



NX Filtration Semi-annual Report 2022

Condensed interim consolidated financial statements for the six months ended 30 June 2022

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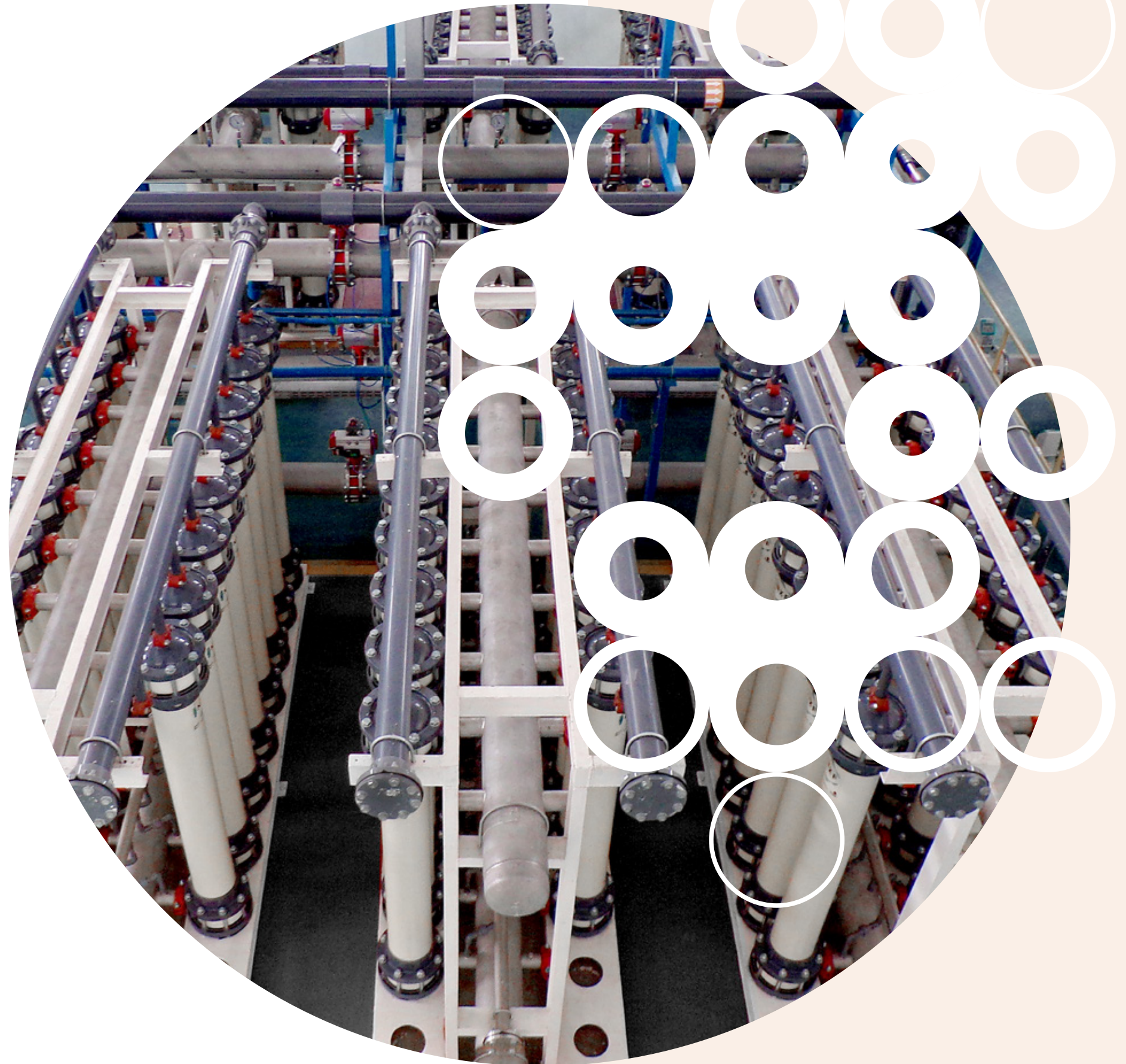
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Report of the Management Board

This semi-annual report of NX Filtration N.V. (hereafter "NX Filtration" or the "Company") for the six months ended 30 June 2022 consists of the semi-annual report of the management board of the Company (the "Management Board"), including the responsibility statement by the Management Board, and the Condensed Interim Consolidated Financial Statements and the accompanying notes. All information included in this report is unaudited.

