



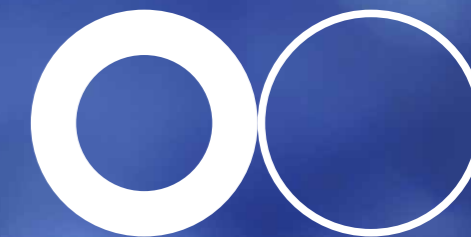
Annual Report 2024



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2024 at a glance



€11.1 million

total income

61%

gross margin

457 billion

liters of clean
water enabled

Revenue growth of 38% versus 2023 - driven by the global industrial slowdown, and longer lead times in Europe and North America, this was lower than originally expected

Positive momentum around water scarcity and water quality as key drivers for our technology in the years to come

Growing traction with OEM customer base and a very good visibility on future projects

Excellent technology position, underscored by a sustained high gross margin

Successful start-up of our new large-scale factory

Strong leadership additions for next stages of growth

Raised new capital providing sufficient headroom to fund our growth ambitions well into the future

B Corp certified, joining a global movement that pursues a sustainable purpose alongside profit



About NX Filtration

NX Filtration is a provider of membrane technology for producing pure and affordable water to improve quality of life. Its hollow fiber nanofiltration (HFNF)¹ technology removes micropollutants (including pharmaceuticals, medicines, PFAS and insecticides), color and selective salts, but also bacteria, viruses and nanoplastics, from water whilst offering strong sustainability benefits. NX Filtration sells its filtration membrane modules in its two business lines: Clean Municipal Water and Sustainable Industrial Water.

¹ Equivalent to direct nanofiltration (dNF)

Business lines

Clean Municipal Water

In its Clean Municipal Water business line, NX Filtration's membrane technology enables its customers to produce high quality water from surface water, or from municipal waste water, by removing, amongst others, micropollutants, nanoplastics and medicine residues, to treat municipal wastewater streams to prevent discharge of polluting substances in the environment, and to reuse treated wastewater for purposes that also include the production of drinking water.

Sustainable Industrial Water

In its Sustainable Industrial Water business line, NX Filtration's membrane technology enables its customers to treat surface or well water to optimize quality and characteristics for process water, prevent discharge of polluting wastewater and reuse wastewater for industrial processes and recover, and recycle valuable raw materials from wastewater streams, such as indigo in the textile industry or cleaning chemicals in beer breweries.

Commercialisation strategy

NX Filtration's scalable commercial model is based on establishing relationships with original equipment manufacturers (OEMs), who are responsible for the design and delivery of the overall filtration system at the end-users facilities. To facilitate this process, from technology adoption to project realization, NX Filtration supports these OEMs with various tools, amongst which a large fleet of pilot systems (mobile units that are typically deployed at customers' sites to test water treatment performance, or to establish optimal process parameters and conditions for a full-scale plant). Once these OEM customers have worked with NX Filtration's membrane technology, they become an important element in the further commercial rollout of NX Filtration's products, leading to repeat orders from existing clients, and periodic module replacements at existing plants.

Report of the Management Board



Floris Jan Cuypers
CEO



Jan Feie Zwiers
CFO



Michiel Staatsen
COO



Erik Roesink
Founder and CTO

Business review

In 2024 we continued to work 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. During 2024, we put several important building blocks in place that facilitate and enable the growth journey ahead of us:

- We completed the construction of our new large scale factory in Hengelo, the Netherlands, making our operations ready to scale and enabling further efficiencies in our operations, amongst others by integrating our previous production locations into this new facility;
- We gained increasing commercial traction with our OEM customers and benefit from a pipeline of future projects that grows in size and maturity, providing increased visibility both for the short and longer term;
- We strengthened our leadership team with a new CEO and CFO, supporting the next stage of growth for NX Filtration; and
- We raised new capital providing sufficient headroom to fund our growth ambitions well into the future.

2024 total revenues were €11.1 million, representing a growth of 38% compared to 2023. This was lower than originally expected, reflecting the evolving timelines associated with converting pilot projects into full scale projects and customers' project realization schedules. These were particularly impacted by the global industrial slowdown, and longer lead times in Europe and North America. At the same time, the underlying drivers for our business are stronger than ever and NX Filtration's longer term outlook is unchanged: 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. Our strong technology position is underscored by a sustained high gross margin and a continuation of repeat orders from existing partners.

