



# H1 2022 results Webcast

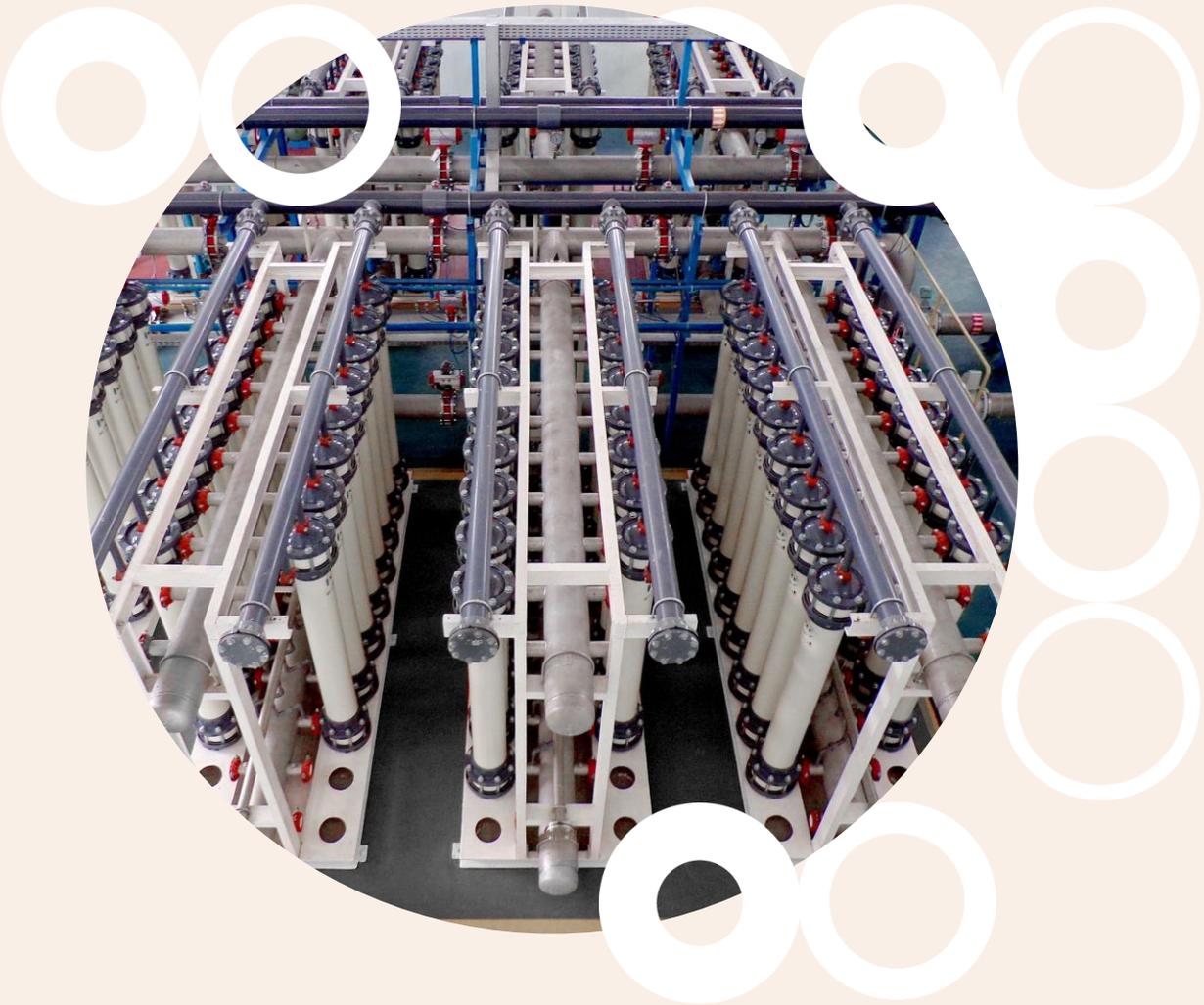
30 August 2022



1 Key highlights H1 2022

2 Accelerating expansion

3 Financials and outlook



# Key highlights

## Accelerating strategic expansion building on strong revenue growth

### Strong growth and ESG impact

- **Total revenues<sup>1)</sup> of €3.7m, an increase of 188%** compared to H1 2021
- Expanding global footprint; **63% of revenues from sale of goods outside Europe**
- **153% increase in number of pilot projects** versus H1 2021, paving the way for future growth
- Strong ESG profile and impact underpinned by recently obtained **Sustainalytics rating**

### Successful commercial roll-out with full-scale projects

- **Pilot conversions into full-scale projects**, e.g. converting a Q4 2021 pilot in South Africa into a full-scale project
- **Repeat projects**, e.g. an industrial project for Ecoazur in Mexico and a new large municipal project for PT Bayu in Indonesia
- **Entries to new markets**, e.g. with full-scale drinking water projects in North America for Delco Water and BI Pure Water