The Management Board hereby declares that to the best of its knowledge, the semi-annual report of the Management Board gives a fair view of the information required pursuant to section 5:25d sub 8-9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht") and the Condensed Interim Consolidated Financial Statements as at and for the six months ended 30 June 2022, which have been prepared in accordance with IAS 34 - Interim Financial Reporting as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole.

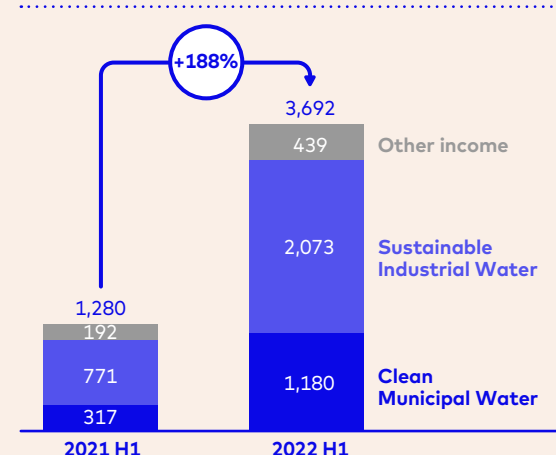
NX Filtration is listed on the regulated market of Euronext Amsterdam.



Financial performance

Gross income increased by 188% to €3,692k in the first half year of 2022 compared to €1,280k in the first half year of 2021. Key drivers for this growth were an 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.

Gross income (€ '000)



In the Sustainable Industrial Water business line, revenues from the sale of goods were €2,073k in the first half year of 2022, a growth of 169% compared to €771k in the first half year of 2021. NX Filtration benefitted from the pilots it had initiated since mid-2020 and the relatively short lead-times from pilots to full-scale projects. We experienced 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. Key projects included a repeat full-scale project for Ecoazur in Mexico, for whom we also initiated various pilot projects that could lead to further potential repeat industrial and municipal projects. In addition, NX Filtration converted various pilot projects for wastewater reuse into full-scale projects, for example with Cross Textiles in Turkey and Practical Water

Solutions in South Africa. For Envirogen, NX Filtration successfully expanded its previous ultrafiltration and microfiltration projects to a first dNF project for a UK based industrial client, an example of our strategy of cross-selling between our various membrane products.

In the Clean Municipal Water business line, revenues from the sale of goods in the first half year of 2022 were €1,180k, a growth of 272% compared to €317k in the first half year of 2021. This growth was primarily driven by full-scale projects in Asia and North America, whereas the focus in Europe remains on realising pilot projects with leading players, with visibility on future full-scale projects. In North America, NX Filtration successfully sold its first full-scale municipal system with Delco Water to produce drinking water from lake water in Northern Alberta, Canada. Subsequently, NX Filtration worked with BI Pure Water on its largest municipal system till date in North America for a similar application. In Asia, we secured a large repeat order with PT Bayu for the production of drinking water in Indonesia.

Other income was €439k in the first half year of 2022, a growth of 129% compared to €192k in the first half year of 2021. Growth in other income was driven by rental income from a growing number of pilot projects and government grants for innovation projects.

Gross margin, EBITDA and net profit

Gross margin increased to 55.3% in the first half year of 2022 compared to 47.9% in the first half year of 2021, despite the fact that the gross margin in the first half year of 2022 was, amongst others, impacted by waste and inefficiencies related to the start-up of the second spinning line. EBITDA loss was €3,936k

in the first half year of 2022 compared to a loss of €1,206k in the first half-year of 2021 (excluding costs related to the IPO). The EBITDA loss of the Company is mainly driven by investing in the organization ahead-of-the-curve to facilitate future business. Net loss amounted to €3,989k compared to a net loss of €1,407k in the first half year of 2021 (excluding costs related to the IPO and corresponding tax effect).

