trekronergården ApS, MGE Service ApS, MGE13 ApS, MGE14 ApS

**Special qualifications**

Extensive experience within investments, financing, and business strategy along with significant international experience.



**Anne Broeng**

Board member

Nationality Danish  
Year of birth 1961  
First elected 2018

**Independency assessment**  
Independent

**Board committee(s)**  
Audit Committee (Chair)

**Aquaporin shares as of December 31, 2024**  
17,479

**Primary position**  
Professional Board Member

**Other appointments and board positions:**

**Chair:** Velliv Pension & Livsforsikring A/S og Sleep Cycle AB

**Deputy Chair:** Børns Vilkår

**Member:** Rambøll Gruppen A/S, Energi Danmark A/S, and VKR Holding A/S

**Other:** Special Advisor to NASDAQ Group

**Special qualifications**

Experienced executive with extensive board knowledge. More than 30 years' experience in the financial service industry as Executive Director, CFO, and Chief Investment Officer. Board experience within financial services, software, engineering and architecture, energy and building material.



**Lars Hansen**

Board Member

Nationality Danish  
Year of birth 1967  
First elected 2015

**Independency assessment**  
Independent

**Board committee(s)**  
Remuneration Committee (Member)  
Nomination Committee (Member)

**Aquaporin shares as of December 31, 2024**  
21,002

**Primary position**  
Project Director, Novo Nordisk Fonden

**Other appointments and board positions:**

None

**Special qualifications**

Extensive industry experience within biotechnology along with significant management expertise and global experience from a large international company.

# Board of Directors



## Anupam Bhargava

Board Member

**Nationality** American, Canadian  
**Year of birth** 1967  
**First elected** 2021

### Independency assessment

Independent

### Board committee(s)

Remuneration Committee (Member)  
Nomination Committee (Member)

### Aquaporin shares as of December 31, 2024

-

### Primary position

Chief Executive Officer, KIRKBI Climate

### Other appointments and board positions:

None

### Special qualifications

Previously held senior executive positions at Nilfisk and Grundfos. More than 30 years' experience commercializing sustainable technology, deploying service-based solutions, and introducing new business models to accelerate market adoption of innovation in aviation, energy, and water sectors.



## Weiming Jiang

Board Member

**Nationality** Danish  
**Year of birth** 1956  
**First elected** 2018

### Independency assessment

Independent

### Board committee(s)

-

### Aquaporin shares as of December 31, 2024

3,167

### Primary position

Founder and General Manager of EOS Consulting Company.

### Other appointments and board positions:

**Member:** Huisman B.V. and SinoChem International Corporation

**Other:** Operating Partner at GL Capital Group, Advisor Group (NAG) at Novo Holdings, China Chairman at SAS Ltd.

### Special qualifications

Experienced management professional with a global outlook and experience with the Chinese market. Extensive experience with biotechnology and the water sector.



## Jianlong Zhuang

Board Member

**Nationality** Chinese  
**Year of birth** 1964  
**First elected** 2021

### Independency assessment

Independent

### Board committee(s)

-

### Aquaporin shares as of December 31, 2024

-

### Primary position

Vice President, Chief Risk Officer and Board Secretary, Interchina Water Treatment Co. Ltd.

### Other appointments and board positions:

None

### Special qualifications

Experienced industry professional and board member. Extensive experience within water treatment and food agriculture industries.



## Peter Holme Jensen

Board Member

**Nationality** Danish  
**Year of birth** 1970  
**First elected** 2024

### Independency assessment

Non-independent

### Board committee(s)

-

### Aquaporin shares as of December 31, 2024

248,374

### Aquaporin warrants as of December 31, 2024\*

25,940

### Primary position

Chief Executive Officer, Cambiotics

### Other appointments and board positions:

**Member:** Innovation Fund Denmark, Aquapotent Co. Ltd., China, and Cambiotics

**Other:** Executive Management at Artefakt Holding ApS, jury member of the European Inventor Award by the European Patent Office, and member of the Danish Industrial Association Committee of Science and Education

### Special qualifications

Peter Holme Jensen is the founder of Aquaporin A/S and has been Chief Innovation Officer of the Company from January 2022 until January 2024. Prior to that, he was CEO of the Company from 2005.

\*In accordance with the Company's Remuneration Policy, the remuneration of the Board of Directors does not include incentive programs, including share-based programs. Peter Holme Jensen was previously a part of Aquaporin's Executive Management, thus bringing with him the warrants granted during his time as, respectively, Chief Executive Officer and Chief Innovation Officer.

# Management's statement

The Executive Management and Board of Directors have today considered and adopted the Annual Report of Aquaporin A/S for the financial year January 1, 2024 to December 31, 2024.

The Consolidated Financial Statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU, and additional requirements stated in the Danish Financial Statements Act. The Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

The Management's Review is also prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at December 31, 2024 of the Group and the Parent Company and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 2024.

In our opinion, the Management's review includes a true and fair account of; the developments in the operational and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty that the Group and the Parents Company are facing.

In our opinion, the Annual Report of Aquaporin A/S for the financial year January 1 to December 31, 2024, identified as 894500AW5ZWMYUZN1V70-2024-12-31-0-en.zip, has been prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report is adopted at the Annual General Meeting.

Copenhagen, March 20, 2025

## Executive Management

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**Matt Boczkowski**  
Chief Executive Officer

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**Klaus Juhl Wulff**  
Chief Financial Officer

## Board of Directors

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**Niels Heering**  
Chair

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**Søren Bjørn Hansen**  
Deputy Chair

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**Anne Broeng**  
Board member

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**Lars Hansen**  
Board member

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**Weiming Jiang**  
Board member

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**Anupam Bhargava**  
Board member

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**Jianlong Zhuang**  
Board member

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**Peter Holme Jensen**  
Board member

# Independent auditor's report

To the shareholders of Aquaporin A/S

## Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Aquaporin A/S for the financial year January 1 – December 31, 2024, which comprise income statement, statement of financial position balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group and the Parent Company, and a consolidated statement of comprehensive income and a consolidated statement of cash flows. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at December 31, 2024 and of the results of the Group's operations and cash flows for the financial year January 1 – December 31, 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Further, in our opinion the parent company financial statements give a true and fair view of the financial position of the Parent Company at December 31, 2024 and of the results of the

Parent Company's operations for the financial year January 1 – December 31, 2024 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

### Appointment of auditor

We were initially appointed as auditor of Aquaporin A/S on April 27, 2022 for the financial year 2022. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until the financial year 2024.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2024. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The

results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

### Capitalisation of development cost

Development projects are capitalized when criteria's according to IAS 38 are met. This includes whether the development projects are clearly defined and identifiable and if technical feasibility, sufficient resources, and probable future economic benefits can be demonstrated. The recognition and measurement of capitalized development projects require internal procedures and significant management judgements and assumptions, which in nature are uncertain and increases the inherent risk of misstatements. The Group monitors the expected value-in-use of development projects in progress and evaluates the carrying amount of completed development projects for indications of impairment. Development projects in progress and completed projects are tested for impairment at least annually and based on the strategy plan approved by Management and value-in-use calculations on expected future cash flows. We focused on this area as the criteria's for recognition and measurement of development projects are subject to significant Management judgements and assumptions. We refer to Note 3.1 and 3.2 in the Consolidated Financial Statements.

**How our audit addressed the key audit matter**

We assessed whether the Group's accounting policies are in accordance with IFRS. We selected a sample of development projects in progress and considered whether the criteria's in IAS 38 were met as basis for capitalization. We tested on a sample basis recognized salary costs to timesheets and salary information. We evaluated on a sample basis the accuracy of capitalized costs and that the recognized costs were directly attributable to development projects. We evaluated Management's assessment of impairment indicators of completed development projects based on the commercial prospects of the projects. We discussed with management the value-in-use calculations of development projects in progress and used professional skepticism to evaluate key assumptions applied in the impairment test. As part of our evaluation, we compared the applied budgets in the impairment test with the strategy plan approved by management and assessed the key assumptions in the impairment test based on discussions with management related to strategic initiatives.

**Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our

knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

**Management's responsibilities for the financial statements**

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether

the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

### **Report on compliance with the ESEF Regulation**

As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Aquaporin A/S, we performed procedures to express an opinion on whether the annual report of Aquaporin A/S for the financial year 1 January – 31 December 2024 with the file name 894500AW5ZWMYUZN1V70-2024-12-31-0-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Aquaporin A/S for the financial year January 1 – December 31, 2024 with the file name 894500AW5ZWMYUZN1V70-2024-12-31-0-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, March 20, 2025

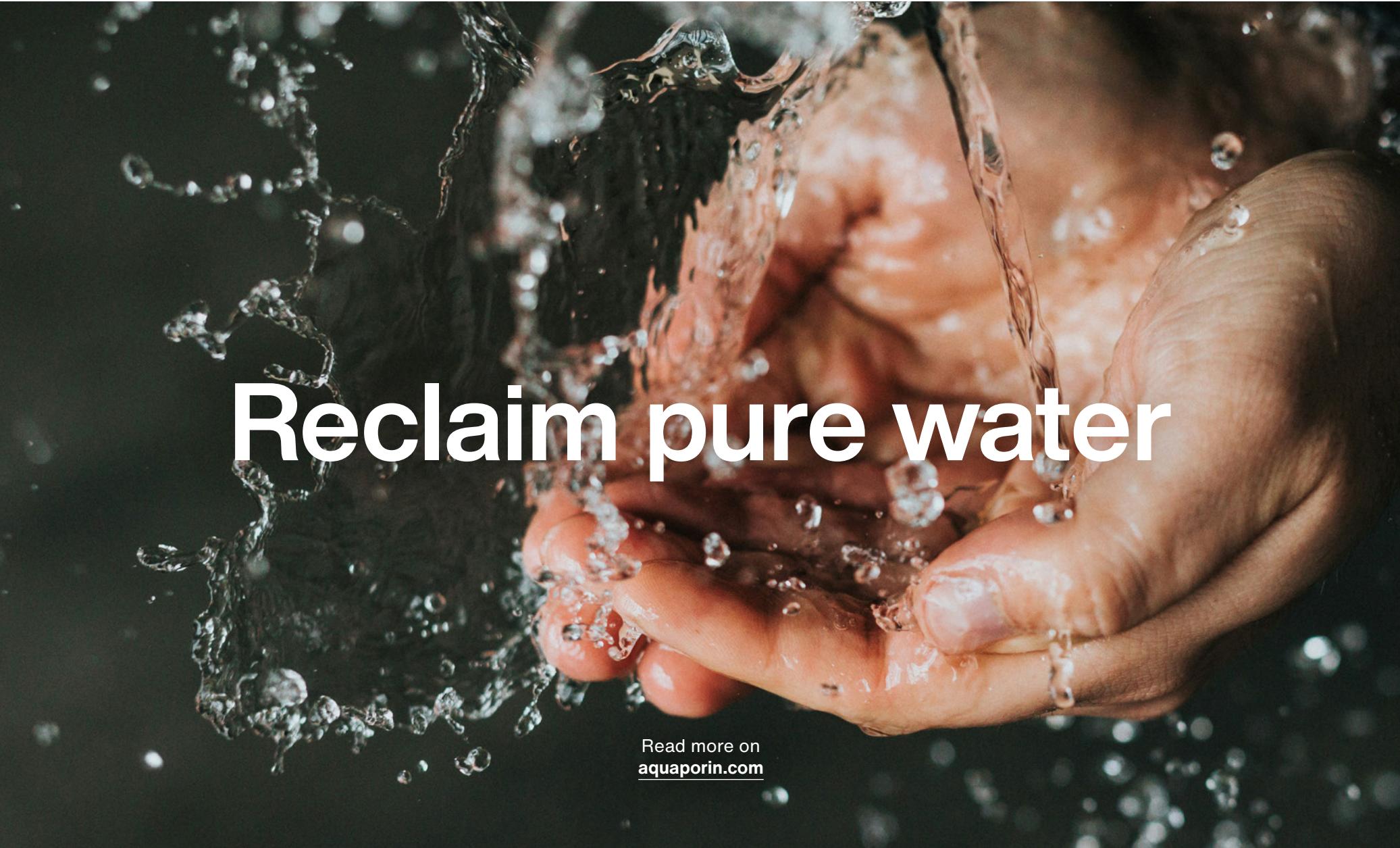
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**Mikkel Sthy**  
State Authorized Public Accountant  
mne26693

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**Ole Becker**  
State Authorized Public Accountant  
mne33732



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# Financial statements



# Consolidated financial statements

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# Income statement

DKK 1,000	Note	2024	2023
Revenue	2.1	40,552	59,531
Cost of sales	2.2	(27,902)	(40,208)
<b>Gross profit</b>		<b>12,650</b>	<b>19,323</b>
Distribution costs	2.3, 2.4, 5.1, 5.2	(10,499)	(12,691)
Sales and marketing costs	2.3, 2.4, 5.1, 5.2	(21,205)	(30,252)
Research and development costs	2.3, 2.4, 5.1, 5.2	(44,120)	(45,021)
Administrative costs	2.3, 2.4, 5.1, 5.2	(19,800)	(24,934)
<b>Operating profit/loss before special items</b>		<b>(82,974)</b>	<b>(93,575)</b>
Special items	2.5	(6,627)	-
<b>Operating profit/loss (EBIT)</b>		<b>(89,601)</b>	<b>(93,575)</b>
Share of net earnings of investments	3.5	(8)	(9)
Financial income	2.6	2,220	1,017
Financial costs	2.6	(3,232)	(3,169)
<b>Earnings before tax</b>		<b>(90,621)</b>	<b>(95,736)</b>
Tax for the year	2.7	5,346	5,340
<b>Earnings after tax</b>		<b>(85,275)</b>	<b>(90,396)</b>

Attributable to:

<b>Owners of Aquaporin A/S</b>	<b>(85,275)</b>	<b>(90,396)</b>
--------------------------------	-----------------	-----------------

## Earnings per share in DKK

Earnings per share	3.10	(5)	(9)
Diluted earnings per share	3.10	(5)	(9)

# Statement of comprehensive income

DKK 1,000	Note	2024	2023
Earnings after tax		(85,275)	(90,396)
<b>Other comprehensive income</b>			
Items that will be reclassified to income statement:			
Exchange rate adjustments		110	(845)
<b>Other comprehensive income, after tax</b>		<b>110</b>	<b>(845)</b>
<b>Total comprehensive income (loss)</b>		<b>(85,165)</b>	<b>(91,241)</b>
Attributable to:			
<b>Owners of Aquaporin A/S</b>		<b>(85,165)</b>	<b>(91,241)</b>

## Earnings per share in DKK

Earnings per share	3.10	(5)	(9)
Diluted earnings per share	3.10	(5)	(9)

# Statement of cash flows

## § Accounting policy

The cash flow statement is prepared in accordance with the indirect method on the basis of the Group's earnings before tax for the year. The statement shows the Group's cash flow distributed on operating-, investing-, and financing activities, and cash and cash equivalents at the beginning of the year and at year-end.