Market developments

Water scarcity and water quality remain key drivers for positive market development for hollow fiber nanofiltration in the years to come. According to the United Nations, global demand for freshwater will exceed supply by 40%

by 2030 if no action is taken. To combat water scarcity, the European Parliament voted in April 2024 to introduce new EU rules for wider reuse of treated urban wastewater. The new rules for, among other things, removing micro-pollutants underline the need for new technologies. Also outside Europe, we observe strong trends around freshwater conservation and innovative wastewater reuse solutions, particularly in regions confronted with droughts and growing water consumption. The trend of wastewater reuse is reflected in NX Filtration's customer base, for instance with the sale of our hollow fiber nanofiltration membranes for indirect potable water reuse in Mexico.

Water reuse is not only at the top of the agenda of water treatment companies, water scarcity is also forcing industrial companies, particularly those in water-intensive industries, like the beverage and high-tech sectors, to set up strategies that reduce the risk of water supply issues and to become more self-sufficient. But contingency is not the only driver, a growing number of companies are demonstrating true water stewardship. This is driving the need for sustainable practices that offer opportunities for hollow fiber nanofiltration to make existing water treatment methods more sustainable.

In the field of water quality, governments around the world are adapting legislation to ensure water quality. With globally increasing concerns about PFAS levels in water, we expect stricter regulations for drinking water and wastewater discharge around the globe in the coming years.

Commercial roll-out

In 2024 we delivered our HFNF modules for 14 full-scale projects, of which 7 were repeat orders from customers who had already worked with NX Filtration before. In 2024, NX Filtration received an additional 6 replacement orders for projects we delivered a first set of membrane modules in the past years.

One of our medium-term objectives at the time of our IPO related to growing to approximately 200 pilots per year, which we already achieved in 2023. As we further mature, and our OEMs become increasingly familiar with our technology, we expect this number to stabilize going forward. During 2024, NX Filtration initiated 207 pilot projects, approximately equal to the number of pilot projects initiated in 2023 (209). Also our fleet of pilot systems remained constant at 190 systems as per 31 December 2024. We see increasing activity of OEMs and partners to deploy their own pilots, therewith shifting our focus from expanding our pilot fleet towards optimal deployment for near, medium and long-term commercial opportunities.

As our pilot program further matures, we are also becoming more confident about the success rate of our pilots. Since 2020, we have initiated 697 pilot projects. Of these, 92 have already converted in a demo or full-scale project. The vast majority of the initiated pilot projects are either still running, have been extended into a more extensive larger pilot project, or have been concluded successfully but are still in the process of decision making, financing, permitting or engineering. We estimate that less than 25% of

the commercial pilot projects we initiated are no longer associated with a potential future project. This predominantly relates to pilot projects with our smaller Mexplorer pilot systems, and is in most cases caused by the project no longer being pursued by the customer (for example because of budget reasons), and in a limited number of cases by our technology not being selected as preferred option for the related project opportunity (for example because of risk averseness to work with a new technology or because of very specific treatment requirements outside the direct scope of our products).

Over the years we have obtained valuable insights from the deployment of our fleet of pilot systems, such as sweetspot product-market combinations for our technology. We are increasingly using these insights to optimize the way we channel OEMs through various phases towards the realization of a full-scale project. In the Capital Markets Day that we will host on 8 April 2025, we will provide further insights in our growing pipeline of OEM partners, and how we work with them from early stages towards project realization.

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. We have externally certified science-based CO₂ reduction targets, we are part of the United Nations Global Compact initiative, and have a formal ESG Committee comprised of the two independent Supervisory Board members to formalize governance and oversight responsibilities with regard to sustainability, environmental, social, corporate governance and human capital

matters. We are truly honored that NX Filtration joined the global B Corp community in 2024 alongside other companies aiming to transform business into a force for good.

We have developed a targeted ESG framework in which we address and monitor our impact along three pillars:

1. **Clean water for all:** Our 2024 membrane sales can enable the production of 457 billion liters of clean water¹, enabling access to clean water across 38 countries.
2. **Avoiding emissions at our customers:** With our membrane module sales in 2024, we enabled 4,300 ton CO₂e savings during the deployment lifetime of our modules, by avoiding the use of 8.0 million kg of chemicals and saving 98 GWh energy compared to conventional technologies.
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.