NX Filtration's medium-term objective is to realise a positive EBITDA margin by reaching a larger scale of operations and realising purchasing benefits based on increasing volumes and optimising product design. NX Filtration's long-term objective is to realise an industry leading EBITDA margin based on benefitting from economies of scale, leveraging its fixed cost base as it realises its revenue growth and realising an increasing share of revenue from module replacements.

Finance and investments

Net cash position at 30 June 2022 amounted to €116.6 million, compared to €133.4 million at 31 December 2021. Net cash at 30 June 2022 decreased because of capital expenditures for the amount of €8.1 million and a negative operational cashflow for the amount of €8.4 million. The negative operational cashflow is mainly caused by the operating loss and increased working capital balances following the growth of the business.

Capital expenditure amounted to €8.1 million as compared to €2.4 million in the same period of 2020. Capital expenditures 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.

Solvency (equity divided by total assets) is 97% at the end of June 2022 compared to 96% at the end of December 2021. The high solvency rate is the result of the equity that NX Filtration raised at its IPO in June 2021 for, amongst others, investing in the further commercial rollout, innovation and expanding the production capacity with a new manufacturing facility.

The NX Filtration organization grew from 43 FTEs at 30 June 2021 (69 FTEs at 31 December 2021) to 104 FTEs at 30 June 2022.

Related party transactions

Transactions with related parties are disclosed in Note 14 of the condensed interim consolidated financial statements.

Principle risks and uncertainties

In our annual report for the financial year 2021 (which can be downloaded at www.nxfiltration.com/investors), we have extensively described certain risks and uncertainties, which could have a material adverse effect on our financial position and results. We believe that the risks and uncertainties identified for the second half of 2022 remain in line with those that were presented in the aforementioned annual report.

Sustainability and ESG impact

Sustainability and a clear Environmental, Social and Governance (ESG) agenda are at the heart of NX Filtration's business. We passionately believe we have a responsibility to contribute positively to society and the environment.

In the first half year of 2022 we further build on our externally certified dark green-labelled IPO, by obtaining a Sustainalytics rating, in which we rank amongst the 13% best performers in our global subindustry peer group. We also joined the United Nations Global Compact initiative – a voluntary leadership platform for the development, implementation and disclosure of responsible business practices – as part of our commitment to be a responsible company.

We continue to use our targeted ESG framework to address and monitor our impact along three pillars:

1. **Clean water for all:** Our membrane sales in the first half year of 2022 could enable the production of 160 billion liter of clean water¹. In the first half year of 2022, NX Filtration enabled access to clean water across 22 countries.
2. **Avoiding emissions at our customers:** With our membrane module sales in the first half year of 2022, we enabled 1,467 ton CO₂e savings during the deployment lifetime of our membrane modules, by avoiding the use of 2.7 million kg of chemicals and saving 33 GWh energy compared to conventional technologies².
3. **Our internal initiatives:** We have implemented various sustainability measures and initiatives around ESG related themes in our own operations, for our employees and our partners.

Progress against strategy

In the first half year of 2022, NX Filtration has accelerated its progress and ambition on three key strategic fronts: we upsized the design of our new megafactory, pre-empted our pilot roll-out and strengthened our organization ahead-of-the-curve to facilitate future business.

Upsized design of our new megafactory

During the first half year of 2022, NX Filtration started to benefit from its expanded capacity in its existing facilities. The commissioning of its second spinning line resulted in a combined total capacity of approximately 10,000 membrane modules per year³ (compared to the capacity of approximately 2,500 membrane modules per year in 2021⁴).

In parallel, further progress has been made with the development of a new large-scale manufacturing facility, which is expected to be commissioned at the end of 2023. NX Filtration decided to upsize the design of this megafactory with a higher initial capacity and allowing more space for future capacity additions. Improvements and lessons learned from our recently commissioned second 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 m² floor space) facility from the outset. These two factors allow us to start-up with a higher

initial capacity (approximately 50k⁵ membrane modules based on 4 spinning lines), whilst leaving space for further capacity additions within the same facility (total targeted annual capacity of >120k⁶ membrane modules). Total expected capex is higher than foreseen at our 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.