Cash flows from operating activities consists of earnings before tax (EBT), reversal of non-cash items, changes in working capital and tax for the year.

Cash flow from investing activities include investments in non-current assets.

Cash flow from financing activities primarily include cash flows from installments of lease liabilities and proceeds from capital increases with deduction of flotation costs.

Cash flows in foreign currencies are translated into Danish kroner (DKK) at the exchange rate on the transaction date.

Cash and cash equivalents comprise cash balances and unrestricted deposits with banks.

DKK 1,000	Note	2024	2023
Earnings before tax (EBT)		(90,621)	(95,736)
Reversal of items from the income statement	4.2	22,339	16,920
Changes in working capital	4.3	2,786	(7,008)
Proceeds from tax authorities		5,346	5,340
<b>Cash flow from operating activities</b>		<b>(60,150)</b>	<b>(80,484)</b>
Investments in intangibles assets	3.2	(9,334)	(11,927)
Investments in tangibles assets	3.3	(488)	(858)
Deposits		(48)	(85)
<b>Cash flow from investing activities</b>		<b>(9,870)</b>	<b>(12,870)</b>
Proceeds from loan facilities	4.1, 5.5	14,224	-
Repayment of loan facilities	4.1, 5.5	(14,224)	-
Installment of lease liabilities	3.4	(4,114)	(4,074)
Proceeds from capital increase		172,361	73,789
Flotation costs		(23,689)	(3,022)
<b>Cash flow from financing activities</b>		<b>144,558</b>	<b>66,693</b>
<b>Net cash flow</b>		<b>74,538</b>	<b>(26,661)</b>
Cash and cash equivalents, at January 1		2,756	29,417
Exchange rate adjustments		-	-
<b>Cash and cash equivalents, at December 31</b>		<b>77,294</b>	<b>2,756</b>

# Statement of financial position

DKK 1,000	Note	2024	2023	DKK 1,000	Note	2024	2023
Goodwill	3.2	2,899	2,899	Share capital	3.10	23,258	10,946
Development projects in progress	3.2	32,149	64,374	Retained earnings	3.10	179,817	128,757
Development projects completed	3.2	64,645	31,313	Reserve for exchange rate adjustments	3.10	1,576	1,466
Other intangibles	3.2	174	526	<b>Total equity</b>		<b>204,651</b>	<b>141,169</b>
<b>Total intangible assets</b>		<b>99,867</b>	<b>99,112</b>	Lease liabilities	3.4	46,641	50,265
Property, plant and equipment	3.3, 3.4	88,286	98,541	Other payables		3,773	3,724
<b>Total tangible assets</b>		<b>88,286</b>	<b>98,541</b>	Deferred government grants	3.12	28,489	27,564
Investments	3.5	7	15	<b>Total non-current liabilities</b>		<b>78,903</b>	<b>81,553</b>
Deposits		2,570	2,522	Provisions	3.11	3,082	7,249
<b>Total financial assets</b>		<b>2,577</b>	<b>2,537</b>	Lease liabilities	3.4	3,555	4,171
<b>Total non-current assets</b>		<b>190,730</b>	<b>200,190</b>	Contract liabilities	3.13	624	721
Inventories	3.6	21,334	17,563	Trade payables		2,789	10,556
Trade receivables	3.7	4,640	25,688	Other payables		10,603	15,170
Contract assets	3.13	2,235	-	Deferred government grants	3.12	3,787	1,973
Other receivables		4,133	6,473	<b>Total current liabilities</b>		<b>24,440</b>	<b>39,840</b>
Income tax receivables		5,500	5,500	<b>Total liabilities</b>		<b>103,343</b>	<b>121,393</b>
Prepayments		2,128	4,392	<b>Total equity and liabilities</b>		<b>307,994</b>	<b>262,562</b>
Cash and cash equivalents	3.8	77,294	2,756				
<b>Total current assets</b>		<b>117,264</b>	<b>62,372</b>				
<b>Total assets</b>		<b>307,994</b>	<b>262,562</b>				

# Statement of changes in equity

DKK 1,000	Share capital	Retained earnings	Reserve for exchange rate adjustments	Total equity
<b>Equity at January 1, 2023</b>	<b>10,131</b>	<b>146,693</b>	<b>2,311</b>	<b>159,135</b>
Earnings after tax	-	(90,396)	-	(90,396)
Other comprehensive income	-	-	(845)	(845)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(90,396)</b>	<b>(845)</b>	<b>(91,241)</b>
<b>Transactions with owners in their capacity as owners</b>				
Proceeds from capital increase	815	72,974	-	73,789
Flotation costs	-	(3,022)	-	(3,022)
Share-based payments	-	2,508	-	2,508
<b>Equity at December 31, 2023</b>	<b>10,946</b>	<b>128,757</b>	<b>1,466</b>	<b>141,169</b>
<b>Equity at January 1, 2024</b>	<b>10,946</b>	<b>128,757</b>	<b>1,466</b>	<b>141,169</b>
Earnings after tax	-	(85,275)	-	(85,275)
Other comprehensive income	-	-	110	110
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(85,275)</b>	<b>110</b>	<b>(85,165)</b>
<b>Transactions with owners in their capacity as owners</b>				
Proceeds from capital increase <sup>1</sup>	12,312	160,049	-	172,361
Flotation costs <sup>1</sup>	-	(23,689)	-	(23,689)
Share-based payments	-	(25)	-	(25)
<b>Equity at December 31, 2024</b>	<b>23,258</b>	<b>179,817</b>	<b>1,576</b>	<b>204,651</b>

1) Proceeds from capital increase and flotation costs comprise proceeds from the Rights Issue completed in April 2024, raising gross proceeds of DKK 172 million. For further details on the transaction see note 3.10 Share capital and earnings per share.

See note 3.10 Share capital and earnings per share, for a specification of reserves available for distribution.

# Notes to the consolidated financial statements

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## Section 1

# Material accounting policies and material accounting estimates and judgements

## 1.1 Basis of preparation

This section provides an overview of the Groups material accounting policies adopted in the preparation of the consolidated financial statements and the parent financial statements to the extent they have not been disclosed in the respective notes below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Aquaporin A/S is a public limited company incorporated in Denmark and listed on Nasdaq Copenhagen.

### Principal accounting policies

The Annual report for the period January 1 - December 31, 2024 with comparison figures comprises the consolidated financial statements of Aquaporin A/S (the parent company) and its subsidiaries (the Group) and the financial statements of the parent company.

The consolidated financial statements of the Group has been prepared on a going concern basis and in accordance with IFRS accounting standards as adopted by the EU and additional requirements from the Danish Financial Statements Act.

The financial statements of the parent company, Aquaporin A/S, have been prepared in accordance with the Danish Financial Statements Act applying to enterprises of reporting class D.

### Measurement basis

The consolidated financial statements and the financial statements of the parent company have been prepared based on the historical cost principle, except for the measurement of certain financial instruments at fair value. DKK is the functional currency of the parent company in the Group. In the annual report, the presentation currency is DKK and amounts are presented in thousand DKK.

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.

### Applying materiality

The financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature. When aggregated, the transactions are presented in classes of similar items in the financial statements. If a line item is not individually significant, it is aggregated with other items of a similar nature in the financial statements.

There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

## 1.2 Basis of consolidation

The consolidated financial statements comprise Aquaporin A/S (the parent company) and subsidiaries. An investment is classified as a subsidiary when below conditions are met:

- Aquaporin A/S has control over the company.
- Aquaporin A/S is exposed to variability in return on the investment.
- The control over the company can be used to affect the return on the investment

At consolidation, intra-group income and expenses, shareholdings, dividends and accounts as well as unrealised intra-group gains and losses on transactions between the consolidated enterprises are eliminated.

The consolidated financial statement also comprise associated companies. An investment is classified as an associate when the Group exercises significant influence, but do not control the company. Significant influence is generally obtained by direct or indirect ownership or control of more than 20% of the voting rights but less than 50%.

The financial statements used in the consolidation are prepared in accordance with the Group's accounting policies. The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the subsidiaries by aggregating items of a uniform nature.

Newly acquired or newly established entities are recognised in the Consolidated financial statements from the date of acquisition using the acquisition method. Entities divested or wound up are included in the consolidated income statement until the date of disposal. Comparative figures are not restated to reflect acquisitions or companies wound up.

# Basis of preparation of consolidated financial statements

– continued

## 1.3 General accounting policies

### Foreign exchange rate adjustments

Items in the financial statements of each of the reporting entities of the Group are measured in the currency of the primary economic environment in which the entity operates (the functional currency). Transactions in currencies other than the functional currency are transactions in foreign currencies.

Foreign exchange rate adjustments measured between the transaction date and the payment date, are recognized in the income statement as gain or losses under "financial income" or "financial costs".

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are adjusted to the exchange rate of the balance sheet date. Exchange rate adjustments related to monetary items are recognized in the income statement as "financial income" or "financial costs".

Intangible assets, tangible assets and other non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### 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 due to the fact that 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.

### Operating Expenses

Distribution costs comprise costs for warehousing, procurement, and logistic functions, which is not recognized as cost of goods sold.

Sales and marketing costs consists of personnel wages and other costs related to the commercial activites, including travel, consultancies, and brand and marketing costs.

Research and development costs comprise costs covering research activities and development activities, which is not capitalized as intangible assets. Furthermore, the costs includes engineering costs supporting the commercial activities.

Administrative costs refer to the expenses which incurs that are not directly related to sales, production or delivering services. The costs includes accounting functions, some executive functions, support of being a listed company and other administrative costs.

### Other receivables

Other receivables mainly comprise receivables related to government grants, VAT etc..

### Other Payables

Other payables mainly comprise payables arising from employee related payables, including taxes, holiday provisions, pensions and other accrued wages.

### Prepayments

Prepayments comprise payments to vendors before receiving delivery of products or service. This also includes periodizations of costs for insurances, software licensing etc.

## 1.4 Key figures and Financial ratios

### EBITDA before special items

EBITDA before special items is calculated as operating profit (EBIT) adjusted for amortization, depreciation, and write-downs of intangible and tangible assets, as well it is adjusted for special items. The calculation is specified as follows:

DKKm	2024	2023
EBITDA bsi.	(63.7)	(76.1)
Depreciation, amortisation and impairments	(19.3)	(17.7)
Special items	(6.6)	-
EBIT	(89.6)	(93.6)

### EBIT before special items

Operating profit before special items comprise earnings before financial items and taxes, adjusted for special items.

### Operating profit (EBIT)

Operating profit (EBIT) comprise earnings before financial items and taxes.

### Equity share

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

### Earnings per share

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.

### Diluted earnings per share

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.

### Non-IFRS financial measures

In the annual report, the Group discloses certain financial measures of the Group's financial performance, financial position and cash flows that reflect adjustments to the most directly comparable measures calculated and presented in accordance with IFRS. These non-IFRS financial measures may not be defined and calculated by other companies in the same manner and may thus not be comparable.

# Basis of preparation of consolidated financial statements

– continued

## 1.5 Material 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 and parent company's accounting policies, Management makes judgements and estimates which they consider appropriate and reliable, but for which outcomes are significantly influenced by uncertainty and unpredictability that may cause the actual outcomes to deviate from the estimates.

The judgements and estimates made by Management are based on experience, historical data and other factors. Such assumptions applied may be incomplete or incorrect, and unexpected events or circumstances may arise.

Below are the accounting estimates and judgements, which Management considers to be significant to the preparation of the financial statements:

- Impairment consideration of non current assets (note 3.1)
- Capitalization of development costs (note 3.2)
- Deferred tax (note 3.9)

The accounting policies are described in each of the specific notes in the financial statements, which also include additional descriptions of accounting estimates and judgements.