In our Sustainability Report, that forms part of this Annual Report, we further elaborate on these and other ESG related aspects.

New factory

We are proud that in 2024 we have successfully started-up our new largescale factory for the production of our membrane modules according to schedule and within the anticipated Capex budget. ESG is strongly embedded in the design of this factory, with more than 1,350 solar panels for electricity generation, a unique peer-to-peer heat exchange system with neighboring datacenter Previder, an extensive heat energy management and reuse system, and an inhouse water treatment facility.

As communicated before, we are moving our entire operations into this new facility, in order to enable further efficiencies and optimizations in our operations. In July 2024 we already completed the transfer of our former module production operations from our previous location at the Josink Esweg in Enschede, the Netherlands. Preparations for the transfer of our former membrane production location at the Institutenweg in Enschede are well underway. This transfer is expected to be fully finalized during the first quarter of 2025.

Outlook

In recent years we have put strong building blocks in place for the growth journey ahead of us, amongst others related to our solid technology, expanded production capacity, strong ESG framework, our global sales organization, and our growing pipeline of commercial opportunities. Based on these building blocks, we have set clear priorities for 2025 that we will drive with full dedication.

First and foremost, we will continue our existing approach in developing OEM relationships and converting project opportunities in orders, and build on existing OEM relationships for repeat orders. Based on the learnings from prior years we are further pursuing our commercial focus towards high-yielding product-market combinations.

In the context of the delayed roll-out of our business plan we have taken cost control measures without impacting our longer term growth ambitions, that are unchanged. We are proactively aligning our cost levels to the timing of realizing our growth, therewith controlling our path towards break-even operations. We expect our current cash position (€53.4 million at the end of 2024), to be sufficient to fund our growth ambitions well into the future.

For 2025 we target a growth of total revenues in the range of 50% to 70%. We are reiterating our longer-term objectives on revenue growth and profitability. In the Capital Markets Day on 8 April 2025, we will provide further background to, amongst others, market developments, our commercial strategy, the strong progress we are making in developing our pipeline of OEM customers, our continued growth prospects for the medium- and longer term, and our path towards break-even operations.

Management Board

Floris Jan Cuypers CEO	Jan Feie Zwiers CFO	Michiel Staatsen COO	Erik Roesink CTO
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¹ Based on NX Filtration's sales of approximately 3,800 membrane modules (HFNF and UF only), multiplied by the expected capacity and lifetime of such modules. See Sustainability Report for details, assumptions and methodologies

We successfully started-up our new large-scale factory, paving the way for future growth



Sustainability report

Introduction

Sustainability and ESG are at the heart of NX Filtration's business. Our vision is to be a leading global provider of breakthrough nanofiltration technology that enables customers to, amongst others, produce pure and affordable water, treat wastewater, reduce their water footprint and achieve strong sustainability benefits. Water scarcity and water quality are major global and structural issues and key drivers of the water market. For example, it is estimated that 1.1 billion people worldwide lack access to water, and a total of 2.7 billion people find water scarce for at least one month of the year. By the end of 2025, approximately two-thirds of the world's population may face water shortages. In addition, the discharge of wastewater increasingly poses challenges for the environment (for example the presence of antibiotic resistant bacteria resulting in potential health issues) and for the production of drinking water (for example increased requirements on the removal of micropollutants).

NX Filtration's direct nanofiltration technology can play a central role in addressing these issues. Our technology is designed to remove micropollutants (including pharmaceuticals, medicines, PFAS and insecticides), colour and selective salts from water in one single step and also removes bacteria, viruses and nanoplastics from polluted fresh water sources. The direct nanofiltration technology avoids the use of pretreatment chemicals in the water treatment process and substantially reduces energy consumption, so that a competitive operational costs can be offered to our clients.