We are on track to start the construction of our new megafactory in H2 2022. Parallel teams are working on the building, utilities and equipment. Commissioning of the new factory is expected at the end of 2023.

Pre-empting expansion of our fleet of pilot systems

Pilot projects play an important role in NX Filtration's commercial roll-out strategy. In the first half year of 2022, NX Filtration initiated 81 pilot projects compared to 32 in the first half year of 2021. Responding to strong market demand, NX Filtration is accelerating the expansion of its fleet of pilot systems. On 30 June 2022, NX Filtration had 113 pilot systems in its fleet (up from 31 at 30 June 2021 and 85 at the end of 2021). Including outstanding purchase orders for additional pilot systems, NX Filtration is heading towards 168 pilot systems in the short to medium term, on-track to exceed its previous guidance of more than 140 systems by the end of 2022.

Ahead-of-the-curve expansion of our organization

We continued to invest in our organization, expanding our team from 43 FTEs at 30 June 2021 (69 FTEs at the end of 2021) to 104 at 30 June 2022. Key additions relate to international sales, pilot engineering, R&D and production personnel. We have been particularly successful in attracting strong industry leaders, who will be instrumental in building-out our regional sales and engineering teams and establishing new customer relationships. Examples of key leadership additions in our team are:

- Tsunenobu Katsura (former Chairman of Hydranautics), who joined NX Filtration as Business Development Manager for South East Asia in April 2022
- Shaohua Hu (former Head of Inge - DuPont Water Solutions - China), who joined NX Filtration as Country Manager China in May 2022
- Tony Fuhrman (former Commercial Director of LG Water Solutions), who joined NX Filtration as Country Manager Americas in May 2022
- Geert-Henk Koops (former Global Technology Leader Equipment & Systems at Suez and Technology Leader and Director R&D Membranes at GE Water & Process Technologies), who joined NX Filtration as Technology Director in June 2022

¹ Based on NX Filtration's sales of approximately 1,350 membrane modules (dNF and UF only) in the first half year of 2022, multiplied by the expected capacity and lifetime of such modules. See Sustainability Chapter in the Annual Report 2021 for details, assumptions and methodologies

² See Sustainability Chapter in the Annual Report 2021 for details, assumptions and methodologies

³ Estimation, based on 5-shift production and depending on product mix

⁴ Theoretical capacity (as this spinning line was incurring downtime with changes in products being produced and because this spinning line is also used for R&D activities), estimation based on 3-shift production and depending on product mix

⁵ Estimation, based on 5-shift production and depending on product mix

⁶ Estimation, based on 5-shift production and depending on product mix

Outlook

Driven by the strong market demand for our technology and supported by the additional equity capital that NX Filtration raised with its green IPO in June 2021, we will continue to invest in our strategic priorities in the second half year of 2022. In terms of people, we will further strengthen our organization, including our global presence of sales and engineering teams. We will also continue our strong focus on rolling-out pilot projects and converting these pilots into demo- and full-scale projects. We are well on-track to reach our full year guidance of more than 160 pilot projects in 2022 based on a pilot fleet of more than 140 pilot systems. Moreover, we expect to increasingly benefit from repeat business with our existing (OEM) relationships.

In terms of production, we will further ramp-up production output from our two existing production lines. In addition, we are on schedule to start the construction of our new megafactory in the second half year of 2022. Our upsized plant design will have a higher initial capacity and allow for more space for future capacity additions, creating flexibility to deliver larger volumes ahead of the original plan.

ESG will undoubtedly remain a key part of our overall mission while scaling up. NX Filtration considers high ESG standards of great importance for its long-term success, its workforce, its customers, the environment and society as a whole. 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.