## 1.6 Macroeconomics and climate changes

The Group has assessed the current macroeconomic situation, the risk of potential changes in tariffs, the ongoing situation between Ukraine and Russia, and the current impact of climate risks on its financial reporting.

The impact assessment was primarily focused on the valuation and useful lives of intangible assets, and the identification and valuation of provisions and contingent liabilities, as these are judged to be the key areas that could be impacted by such risks.

Apart from the measurement already included and highlighted in the financial report, no material accounting impacts or changes to judgements or other required disclosures were noted.

## 1.7 Reporting under the ESEF regulation

With securities listed on a regulated market within the EU, Aquaporin is required to prepare the Annual Report using a combination of the HTML format and to tag the primary consolidated financial statements using iXBRL (Inline eXtensible Business Reporting Language).

The Group's iXBRL tags have been prepared in accordance with the ESEF taxonomy, which is included in the ESEF regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

The line items in the consolidated financial statements are tagged to elements in the ESEF taxonomy. For financial line items that are not directly defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions that are subtotals.

The Annual Report submitted to the Danish Financial Supervisory Authority (the Officially Appointed Mechanism) is included in the zip file 894500AW5ZWMYUZN1V70-2024-12-31-0-en.zip.

## 1.8 New and amended standards and interpretations

As of January 1, 2024, a number of amendments to the accounting standards were implemented. The amendments do not have a material impact on the accounting policies or on the consolidated financial statements.

At the date of publication of the consolidated financial statements, 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.

## Section 2

# Operating activities

## 2.1 Revenue

### § Accounting policy

Revenue comprises the present value of income from goods and from R&D services rendered, net of discounts. Revenue is recognized in the income statement when control over the individual identified performance obligation are transferred to the customer.

Recognition of revenue requires a mutual approved contract, with a mutual obligation to fulfil the agreement, identifiable rights to the delivery of goods or services, identifiable payment terms, a commercial substance in the contract, and that it is probable that payments are received for the goods or services provided. Significant financing components exists when the timing of payments provides or requires financing to the customer.

### Income from sales of Goods

Revenue comprises sale of flat sheet products primarily membranes, elements and systems from the business areas Drinking water, Industrial RO and FO market development. The flat sheet products are recognised upon delivery at a point in time and in the income statement when control has transferred to the customer, depending on agreed delivery terms in the contract.

Payment terms are usually between 30-60 days from invoice date. No material financing components are present in 2024 due to the short-term nature between delivery of flat sheet products and payments obtained from customers.

### Income from sales of services

Revenue comprise research and development activities rendered over time and are recognised in the income statement for the financial year as earned. The service is recognized as the research and development service is performed based on the degree of completion (percentage of completion) and the total expected revenue in the contract. The degree of completion is measured using an input-based method, based on the hours incurred relative to the expected total hours required to fulfil the contract, which is deemed to best reflect the transfer of control.

Services are on a fixed price basis and typically over a milestone period of 2-5 months. When the sales value in the contract cannot be reliably determined, it is measured at the costs incurred or the net realizable value if lower. No material financing components are present in 2024 due to the short-term nature between delivery of services and payments obtained from customers. At December 31, 2024 contracted liabilities are present due to unfulfilled prepaid performance obligations. For further information we refer to note 3.13 Contract assets and liabilities.

### Accounting estimates & judgements

Revenue is recognized over time and in accordance with percentage of completion, which in nature are uncertain. Services are performed at fixed price, where some projects are prepaid and some projects are paid after partly completion or full completion and rendered over shorter periods. See note 3.13.

Due to the combination of beforementioned, the risk and uncertainty is evaluated low.

### Other information

In 2024, sales to two of the Group's customers respectively exceeded 10% of the total revenue. In 2023, the same two customers also respectively exceeded 10% of the total revenue.

### Revenue

DKK 1,000	2024	2023
<b>Products and Services</b>		
Sales of goods	29,507	46,574
Sales of services	11,045	12,957
<b>Total</b>	<b>40,552</b>	<b>59,531</b>
<b>Business area</b>		
Drinking Water	17,516	38,803
Industrial RO	10,537	3,604
FO Market Development	12,499	17,124
<b>Total</b>	<b>40,552</b>	<b>59,531</b>
<b>Timing of revenue recognition</b>		
Total revenue recognized at a point in time	32,176	46,574
Total revenue recognized over time	8,376	12,957
<b>Total</b>	<b>40,552</b>	<b>59,531</b>
<b>Geographical information</b>		
EMEA	8,249	8,166
APAC	21,083	38,049
Americas	11,220	13,316
<b>Total</b>	<b>40,552</b>	<b>59,531</b>

# Operating activities

– continued

## 2.2 Cost of sales

### § Accounting policy

Cost of sales comprises the cost derived from sales of goods and cost derived from sales of services.

Cost for sales of goods comprises the purchase price of raw materials, consumables, goods for resale and direct labor costs, write-downs of inventory and provisions for warranties.

Costs for sales of services comprise products, consumables, wages and salaries, and other direct costs included in the research and development services.

## 2.3 Amortizations and depreciations

Investments in intangible and tangible assets are amortized and depreciated in a straight line pattern over estimated useful lives as described in notes 3.2 and 3.3.

In 2024, the development project A2O Bar was discontinued with the result of a full write down of the development project, which amounted to DKK 2.0 million.

Amortizations and depreciations for the year are included in the line items of the income statement with the following amounts:

DKK 1,000	2024	2023
Distribution costs	3,442	3,924
Sales and marketing costs	1,371	1,316
Research and development costs	13,011	10,871
Administrative costs	1,428	1,578
<b>Total amortizations and depreciations</b>	<b>19,252</b>	<b>17,689</b>

## 2.4 Staff costs

### § Accounting policy

Staff costs comprise wages and salaries, expenses under Long-Term Incentive Programs, and costs to social security such as pensions, insurance, etc. Staff costs are offset by social benefits.

See note 5.1 remuneration of the executive management and board of directors. and note 5.2 Share-based payments.

DKK 1,000	2024	2023
Wages and salaries	58,828	66,942
Pension costs, defined contribution plans	2,127	1,866
Social security costs	1,766	1,615
Share-based payments (note 5.2)	(25)	2,508
<b>Total</b>	<b>62,696</b>	<b>72,931</b>
Average number of full-time employees	76	82
<b>Included in the income statement as specified below:</b>		
Distribution costs	4,109	5,020
Sales and marketing costs	13,856	20,044
Research and development costs	19,388	24,781
Administrative costs	12,554	16,398
Special Items (note 2.5)	6,627	-
<b>Total staff costs in consolidated income statement</b>	<b>56,534</b>	<b>66,243</b>
Staff costs capitalized as part of development projects	6,162	6,688
<b>Total staff costs for the year</b>	<b>62,696</b>	<b>72,931</b>

# Operating activities – continued

## 2.5 Special items

### § Accounting policy

Special items are classified as material non-recurring items, which cannot be attributed to the recurring operations.

In 2024 activities recognized as Special Items amounted to DKK 6.6 million (2023: DKK 0.0 million).

The change in guidance for 2024 did result in implementation of cost-saving initiatives. Restructuring of the organization has been part of these initiatives and was an additional non-recurring event amounting to DKK 6.6 million which was recognized on the Income Statement.

DKK 1,000	2024	2023
<b>Special Items</b>		
Restructuring costs	6,627	-
<b>Total</b>	<b>6,627</b>	-

## 2.6 Financial items, net

### § Accounting policy

Financial income and expenses comprise interest receivable and interest payable, interest component of payments under finance leases, and items denominated in a foreign currency.

DKK 1,000	2024	2023
<b>Financial income</b>		
Interest income, banks	1,622	1,017
Exchange rate adjustments, net	598	-
<b>Total</b>	<b>2,220</b>	<b>1,017</b>
<b>Financial costs</b>		
Interest expenses, banks	596	-
Interest expenses, lease liabilities	1,707	1,873
Exchange rate adjustments, net	-	636
Other financial expenses, including bank fees	929	660
<b>Total</b>	<b>3,232</b>	<b>3,169</b>

# Operating activities – continued

## 2.7 Tax for the year

### § Accounting policy

Tax for the year consists of current tax and deferred tax. It is recognized in the income statement with the portion attributable to the earnings for the year, and the part attributable to items in other comprehensive income is recognized in the statement of comprehensive income.

Current tax liabilities and receivables are recognized in the balance sheet as the amounts calculated on the taxable income for the year adjusted for tax on taxable incomes for prior years and for taxes paid on account.

Deferred tax is measured using the balance sheet liability method. All temporary differences between the carrying amount and the tax base

of assets and liabilities are recognized, apart from temporary differences arising on the initial recognition of an asset or a liability if the transaction affects neither accounting profit nor taxable income. In cases where the computation of the tax base may be performed according to different tax rules, deferred tax is measured on the basis of Management's intended use of the asset or settlement of the liability.

Deferred tax assets arising from temporary deductible differences and tax losses carried forward are recognized when it is sufficiently probable that they can be realized by offset against future taxable profits. At each balance sheet date, it is assessed whether an offset is likely in a foreseeable future.

For further details, see note 3.9 Deferred tax

DKK 1,000	2024	2023		
<b>Tax for the year comprises:</b>				
R&D tax credit	5,500	5,500		
Other taxes	(154)	(160)		
<b>Total</b>	<b>5,346</b>	<b>5,340</b>		
DKK 1,000	2024	2023		
Earnings before tax	DKK 1,000	%	DKK 1,000	%
<b>Earnings before tax</b>	<b>(90,621)</b>	<b>22%</b>	<b>(95,736)</b>	<b>22%</b>
Calculated 22% (2024: 22%) of profit before tax	19,937	22%	21,062	22%
<b>Tax effect of:</b>				
Regulation of calculated tax in foreign affiliated companies in relation to 22% (2024: 22%)	(25)	0.0%	4	0.0%
Permanent differences	1,943	2.1%	1,112	1.1%
Withholding taxes	(129)	(0.1%)	(144)	(0.2%)
Other corrections	-	0.0%	-	0.0%
Deferred tax assets not capitalized	(16,380)	(18.1%)	(16,694)	(17.4%)
<b>Total tax for the year</b>	<b>5,346</b>	<b>5.9%</b>	<b>5,340</b>	<b>5.6%</b>

## Section 3

# Assets and liabilities

## 3.1 Impairment consideration of non current assets

Impairment of non-current assets comprises goodwill, development projects, other intangible assets and property, plant and equipment. Goodwill and development projects in progress have been allocated to Aquaporin A/S (the whole group) as the Cash-generating unit (CGU). As a result, an impairment test is carried out annually. For further information refer to note 3.2 and note 3.3 in the consolidated financial statements

### § Accounting policy

For the purpose of impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Goodwill acquired in a business combination is allocated to the CGU's that are expected to benefit from the synergies of the combination. Allocated goodwill including development costs in progress undergo mandatory annual impairment test along with other assets of the CGU.

For CGUs with no allocated goodwill or development projects in progress, an impairment test is conducted when indications are present that the carrying amount of the CGU exceeds expected recoverable amount. If the carrying amount of the CGU exceeds the recoverable amount, the assets are written down.

Identified impairment losses are first allocated to reduce goodwill, then to other assets

pro-rata, based on each asset's carrying amount. The recoverable amount of each CGU is determined as the greater of the value-in-use and the fair value less selling costs.

Impairment loss recognised for goodwill cannot be reversed. For other assets, an impairment loss is reversed only if the revised carrying amount of the asset does not exceed its carrying amount before the impairment, after depreciation.

### Material accounting judgements and estimates

The determination of cash-generating units differs based on the business areas Drinking water, industrial RO & FO Market Development. The degree of interdependency between the three business areas has been evaluated in respect of internal reporting and strategic decision making by management.

The conclusion is that interdependency exists, to such an extent, that the cash inflows are not largely independent. Consequently, all three business areas have been included in the respective CGU, which is the whole group.

### Impairment indication and assessments

The assessment of impairment indicators involves complex and subjective judgments by management. These indicators are reviewed to assess the impairment need for our CGUs:

- Financial performance of assets and the CGU.
- Obsolescence or physical damage of assets.
- Significant changes in external market environment including effects from technology, climate, geopolitical and regulatory changes.

The assessment of impairment indicators for development projects, goodwill, other intangible assets and property, plant and equipment is based on the CGUs they are included in and assessed at the CGU level.

### Impairment test considerations

Management continuously monitors the carrying amounts of goodwill, development projects, other intangible assets and property, plant and equipment, to determine if there are indications of impairment beyond what is covered by ordinary amortization, depreciation, or if any previous impairments should be reversed.

In 2024, delays in sales from a key customer led to a significant reduction in revenue. Due to the changes in revenue, Management initiated a restructuring and implemented a cost saving strategy to lower the cost base going forward. The cost savings reduced the effect from the decrease in revenue, and operational results remained within original budget.

Apart from cost saving initiatives in 2024, a decision was made to discontinue the purifier A20 bar, resulting in a write-down of DKK 2.0 million in development projects. Besides this, all other development projects are being monitored closely and are proceeding as planned.

Looking into 2025, sales are expected to grow again, partly based on delays from 2024 and due to communication with existing and potential new customers. Due to the cost initiatives, costs are expected to be stable in accordance with the restructuring plan executed by Management.

