H1 2021 in summary

Progress against strategy

Financials and outlook
## Key highlights – executing on our strategy

### Revenues and backlog
- 140% increase in gross income compared to H1 2020
- Revenue per business line increased with 27% in Clean Municipal Water and 503% in Sustainable Industrial Water
- Strong order intake leading to a 703% increase in order backlog compared to end of H1 2020

### Pilots
- Significant increase in number of pilot projects (4.6x more than in H1 2020)
- Strong demand for pilots supported by a growing fleet of pilot systems (31 at end of H1 2021 compared to 9 at the end of H1 2020, and continuing to grow in the coming months based on additional purchased pilot systems)

### Growing customer base
- New key customers include amongst others PepsiCo (global soft drinks manufacturer), Aqualia (Spanish water management company) and PWN (Dutch drinking water utility)
- Repeat projects, amongst others for PT. Bayu (OEM in Indonesia) and Aquarius H2O Dynamics (OEM in India)

### International expansion
- Expanding global footprint with 66% of revenues from sale of goods outside Europe compared to 18% in H1 2020
- Successful global sales force expansion to Canada, India and Singapore and a growing OEM network
- Further fuelled by new CCO Alejandro Roman Fernandez (previously Organica Water, Pentair, Xylem) per September 2021

### Strategic milestones
- Capacity expansion: on-track for 2nd spinning line in H2 2021, plot of land secured for new production plant
- Innovation: expanded patent portfolio, expanded R&D capacity and progressed on further membrane development
- Further progress on ESG agenda: Green IPO, UN SDG KPI target setting

### Outlook
- Further ramp-up of pilot program and continue capacity expansion (at current locations and for the new production plant)
- Further expand sales force, pilot engineers and R&D capacity
- Reiteration of visibility on more than €3.7m gross income for full-year 2021
Revenues – strong topline dynamics

### Gross income (€ ’000)

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2021</th>
</tr>
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<tbody>
<tr>
<td>Revenue from sale of goods</td>
<td>533</td>
<td>1,280</td>
</tr>
<tr>
<td>Other income</td>
<td>156</td>
<td>192</td>
</tr>
</tbody>
</table>

- **140% increase in gross income** and **189% increase in revenue from sale of goods**, driven by:
  - Increasing number of pilot projects
  - Increasing number of demo- and full-scale projects, resulting from preceding pilot projects. Especially strong increase in the Sustainable Industrial Water business line (503% increase) driven by various projects with a relatively short pilot to full-scale conversion lead-time
  - Start of HYDRAcap contract in January 2021 with gradual ramp-up during H1 2021
  - Sales force expansion to new countries (Canada, India and Singapore) and growing number of OEM relationships

### Revenue from sale of goods by business line (€ ’000)

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Municipal Water</td>
<td>377</td>
<td>317</td>
</tr>
<tr>
<td>Sustainable Industrial Water</td>
<td>128</td>
<td>771</td>
</tr>
<tr>
<td>H1 2020</td>
<td>249</td>
<td>H1 2021</td>
</tr>
</tbody>
</table>

- **703% increase in order backlog**: €702k at the end of H1 2021 versus €87k at the end of H1 2020, driven by strong order intake in Q2 2021
- **Reiteration of visibility on more than €3.7m gross income** for full-year 2021, based on realised H1 revenues, order backlog, expected other income for the rest of the year and weighted pipeline of orders for 2021
1. H1 2021 in summary
2. Progress against strategy
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Strong tangible growth throughout the business development funnel

Commercial roll-out model dNF

- **Pilots**
  - # of projects in H1 2020: 7
  - # of projects in H1 2021: 32
  - x4.6

- **Demo plants**
  - # of projects in H1 2020: 2
  - # of projects in H1 2021: 2
  - x1.0

- **Full-scale**
  - # of projects in H1 2020: 2
  - # of projects in H1 2021: 6 (of which 2 repeat projects)
  - x3.0

- **Replacements**
  - # of projects in H1 2020: 2
  - # of projects in H1 2021: 2
  - *Recurring replacements*
Increasing number of pilot projects

Pilot projects

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>H2 2020</th>
<th>H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot projects</td>
<td>7</td>
<td>20</td>
<td>32</td>
</tr>
</tbody>
</table>

+357%

- Pilot projects comprise of small pilots (typically Mexplorers) and larger pilots (typically Mexperts) based on NX Filtration’s own pilot fleet as well as pilots owned (and developed) by NX Filtration’s OEM customers
- All pilot systems owned by NX Filtration were deployed at the end of H1 2021. Orders for additional pilots were placed (see next slide) to further ramp-up pilot program