We reiterate our outlook on total revenues of €8m to €10m for full year 2022, driven by strong market demand and our expanding global sales presence. This targeted growth is largely driven by further roll-out of full-scale projects and by repeat business with our existing (OEM) relationships.

We remain fully committed to make an impact based on our mission 'clean and affordable water for all', whilst offering strong sustainability benefits to our customers and providing an inspiring working environment for our employees.

Enschede, the Netherlands, 30 August 2022

Management Board

Michiel Staatsen
CEO and COO

Marc Luttkhuis
CFO

Erik Roesink
Founder and CTO

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Condensed interim consolidated financial statements for the six months ended 30 June 2022

(i) Condensed interim consolidated statement of comprehensive income

In EUR '000	Notes	30 June 2022	30 June 2021
Revenue from sale of goods	4	3,253	1,088
Other income	5	439	192
		3,692	1,280
Operating expenses			
Costs of raw materials and consumables		(1,455)	(567)
Changes in inventories of finished goods and work in progress		219	472
Personnel expenses		(3,797)	(1,497)
Amortization of intangible assets		(358)	(156)
Depreciation on property, plant and equipment		(911)	(451)
Operating costs	6	(2,427)	(10,323)
Research & development costs		(168)	(126)
Operating expenses		(8,897)	(12,648)
Operating Loss		(5,205)	(11,368)
Finance expenses		(303)	(62)
Finance expenses		(303)	(62)
Profit (loss) before income tax		(5,508)	(11,430)
Income tax benefit	7	1,519	468
Net loss for the period		(3,989)	(10,962)
Other comprehensive result for the period		-	-
Total comprehensive loss for the period		(3,989)	(10,962)
Total comprehensive loss for the period (attributable to the owners of the Company)		(3,989)	(10,962)

(ii) Condensed interim consolidated statement of financial position

In EUR '000	Notes	30 June 2022	31 December 2021
Assets			
Non-current assets			
Intangible assets		2,095	1,829
Property, plant and equipment	8	15,857	9,150
Right-of-use assets		1,391	1,356
Deferred tax assets		7,227	5,708
Total non-current assets		26,570	18,043
Current assets			
Inventories		4,081	3,212
Trade and other receivables	10	4,810	2,804
Cash and cash equivalents		116,589	133,433
Total current assets		125,480	139,449
Total assets		152,050	157,492
Group equity			
Share capital	9	500	500
Share premium	9	170,450	170,450
Retained earnings	9	(23,795)	(19,806)
Total equity		147,155	151,144
Liabilities			
Non-current liabilities			
Lease liabilities		1,065	1,076
Total non-current liabilities		1,065	1,076
Current liabilities			
Trade and other payables	12	3,456	4,954
Lease liabilities	11	374	318
Current tax payables		-	-
Total current liabilities		3,830	5,272
Total liabilities		4,895	6,348
Total equity and liabilities		152,050	157,492

(iii) Condensed interim consolidated statements of changes in equity

In EUR '000	Notes	Attributable to equity owners of NX Filtration Holding N.V.			
		Share capital	Share premium	Retained earnings	Total equity
Balance - 1 January 2021		5,997	13,378	(6,031)	13,344
Loss for the period		-	-	(10,962)	(10,962)
Other comprehensive result		-	-	-	-
Total comprehensive loss for the period		-	-	(10,962)	(10,962)
Transactions with owners in their capacity as owners					
Stock split transaction		(5,600)	5,600	-	-
Repayment and cancellation of preference share capital		(47)	(13,378)	(2,421)	(15,846)
Issuance of ordinary shares		150	164,850	-	165,000
Share-based payment transactions		-	-	-	-
Dividend		-	-	-	-
Balance - 30 June 2021		500	170,450	(19,414)	151,536
Balance - 1 January 2022		500	170,450	(19,806)	151,144
Loss for the period		-	-	(3,989)	(3,989)
Other comprehensive result		-	-	-	-
Total comprehensive loss for the period		-	-	(3,989)	(3,989)
Transactions with owners in their capacity as owners					
Stock split transaction		-	-	-	-
Repayment and cancellation of preference share capital		-	-	-	-
Issuance of ordinary shares		-	-	-	-
Share-based payment transactions		-	-	-	-
Dividend		-	-	-	-
Balance - 30 June 2022		500	170,450	(23,795)	147,155