With indications of impairment and since the CGU contains goodwill and development projects in progress, an impairment test was carried out during Q4 2024.

# Assets and liabilities – continued

## Key assumptions applied

If indications of impairment are present, the recoverability of the carrying amount of intangible and tangible assets in the related CGU is assessed. This is done by evaluating if the recoverable amount exceeds the carrying amount.

The recoverable amount is determined as the higher of the value-in-use and the fair value less selling costs. The calculation of value-in-use is particularly complex and contains uncertainty, as it relies on expected future cash flows and a discount factor.

Cash flow projections for 10 years has been used in the value-in-use calculation based on significant growth plans in the coming years and are aligned with when steady state is expected to be achieved due to the maturity of the Group.

Key assumptions included in the value-in-use calculation primarily relates to significant growth in revenue, the level of WACC, and that costs can be maintained during the growth plans.

When considering expected growth in revenue, significant assumptions regarding future cash flows are made, as a substantial portion of revenue is not secured through contracts, and the revenue growth is dependent on the ability to attract customers. If the estimated growth is not achieved, the recoverable amount of the CGU will be impacted negatively.

Growth in revenue is additionally based on expectations to future utilization and marketability of development projects. These assumptions are in nature uncertain and complex, and contingent on that development projects are commercially viable, technically feasible, profitable and whether resources are available to complete the projects.

The WACC is calculated using variables, where each component relies on data assumptions, further complicating the value-in-use calculation.

Costs being steady during the growth plans, assumes that the current organization to a high degree can operate the increased commercial activity, which is based on switching the balance from a research and development organization to further strengthening the commercial organization. The change does require maintaining some research and development activities for ensuring further strengthening of the current product portfolio.

Currently, management does not believe that the external market environment including effects from technology, climate, geopolitical and regulatory changes has a significant effect on the estimates and judgments related to the impairment assessment.

## Outcome of impairment test

The recoverable amount of the CGU was determined on the basis of a value-in-use calculation using cash flow projections generated. This exercise is complex and requires estimates and judgements to made.

The outcome of the impairment test revealed an excess value of DKK 210 million indicating that there is no requirement for impairment recognition. The discount rate used in the value-in-use calculation is based on a pretax WACC of 17.0% (2023: 16.3%). The growth rate used in terminal period is 2% (2023: 2%).

In accordance with the guidance for 2025, Sales are expected between DKK 60-80 million with a growth of more than 48% compared with 2024. For the remaining forecast period the annual growth in sales is expected to stay on a two digits growth during the projected period until 2034. Costs are expected to be stable in 2025, and for the remaining projected period with an average annual increase in line with inflation over the years to 2034.

Given the growth plans and the maturity of the Group, the value-in-use calculation demonstrates high sensitivity to minor variations in sales growth and WACC and are dependent on costs continuing to be stable.

No impairment is required at present, but the value-in-use calculation demonstrates high sensitivity to variations in key assumptions.

A decline in growth of the average sales of 10%, would result in an approximate decline of DKK 71 million in the value-in-use. Similarly, a 1% increase in the WACC would lead to a decrease of approximate DKK 40 million. Alternatively, an increase in average costs of 10%, would result in an approximate decline of DKK 38 million in the value-in-use.

For the value-in-use to break even with the carrying amount, a reduction in growth of average sales of 30% would be required throughout the forecasted period, or alternatively an WACC of 25.5%. Alternatively, costs would in average have to increase with 56%, before breaking even with the carrying amount.

## Impairment assessment other non-current assets

Management has assessed no need for impairment on other non-current assets.

## Section 3

# Assets and liabilities

## 3.2 Intangible assets

### § Accounting policy

Intangible assets consist of goodwill, development projects and other intangible assets.

### Goodwill

Goodwill is recognised in the balance sheet as the difference between the fair value of net assets acquired and the consideration transferred. Subsequently, goodwill is measured at the same cost value less accumulated impairment losses and is not amortised.

The carrying amount of goodwill is allocated to each CGU in Aquaporin expected to benefit from the synergies of the combination. Goodwill is tested at least annually for impairment together with other assets from the same CGU's to which goodwill is allocated.

### Development projects completed

Capitalized development costs of completed projects are measured at cost less accumulated amortisation and impairment. The cost includes salaries and wages and other directly attributable costs related to the group's development activities.

In 2024, the completion of development projects in progress amounted to DKK 41.7 million. The completion comprised mainly the industriall water product portfolio named Clear, which amounted to DKK 33.7 million, and secondly completion of minor projects within Drinking Water and FO Market Development.

DKK 1,000	Goodwill	Development projects completed	Development projects in progress	Other intangibles	Total
Cost price at January 1, 2024	2,899	60,287	64,373	956	128,515
Additions during the year	-	-	9,238	96	9,334
Transfer	-	41,681	(41,462)	(219)	-
<b>Cost price at December 31, 2024</b>	<b>2,899</b>	<b>101,968</b>	<b>32,149</b>	<b>833</b>	<b>137,849</b>
Amortizations at January 1, 2024	-	28,973	-	430	29,403
Amortizations during the year	-	8,350	-	229	8,579
<b>Amortizations at December 31, 2024</b>	<b>-</b>	<b>37,323</b>	<b>-</b>	<b>659</b>	<b>37,982</b>
<b>Carrying amount at December 31, 2024</b>	<b>2,899</b>	<b>64,645</b>	<b>32,149</b>	<b>174</b>	<b>99,867</b>
Cost price at January 1, 2023	2,899	57,762	55,232	695	116,588
Additions during the year	-	-	11,666	261	11,927
Transfer	-	2,525	(2,525)	-	-
<b>Cost price at December 31, 2023</b>	<b>2,899</b>	<b>60,287</b>	<b>64,373</b>	<b>956</b>	<b>128,515</b>
Amortizations at January 1, 2023	-	23,148	-	243	23,391
Amortizations during the year	-	5,825	-	187	6,012
<b>Amortizations at December 31, 2023</b>	<b>-</b>	<b>28,973</b>	<b>-</b>	<b>430</b>	<b>29,403</b>
<b>Carrying amount at December 31, 2023</b>	<b>2,899</b>	<b>31,314</b>	<b>64,373</b>	<b>526</b>	<b>99,112</b>

# Assets and liabilities – continued

## 3.2 Intangible assets – continued

Upon completion of a development project, the development costs are transferred from development projects in progress to development projects completed and amortized on a straight-line basis over their estimated economic useful life from the date at which the asset is ready for use. The amortisation period is 5-10 years based on the individual characterization of the project. The amortisation base is reduced by any impairments.

Development projects are reviewed on annual basis for indication of impairment based on commercial prospects of the development project. If indications of impairment exists, an impairment test is performed comparing the estimated future net cash flows with the carrying amount of the asset group.

### Development projects in progress

Capitalized development costs of projects in progress are projects under development that are clearly defined and identifiable, where technical feasibility, sufficient resources, and a potential future market or use within the group can be demonstrated, and where the intention is to complete, market, or use the project, are recognized as intangible assets if their cost can be reliably measured, and there is sufficient assurance that future earnings or net selling prices will cover production, selling, administrative, and development costs. Other development costs are recognized in the income statement in the financial statement line Research and development costs.

Development projects in progress are not amortised and tested at least annually for impairment. For information in relation to impairment considerations refer to note 3.1. Impairment considerations of non current assets.

### Material intangible assets

The material individual intangible assets comprise of development projects completed and development projects in progress. All development projects are based on the Aquaporin Inside® technology, which is a solution to isolate the Aquaporin protein and utilize the capability of this protein in various water purification solutions. Management has assessed that development projects can be seen together, due to the fact that the development are based on the same core technology. The development projects are applied in different commercial solutions within the business areas comprising:

- Residential drinking water
- Industrial water RO
- FO Market Development

The carrying value and depreciations of development projects are specified in the intangible asset note.

### Other intangible assets

Other intangible assets mainly consist of Technologies including IT systems and similar intangible assets with a limited useful life. Amortization is done over a 3-year period.

These assets comprise capitalized implementation costs initially measured at cost. Costs include configuration and customization of the underlying IT systems. Capitalization ceases when the asset is in the condition necessary for it to be capable of operating in the manner intended by Management.

The intangible assets are subsequently measured at cost less accumulated amortization and any impairment losses according to IAS 38.

## 3.3 Property, plant, and equipment

### § Accounting policy

Property, plant, and equipment are measured at cost less accumulated depreciation and less any accumulated impairment charges. Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The useful lives of the individual groups of assets are estimated as follows:

Property:	2 - 20 years
Plant:	4 - 20 years
Equipment:	2 - 8 years
Leasehold improvements:	8 - 20 years

Depreciation is based on a straight-line pattern. Gains and losses on the disposal of property, plant, and equipment are recognized in the income statement under the respective cost line.

Right-of-use assets comprise property and equipment. Property mainly concern the headquarters of Aquaporin A/S based in Denmark at Kongens Lyngby. The lease are subject to annual remeasurement due to contracted annual price index adjustments and contain extension options. Management has with reasonable assurance assessed the leasing period to be 20 years, which is aligned with Aquaporin's commercial and strategic initiatives.

# Assets and liabilities – continued

## 3.3 Property, plant, and equipment – continued

Property also comprise an office and laboratory facilities in Singapore with a lease period ending in 2025. The contract includes a renewal option to prolong the lease, at the end of the lease period. The renewal option is at the end of the lease period assessed and concluded upon together with the lessor.

No significant purchase options are present and considered within the asset category property.

Equipment comprise office equipment related to leased property.

For further information on impairment of tangible assets, refer to note 3.1 Impairment consideration of non-current assets.

DKK 1,000	Property	Plant and machinery	Equipment	Leasehold improvements	Total
Cost price at January 1, 2024	71,171	69,272	14,753	28,145	183,341
Remeasurement	-	-	-	-	-
Exchange rates	176	237	14	26	453
Additions right-of-use assets	-	-	-	-	-
Additions during the year	-	250	238	-	488
Disposal during the year	-	-	(439)	-	(439)
<b>Cost price at December 31, 2024</b>	<b>71,347</b>	<b>69,759</b>	<b>14,566</b>	<b>28,171</b>	<b>183,843</b>
Depreciations at January 1, 2024	25,055	34,872	12,019	12,854	84,800
Exchange rates	144	186	13	24	367
Depreciations	4,556	3,662	1,024	1,431	10,673
Depreciations disposal	-	-	(283)	-	(283)
<b>Depreciations at December 31, 2024</b>	<b>29,755</b>	<b>38,720</b>	<b>12,773</b>	<b>14,309</b>	<b>95,557</b>
<b>Carrying amount at December 31, 2024</b>	<b>41,592</b>	<b>31,039</b>	<b>1,793</b>	<b>13,862</b>	<b>88,286</b>
Of which is Right-of-use assets 2024	41,592	-	342	-	41,934
Cost price at January 1, 2023	69,841	69,409	13,927	28,019	181,196
Remeasurement	1,461	-	-	-	1,461
Exchange rates	(131)	(136)	(25)	(15)	(307)
Additions right-of-use assets	-	-	542	-	542
Additions during the year	-	72	645	141	1858
Disposal during the year	-	(73)	(336)	-	(409)
<b>Cost price at December 31, 2023</b>	<b>71,171</b>	<b>69,272</b>	<b>14,753</b>	<b>28,145</b>	<b>183,341</b>
Depreciations at January 1, 2023	20,390	30,862	11,119	11,220	73,591
Exchange rates	(93)	(93)	(8)	20	(174)
Depreciations	4,758	4,103	1,202	1,614	11,677
Depreciations disposal	-	-	(294)	-	(294)
<b>Depreciations at December 31, 2023</b>	<b>25,055</b>	<b>34,872</b>	<b>12,019</b>	<b>12,854</b>	<b>84,800</b>
<b>Carrying amount at December 31, 2023</b>	<b>46,116</b>	<b>34,400</b>	<b>2,734</b>	<b>15,291</b>	<b>98,541</b>
Of which is Right-of-use assets 2023	46,116	-	779	-	46,895

# Assets and liabilities

– continued

## 3.4 Leases

### § Accounting policy

At initiation of a new contract it is assessed whether a contract is a lease or contains a lease. This involves exercise of judgement as to whether

- The lease contract depends on the use of a specific asset
- Aquaporin has the right to obtain substantially all of the economic benefits from use of the asset
- Aquaporin has the right to direct and control the use of the asset.

Right-of-use assets are recognised the date the underlying asset is available for use. Right-of-use assets are measured at cost less any accumulated depreciation, impairment losses and adjusted for any remeasurement of lease liabilities. For further information regarding right-of-use assets refer to note 3.3 Property, plant and equipment.

Lease liabilities are initially measured at the present value of the lease payment to be made over the lease period. The lease period comprises the non-cancellable period with addition of periods covered by extension options if it is reasonably certain to exercise these extension options. The lease payments include fixed payments and variable payments depending on index adjustments.

Lease payments are allocated between principal and financial cost. The financial cost is charged to the income statement over the lease period to produce a constant period rate of interest on the remaining balance of the liabilities for each period.

To calculate the present value of lease payments the incremental borrowing rate is used. The incremental borrowing rate applied is 3,15% (2023: 3.15%). The incremental borrowing rate is unchanged, as the main lease asset, the headquarter in Denmark, is unchanged since implementation of IFRS 16 in the annual report 2018.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or other relevant significant changes to use of the underlying asset.