At NX Filtration, we believe we have a responsibility to contribute positively to society and the environment. Since March 2024, we are officially B Corp certified and joined a global movement of over 8,400 B Corps that pursue a sustainable purpose alongside profit. We believe we have a responsibility to contribute positively to society and the environment. A B Corp must meet high, verified standards in terms of social and environmental impact, accountability and transparency and the certification is granted by B Lab. B Lab is the nonprofit network transforming the global economy to benefit all people, communities, and the planet. The B Corp certification addresses the entirety of a business' operations and covers five key impact areas of Governance, Workers, Community, Environment and Customers. Every three years, B Corps must recertify to uphold certification. Becoming a B Corp marks another significant milestone in advancing our ESG agenda and demonstrates our commitment to a sustainable and socially responsible organization. Together with the global B Corp community we take collective action to address society's most critical challenges.

Additionally, we remain very well on track to meet our externally certified science-based CO₂ reduction targets and we continued to participate in the United Nations Global Compact initiative by actively submitting our Communication of Progress 2024. Our formal ESG Committee continued with overseeing matters with regard to sustainability,



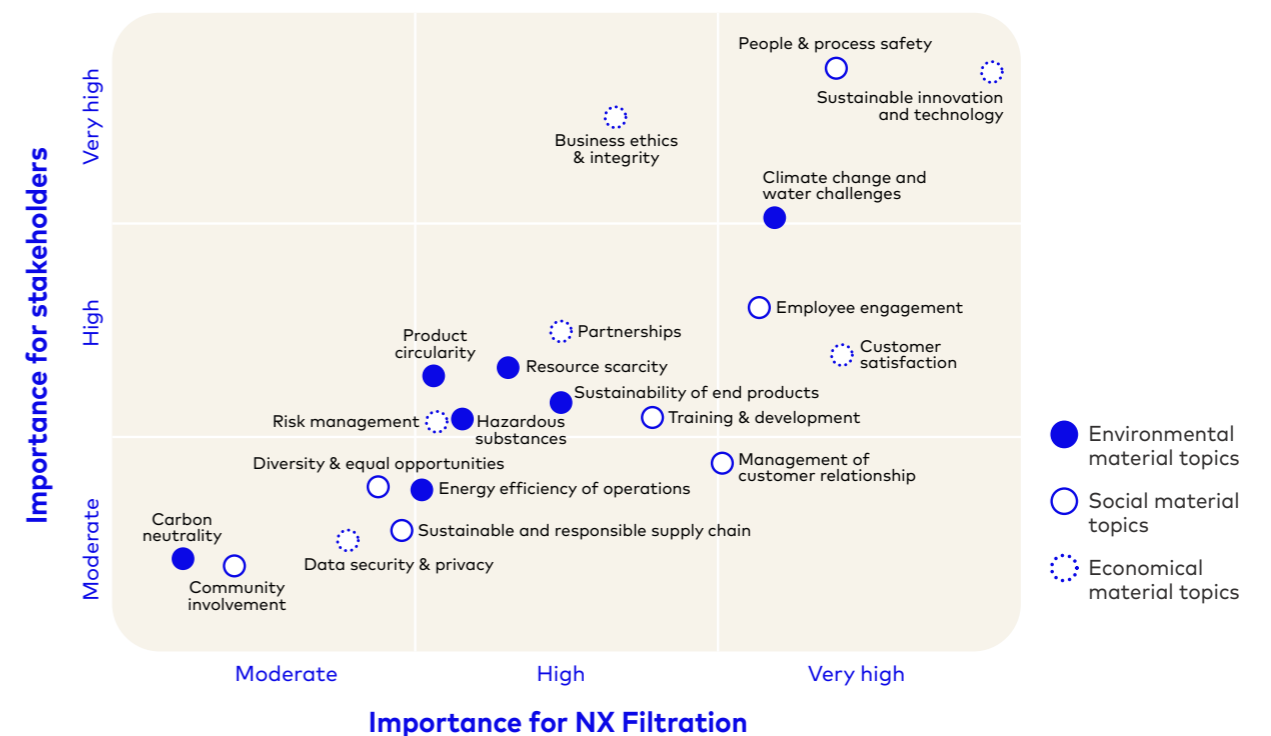
environmental, social, corporate governance and human capital matters. Further reference is made to the Risks and Uncertainties paragraph of our Management Board Report in which we describe our efforts in 2024 on various topics such as code of conduct compliance, business ethics and human rights.

