

NX Filtration announces further delay in revenue growth

Long-term growth supported by strong underlying drivers, cash sufficient for finalizing megafactory and 2024 operations, Capital Markets Day mid-2024

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ENSCHDEDE, THE NETHERLANDS – NX Filtration N.V. (Euronext Amsterdam: NXFIL), the global provider of breakthrough direct hollow fiber nanofiltration technology for pure and affordable water with strong sustainability benefits, today reports its preliminary revenue for 2023 and a further delay in the roll-out of its business plan, whilst remaining confident on its longer term business plan and its cash position to fully finance the construction of its new megafactory and operations in 2024.

NX Filtration is experiencing an approximately 1.5 years delay in the roll-out of its original business plan, that is caused by longer lead times to convert pilot projects into large full-scale projects, as communicated at the half-year 2023 results. This is driven by both pilot trajectories taking longer than anticipated, as well as longer lead times towards larger projects after the pilot phase, amongst others caused by permitting lead times, decision making and engineering. **These delays were further impacted by the current financing environment** that negatively impacts our end-customers' capex plans, as well as the ability and willingness of OEMs to build-up or maintain stock of our modules in anticipation of upcoming projects.

Full-year 2023 revenues are expected to be approximately €8 million, which is below our previously communicated outlook on total revenues of €10 million to €14 million. **Several orders that we anticipated to receive and deliver in 2023, have been delayed by the respective customers, but are still part of our pipeline for delivery in 2024.** Our outlook on total revenues for 2024 is in excess of €16 million, amongst others supported by a growing number of successful pilot projects and concrete project opportunities from our growing OEM customer base.

We expect our current cash position (approximately €50 million at year-end 2023) to be sufficient to fully finance the construction of our new megafactory, and our operations in 2024. We have taken cost control measures without impacting our growth ambitions. To implement our growth strategy for the longer-term, we are **exploring a range of possibilities to increase our financial flexibility**, including asset-based financing on our €58m fixed asset base as per December 2023.

All underlying business drivers continue to develop in a very favorable direction. In conjunction with the opening of our megafactory by mid-2024, **we will organize a Capital Markets Day** to provide an update of market developments and the roll-out of our business plan.

- We see **stronger than ever market trends** to address global water issues with many countries to implement regulations and investment plans.
- We are making **major steps forward with large global OEMs** (including Veolia, Suez, Nijhuis Saur, and Aqualia) that further intensified their pilot programs, entered into cooperation agreements with us, and started offering our products in full-scale projects.
- **Our strong technology position is underscored by a sustained high gross margin and a continuation of repeat orders** from existing partners across Europe (e.g. Nijhuis Saur Industries, Ekopak and Envirogen), the Americas (e.g. Delco, PepsiCo, Vetec, Evoqua and International RO) and Asia (e.g. Hydroflux and PT Bayu Surya Bakti Konstruksi).
- **We are fully on-track with our new megafactory.** We have gained early-access to the building in December 2023 to frontload the installation of equipment ahead of schedule, and completion of the megafactory and start of commissioning is planned for the end of Q1 2024.

Jeroen Pynenburg, CEO of NX Filtration, states:

“I am disappointed to announce a further delay in the roll-out of our business plan. In addition to longer lead times to convert pilots into large full-scale projects, we have been confronted with the impact of the current financing environment that negatively impacts our end-customers’ capex plans, as well as their ability and willingness of OEMs to build-up or maintain stock of our modules in anticipation of upcoming projects.”

In the context of the delayed roll-out of our business plan we have taken cost control measures without impacting our medium and long-term growth ambitions. For example, upon the completion of our new megafactory, which is fully on schedule, we will be moving all our existing operations into this new facility. We believe our current cash position is sufficient to finance the construction of our new megafactory and our operations in 2024. To implement our growth strategy for the longer-term, we are currently exploring a range of possibilities to increase our financial flexibility, including financing on our asset base that is further growing with the completion of our megafactory.

Despite the delay in our revenue growth, I am highly confident that we are on the right track of our future growth path, and that our longer term business case is fully intact. We are closely collaborating with our customers and continue to be positive on the conversion of our pilots. Our major opportunities that we had planned to deliver in 2023 are still part of our pipeline today. In fact, the underlying drivers for our business are stronger than ever: the market is developing very favorably, our pipeline continues to grow, and we experience great traction with major global water companies that are clearly entering the next stage of roll-out of our technology. We will



further elaborate on these trends and the roll-out of our business plan on a Capital Markets Day that we plan to host mid-2024, in conjunction with the opening of our megafactory.”

NX Filtration’s 2023 annual report will be published on 9 February 2024 and will be available on the Investor Relations section of the website www.nxfiltration.com.

About NX Filtration

NX Filtration is a provider of direct hollow fiber nanofiltration membrane technology for producing pure and affordable water to improve quality of life. Its direct nanofiltration technology removes micropollutants (including pharmaceuticals, medicines, PFAS and insecticides), colour and selective salts, but also bacteria, viruses and nanoplastics, from water whilst offering strong sustainability benefits. For further information on NX Filtration please visit www.nxfiltration.com

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Notes to the press release

This is a public announcement by NX Filtration N.V. pursuant to section 17 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in NX Filtration N.V. Not all reported data in this press release has been audited.

Use of non-IFRS information

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 standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

Forward looking statements

This press release may include 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, optimizing, 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 revenue outlook estimates are management estimates resulting from NX Filtration's pursuit of its strategy. NX Filtration can provide no assurances that the estimated future revenues will be realized and the actual total revenues for 2024 could differ materially. The expected total revenues 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.