Low value and short term leases is recognized directly as costs on the income statement and is considered immaterial.

### Amounts recognized in the income statement, relating to leases:

DKK 1,000	2024	2023
Interest expenses	1,707	1,873
Expenses related to short-term leases	31	80
<b>Depreciation related to right-of-use assets</b>		
Property	4,566	4,758
Equipment	279	351
<b>Depreciation of right-of-use assets</b>	<b>4,845</b>	<b>5,039</b>
<b>Amounts recognized in the cash flow statement, relating to leases:</b>		
The total cash outflow for leases	4,114	4,074

### Leases recognized on the balance sheet:

DKK 1,000	2024	2023
<b>Lease liabilities</b>		
Within one year from the balance sheet date	3,555	4,171
Between one and five years from the balance sheet date	14,964	14,528
After five years from the balance sheet date	31,677	35,737
<b>Total</b>	<b>50,196</b>	<b>54,436</b>

In Note 4.1 Financial Risk, majority of lease liability including interest is shown.

# Assets and liabilities – continued

## 3.5 Investments

### § Accounting policy

Investments comprise investments in associates that are recognized according to the equity method and are measured at the proportionate share of the entities' net asset values calculated in accordance with Aquaporin's accounting policies.

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.

Investments in associates comprise:

### Aquaporin Space Alliance ApS

- Earnings for the year: DKK (8) thousand
- Carrying amount: DKK 7 thousand

### Aquapoten Company Limited

- Earnings for the year: DKK (3,483) thousand
- Carrying amount: DKK 0 thousand

Aquapoten Company Limited is under liquidation as of December 31, 2024. Earnings for the year is impacted by write-downs of assets, leaving an equity of DKK 4 thousand as of December 31, 2024.

There is no significant commitments, contingent liabilities or losses which the Group is obligated to cover in any of the associated companies.

See note 5.7 List of Group companies at December 31 for further details.

## 3.6 Inventories

### § Accounting policy

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the FIFO principle.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus directly attributable costs, including logistic costs.

Finished goods and work in progress are measured at cost, which includes all costs incurred to bring the product to the current completion rate and location. Costs encompass:

- Direct costs: Raw materials, consumables, direct wages and salaries.
- Indirect production costs: Indirect materials, indirect wages and salaries, maintenance, depreciation of production machinery and equipment, and other production-related overheads, including administrative expenses related to production.

Inventories are reviewed regularly for excess and obsolescence. If the net realizable value is lower than the carrying amount, inventories are written down to their net realizable value. Inventory write-downs are recognized as an expense in the income statement during the period they are identified.

Write downs in 2024 comprises raw materials amounting to DKK 0.7 million and finished goods amounting to DKK 5.6 million. The majority of the finished goods includes membranes with first generation technology and Point of Use purifiers.

DKK 1,000	2024	2023
Raw material and consumables	2,197	2,652
Goods in progress	61	354
Finished goods	19,076	14,557
<b>Total inventories</b>	<b>21,334</b>	<b>17,563</b>
<b>Amounts included in the income statement as specified below</b>		
Cost of materials included in cost of sale	27,324	36,694
Warranty provisions for the year	578	3,514
<b>Total costs of sale</b>	<b>27,902</b>	<b>40,208</b>
<b>Write-down on inventories</b>		
Write-down on inventories at January 1	3,014	6,424
Reversals	(1,765)	(3,410)
New write-downs	6,276	-
<b>Write-down on inventories at December 31</b>	<b>7,525</b>	<b>3,014</b>

# Assets and liabilities – continued

## 3.7 Trade receivables

### § Accounting policy

Receivables are initially recognized at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortized cost less provisions for expected

credit losses. Provision for expected credit losses are determined on the basis of a simplified expected credit loss-model.

See note 4.1 for elaboration of credit risk.

DKK 1,000	2024	2023
Trade receivables	5,332	26,462
Bad debt allowance	(692)	(774)
<b>Total trade receivables</b>	<b>4,640</b>	<b>25,688</b>
<b>Changes in bad debt allowances for trade receivables</b>		
Allowance at January 1	774	298
Reversal of write-downs for the year	(774)	(298)
Write-down for the year	692	774
<b>Allowance at December 31</b>	<b>692</b>	<b>774</b>

## 3.8 Cash and cash equivalents

### § Accounting policy

Cash and cash equivalents comprise cash balances and unrestricted deposits with banks. Cash and cash equivalents are measured at amortized cost.

## 3.9 Deferred tax

DKK 1,000	2024	2023
Intangible assets	(13,750)	(12,317)
Property, plant, and equipment	2,170	(365)
Current assets	1,656	663
Deferred government grants	5,762	5,985
Current liabilities	830	1,765
Lease liability	11,043	11,976
Tax loss carry forwards	118,165	102,645
<b>Total</b>	<b>125,876</b>	<b>110,352</b>
Not recognized tax asset	(125,876)	(110,352)
<b>Total deferred tax asset recognized</b>	<b>-</b>	<b>-</b>

Deferred tax assets arising from temporary deductible differences and tax losses carried forward are recognized to the extent they are expected to be offset against taxable income in a foreseeable future.

### Material estimates and judgements

As per December 31, 2024, the unrecognized deferred tax assets in Denmark amounted to DKK 125.9 million (2023: DKK 110.4 million). The tax losses can be carried forward infinitely subject to the general rules on limited deductibility due to ownership changes.

Due to the risk that the deferred tax assets are not utilized within a foreseeable future, no deferred tax asset has been recognized.

When considering fully utilization of the tax asset, a period of 1-3 years are considered, whereas the impairment consideration on non-current assets are considered using the lifetime of the asset.

# Assets and liabilities

– continued

## 3.10 Share capital and earnings per share

### Share capital

A capital increase was completed in April 2024 in connection with a Rights Issue of 12,311,477 shares and raised gross proceeds of DKK 172.4 million. 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 14.0.

In 2023, a capital increase was completed in February in connection with a private placement of 815,353 shares and raised gross proceeds of DKK 73.8 million. In consequence hereof, the share capital increased by 815,353 shares with a nominal value of DKK 1 each at a price of DKK 90.5.

The shares are not divided into classes and each share carries one vote. No shares carry any special rights and restrictions. The share capital is fully paid up.

Number of shares, thousands	Ordinary shares
December 31, 2023	10,946
Capital increase related to Rights Issues completed April 2024	12,312
<b>December 31, 2024</b>	<b>23,258</b>

No dividend is suggested to be declared for 2024, which is pending approval at the Annual General Meeting

### Earnings per share

As a result of the Group's losses for 2024 and 2023, the potential shares issuable related to outstanding share-based awards have been excluded from the calculation of diluted per share amounts, as the effect of such shares is anti-dilutive.

The result and weighted average number of ordinary shares used in the calculation of basic and diluted result per share are as follows:

	DKK 1,000	2024	2023
Earnings for the period	(85,267)	(90,396)	
Weighted average of shares	17,102	10,539	
<b>Earnings per share</b>	<b>(5)</b>	<b>(9)</b>	

## 3.11 Provisions

### § Accounting policy

Provisions are recognized when, as a consequence of an event occurring on or before the balance sheet date, the Group has a legal or

constructive obligation and it is more likely than not that economic benefits must be given to settle the obligation. The obligation is measured on the basis of Management's best estimate of the discounted amount at which the obligation is expected to be met.

DKK 1,000	2024	2023
Provisions at January 1	7,249	3,735
Reversal of provisions during the year	(4,745)	(420)
Provisions during the year	578	3,934
<b>Provision at December 31</b>	<b>3,082</b>	<b>7,249</b>

The provision as of December 31, 2024 comprise the following main items:

The general provision covers the warranty liabilities for sold products. The obligation covers costs relating to the warranty period of 6-12 months after delivery or shelf life of the products whichever period expires first, this is amounting to DKK 0.2 million (DKK 0.8 million).

A replacement of an early generation of Drinking Water flat sheets was provisioned in 2023 amounting to DKK 2.5 million, which has been kept in 2024 and is expected to be utilized in 2025.

A provision for rectification of specific identified product defects have been made in 2024 amounting to DKK 0.3 million.

Changes in provisions during the year 2024 primarily relate to the reversal of previous provisions. The main component is the reversal of DKK 3.3 million related to the replacement of first-generation Point-of-Use systems in Turkey, which was carried out in 2024. The remaining reversal of provisions in 2024 amount to DKK 1.4 million, which primarily relates to general warranty provisions and minor provisions.

# Assets and liabilities – continued

## 3.12 Deferred government grants

### § Accounting policy

Government grants include funding for investments, research and development projects among other activities. Grants are recognized when there is a reasonable certainty that they will be received.

Grants are recognized as deferred government grants, either as current liabilities or non current liabilities. This reflects the expected timing of each grants utilization and recognition in the income statement. Deferred government grants classified as current liabilities are expected to be recognized in the income statement within one year.

Deferred Government Grants will be recognized in the income statement as the related development projects are recognized in the income statement through depreciations or write-downs.

### Government Grants

Aquaporin collaborates with different partners on research projects and development projects. Some of these projects are funded by public institutions through grants. These grants are derived from collaborations in Denmark, European Union, and in Singapore.

As of December 31, 2024 the Group had recognized total deferred government grants amounting to DKK 32.3 million (2023: DKK 29.5 million), of which DKK 3.8 million is recognized as a current liability. This amount is expected to be recognized on the income statement in 2025. The deferred government grants relate to funding awarded in the period

2017-2024 and will be recognized in the income statement in line with amortization of the respective development project, for which the grants were intended.

In 2024, the Group recognized rights to new government grants for research and development purposes amounting to DKK 6.3 million. In 2023, the Government Grants recognized amounted to DKK 4.0 million.

In 2024, the Group recognized DKK 1.4 million as deferred government grants related to projects that qualified for capitalization, whereas DKK 0.7 million qualified for capitalization 2023.

Government grants recognized directly on the income statement amounted to DKK 4.9 million in 2024, whereas DKK 2.5 million were recognized on the income statement in 2023.

The increase in 2024 partly relates to a grant of DKK 5.5 million awarded to the Aquaporin by the European Innovation Council and SMEs Executive (EISMEA), for a research and development project. This grant covers the period 2024 to 2027. Of the total amount, DKK 1.4 million was recognized in the income statement in 2024. The remaining amount has been recognized as deferred government grants and will be periodized over the remaining project period 2025-2027 in accordance with performing the required research and development activities.

## 3.13 Contract assets and liabilities

### § Accounting policy

Contract assets and liabilities comprise assets and liabilities where the future recognition of income depends on the fulfillment of contractual obligations.

Contract assets consist of recognized revenues from Research & Development services rendered but not yet fully invoiced due to incomplete fulfillment of contractual obligations.

The Work-in-progress balance of DKK 2.2 million is expected to be recognized in the income statement during 2025.

Contract liabilities represent obligations arising from contractual commitments due to advance payments received or billings that exceed the revenue recognised to date.

For further details regarding income from sales of services covering research and development services, please refer to note 2.1 Revenue.

DKK 1,000	2024	2023
<b>Contracts assets</b>		
Work-in-progress	2,235	-
<b>Total</b>	<b>2,235</b>	-
<b>Contract liabilities</b>		
Deferred income	(624)	(721)
Prepayments from customers	-	-
<b>Total</b>	<b>(624)</b>	<b>(721)</b>
<b>Contract assets and liabilities are classified in the balance sheet as follows:</b>		
Contract assets	2,235	-
Contract liabilities	(624)	(721)
<b>Total</b>	<b>1,611</b>	<b>(721)</b>

## Section 4

# Cash, capital structure and financing

## 4.1. Financial risks

### General risk management

Due to its 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 hedging of financial risks.

### Credit risks

The Group's credit risks mainly relates to trade receivables, contract assets and other receivables with a total of DKK 11.0 million (2023: DKK 32.2 million). The Group carry a credit insurance which aims to secure the main credit risks. 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.

### Foreign exchange risks

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

The Group policy related to foreign exchange risks is not to use hedging instruments as the Group's value chain to a large extend secures a natural hedge.

The table shows the net effect on the equity and profit/loss for the year, if the year-end exchange rates for EUR, USD, and SGD had been higher than the actual exchange rate. A similar fall in the exchange rate would have had the opposite effect.

### Interest rate risk

In connection with the rights issue in 2024 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 successful completion of the capital raise, the loan facility was fully repaid. The total interest during the period amounted to DKK 0.5 million. See note 5.5.

The Group's credit facility carries a variable interest rate. The average interest rate in 2024 was 6.6% (2023: 7.1%).

The Group is not exposed to material interest rate risks, as no credit facility was utilized by December 31, 2024.

### Liquidity risk

Management of the liquidity risk is ensured through consistent focus on budgeted and realized cash flow. To cover the liquidity needs Aquaporin A/S completed an Offering of new shares in connection with a Rights Issue in April 2024, raising gross proceeds of DKK 172 million. See note 3.10 for further details.