(iv) Condensed interim consolidated statement of cash flows

In EUR '000	Notes	30 June 2022	30 June 2021
Cash flows from operating activities			
Operating loss		(5,205)	(11,368)
<i>Adjustments to reconcile profit before taxation to net cash flows:</i>			
Depreciation, amortisation and impairment expenses		1,269	607
Non cash items in operating loss		-	-
Increase/(decrease) provisions		-	-
Income taxes (paid)/received		-	-
Share-based payment expenses		-	-
<i>(Increase)/Decrease in working capital:</i>			
- Increase inventories		(869)	(712)
- Increase trade and other receivables		(2,006)	(330)
- (Decrease) Increase trade and other payables		(1,627)	4,243
Net cash outflow from operating activities		(8,438)	(7,560)
Cash flows from investing activities			
Payment for property, plant and equipment	8	(7,549)	(1,988)
Payment for intangible assets		(511)	(455)
Net cash outflow from investing activities		(8,060)	(2,443)
Cash flows from financing activities			
Proceeds from share premium contribution and issuance of shares		-	165,000
Repayment and cancellation of preference shares		-	(15,846)
Principal elements of lease payments		(199)	(125)
Interest paid		(147)	(9)
Net cash (outflow) inflow from financing activities		(346)	149,020
Net (decrease) increase in cash and cash equivalents		(16,844)	139,017
Cash and cash equivalents at the beginning of the financial year		133,433	6,599
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year		116,589	145,616

Notes

General information

NX Filtration N.V. (hereafter "NX Filtration" or "the Company") is a public company (N.V.) and the leading provider of nanofiltration membrane technology for producing pure and affordable water to improve quality of life.

NX Filtration developed a revolutionary direct nanofiltration (dNF) membrane technology designed to remove micropollutants (including pharmaceuticals, medicines, PFAS and insecticides), colour and selective salts, but also bacteria, viruses and nanoplastics, from water in one single step whilst offering strong sustainability benefits.

NX Filtration targets the "Clean Municipal Water" and "Sustainable Industrial Water" markets, for which NX Filtration delivers products (membrane modules) that can be used to:

1. Produce drinking water from surface water by removing amongst others micropollutants, nano plastics and medicine residues in one single step
2. Treat wastewater streams to enable reuse and prevent discharge of polluting substances in the environment
3. Treat well water to optimize quality and characteristics for process water
4. Enable reuse of wastewater for industrial processes
5. Recover and recycle valuable raw materials from wastewater streams, such as indigo in the textile industry

NX Filtration is the holding company of the group. The operating companies included in the group consolidated financial statements are:

Company name	NX Filtration B.V.
	NX Filtration International B.V.
	NX Filtration Real Estate B.V.
Location and country of incorporation	Enschede, the Netherlands
Shareholding in %	100%

NX Filtration is registered in the Chamber of Commerce under number 64951030 and has it registered offices at Enschede, the Netherlands.

These condensed interim consolidated financial statements were approved for issue on 29 August 2022.

The information in these condensed interim consolidated financial statements is unaudited.

Summary of significant accounting policies

Basis of preparation

The condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for a

complete set of International Financial Reporting Standards (IFRS) financials Statements and should be read in conjunction with NX Filtration's Annual Report 2021.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Going concern

The Company is in a stage of growth and the cash outflow is high due to significant top line growth scenario and net working capital investments as well as cash outflow from investing activities. The Company received significant funding in June 2021 by the proceeds received through the issuance of ordinary shares at its IPO on the Amsterdam Euronext stock exchange. The proceeds raised by the Company through its IPO are expected to be sufficient to cover its cash requirements in the medium term.

Basis of measurement

The accounting policies adopted are consistent with those applied in the IFRS consolidated financial statements as at and for the year ended 31 December 2021.