As used throughout this Annual Report, "ESG" means Environmental, Social and Governance. Environmental factors for example include the contribution NX Filtration makes to climate change through (the reduction of) greenhouse gas emissions, along with waste management and energy efficiency by the use of its products. Social factors for example include human rights, labor standards throughout the supply chain, and more routine issues such as adherence

to workplace health and safety and gender equality. Governance refers to a set of rules or principles defining rights, responsibilities and expectations between different stakeholders in NX Filtration's governance.

Alignment with UN Sustainable Development Goals

To obtain input on material topics on environmental, social and economic parameters, NX Filtration performed a broad stakeholder survey amongst employees, customers, suppliers, communities and partners. These material topics formed the basis for the development of a materiality matrix and the mapping to the UN SDGs.



The SDGs are guiding NX Filtration's ESG agenda, by way of which NX Filtration supports society. NX Filtration has selected five SDGs that today form an integral part of NX Filtration's strategic framework. The SDGs that NX Filtration seeks to contribute to are SDG 6 – Clean water and sanitation, SDG 8 – Decent work and economic growth, SDG 9 – Industry, innovation and infrastructure, SDG

12 – Responsible consumption and production and SDG 17 – Partnership for the goals. NX Filtration has set key performance indicators (KPIs) for each SDG and is monitoring these KPIs and initiating improvement actions. These KPIs are described in the paragraph *NX Filtration's integrated ESG framework*.



Vision

To be a leading global provider of technology for producing pure and affordable water to improve 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

ESG Committee

At NX Filtration we have a clear vision to be among the best-in-class performing ESG companies, not only in what we do, but also in how we do it. We have therefore installed a formal ESG Committee. The purpose of the ESG Committee is to assist and support the Management Board and the Supervisory Board in carrying out its governance and oversight responsibilities with regard to sustainability, environmental, social, corporate governance and other human capital matters. The members of the ESG Committee are NX Filtration's independent Supervisory Board members Ms C. (Carolina) Wielinga en Mr B.A.M. (Benno) van Dongen. The installment of a formal ESG Committee has further shaped NX Filtration's ESG agenda and the broad duties and responsibilities include, amongst others: (i) monitor, evaluate and provide guidance on our policies, procedures and practices with respect to ESG matters; (ii) review and monitor the development and implementation of targets, standards, metrics or methodologies that NX Filtration may establish from time to time, (iii) oversee our public disclosure on ESG matters, (iv) review and monitor initiatives to manage and mitigate its environmental impact (greenhouse gas (GHG)- and non-GHG reduction); (v) review and monitor any significant examination or audit by external auditors, regulators or key ESG rating agencies on ESG matters (such as CICERO, Sustainalytics and B Corporation); (vi) review and monitor, as appropriate, human capital initiatives, for example diversity and inclusion initiatives, employee wellbeing or engagement initiatives (such as UN Global Compact); and (vii) review and monitor, as appropriate, social initiatives and commitments, including, among others, initiatives related to the field of education.

The Science Based Targets initiative (SBTi)

NX Filtration's CO₂ reduction targets for Scope 1 and Scope 2 emissions have been officially validated by the SBTi. By committing to the SBTi, NX Filtration commits to a 42% decrease in absolute Scope 1 and 2 emissions by 2030. To achieve this target, NX Filtration will procure green electricity, continues to switch to electric vehicles, and further electrify its operations.

The SBTi defines and promotes best-practices in setting emission reduction targets and is considered the most ambitious and reputable carbon target setting standard globally. Science-based targets are emissions reduction targets which are in line with scenarios deemed necessary by climate scientists to meet the goals of the Paris Agreement of limiting global warming to a maximum of 1.5 °C.



EU Taxonomy

Introduction

Regulation (EU) 2020/852 (Taxonomy), as amended, on the establishment of a framework to facilitate sustainable investment (the **EU Taxonomy Regulation**) has introduced a classification system for environmentally sustainable economic activities. NX Filtration is expected to report alignment with the EU Taxonomy Regulation at the earliest in 2027 over the financial year 2026.

The EU Taxonomy Regulation sets out the four conditions that an economic activity must meet in order to qualify as environmentally sustainable. A qualifying activity must: (i) contribute substantially to one or more of the six EU taxonomy environmental objectives, (ii) not significantly harm any of the other environmental objectives; (iii) be carried out in compliance with minimum (social) safeguards laid down in various principles, and (iv) comply with technical screening criteria established by the European Commission.