DKK 1,000	Possible change in exchange rate (+/-)	Hypothetical change in equity	Hypothetical change in profit/loss
<b>2024</b>			
EUR/DKK	1%	10	72
USD/DKK	15%	61	3,044
SGD/DKK	15%	1,593	(1,824)
<b>2023</b>			
EUR/DKK	1%	(9)	21
USD/DKK	15%	332	1,384
SGD/DKK	15%	1,570	(2,029)

### Capital management

Management evaluates the need for capital on an ongoing basis. The objectives when managing capital are to maintain sufficient capital in order to meet short-term obligations and at the same time preserve the confidence of the investors required to sustain future development of the business.

The current liquidity is considered sufficient to meet the Group's capital needs for 12 months from publishing of the annual report.

# Cash, capital structure and financing – continued

## 4.1. Financial risks – continued

### Undiscounted financial instruments

DKK 1,000	Maturity				
	0-1 year	1-5 years	>5 years	Total	Carrying amount
<b>December 31, 2024</b>					
Trade receivables, contract assets and other receivables	11,008	-	-	11,008	11,008
Cash and cash equivalents	77,294	-	-	77,294	77,294
	<b>88,302</b>	-	-	<b>88,302</b>	<b>88,302</b>
Lease liabilities	5,126	20,143	35,449	60,718	50,196
Trade and other payables	9,599	-	-	9,599	9,599
	<b>14,725</b>	<b>20,143</b>	<b>35,449</b>	<b>70,317</b>	<b>59,795</b>

### December 31, 2023

Trade receivables, contract assets and other receivables	32,161	-	-	32,161	32,161
Cash and cash equivalents	2,756	-	-	2,756	2,756
	<b>34,917</b>	-	-	<b>34,917</b>	<b>34,917</b>
Lease liabilities	5,881	20,160	40,268	66,309	54,436
Trade and other payables	14,280	-	-	14,280	14,280
	<b>20,161</b>	<b>20,160</b>	<b>40,268</b>	<b>80,589</b>	<b>68,716</b>

### Financial instruments per category

DKK 1,000	2024	2023
Trade and other receivables	11,008	32,161
Cash and cash equivalents	77,294	2,756
<b>Financial assets measured at amortized cost</b>	<b>88,302</b>	<b>34,917</b>
Lease liabilities	60,718	66,309
Trade and other payables	9,599	14,280
<b>Financial liabilities measured at amortized cost</b>	<b>70,317</b>	<b>80,589</b>

# Cash, capital structure and financing – continued

## 4.2 Reversal of items from the income statement

DKK 1,000	2024	2023
Amortization, depreciation, and impairment losses	19,252	17,689
Share-based payment	(25)	2,508
Change in write-down of inventories for the year	4,511	(3,410)
Change in provisions	(4,167)	3,514
Changes in deferred government grants	2,739	(3,098)
Other non-cash adjustments	21	(292)
Share of net earnings of investments	8	9
<b>Total non-cash items</b>	<b>22,339</b>	<b>16,920</b>

## 4.3 Changes in working capital

DKK 1,000	2024	2023
Changes in inventories	(8,282)	(3,415)
Changes in prepayments	2,264	674
Changes in trade receivables	18,895	(13,734)
Changes in other receivables	2,340	(2,341)
Changes in trade payables	(7,767)	7,389
Changes in contract liabilities	(97)	252
Changes in other payables	(4,567)	4,167
<b>Total changes in working capital</b>	<b>2,786</b>	<b>(7,008)</b>

# Cash, capital structure and financing – continued

## 4.4 Change in financial liabilities

DKK 1,000	Dec 31, 2023	Cash flow	Non-cash changes				Dec 31, 2024
			Additions	Remeasurement	Disposals	Currency effects	
Lease liabilities	54,436	(4,114)	-	-	(161)	35	50,196
<b>Total liabilities from financing activities</b>	<b>54,436</b>	<b>(4,114)</b>	<b>-</b>	<b>-</b>	<b>(161)</b>	<b>35</b>	<b>50,196</b>

DKK 1,000	Dec 31, 2022	Cash flow	Non-cash changes				Dec 31, 2023
			Additions	Remeasurement	Disposals	Currency effects	
Lease liabilities	56,806	(4,074)	542	1,461	(168)	(131)	54,436
<b>Total liabilities from financing activities</b>	<b>56,806</b>	<b>(4,074)</b>	<b>542</b>	<b>1,461</b>	<b>(168)</b>	<b>(131)</b>	<b>54,436</b>

## Section 5

# Other notes

## 5.1 Remuneration of the Executive Management and the Board of Directors

Key management personnel consist of Board of Directors and registered executive management. The narrow scope of key management is identified due to company size.

Total remuneration amounts to DKK 13.9 million (2023: DKK 19.3 million).

### Remuneration to Board of Directors

DKK 1,000	2024	2023
<b>Fixed base fee</b>		
Niels Heering	800	850
Søren Bjørn Hansen	533	600
Anne Broeng	333	350
Lars Hansen	283	300
Anupam Bhargava	267	250
Weiming Jiang	233	250
Jianlong Zhuang	233	250
Peter Holme Jensen <sup>1</sup>	151	-
<b>Total</b>	<b>2,833</b>	<b>2,850</b>

1) Joined the Board of Directors in April 2024.

### Remuneration to Executive Management

Remuneration to the Executive Management is presented with cash allowance, including car allowance, housing allowance etc., as benefits.

In 2024, Executive Management did not achieve any ordinary bonus as the original revenue guidance set for 2024 was not met. Thus, the bonus shown for 2024 relates solely to an

extraordinary bonus as described below and in the Remuneration Report in item 3.2

The extraordinary bonus relates to the Rights Issue completed in April 2024 and is recognized as special items directly on the equity. This is with the exception of the bonus to Joerg Hess, which was achieved for successful onboarding of a new Contract Manufacturing Organization.

DKK 1,000	Fixed base salary	Bonus	Pension expenses	Benefits	Share based incentive	Total
<b>2024</b>						
<b>Executive Management</b>						
Matt Boczkowski	2,328	291	186	550	262	3,617
Klaus Juhl Wulff	1,959	245	95	99	154	2,552
Joerg Hess <sup>1</sup>	1,836	229	87	479	117	2,748
Peter Holme Jensen <sup>2</sup>	2,020	-	9	36	111	2,176
<b>Total</b>	<b>8,143</b>	<b>765</b>	<b>377</b>	<b>1,164</b>	<b>644</b>	<b>11,093</b>

### 2023

#### Executive Management

Matt Boczkowski	2,280	1,626	186	539	87	4,718
Klaus Juhl Wulff	1,920	890	74	99	259	3,242
Joerg Hess <sup>1</sup>	1,740	1,241	67	480	69	3,597
Peter Holme Jensen <sup>2</sup>	2,101	1,498	80	144	173	3,996

<b>Total</b>	<b>8,041</b>	<b>5,255</b>	<b>407</b>	<b>1,262</b>	<b>588</b>	<b>15,553</b>
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1) Deregistered on November 30, 2024

2) Left the Executive Management in March 2024 and was elected for the Board of Directors in April 2024.

# Other notes – continued

## 5.2 Share-based payments

### § Accounting policy

Aquaporin operates equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (warrants) of the Group. The fair value of the employee services received in exchange for the grant of the warrants is recognized as a compensation expense. The costs are allocated either over the vesting period or in the period in which the receiver obtains the right to the warrant and allocated over the vesting period. The total amount to be expensed is determined by reference to the grant date fair value of the warrants granted, including any market performance conditions, excluding the impact of any service and non-market performance vesting conditions and including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of warrants that are expected to vest based on the service and non-market vesting conditions. The impact of the revision to original estimates, if any, is recognized in the income statement, with a corresponding adjustment to equity.

When the warrants are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

### Employee warrant program

Aquaporin has established incentive plans based on warrant programs for Executive Management and selected other employees. The purpose of these programs is to ensure common goals for management, employees and shareholders. The allocation of warrants is determined by the Board of Directors.

As of December 31, 2024, the warrant program comprises a total of 255,359 warrants (2023: 283,359). Each warrant entitles the holder right to buy one ordinary share of nominal value of DKK 1 in Aquaporin A/S. The outstanding warrants represent 1.1% of the share capital as of December 31, 2024 (2023: 2.6%).

The total outstanding number of warrants have an average value of DKK 34.4 (2023: DKK 34.6). The value was calculated using the Black-Scholes option valuation model.

The number of warrants granted is determined annually by the Board of Directors in accordance with the company's articles of association.

### 2024

In 2024, the recognized net impact on the income statement related to share-based payments was a positive amount of DKK 25 thousand (2023: net expense of DKK 2.5 million).

The recognized impact on the income statement in 2024 for share-based payments included recognized costs related to the warrants issued in 2022 and 2023 with a total amount of DKK 1.2 million.

The positive impact was attributable to forfeited warrants under the 2019 program. The reversed amount from the 2019 program was recognized with a positive amount of DKK 1.2 million.

No new warrant programs were granted in 2024.

### 2023

In February 2023, two classes of warrants (A and B) were granted.

The A warrants granted in the warrant program in February 2023 an exercise price of DKK 90.5 was used. The fair value of the warrants in this program is DKK 38.0.

There is no vesting period for the warrants in the program A granted in February 2023. The exercise of warrants can take place within 2 years from the date of the grant.

For the B warrants granted in the warrant program in February 2023 a share market price of DKK 1.0 was used as exercise price.

The fair value of the warrants in this program is DKK 96.9.

The vesting period for the warrants in the program B granted in February 2023 is 2 years and exercise of warrants can take place after the vesting period and within 4 years from the date of the grant.

### 2022

Two warrant programs was granted in 2022, the LTIP program and the May 2022 program.

For the warrants granted in the LTIP program in 2022 a share market price of DKK 173 has been used. The fair value of the LTIP warrants granted in 2022 is DKK 18.7. The vesting period for the LTIP warrants granted in 2022 is 3 years and exercise of warrants can take place after the vesting period and within 5 years from the date of the grant.

For the warrants granted in the May program in 2022 a share market price of DKK 100.6 has been used. The fair value of the warrants in the May program granted in 2022 is DKK 27.4.

The vesting period for the warrants in the May program granted in 2022 is 2 years and exercise of warrants can take place after the vesting period and within 4 years from the date of the grant.

### 2021

For the warrants granted in 2021 a share market price of DKK 173 has been used. The fair value of warrants granted in 2021 is DKK 59.0 (no warrants were granted in 2020) equal to an average value of DKK 59.8 for each warrant outstanding. The value was calculated using the Black-Scholes option valuation model.

The vesting period for the warrants granted in 2021 is 3 years and exercise of warrants can take place after the vesting period and within 5 years from the date of the grant. There are no other conditions for vesting or exercise.

# Other notes – continued

## 5.2 Share-based payments – continued

### Active share-based programs - Key information

Year of Grant	Original grant Number	Outstanding Number	Exercise price	Expected volatility	Risk-free interest rate	Expected dividend	Fair value per warrant	Vesting period	Expiring date
2023 B-warrants	3,400	3,400	1.0	63%	2.66%	-	96.9	2 years	Q1 2027
2023 A-warrants	6,800	6,800	90.5	63%	2.86%	-	38.0	None	Q1 2025
2022	15,497	15,497	173.0	47%	1.01%	-	18.7	3 years	Q2 2027
2022	189,000	178,000	100.6	47%	0.92%	-	27.4	2 years	Q2 2026
2021	61,408	51,662	173.0	45%	(0.49%)	-	59.0	3 years	Q2 2026

The warrants are classified as equity instruments.

# Other notes – continued

## 5.2 Share-based payments – continued

### Number of warrants

	Board of Directors & Executive Management number <sup>4</sup>	Other employees number	Shareholders number	Resigned board members and employees number	Total number	Average exercise price DKK
<b>2024</b>						
Outstanding at January 1	137,554	141,305	-	4,500	283,359	118
Transfer between categories <sup>1</sup>	(27,866)	21,086	-	6,780	-	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year <sup>2</sup>	(7,500)	(19,000)	-	(1,500)	(28,000)	127
<b>Outstanding at December 31<sup>3</sup></b>	<b>102,188</b>	<b>143,391</b>	-	<b>9,780</b>	<b>255,359</b>	<b>117</b>
Exercisable at the end of the period	92,106	134,987	-	9,369	236,462	114

1) Transfer between categories include Joerg Hess leaving the Executive management team.

2) Forfeited during the year comprise the 2019 warrant program.

3) The total outstanding warrants in 2024 amount to 1.1% of the share capital, if they are all exercised.

4) In accordance with the Company's Remuneration Policy, the remuneration of the Board of Directors does not include incentive programs, including share-based programs. Peter Holme Jensen was previously a part of Aquaporin's Executive Management, thus bringing with him the warrants granted during his time as, respectively, Chief Executive Officer and Chief Innovation Officer.

	Board of Directors & Executive Management number	Employees number	Shareholders number	Resigned board members and employees number	Total number	Average exercise price DKK
<b>2023</b>						
Outstanding at January 1	127,354	149,305	-	1,500	278,159	123
Granted during the year	10,200	10,000	-	-	20,200	80
Forfeited during the year	-	(15,000)	-	-	(15,000)	113
<b>Outstanding at December 31*</b>	<b>137,554</b>	<b>141,305</b>	-	<b>4,500</b>	<b>283,359</b>	<b>118</b>
Exercisable at the end of the period	14,300	9,000	-	1,500	24,800	115

\*The total outstanding warrants in 2023 amount to 2.6% of the share capital, if they are all exercised.