2 Critical accounting policies

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reported periods. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

3 Changes in accounting policies and disclosures

A number of new amendments to standards are effective from 1 January 2022 but they do not have a material effect on the Company's condensed interim consolidated financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and amendments to standards have been published that are not mandatory for reporting periods starting on or after 1 January 2022 and have not been early adopted by the Company. For none of these standards that are not yet effective it is expected that they have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

4 Revenue from sale of goods

The Company's revenue originates from sale of products. The Company recognizes all its revenue at a point in time, when control over the asset is transferred to the customer.

Set out below is the disaggregation of the Company's revenue from sales of goods per market segment:

In EUR '000	30 June 2022	30 June 2021
Type of markets		
Sustainable Industrial Water	2,073	771
Clean Municipal Water	1,180	317
Total revenues from sale of goods	3,253	1,088

Revenue from sales of goods by region based on the destination of products and location of projects:

In EUR '000	30 June 2022	30 June 2021
Geographical split		
Netherlands	46	127
Europe (excluding Netherlands)	1,150	242
North America	452	306
Asia	1,120	372
Rest of World	485	41
Total revenues from sale of goods	3,253	1,088

5 Other income

Set out below is the disaggregation of the Company's other income:

In EUR '000	30 June 2022	30 June 2021
Government grants	192	154
Pilot income	231	38
Other	16	-
Total other income	439	192

Government grants comprises of the several government grants received for the Company's research & development activities in the field of water filtration. NX Filtration has fulfilled all conditions relating to grants at time of recognition.

Pilot income relates to rental income from pilot equipment. Note that related module sales as part of pilot projects are included in revenue from sale of goods.

6 Operating costs

In EUR '000	30 June 2022	30 June 2021
Housing expenses	458	208
Other personnel expenses	473	73
Administrative expenses	550	9,761
Selling expenses	647	156
Operating expenses	299	125
Total operating costs	2,427	10,323

Administrative expenses in 2021 include €9.6m IPO related cost.

7 Income tax benefit

This note provides an analysis of the Company's income tax expense.

In EUR '000	30 June 2022	30 June 2021
Current tax		
Current tax on profits for the year	-	-
Adjustments for previous years	-	-
<i>Total current tax (expense) benefit</i>	<i>-</i>	<i>-</i>
Deferred income tax		
Income tax on operations	1,404	468
Change in tax rates	115	-
<i>Total deferred tax (expense) benefit</i>	<i>1,519</i>	<i>468</i>
Total income tax (expense) benefit	1,519	468

The tax on the Company's profit before tax differs from the statutory amount that would arise using the tax rate applicable to profits of the entity.

The reconciliation of the effective tax rate is as follows:

In EUR '000	30 June 2022	30 June 2021
Result from operations	(3,989)	(10,962)
Total income tax	1,519	468
Profit (loss) before income tax	(5,508)	(11,430)
Tax calculated based on Dutch tax rate	25.5%	25.0%
Tax effect of:		
Adjustments for previous years	0.0%	0.0%
Effect of tax rates in other countries	0.0%	0.0%
Non-taxable expenses	0.0%	-20.9%
Change in tax rates	2.1%	0.0%
Other differences	0.0%	0.0%
Effective tax rate	27.6%	4.1%

Non-taxable expenses in 2021 relate to the cost incurred by the Company related to its IPO on the Amsterdam Stock exchange.

Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available against which those unused tax losses, unused tax credits or deductible temporary differences can be utilized. This assessment requires significant management judgments and assumptions. In making this assessment, management uses forecasted operating results, based upon approved business plans, including a review of the eligible carry-forward periods, available tax planning opportunities and other relevant considerations.