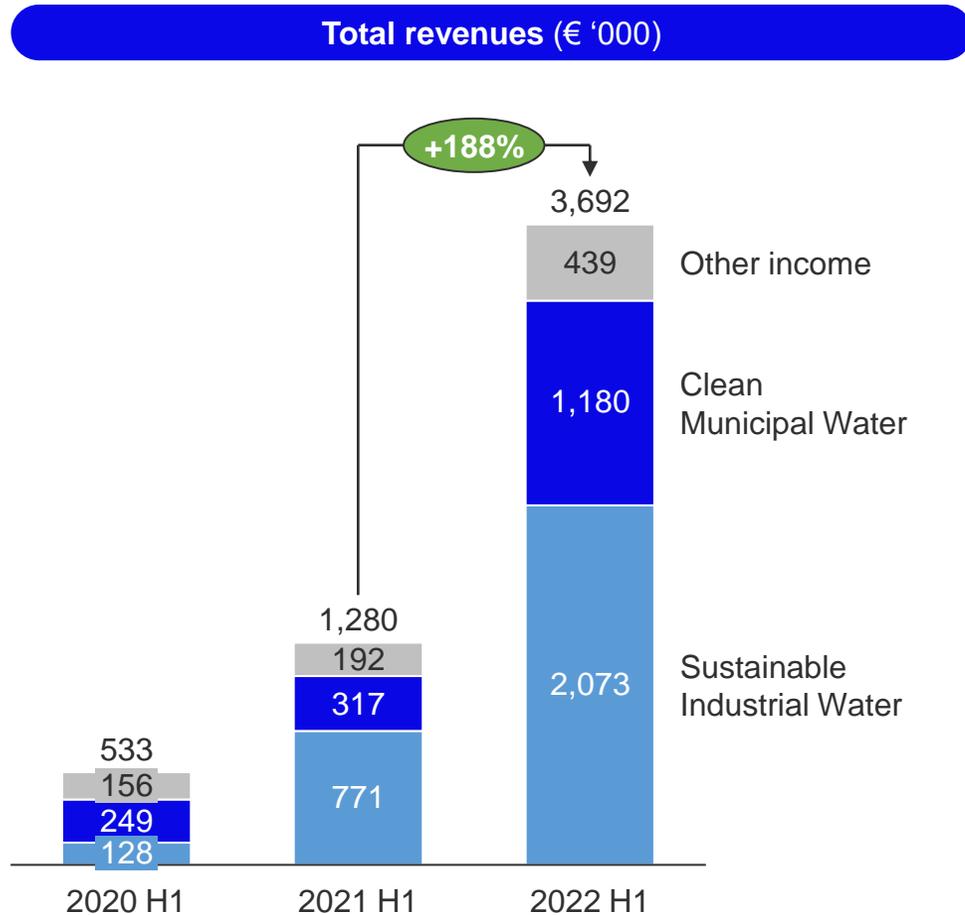
### Accelerating on three fronts

- **Upsized design of our new megafactory**: higher initial capacity and more space for future capacity additions, creating optimal flexibility for further growth
- Pre-empting the **expansion of our fleet of pilot systems**, on-track to exceed guidance of >140 systems by the end of 2022
- **Ahead-of-the-curve expansion of organization** with successful hires of strong industry leaders

### Confirming outlook

- **Reiteration of earlier communicated outlook on total revenues of €8m to €10m for full year 2022**, driven by strong market demand and our expanding global sales presence
- Targeted growth largely driven by **further roll-out of full-scale projects** and by **repeat business** with our existing (OEM) relationships

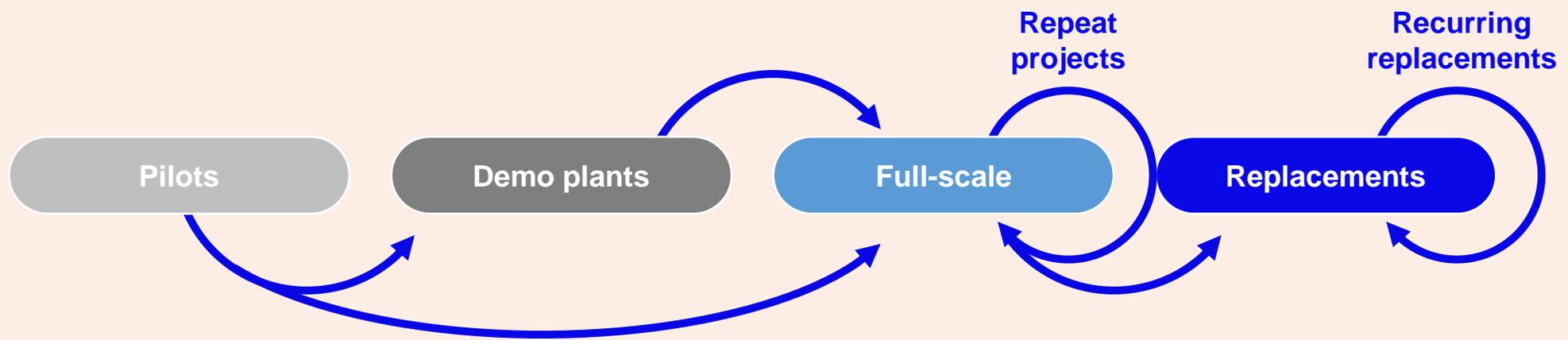
# Strong topline performance...