Clean Municipal Water – selected examples

- Various pilot tests with Aqualia for wastewater reuse applications at the Canary Islands in Spain
- Pilot for Dutch drinking water company PWN for drinking water production from IJsselmeer surface water
- Pilot for Vietnamese OEM Pernam to produce clean drinking water from the Mekong river in Vietnam, addressing groundwater depletion challenges

Sustainable Industrial Water – selected examples

- Pilot for brewery Grolsch (part of Asahi) for retention of hardness, removal of iron and the reuse of water
- Various pilots for Indian OEM Aquarius H2W Dynamics, amongst which a pilot for a denim producer that resulted in a full-scale project
- Pilot for Paulaner brewery in Munich for the reuse of wastewater in various processes
Expanding pilot fleet

Pilots play an important role in NX Filtration’s commercial roll-out strategy. Pilots range from lab-scale Mexplorer pilots to full-scale (containerised) Mexpert pilots.

On 30 June 2021, NX Filtration had 31 pilots in its fleet, all of which were deployed in various pilot projects. In addition, various pilot projects with NX Filtration’s dNF products were ongoing with client-owned pilot systems (that they either purchased from NX Filtration or developed themselves).

In addition, orders for 49 extra pilots have been placed:

- 8 Mexperts that had already been ordered in Q1 2021 but had not been delivered yet in Q2 2021 (all of which have been delivered at the date of this report)
- 10 additional Mexperts and 27 Mexplorers ordered (to be delivered in H2 2021 and Q1 2022)
- 4 Mexperts ordered in North America with UL certification from various local suppliers (to be delivered in H2 2021 and Q1 2022)

(1) Including Mexperience pilot systems; (2) including pilots ordered in July and August 2021
# Project highlights

## Clean Municipal Water

<table>
<thead>
<tr>
<th>Image</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Bayu Surya Bakti Konstruksi" /></td>
<td>Supply of 140 dNF80 modules for the production of drinking water based on local river water for the city of Dumai in Indonesia</td>
</tr>
<tr>
<td><img src="image" alt="Aquaford" /></td>
<td>Contract win for the supply of 102 dNF40 modules for caustic clarification at the CETP (common effluent treatment plant) in Jetpur, India</td>
</tr>
<tr>
<td><img src="image" alt="RECO LAB" /></td>
<td>Start-up of RECO LAB demo system with 12 dNF40 modules to recover nutrients from a municipal urban wastewater stream in Sweden</td>
</tr>
</tbody>
</table>

## Sustainable Industrial Water

<table>
<thead>
<tr>
<th>Image</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="PEPSICO" /></td>
<td>Research contract with PepsiCo to investigate additional opportunities for deployment of dNF membranes within PepsiCo’s facilities, following previous use of dNF technology at two facilities in North America</td>
</tr>
<tr>
<td><img src="image" alt="SEPLOM" /></td>
<td>Project for Beijing SEPLOM Environmental Technology to supply 20 dNF80 modules for wastewater treatment (to meet discharge standards and to enable reuse) at a dyeing and coating materials manufacturer in China</td>
</tr>
<tr>
<td><img src="image" alt="Bayu Surya Bakti Konstruksi" /></td>
<td>Repeat project for the supply of 4 dNF80 modules for potable water production for Rumah Sakit Cipto Mangunkusomo, Indonesia’s biggest state-owned hospital in Jakarta</td>
</tr>
</tbody>
</table>
Expanding international footprint

Revenue of sale of goods by region

H1 2020: 18% outside Europe

H1 2021: 66% outside Europe

Countries with NX Filtration sales presence as per 31 Dec 2020
Additional countries with NX Filtration sales presence as per 30 June 2021
Other countries with NX Filtration products installed
Capacity expansion on track

Second spinning line at current facilities

- On-track to add a high-capacity spinning line in H2 2021, resulting in a targeted combined total capacity\(^{(1)}\) of ~10,000 modules per year. Key milestones completed:
  - Module production moved to new location (Josink Esweg, Enschede, the Netherlands)
  - Membrane production building (Institutenweg, Enschede, the Netherlands) expansion started to accommodate space for second spinning line
  - Construction of new spinning line in progress - expected to be commissioned in Q4

Development of new plant

- Plan to build and commission a new production facility in the next two to three years, which, upon completion, can gradually be expanded to 10 spinning lines with targeted total capacity\(^{(1)}\) of ~80,000 modules per year
- Option on 24,000 m\(^2\) plot of land secured at High Tech Systems Park Twente (approx. 10 km from current facilities)
- Next steps include detailed design (layout, utilities, facilities) and start-up of permitting (planning, environmental)