8 Property, plant and equipment

The movement in property, plant and equipment was as follows:

In EUR '000	Land & Buildings	Machinery and equipment	Pilot equipment	Total
At 1 January 2021				
Cost	-	3,273	243	3,516
Accumulated impairments and depreciation	-	(1,227)	(43)	(1,270)
Net book value	-	2,046	200	2,246

Year ended 31 December 2021

Opening net book value	-	2,046	200	2,246
Additions	223	5,121	2,428	7,772
Disposal	-	(36)	(31)	(67)
Depreciation for the year	-	(658)	(179)	(837)
Depreciation of disposal	-	31	5	36
Closing net book value	223	6,504	2,423	9,150

At 1 January 2022

Cost	223	8,358	2,640	11,221
Accumulated impairments and depreciation	-	(1,854)	(217)	(2,071)
Net book value	223	6,504	2,423	9,150

Interim period ended 30 June 2022

Opening net book value	223	6,504	2,423	9,150
Additions	4,157	1,842	1,550	7,549
Disposal	-	-	-	-
Depreciation for the year	(21)	(524)	(297)	(842)
Depreciation of disposal	-	-	-	-
Closing net book value	4,359	7,822	3,676	15,857

9 Equity

Share capital and share premium

On 26 May 2021 and pursuant to a notarial deed of amendment of the Articles of Association, the Ordinary Shares with a value of €1.00 have been split into an aggregate amount of 35,000,000 Ordinary Shares, each with a nominal value €0.01, as a result of which the Company's issued capital amounts to €350,000 divided into 35,000,000 Ordinary Shares. The difference between the aggregate nominal value of the Ordinary Shares before and after this stock split has been added to the share premium reserve of the Company.

Pursuant to a deed of amendment and conversion executed on 11 June 2021, the authorized capital (maatschappelijk kapitaal) of NX Filtration N.V. amounts to €1,750,000 divided into 175,000,000 ordinary shares.

On 15 June 2021, the Company issues 15,000,000 ordinary shares with a value of €11.00, each with a nominal value of €0.01, as a result of which the Company's issued capital amounts to €500,000 divided into 50,000,000 Ordinary Shares.

On 15 June 2021, the Company repaid and cancelled all of the outstanding preference shares including payment of the cumulative interest accrued thereon. The total repaid amounts to €15.8 million, including €2.4 million of accrued interest.

10 Trade and other receivables

In EUR '000	30 June 2022	31 December 2021
Trade receivables	1,955	833
Less: loss allowance	-	-
Trade receivables - net	1,955	833
Prepaid expenses	405	318
Other taxes	1,667	1,079
Other receivables	783	573
	4,801	2,804
Less non-current portion	-	-
Current portion	4,810	2,804

Other taxes mainly relate to a VAT receivable driven by paid VAT on the purchase of the plot of land for the new megafactory.

11 Lease liabilities

The Company leases several assets, which can be combined into the asset classes: (i) Buildings and (ii) Vehicles. These contracts are typically entered into for a period between 3 to 5 years, but some leases may include renewal and/or termination options.

12 Trade and other payables

In EUR '000	30 June 2022	31 December 2021
Trade payables	1,993	3,677
Tax payables	332	125
Employee benefits	285	203
Payments received in advance	49	162
Other liabilities	797	787
Total	3,456	4,954

13 Financial Instruments by category

The Company has no financial assets or liabilities measured at fair value.

At 30 June 2022 and 31 December 2021, the carrying amounts of cash and cash equivalents, trade receivables and trade payables approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of the long term debt are not materially different from the carrying amounts as the interest rate is a floating rate plus spread where the spread equals the current market spread.

In the first half year of 2021, the following transactions were carried out with related parties:

- Key management compensation
- Management fee to Infestos Holding E B.V.
- Management fee to Infestos Management B.V.
- Interest on (temporary) loans provided by Infestos Holding E B.V.

All these transactions are made on terms equivalent to those that prevail in arm's length transactions.

15 Events after the end of the reporting period

No such events to report.

14 Related party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control, jointly control or significantly influence the Company are considered a related party. In addition, statutory and supervisory directors and close relatives are regarded as related parties.

In the first half year of 2022, the following transactions were carried out with related parties:

- Key management compensation
- Consultancy fee to Infestos Holding E B.V.

Colophon

NX Filtration Semi-annual Report 2022

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Disclaimer

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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 2022 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 report are unaudited and are subject to change. Certain figures contained in this report, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this report 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.