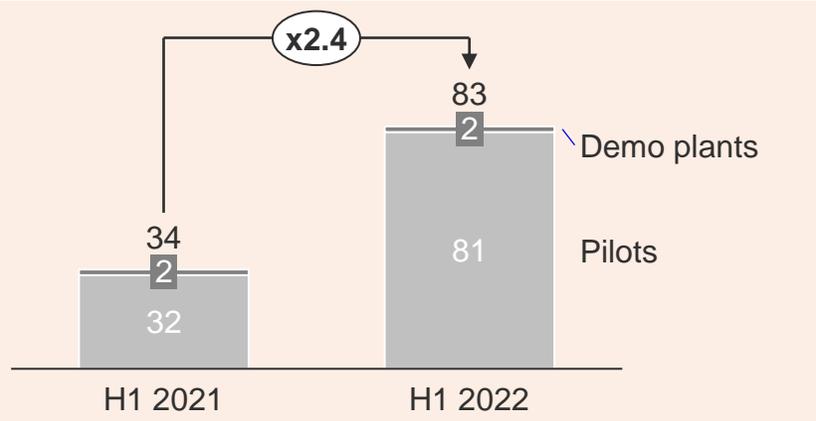
- **Total revenues grew 188%** versus H1 2021, driven by increasing number of **full-scale projects** that resulted from preceding pilot projects, as well as **global sales force expansions** and a **growing number of OEM relationships**, that are increasingly resulting in **repeat projects**
  - **169% growth in the Sustainable Industrial Water** business line, driven by strong traction with customers in, amongst others, the food & beverage and textile industries looking to reduce their water footprint and optimize their water systems in a sustainable way
  - **272% growth in the Clean Municipal Water** business line, driven by various projects in Asia and North America. The focus in Europe remains on pilot projects with leading players (such as Veolia, Vitens and Aqualia) with visibility on future full-scale projects
  - **129% growth in other income** driven by rental income from a growing number of pilot projects and government grants for innovation projects

# ...fueled by tangible growth throughout the business development funnel

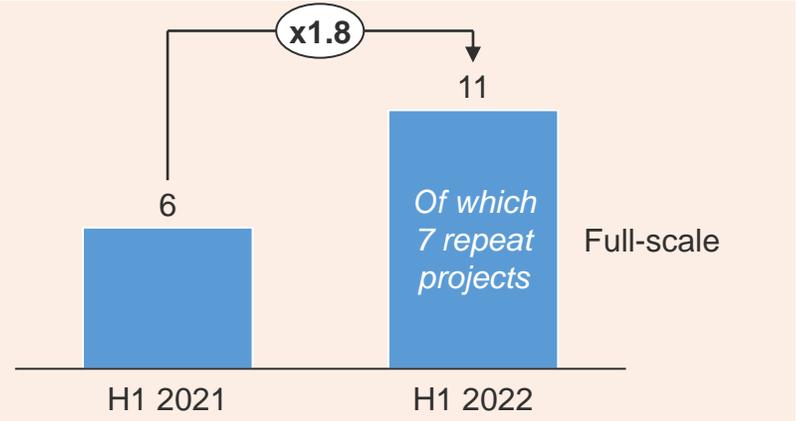
## Commercial roll-out model direct nanofiltration (dNF)