\(^{(1)}\) Estimation, based on 5-shift production and depending on product mix
Update on innovation roadmap

Expanding patent portfolio

1. Positively charged membranes: US patent granted in March 2021. Intention to grant status received for Australia, Japan and South Korea in H1 2021. Patent pending for Europe, China, Singapore and India

2. Hollow-fibre membrane: Brazil patent granted in April 2021 in addition to previous patent grants in India, Japan, South Korea, Malaysia, Russia and US. Patent pending in Europe

3. PEM membranes: US patent granted in June 2021. Intention to grant status received for Australia in H1 2021. Patent pending for China, South Korea, Singapore, Europe and India

   - dNF regeneration: New patent filed in June 2021 related to further performance improvements on dNF technology

Progress on R&D programs

- 4 new hires in H1 2021, including 1 PhD from University of Twente. Further expansion of R&D team ongoing

- Currently testing more open dNF membranes to broaden application possibilities (suitable for waters with no or limited micropollutants)

Frost & Sullivan: Frost Radar™ Global Water and Wastewater Treatment Membrane Market

(1) Source: Frost Radar™: Global Membrane Water and Wastewater Treatment Market, A Benchmarking System to Spark Companies to Action - Innovation That Fuels New Deal Flow and Growth Pipelines, August 2021
Strong commitment to our ESG agenda

- **Vision**: Become a leading global provider of technology for producing pure and affordable water, improving our quality of life.

- **Mission**: Inspired by our team’s passion for membranes, we develop and produce innovative products and solutions, enabling our partners to excel in membrane filtration applications.

**Company values**

- **Green IPO** on 11 June 2021, externally certified by CICERO with over 95% of 2020 revenues and investments rated as ‘Dark Green’, relating to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future.

- **Workgroups established to translate UN SDGs into specific KPIs.** When finalised, NX Filtration will publicly report on alignment to and achievements relating to the SDGs.
  
  - **Indicative topics covered by KPIs**: safety, environmental footprint and impact, supply chain and innovation.
  
  - **Indicative timeline**: first reporting with 2021 annual results.
1. H1 2021 in summary
2. Progress against strategy
3. Financials and outlook
# Summary P&L

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<tr>
<td>Other income</td>
<td>156</td>
<td>192</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>533</td>
<td>1,280</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>195</td>
<td>521</td>
</tr>
<tr>
<td><em>as % of revenue from sale of goods</em></td>
<td>51.7%</td>
<td>47.9%</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>858</td>
<td>1,497</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>355</td>
<td>10,323</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>-704</td>
<td>-10,761</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>-852</td>
<td>-10,962</td>
</tr>
</tbody>
</table>

- Revenue increase driven by increasing number of pilot projects and demo- and full-scale projects, start of HYDRAcap contract in January 2021 with gradual ramp-up during H1 2021, sales force expansion to new countries (Canada, India and Singapore) and growing number of OEM relationships.
- Decline in gross margin as a result of changing product mix with a growing share of HYDRAcap ultrafiltration products and waste resulting from the HYDRAcap product introduction at the start of 2021.
- Increase in FTEs from 34 at 31 December 2020 (32 at June 30 2020) to 43 at 30 June 2021. Key additions in sales force, pilot engineers, R&D employees and production personnel.
- Other operating costs include €9.6m IPO related costs.
## Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>In € '000</th>
<th>31 Dec 2020</th>
<th>30 June 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td>6,631</td>
<td>8,973</td>
</tr>
<tr>
<td>Current assets (excl. cash)</td>
<td></td>
<td>2,703</td>
<td>3,745</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>6,599</td>
<td>145,616</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>15,933</td>
<td>158,334</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>979</td>
<td>905</td>
</tr>
<tr>
<td>Current liabilities (excl. overdrafts)</td>
<td></td>
<td>1,610</td>
<td>5,893</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td>13,344</td>
<td>151,536</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>15,933</td>
<td>158,334</td>
</tr>
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</table>

Capex included investments in the ongoing capacity expansion (new production facility for module production at the Josink Esweg and refurbishment and expansion of the production facility for membrane production at the Institutenweg, both in Enschede, the Netherlands) and the expansion of NX Filtration's fleet of pilot systems. Additionally, NX Filtration capitalised €455k of development costs which demonstrates the company’s continued efforts to invest in innovations for the future.