# Other notes – continued

## 5.2 Share-based payments – continued

Shares and warrants held by members of the Board of Directors and Executive Management.

DKK 1,000	2024			2023		
	January 1	Change during the year <sup>3</sup>	December 31	January 1	Change during the year	December 31
<b>Shareholdings</b>						
<b>Board of Directors</b>						
Niels Heering	13,733	38,312	52,045	11,233	2,500	13,733
Søren Bjørn Hansen	20,000	70,000	90,000	14,500	5,500	20,000
Anne Broeng	7,491	9,988	17,479	7,491	-	7,491
Lars Hansen	9,001	12,001	21,002	9,001	-	9,001
Weiming Jiang	3,167	-	3,167	3,167	-	3,167
Anupam Bhargava	500	(500)	-	-	500	500
Peter Holme Jensen <sup>1</sup>	212,659	35,715	248,374	210,659	2,000	212,659
<b>Executive Management</b>						
Matt Boczkowski	2,000	11,666	13,666	1,000	1,000	2,000
Klaus Juhl Wulff	3,000	11,000	14,000	-	3,000	3,000
Joerg Hess <sup>2</sup>	1,600	1,400	3,000	800	800	1,600
<b>Warrants</b>						
<b>Board of Directors</b>						
Peter Holme Jensen <sup>1</sup>	25,940	-	25,940	22,940	3,000	25,940
<b>Executive Management</b>						
Matt Boczkowski	56,748	-	58,748	55,248	1,500	56,748
Klaus Juhl Wulff	19,500	-	19,500	15,000	4,500	19,500
Joerg Hess <sup>2</sup>	35,366	(7,500)	27,866	34,166	1,200	35,366

1) Left the executive management in March 2024 and was elected for the board of directors in April 2024

2) Deregistered on November 30, 2024

3) Changes during the year in 2024 for shareholdings mainly relates to transactions of shares in connection with the rights issue in April 2024. The change during the year in 2024 for warrants relates to the forfeited 2019 warrant program

# Other notes

– continued

## 5.3 Fees to auditors

Fees for services other than the statutory audit of the financial statements provided by EY Godkendt Revisionspartnerselskab Denmark amounted to DKK 3.4 million including other assurance opinions and other services. Other assurance services mainly relates to services provided in connection with the Rights Issue completed in April 2024 and is recognized directly on the Equity by DKK 3.3 million.

DKK 1,000	2024	2023
Statutory audit	659	637
Other assurance services	3,349	88
Tax advisory services	-	-
Other services	50	16
<b>Total</b>	<b>4,058</b>	<b>741</b>

## 5.4 Commitments and contingent liabilities

There are no pending court and arbitration cases or other contingent liabilities.

## 5.5 Related parties

### Related parties

Related parties comprise Aquaporin A/S' Board of Directors and Executive Management, their close family members and companies in which these persons have significant influence.

During the year, the Group was not involved in any transactions with the shareholder, members of the Board of Directors, members of the Executive Management or companies outside the Group in which these parties have significant influence, except for the payment of the Management's remuneration disclosed in note 5.1 and the transactions listed below.

Revenues received from associated companies and other related parties relates to sales of goods and services, and royalties.

Finance costs to significant shareholders was interest in connection with the rights issue in 2024, where 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 successful completion of the capital raise, the loan facility was fully repaid.

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

DKK 1,000	2024	2023
Revenue received from associated companies	77	353
Costs to associated companies	-	(119)
Revenue received from other related parties	93	190
Costs to other related parties	(4)	(6)
Finance costs to significant shareholders	(535)	-

## 5.6 Events after the reporting date

Apart from events recognized or disclosed in the consolidated financial statements, no material events have occurred after the reporting date significant to the consolidated financial statements.

# Other notes – continued

## 5.7 List of Group companies at December 31

Company	Type	Country	Currency	Nominal capital	Aquaporin's holding
<b>2024</b>					
Aquaporin Asia Pte. Ltd.	Subsidiary	Singapore	SGD	103	100%
Aquaporin US Inc.	Subsidiary	USA	USD	1	100%
Aquaporin China Co., Ltd.	Subsidiary	China	CNY	70	100%
Aquapoten Company Limited <sup>1</sup>	Associate	China	CNY	49,349	45%
Aquaporin Space Alliance ApS	Associate	Denmark	DKK	80,000	50%
Türkiye (İstanbul) İrtinat Bürosu <sup>2</sup>	Branch	Turkey	DKK	-	-

1) Aquapoten Company Limited is under liquidation as of December 31, 2024. The liquidation of the company is expected to be completed in 2025.

2) Aquaporin A/S Türkiye (İstanbul) İrtinat Bürosu is a branch of Aquaporin A/S and registered in Turkey in June 2022.



# Parent company financial statements

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# Income statement

DKK 1,000	Note	2024	2023
Revenue	2.1	38,743	60,873
Cost of sales		(26,738)	(41,383)
<b>Gross profit</b>		<b>12,005</b>	<b>19,490</b>
Distribution costs	2.2	(10,499)	(12,691)
Sales and marketing costs	2.2	(21,933)	(31,877)
Research and development costs	2.2	(49,791)	(50,903)
Administrative costs	2.2	(17,499)	(22,148)
Other operating income	2.3	3,404	2,318
Other operating expenses	2.3	(6,627)	-
<b>Operating Profit (EBIT)</b>		<b>(90,940)</b>	<b>(95,811)</b>
Share of net earnings of investments		(8)	(9)
Financial income	2.4	2,808	2,337
Financial costs	2.4	(1,763)	(4,162)
<b>Earnings before tax</b>		<b>(89,903)</b>	<b>(97,645)</b>
Tax for the year		5,371	5,356
<b>Earnings after tax</b>		<b>(84,532)</b>	<b>(92,289)</b>

# Statement of financial position

DKK 1,000	Note	2024	2023	DKK 1,000	Note	2024	2023
Development projects in progress	3.2	32,149	64,373	Share capital		23,258	10,946
Development projects completed	3.2	64,645	31,314	Retained earnings		135,408	82,825
Other intangibles	3.2	174	526	Reserve for exchange rate adjustments		(2,066)	(2,089)
<b>Total intangible assets</b>		<b>96,968</b>	<b>96,213</b>	Reserve for development costs		59,608	60,387
Property, plant and equipment	3.3, 3.4	86,916	95,795	<b>Total equity</b>		<b>216,208</b>	<b>152,069</b>
<b>Total tangible assets</b>		<b>86,916</b>	<b>95,795</b>	Lease liabilities	3.4	46,657	50,011
Investments in subsidiaries	3.5	3,665	3,442	Other payables		3,773	3,724
Investments in equity interests	3.6	7	15	Deferred government grants	3.9	27,474	25,374
Deposits		2,362	2,320	<b>Total non-current liabilities</b>		<b>77,904</b>	<b>79,109</b>
<b>Total financial assets</b>		<b>6,034</b>	<b>5,777</b>	Provisions		3,082	7,249
<b>Total non-current assets</b>		<b>189,918</b>	<b>197,785</b>	Lease liabilities		3,278	3,278
Inventories		21,313	17,415	Contract liabilities		624	721
Trade receivables		2,762	25,688	Trade payables		2,665	10,326
Contract assets		2,235	-	Other payables		9,109	13,210
Receivables from group enterprises		12,933	12,387	Deferred government grants	3.9	2,501	1,973
Other receivables		2,089	3,274	<b>Total current liabilities</b>		<b>21,259</b>	<b>36,757</b>
Income tax receivable	3.7	5,500	5,500	<b>Total liabilities</b>		<b>99,163</b>	<b>115,866</b>
Prepayments	3.8	2,123	4,388	<b>Total equity and liabilities</b>		<b>315,371</b>	<b>267,935</b>
Cash and cash equivalents		76,498	1,498				
<b>Total current assets</b>		<b>125,453</b>	<b>70,150</b>				
<b>Total assets</b>		<b>315,371</b>	<b>267,935</b>				

# Statement of changes in equity

DKK 1,000	Share capital	Retained earnings	Reserve for exchange rate adjustments	Reserve for development costs	Total equity
<b>Equity at January 1, 2023</b>	<b>10,131</b>	<b>109,553</b>	<b>(2,089)</b>	<b>53,488</b>	<b>171,083</b>
Earnings after tax	-	(92,289)	-	-	(92,289)
Capitalized development costs	-	(1,478)	-	1,478	-
Proceeds from capital increase	815	72,974	-	-	73,789
Flotation costs	-	(3,022)	-	-	(3,022)
Share-based payments	-	2,508	-	-	2,508
<b>Equity at December 31, 2023</b>	<b>10,946</b>	<b>88,246</b>	<b>(2,089)</b>	<b>54,966</b>	<b>152,069</b>
<b>Equity at January 1, 2024</b>	<b>10,946</b>	<b>88,246</b>	<b>(2,089)</b>	<b>54,966</b>	<b>152,069</b>
Earnings after tax	-	(84,532)	-	-	(84,532)
Proceeds from capital increase	12,312	160,050	-	-	172,362
Flotation costs	-	(23,689)	-	-	(23,689)
Capitalized development costs	-	(4,642)	-	4,642	-
Exchange rate translation	-	-	23	-	23
Share-based payments	-	(25)	-	-	(25)
<b>Equity at December 31, 2024</b>	<b>23,258</b>	<b>135,408</b>	<b>(2,066)</b>	<b>59,608</b>	<b>216,208</b>

# Notes to the parent company financial statements

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## Section 1

# Basis of preparation of financial statements of parent company

## 1.1 Summary of significant accounting policies

The Financial Statements of Aquaporin A/S as parent company have been prepared in accordance with the Danish Financial Statements Act for reporting class D.

The accounting policies applied remain unchanged from last year.

The Financial Statements are presented in DKK.

### Description of accounting policies

In relation to the accounting policies described for the financial statements of Aquaporin Group (Note 1.1 in the consolidated financial statement), the accounting policies of the parent company differ in the following:

### Change in presentation

Starting from 2024, the company has changed the presentation of certain service fees from subsidiaries, reclassifying DKK 10.0 million from cost of sales under gross profit to selling and marketing costs and research and development costs under Operating Profit (EBIT).

This change provides a more accurate presentation of the cost structure without any impact on operating profit, earnings before tax, total assets, or equity.

For comparability, 2023 figures of DKK 12.8 million have been restated accordingly from cost of sales under gross profit to selling and marketing costs and research and development costs under Operating Profit (EBIT). The change

in presentation only impacts the parent company as these costs are eliminated in the Group.

Aside from the change in presentation, the parent company's financial statements have been prepared in accordance with the same accounting policies as last year

### Management review

With reference to Danish Financial Statements Act § 78 (6) Management review of the Parent company is not prepared.

### Dividends

Dividends from the Group companies are recognized as income in the income statement of the Parent Company in the financial year in which the dividend is declared. If the carrying amount of an investment in a subsidiary exceeds the carrying amount of the net assets in the subsidiary's financial statements or the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared, the carrying amount of the subsidiary is tested for impairment.

### Tax

Aquaporin A/S and its Danish subsidiary are subject to mandatory joint taxation. As the ultimate parent company in the Aquaporin Group, Aquaporin A/S acts as the administration company of the joint taxation scheme and consequently settles all payments of tax with the tax authorities. Joint taxation contributions to/from subsidiary are recognized under income tax related to net profit.

Tax payable and tax receivable are stated under current assets/liabilities. Companies that use tax losses in other companies pay joint taxation contributions to the parent company equivalent to the tax base of the tax losses utilized.

Companies whose tax losses are used by other companies receive joint taxation contributions from the parent company equivalent to the tax base of the tax losses utilized (full absorption).

### Cash Flow Statement

With reference to Danish Financial Statements Act § 86 (4) cash flow statement is not prepared.

### Goodwill

Goodwill is amortised on a straight-line basis over five years.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured according to the cost price method less impairments.

### Reserve for development costs

Reserve for development costs comprise development costs recognized for capitalization as an intangible asset less amortisation and write downs.

## Section 2

# Operating activities

## 2.1 Revenue

DKK 1,000	2024	2023
<b>Products and Services</b>		
Sales of goods	27,697	47,916
Sales of services	11,046	12,957
<b>Total</b>	<b>38,743</b>	<b>60,873</b>
<b>Business area</b>		
Drinking Water	17,388	38,803
Industrial RO	8,680	3,604
FO Market Development	12,675	18,466
<b>Total</b>	<b>38,743</b>	<b>60,783</b>
<b>Timing of revenue recognition</b>		
Total revenue recognized at a point in time	30,366	47,916
Total revenue recognized over time	8,377	12,957
<b>Total</b>	<b>38,743</b>	<b>60,873</b>
<b>Geographical information</b>		
EMEA	11,223	8,166
APAC	19,269	39,391
Americas	8,251	13,316
<b>Total</b>	<b>38,743</b>	<b>60,873</b>

See note 2.1 Revenue in the consolidated financial statement.

## 2.2 Staff costs

DKK 1,000	2024	2023
Wages and salaries	56,446	56,773
Pension costs, defined contribution plans	2,239	1,866
Other expenses to social security	586	596
Share-based payments	(25)	2,508
<b>Total</b>	<b>59,246</b>	<b>61,743</b>
Staff costs capitalized as part of development projects	2,633	4,036
<b>Average number of full-time employees</b>	<b>57</b>	<b>62</b>

Please refer to note 5.1 in the consolidated financial statements for information related to remuneration of Board of Directors and Executive Management.