**# of pilot and demo projects**

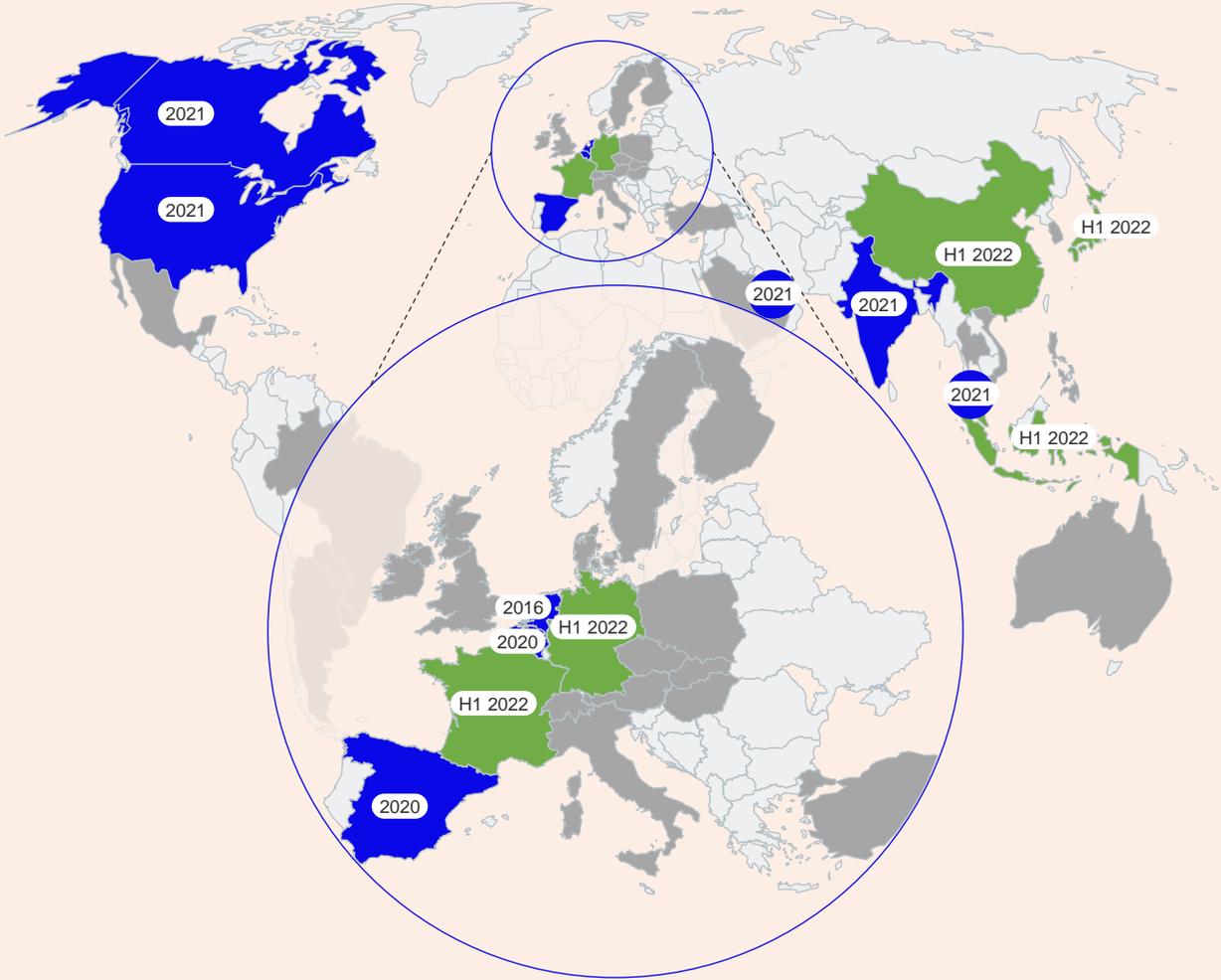
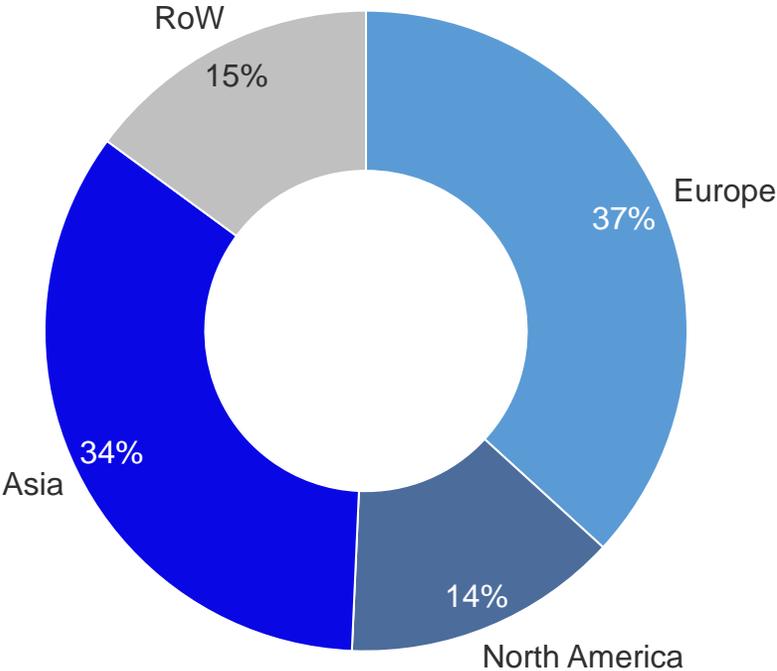


**# of full-scale dNF projects**



# Expanding global footprint

H1 2022 revenue of sale of goods by region



- Countries with NX Filtration local sales force presence as per 31 Dec 2021
- Additional countries with NX Filtration local sales force presence added in H1 2022
- Other countries with NX Filtration products installed

# Successful commercial roll-out strategy with full-scale projects

## Selected examples of full-scale projects H1 2022

### Conversions of pilots into full-scale projects



**Conversion from pilot tests** during the first half of 2021 into a **full-scale project** for wastewater reuse at Cross Textiles in Turkey with **various follow-on leads**



**Rapid conversion from a pilot in Q4 2021 into a full-scale project in H1 2022** for a dairy producer in South Africa



**Successful conversion of a pilot** (in Q4 2021 and Q1 2022) into first **full-scale dNF deliveries** for an industrial Water-as-a-Service project in Belgium

### Repeat full-scale projects



**Repeat full-scale project** for Ecoazur in Mexico, as well as various pilot projects for **further potential repeat industrial and municipal projects**



**Continuation of repeat full-scale projects** for PT Bayu related to a large municipal drinking water application in Indonesia