- Working capital decreased due to relative high amount for public filing cost accruals.
- Increase in equity is the result of the equity capital that NX Filtration raised at its IPO in June 2021. Net proceeds amounted to €155.4m (net of IPO related cost), used for the repayment of preference shares amounting to €15.8m and for investing in the further commercial roll-out of NX Filtration, expanding the production capacity with a new manufacturing facility, innovation and M&A as a platform for accelerated growth.
<table>
<thead>
<tr>
<th><strong>Outlook</strong></th>
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</table>

### Pilots
- Further ramp-up of pilot program, driven by strong demand and enabled by expanding pilot fleet

### Capacity expansion
- Ongoing activities to expand production capacity at current facilities with a second spinning line by the end of 2021
- Proceed with detailed design (layout, utilities, facilities) and start-up of permitting (planning, environmental) for new production facility

### People
- Strong focus on further growing sales force, pilot engineers, R&D capacity and production personnel
- Executive team extended with Chief Commercial Officer (CCO) starting in September 2021: Alejandro Roman Fernandez with extensive experience in the water industry (a.o. Organica Water, Pentair & Xylem)

### Outlook
- Reiteration of visibility on more than €3.7m gross income for full-year 2021, based on realised H1 revenues, order backlog, expected other income for the rest of the year and weighted pipeline of orders for 2021
The Information contains forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms such as guidance, expected, step up, announced, continued, incremental, on track, accelerating, ongoing, innovation, drives, growth, optimising, new, to develop, further, strengthening, implementing, well positioned, roll-out, expanding, improvements, promising, to offer, more, to be or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect NX Filtration’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to NX Filtration’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward looking statements reflect the current views of NX Filtration and assumptions based on information currently available to NX Filtration. Forward-looking statements speak only as of the date they are made, and NX Filtration does not assume any obligation to update such statements, except as required by law. NX Filtration’s gross income outlook estimates are management estimates resulting from NX Filtration’s pursuit of its strategy. NX Filtration can provide no assurances that the estimated future gross income will be realised and the actual gross income for 2021 could differ materially. The expected gross income have also been determined based on assumptions and estimates that NX Filtration considered reasonable at the date these were made. These estimates and assumptions are inherently uncertain and reflect management’s views which are also based on its historic success of being assigned projects, which may materially differ from the success rates for any future projects. These estimates and assumptions may change as a result of uncertainties related to the economic, financial or competitive environment and as a result of future business decisions of NX Filtration or its clients, such as cancellations or delays, as well as the occurrence of certain other events.

All figures in this presentation are unaudited and are subject to change. Certain figures contained in this presentation, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this presentation may not conform exactly to the total figure given. In presenting and discussing the NX Filtration’s financial position, operating results and cash flows, management uses certain non-IFRS financial measures. These non-IFRS financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measure and should be used in conjunction with the most directly comparable IFRS measures. Non-IFRS financial measures do not have standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

The following is a summary of selected key risks that, alone or in combination with other events or circumstances, may have a significant negative impact on the business, financial condition, results of operations and prospects of NX Filtration and its consolidated subsidiaries: (i) NX Filtration has a limited operating history and NX Filtration’s nascent technology makes evaluating its business and future prospects difficult, (ii) NX Filtration experienced losses in the past and it does not expect to be profitable for the foreseeable future, (iii) Competition in the water treatment solution market may materially adversely affect its market shares, margins and results of operations, (iv) NX Filtration is dependent upon acceptance of its new technology and approach by customers and future partners, and if NX Filtration cannot achieve and maintain market acceptance, NX Filtration will be unable to build a sustainable or profitable business, (v) Technology is constantly evolving and NX Filtration must successfully develop, manufacture and market products that improve upon existing technologies in order to achieve acceptance and remain competitive, (vi) An unsuccessful pilot system or demo-phase or inconsistent performance of NX Filtration’s products, or of products similar to or in the same categories as those of NX Filtration, could harm the integrity of, or customer support for, NX Filtration’s products and materially adversely affect NX Filtration’s sales, (vii) Demand for NX Filtration’s products depends on the continuation of market trends towards greater sustainability, including trends to address global water issues, decarbonisation and lowering the corporate water footprint, (viii) If NX Filtration experiences significant delays in the planned scale-up of its production and the build of its planned manufacturing facility or such plant would become inoperable, NX Filtration will be unable to produce sufficient products and its business will be harmed, (ix) NX Filtration’s business and strategy depends, in part, on certain significant customers and its relationship with OEMs, (x) NX Filtration’s failure to protect its intellectual property rights may undermine its competitive position, and litigation to protect its intellectual property rights may be costly, time consuming and distracting from daily operations.

More details on NX Filtration’s H1 2021 performance can be found in the 2021 semi-annual report and the H1 2021 results press release, published together with this presentation.
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filtration