# Operating activities – continued

## 2.3 Other operating income and expenses

### § Accounting policy

Other operating income and expenses include items of a secondary nature in relation to the companies' main activity.

Other operating income consist of deferred government grants recognized in the income statement amounting to DKK 3.4 million in 2024 (2023: DKK 2.0 million). These grants are recognized in the income statement as the related development projects are expensed through amortizations or write-downs.

Other operating expenses consist of non-recurring costs related to organizational restructuring, primarily comprising provisions for employee severance. These costs was a result from the updated guidance for 2024, which led to the implementation of cost saving initiatives.

As part of these cost-saving initiatives, organizational restructuring amounted to DKK 6.6 million.

For further details, please refer to note 3.12  
Deferred Government grants in the consolidated financial statement.

## 2.4 Financial income and expenses

DKK 1,000	2024	2023
<b>Financial income</b>		
Interest income, banks	1,622	1,017
Interest income, subsidiaries	1,186	1,320
Exchange rate adjustments, net	-	-
<b>Total</b>	<b>2,808</b>	<b>2,337</b>
<b>Financial costs</b>		
Interest expenses, banks	(596)	-
Interest expenses, lease liabilities	(1,669)	1,792
Interest expenses, subsidiaries	-	-
Other financial expenses, including bank fees	(832)	598
Exchange rate adjustments, net	1,334	1,772
<b>Total</b>	<b>(1,763)</b>	<b>4,162</b>

## Section 3

# Assets and liabilities

## 3.1 Impairment of non current assets

See Note 3.1 in the consolidated financial statement.

## 3.2 Intangible assets

### § Accounting policy

Acquired goodwill is measured at cost less accumulated depreciation. Goodwill is amortized linearly over the estimated useful life estimated at 5 years.

### Material intangible assets:

See note 3.2 Intangible assets in the consolidated financial statement.

DKK 1,000	Goodwill	Development projects completed	Development projects in progress	Other intangibles	Total
Cost price at January 1, 2024	2,899	60,287	64,373	956	128,515
Additions during the year	-	-	9,238	96	9,334
Transfer	-	41,681	(41,462)	219	-
<b>Cost price at December 31, 2024</b>	<b>2,899</b>	<b>101,968</b>	<b>32,149</b>	<b>833</b>	<b>137,849</b>
Amortizations at January 1, 2024	2,899	28,973	-	430	32,302
Amortizations	-	8,350	-	229	8,579
<b>Amortizations at December 31, 2024</b>	<b>2,899</b>	<b>37,323</b>	<b>-</b>	<b>659</b>	<b>40,881</b>
<b>Carrying amount December 31, 2024</b>	<b>-</b>	<b>64,645</b>	<b>32,149</b>	<b>174</b>	<b>96,968</b>
Cost price at January 1, 2023	2,899	57,762	55,232	695	116,588
Additions during the year	-	-	11,666	261	11,927
Transfer	-	2,525	(2,525)	-	-
<b>Cost price at December 31, 2023</b>	<b>2,899</b>	<b>60,287</b>	<b>64,373</b>	<b>956</b>	<b>128,515</b>
Amortizations at January 1, 2023	2,899	23,148	-	243	26,290
Amortizations	-	5,825	-	187	6,012
<b>Amortizations at December 31, 2023</b>	<b>2,899</b>	<b>28,973</b>	<b>-</b>	<b>430</b>	<b>32,302</b>
<b>Carrying amount December 31, 2023</b>	<b>-</b>	<b>31,314</b>	<b>64,373</b>	<b>526</b>	<b>96,213</b>

# Assets and liabilities – continued

## 3.3 Property, plant, and equipment

### § Accounting policy

See note 3.3 in the consolidated financial statement.

DKK 1,000	Property	Plant and machinery	Equipment	Leasehold improvements	Total
Cost price at January 1, 2024	65,474	61,632	14,312	27,308	168,726
Remeasurement	-	-	-	-	-
Additions rights-of-use assets	-	-	-	-	-
Additions during the year	-	-	233	-	233
Disposal during the year	-	-	(439)	-	(439)
<b>Cost price at December 31, 2024</b>	<b>65,474</b>	<b>61,632</b>	<b>14,106</b>	<b>27,308</b>	<b>168,520</b>
Depreciations at January 1, 2024	20,407	28,882	11,610	12,033	72,932
Depreciations	3,691	2,835	1,015	1,414	8,955
Depreciations disposal	-	-	(283)	-	(283)
<b>Depreciations at December 31, 2024</b>	<b>24,098</b>	<b>31,717</b>	<b>12,342</b>	<b>13,447</b>	<b>81,604</b>
<b>Carrying amount December 31, 2024</b>	<b>41,376</b>	<b>29,915</b>	<b>1,764</b>	<b>13,861</b>	<b>86,916</b>
Of which is Right-of-use assets in 2024	41,376	-	317	-	41,693
Cost price at January 1, 2023	64,883	61,632	13,477	27,268	167,260
Remeasurement	591	-	-	-	591
Additions rights-of-use assets	-	-	296	-	296
Additions during the year	-	-	835	40	875
Disposal during the year	-	-	(296)	-	(296)
<b>Cost price at December 31, 2023</b>	<b>65,474</b>	<b>61,632</b>	<b>14,312</b>	<b>27,308</b>	<b>168,726</b>
Depreciations at January 1, 2023	16,555	25,760	10,673	10,502	63,490
Depreciations	3,852	3,122	1,194	1,531	9,698
Depreciations disposal	-	-	(257)	-	(257)
<b>Depreciations at December 31, 2022</b>	<b>20,407</b>	<b>28,882</b>	<b>11,610</b>	<b>12,033</b>	<b>72,931</b>
<b>Carrying amount December 31, 2023</b>	<b>45,067</b>	<b>32,750</b>	<b>2,702</b>	<b>15,275</b>	<b>95,795</b>
Of which is Right-of-use assets in 2023	45,067	-	748	-	45,815

# Assets and liabilities – continued

## 3.4 Leases

### § Accounting policy

See note 3.4 in the consolidated financial statement.

#### Amounts recognized in the income statement, relating to leases:

DKK 1,000	2024	2023
Interest expenses	1,669	1,792
Expenses related to short-term leases	-	-
<b>Depreciation related to right-of-use assets</b>		
Property	3,678	3,727
Equipment	271	431
<b>Depreciation of right-of-use assets</b>	<b>3,949</b>	<b>4,158</b>
<b>Amounts recognized in the cash flow statement, relating to leases:</b>		
The total cash outflow for leases	3,193	3,220

#### Leases recognized on the balance sheet:

DKK 1,000	2024	2023
<b>Lease liabilities</b>		
Within one year from the balance sheet date	3,312	3,278
Between one and five years from the balance sheet date	14,947	14,275
After five years from the balance sheet date	31,676	35,736
<b>Total</b>	<b>49,935</b>	<b>53,289</b>

# Assets and liabilities

– continued

## 3.5 Investments in subsidiaries

### § Accounting policy

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, a write-down is made to this lower value.

In connection with acquisition of further equity investments in a subsidiary, Management assesses the equity method as a method of consolidation, where recognition in the Parent company reflects the accounting treatment in the consolidated financial statements.

In 2024, an additional capital injection on DKK 0.2 million was made into Aquaporin China.

DKK 1,000	2024	2023
Cost price at January 1	3,442	3,012
Additions during the year	223	430
Disposals during the year	-	-
<b>Cost price at December 31</b>	<b>3,665</b>	<b>3,442</b>

### Investments in subsidiaries are specified as followed:

	Aquaporin's holding
Aquaporin Asia Pte. Ltd.	100%
Aquaporin China Co., Ltd. <sup>1</sup>	100%
Aquaporin US Inc.	100%

<sup>1)</sup> Aquaporin China Co. Ltd. was established in January 2023 fully owned by Aquaporin A/S.

## 3.6 Investments in equity interests

### § Accounting policy

See Note 3.3 in the consolidated financial statement.

DKK 1,000	2024	2023
Cost price at January 1	26,679	26,679
<b>Cost price at December 31</b>	<b>26,679</b>	<b>26,679</b>
Accumulated write-ups and write-downs at January 1	(26,664)	(26,655)
Unrealized gain on sale of assets from Aquaporin	-	-
Share of result after tax	(8)	(9)
Write-down	-	-
<b>Accumulated write-ups and write-downs at December 31</b>	<b>(26,672)</b>	<b>(26,664)</b>
<b>Carrying amount December 31</b>	<b>7</b>	<b>15</b>

### Investments in associates are specified as followed:

	Aquaporin's holding
Aquapoten Company Limited <sup>1</sup>	45%
Aquaporin Space Alliance ApS	50%

<sup>1)</sup> Aquapoten Company Limited is under liquidation as of December 31, 2024. The liquidation of the company is expected to be completed in 2025.

# Assets and liabilities

– continued

## 3.7 Deferred tax

DKK 1,000	2024	2023
Intangible assets	(13,750)	(12,317)
Property, plant, and equipment	2,170	(365)
Current assets	1,656	663
Deferred government grants	5,762	5,985
Current liabilities	830	1,765
Lease liability	11,043	11,976
Tax loss carryforwards	118,165	102,646
<b>Total</b>	<b>125,876</b>	<b>110,352</b>
Not recognized tax asset	(125,876)	(110,352)
<b>Total deferred tax asset recognized</b>	<b>-</b>	<b>-</b>

Deferred tax assets arising from temporary deductible differences and tax losses carried forward are recognized to the extent they are expected to be offset against taxable income in a foreseeable future.

Due to the risk that the deferred tax assets are not utilized within a foreseeable future no deferred tax asset has been recognized.

As per December 31, 2024, the unrecognized deferred tax assets in Denmark amounted to DKK 125.9 million (2023: DKK 110.4 million). The tax losses can be carried forward infinitely subject to the general rules on limited deductibility due to ownership changes.

## Income tax receivable

Income tax receivable comprises income tax benefit for R&D costs at the applicable tax rate under the Danish Corporate Income Tax Act.

## 3.8 Prepayments

Consist mainly of prepaid expenses related to production, service agreement, rental fee etc.

## 3.9 Deferred government grants

Government grants comprise of grants for investments, research and development projects, etc. Grants are recognized when there is a reasonable certainty that they will be received.

Grants are recognized as deferred government grants under current liabilities and will be recognized in the income statement as the related development projects are recognized in the income statement (depreciation/written down).

For further details, please refer to note 3.12 Deferred Government grants in the consolidated financial statement.

## Section 4

# Other notes

## 4.1 Fees to auditors

See Note 5.3 Fees to auditors in the consolidated financial statement.

DKK 1,000	2024	2023
Statutory audit	596	637
Other assurance services	3,349	88
Tax advisory services	-	-
Other services	50	16
<b>Total</b>	<b>3,995</b>	<b>741</b>

## 4.2 Commitments and contingent liabilities at December 31

There are no pending court and arbitration cases or other contingent liabilities.

## 4.3 Related parties

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

- M. Goldschmidt Capital A/S, Grønningen 25, DK-1270 København K
- Danica Pension, Livsforsikringsaktieselskab, Parallelvej 17, DK-2800 Kongens Lyngby

● VP Capital N.V., Parklaan 46 / 201, 2300 Turnhout, Belgium

● Topsøe Holding Aps, Haldor Topsøe Allé 1, DK-2800 Kongens Lyngby

Other matters of interest in relation to related parties are disclosed in the notes to the consolidated financial statements.

## 4.4 Events after the reporting date

Apart from events recognized or disclosed in the consolidated financial statements, no material events have occurred after the reporting date

significant to the consolidated financial statements.

## 4.5 List of Group companies at December 31

Company	Type	Country	Currency	Nominal capital	Aquaporin's holding
Aquaporin Asia Pte. Ltd.	Subsidiary	Singapore	SGD	103	100%
Aquaporin US Inc.	Subsidiary	USA	USD	1	100%
Aquaporin China Co., Ltd.	Subsidiary	China	CNY	70	100%
Aquapoten Company Limited <sup>1</sup>	Associate	China	CNY	49,349	45%
Aquaporin Space Alliance ApS	Associate	Denmark	DKK	80,000	50%
Aquaporin A/S Türkiye (İstanbul) İrtinat Bürosu <sup>2</sup>	Branch of Aquaporin A/S	Turkey	DKK		

1) Aquapoten Company Limited is under liquidation as of December 31, 2024. The liquidation of the company is expected to be completed in 2025.

2) Aquaporin A/S Türkiye (İstanbul) İrtinat Bürosu is a branch of Aquaporin A/S and registered in Turkey in June 2022.

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**Auditors**  
EY Godkendt Revisionspartnerselskab  
CVR No 73 31 74 28

#### **Forward looking statements**

Matters discussed in this report may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should", and similar expressions, as well as other statements regarding future events or prospects. Specifically, this report includes information with respect to projections, estimates, and targets that also constitute forward-looking statements. The forward-looking statements in this report are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Aquaporin A/S (the "Company") believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies, and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties and other important factors include, among others: limited experience in

commercialization of the Company's products, failure to successfully implement strategies, dependence on third parties for manufacturing certain product components and the supply of certain raw materials, the COVID-19 pandemic, effect of economic sanctions and trade controls restrictions on supply and customer demand, 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.