**Repeat project** for Aquarius H2O Dynamics for the **recycling of textile wastewater** in India

### New market entries and cross-sells



**First full-scale municipal system in North America** with Delco Water to produce drinking water from lake water in Northern Alberta, Canada



**Largest municipal system till date in North America** with BI Pure Water to produce drinking water from lake water in Northern Ontario, Canada



**Successful cross-sell** from previous microfiltration (2020) and ultrafiltration (2021) projects to a **first full-scale dNF project** for a UK based industrial end-customer

# We are proud to have recently joined the UN Global Compact initiative and obtained our Sustainalytics rating...

New in 2022



°CICERO  
Shades of  
Green

- **95%+ dark green labelled IPO**, externally certified by CICERO Green

**WE SUPPORT**



**SUSTAINALYTICS**

a Morningstar company

- **Ranked best 13%** of the global subindustry<sup>1)</sup> peer group

# ...that underpin the measurable impact across our ESG framework

## Clean water for all

- Our H1 2022 membrane sales could enable the production of **160 billion liter of clean water<sup>1)</sup>**
- In H1 2022, NX Filtration enabled **clean water across 22 countries**

## Avoiding emissions at our customers

- NX Filtration's emissions<sup>2)</sup> in H1 2022 amounted to 202 ton CO<sub>2</sub>e...
- ...compared with **1,467 ton CO<sub>2</sub>e savings** enabled during the deployment of NX Filtration's membrane modules
  - **avoidance of 2.7 million kg of chemicals**
  - **33 GWh energy savings**

## Our internal initiatives (examples)

- **142%** y-o-y growth in FTEs in H1 2022
- **0** lost time injuries in H1 2022
- **>95%** adherence to NX Filtration's Supplier Code of Conduct
- **7** patent families with **36** patents granted (of which **1** in H1 2022)
- **34** peer reviewed scientific publications authored by NX Filtration employees since 2016 (**4** during H1 2022)
- **17** partnerships with universities and research institutes around the world

# Our breakthrough dNF technology continues to be recognized by the industry



### dNF membranes at Reolab, Sweden

*“Reolab is the largest source-separated sanitation plant in the world using circular treatment”*

*“an energy-efficient, circular sanitation process [...] that recycle[s] wastewater to drinking water quality.”*

*“The project sets the standard for sustainable, circular water and waste management”*

**Total BlueTruffle score: 5 out of 5**

Large addressable market	1 out of 1
Strong management team	1 out of 1
Strong IP position	1 out of 1
Innovative technology	1 out of 1
BlueTech opinion	1 out of 1

**Disrupt-o-Meter Breakdown**

- Inclusion in the new **Euronext Tech Leaders initiative** for high-growth and leading tech companies
- **NX Filtration is the only water technology company** out of the 100+ companies included in Euronext’s Tech Leaders initiative

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# We are accelerating on three key strategic fronts

1

## Capacity expansion

**Upsized design of our new megafactory:** higher initial capacity and more space for future capacity additions, creating optimal flexibility for further growth

2

## Pilot roll-out

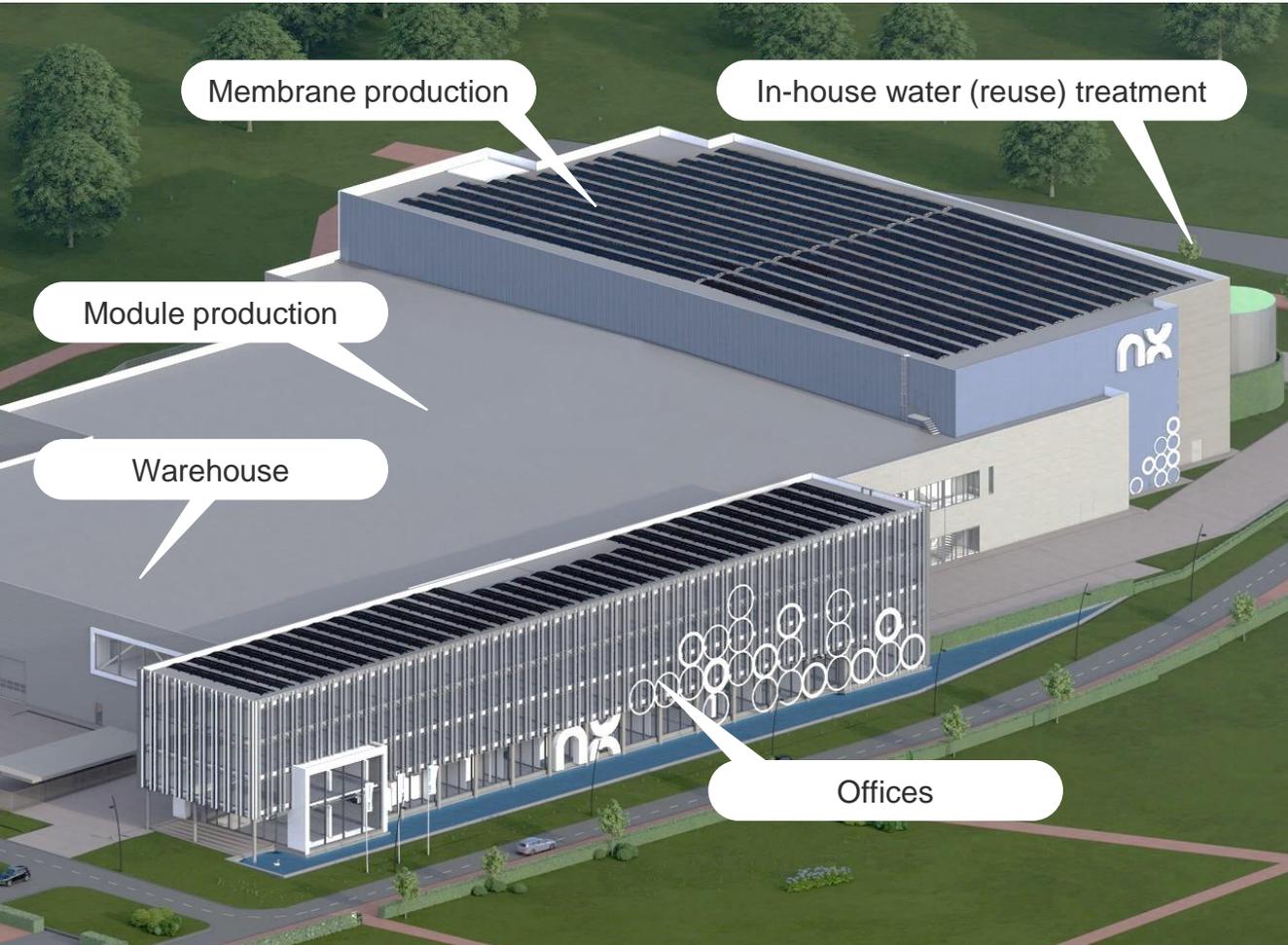
**Pre-empting expansion of our fleet of pilot systems** responding to increasing market opportunities

3

## Strengthening our organization

**Ahead-of-the-curve expansion of our organization** with a series of successful hires of strong industry leaders, creating a basis for future growth

# 1 Upsized design of our new megafactory: higher initial capacity and more space for future capacity additions (1/2)



# 1 Upsized design of our new megafactory: higher initial capacity and more space for future capacity additions (2/2)

## Upsized design

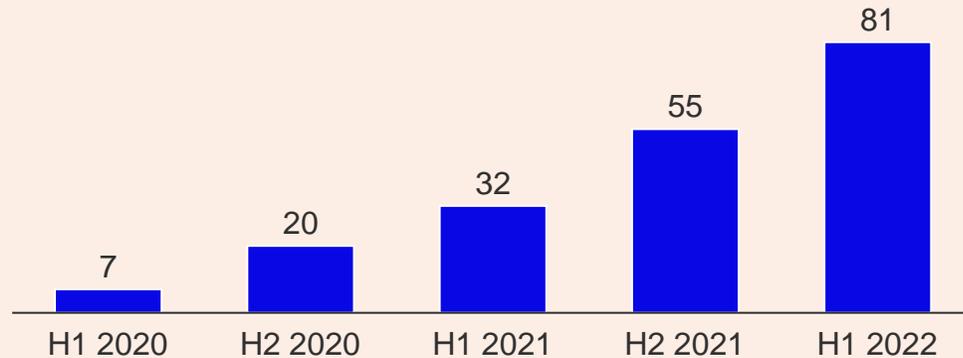
- Improvements and lessons learned from recently commissioned 2<sup>nd</sup> spinning line have resulted in **higher capacity estimates per spinning line**
- In addition, to create optimal flexibility for the future, we have decided to **build a larger (approx. 32,500 m<sup>2</sup> floor space) facility** from the outset
- These two factors allow us to start-up with a **higher initial capacity** (approximately 50k<sup>1</sup>) membrane modules based on 4 spinning lines) whilst leaving **space for further capacity additions within the same facility** (total targeted annual capacity of >120k<sup>1</sup>) membrane modules)
- Total expected **capex is higher than foreseen at IPO** as a result of the **larger plant design and current views on cost inflation**, but estimated **capex per module capacity remains in line with previous estimates**

## Schedule on-track

- Construction permission granted. **On-track to start construction** in H2 2022
- **Parallel experienced teams** working on the building, utilities and equipment
- Commissioning of the factory is expected at the **end of 2023**

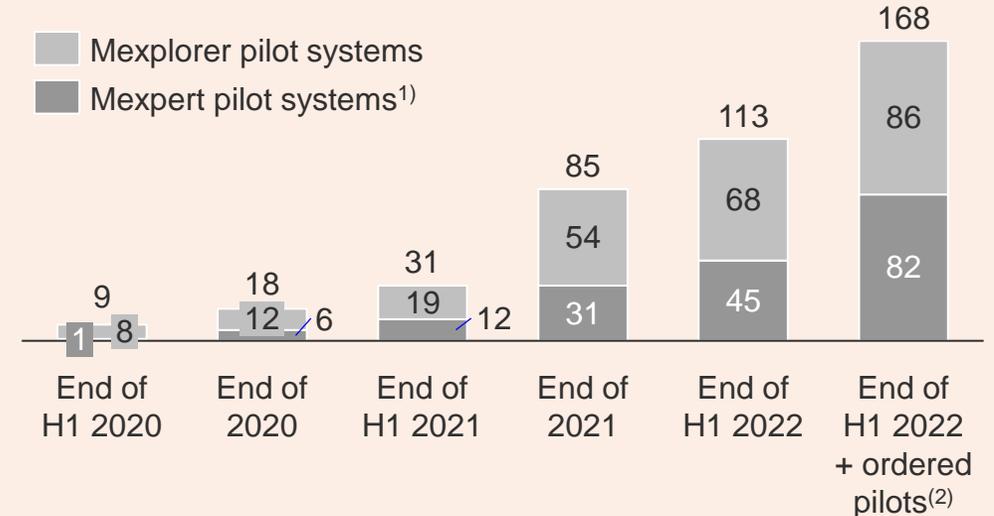
## 2 We are fast-tracking our pilot program, responding to increasing market opportunities

Number of pilot projects



- **On-track with pilot project ramp-up towards full-year ambition of >160 pilot projects** across industries, applications and geographies
  - 44 industrial and 37 municipal pilot projects in H1 2022
  - 39 pilot projects in Europe, Middle East and Africa, 22 in the Americas and 20 in Asia

NX Filtration's fleet of pilot systems



- **Accelerated expansion** of our fleet of pilot systems, responding to increasing market opportunities and mitigating potential longer delivery lead times
- **On-track to exceed our previous guidance of >140 systems** by the end of 2022

3

# We have strengthened our organization ahead-of-the-curve

## *Selected examples of strong industry hires in H1 2022*



**Tsunenobu Katsura**

- Business Development Manager South East Asia as per April 2022
- Former Chairman of Hydranautics



**Shaohua Hu**

- Country Manager China as per May 2022
- Former Head of Inge (DuPont Water Solutions) China



**Tony Fuhrman**

- Country Manager Americas as per May 2022
- Former Commercial Director of LG Water Solutions



**Geert-Henk Koops**

- Technology Director as per June 2022
- Former Global Technology Leader Equipment & Systems of Suez



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# Summary P&L

In € '000	H1 2021	H1 2022
<b>Total revenues<sup>1)</sup></b>	<b>1,280</b>	<b>3,692</b>
<i>Clean Municipal Water</i>	317	1,180
<i>Sustainable Industrial Water</i>	771	2,073
<i>Other income</i>	192	439
<b>Gross margin (excl. other income)</b>	<b>521</b>	<b>1,798</b>
<i>as % of revenue from sale of goods</i>	47.9%	55.3%
Personnel costs	1,497	3,797
Other operating costs (excl. IPO costs)	422 <sup>2)</sup>	2,376
<b>EBITDA (excl. IPO costs)</b>	<b>-1,206<sup>2)</sup></b>	<b>-3,936</b>
<b>Net profit (excl. IPO costs and corresponding tax effect)</b>	<b>-1,407<sup>2)</sup></b>	<b>-3,989</b>

○ **Total revenues grew 188%** driven by increasing number of **full-scale dNF projects, sales force expansion** in existing and new countries (France, Germany, China, Indonesia, Japan) and growing number of **OEM relationships**. Growth in other income driven by a **growing number of pilot projects** and government grants for innovation projects

○ **Gross margin** increased from 47.9% in H1 2021 to 55.3% in H1 2022, despite the fact that the H1 2022 gross margin was amongst others impacted by waste and inefficiencies related to the start-up of the second spinning line in H1 2022

○ **Ahead-of-the-curve investments in the organization**, with an increase in FTEs from 43 at 30 June 2021 (69 at 31 December 2021) to 104 at 30 June 2022. Key additions in sales force, pilot engineers, R&D employees and production personnel

# Balance sheet

In € '000	31 Dec 2021	30 June 2022
Non-current assets	18,043	26,570
Current assets (excl. cash)	6,016	8,891
Cash and cash equivalents	133,433	116,589
<b>Total assets</b>	<b>157,492</b>	<b>152,050</b>
Non-current liabilities	1,076	1,065
Current liabilities (excl. overdrafts)	5,272	3,830
Equity	151,144	147,155
<b>Total equity and liabilities</b>	<b>157,492</b>	<b>152,050</b>

- **Capex** amounted to €8,060k (€2,443k in H1 2021) and included investments in the ongoing **capacity expansion** at the existing locations, the purchase of land and development cost for the **new megafactory** and additions to NX Filtration's **fleet of pilot systems** (from 85 at the end of FY 2021 to 113 at the end of H1 2022). Additionally, NX Filtration capitalized €428k of **development costs** which demonstrates our continued efforts to invest in innovations for the future
- **Working capital**<sup>1)</sup> amounted to €5,434k versus €1,062k at 31 December 2021, as a result of increased operational and commercial activities to support further growth of the business

# Key priorities and outlook for H2 2022

## People

- Further strengthening our organization, including our global presence of sales and engineering teams

## Commercial roll-out

- Continued strong focus on rolling-out pilot projects and converting pilots into demo- and full-scale projects
- Well on-track to reach our full year guidance of >160 pilot projects in 2022 based on a pilot fleet of >140 pilot systems

## Capacity

- Further ramp-up of production output at existing production facilities
- Project schedule on-track to start construction of upsized new megafactory in H2 2022

## ESG

- The strong growth that NX Filtration is currently experiencing provides many opportunities to organize ESG aspects with the highest standards and impact from the outset

## Outlook

- Reconfirmation of earlier communicated outlook on total revenues of €8m to €10m for full year 2022
- Targeted growth largely driven by past and ongoing pilots converting into larger scale projects and repeat business with existing (OEM) relationships

# Disclaimer

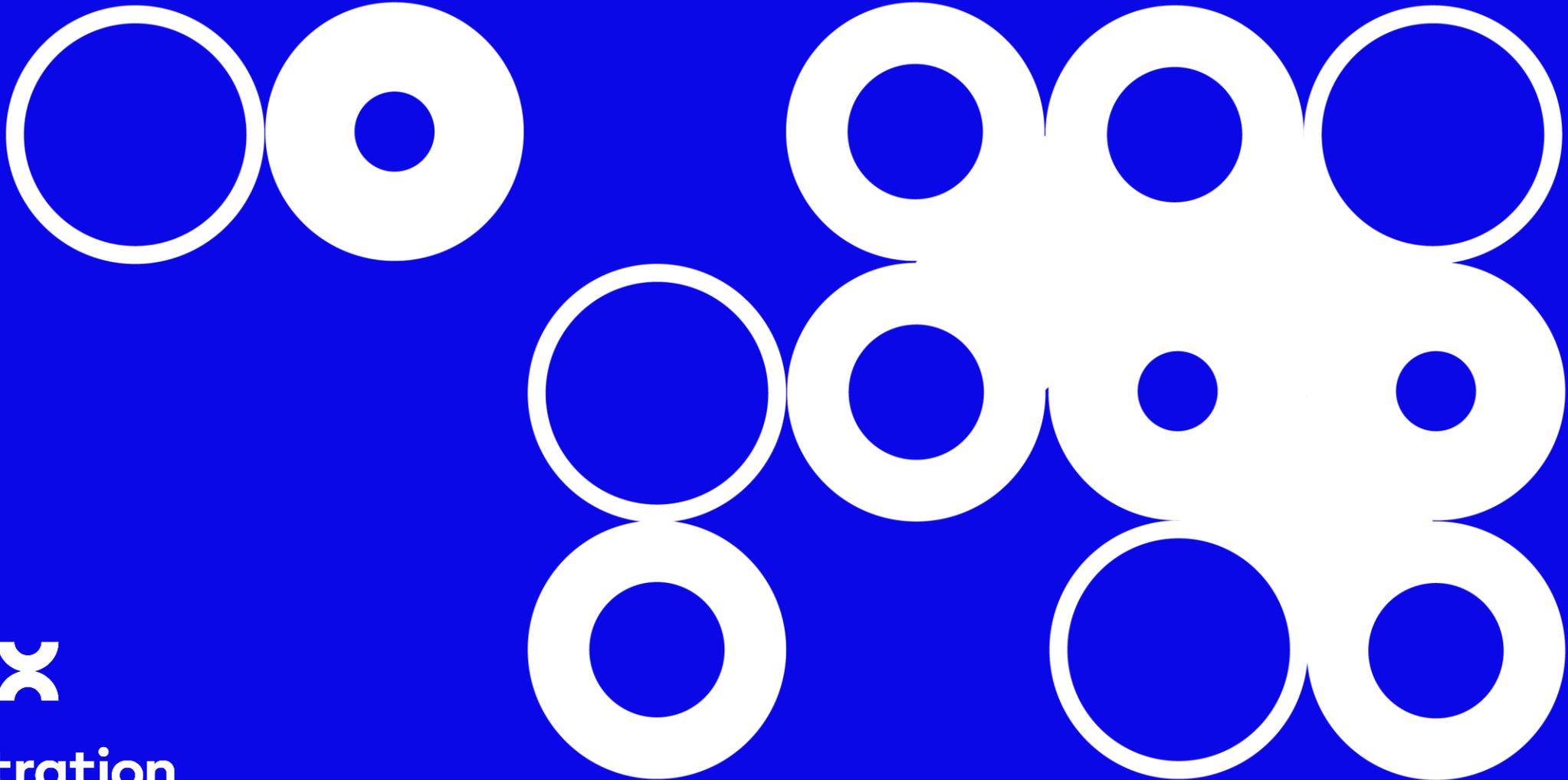
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Many of the risks and uncertainties that NX Filtration faces relate to factors that are beyond NX Filtration's ability to control or estimate precisely, such as future market and economic conditions, developments in the ongoing COVID-19 pandemic, related government measures, customer acceptance of our technology and costs of raw materials.

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More details on NX Filtration's H1 2022 performance can be found in the 2022 semi-annual report and the H1 2022 results press release, published together with this presentation.



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