The environmental objective that NX Filtration seeks alignment to is climate change mitigation.

EU Taxonomy Objective 1

NX Filtration focuses on the technical screening criteria for activity 3.6 'Manufacture of other low carbon technologies': *the economic activity manufactures technologies that are aimed*

at and demonstrate substantial life-cycle GHG emission savings compared to the best performing alternative.

EU Taxonomy Objective 1 - climate change mitigation

Taxonomy requirement:

An economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilization of greenhouse gas concentrations in the atmosphere at a level consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovations.

Technical screening and DNSH (do no significant harm) criteria available

NX Filtration's activities:

The operation of water treatment systems based on NX Filtration's HFNF membranes require less energy and therefore realise a significant CO2 footprint reduction compared to water treatment systems based on conventional technologies such as filtration with reverse osmosis (RO), adsorption (activated carbon) and oxidation. In research by the Energie en Grondstoffenfabriek, energy consumption of various technologies for producing drinking water in the Netherlands have been compared. In this research, it can be seen that the gross energy requirements for a system based on direct nanofiltration are approximately 0.5 kWh/m³, as compared to approximately 1.7 kWh/m³ for a combination of ultrafiltration and reverse osmosis.

In addition, NX Filtration's HFNF solution avoids or significantly reduces the use of chemicals in operations, as it prevents the use of flocculants and coagulants in pre-treatment (which is required for traditional filtration processes) and requires a very low cleaning frequency. From external research by Stockholm university (Rahul Aggarwal, "Strategic Assessment of Drinking Water Production Systems Environmental impacts from a Life Cycle perspective", KTH Royal Institute of Technology, school of architecture and the built environment, Stockholm, Sweden 2020), it can be derived that each HFNF module can avoid approximately 4 tons of chemicals during a five-year lifetime, that would be required for conventional technologies such as the combination of ultrafiltration and reverse osmosis.

As part of NX Filtration's assessment on the DNSH-criteria, we can report that: (i) we have assessed that our eligible activities as such cannot be materially impacted by physical climate risks, (ii) we are currently not obliged to identify and address environmental degradation risks in accordance with Directive 2000/60/EC (as implemented under Dutch law), (iii) our eligible activities do not lead to the manufacture, placing on the market or use of certain substances that would possibly harm the environment, whether on their own or in mixtures, and (iv) our sites/operations

are not located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas). Each of these conclusions should be monitored over time and in 2024 and onwards, NX Filtration will particularly focus on alignment with the DNSH-criteria that requires it to seek reuse of its secondary raw materials and components in products manufactured and requires recycling over disposal and the DNSH-criterion to conduct an environmental impact assessment (EIA), to the extent required.



EU Taxonomy Objective 3

This objective clearly aligns with the business purpose of NX Filtration. Based on the current technical screening criteria and according to our internal assessment, it however seems that we will not be eligible to report alignment therewith. As part of our preparations for our public reporting obligations, including discussions with external advisers, we will investigate this further in 2025 and onwards.
 EU Taxonomy Objective 3 – the sustainable use and protection of water and marine resources

Taxonomy requirement:

An economic activity shall qualify as contributing substantially to the sustainable use and protection of water and marine resources where that activity either contributes substantially to achieving the good status of bodies of water, including bodies of surface water and groundwater or to preventing the deterioration of bodies of water that already have good status, or contributes substantially to achieving the good environmental status of marine waters or to preventing the deterioration of marine waters that are already in good environmental status, by, *inter alia*: (a) protecting the environment from the adverse effects of urban and industrial waste water discharges, including from contaminants of emerging concern such as pharmaceuticals and microplastics, for example by ensuring the adequate collection, treatment and discharge of urban and industrial waste waters; (b) protecting human health from the adverse impact of any contamination of water intended for human consumption by ensuring that it is free from any micro-organisms, parasites and substances that constitute a potential danger to human health as well as increasing people's access to clean drinking water; or (c) enabling any of these activities.

Technical screening and DNSH (do no significant harm) criteria available

NX Filtration's activities:

NX Filtration's membrane technology enables its customers to produce drinking water from surface water by retaining, amongst others, bacteria, viruses, micropollutants (including pharmaceuticals, medicines, PFAS and insecticides), nanoplastics and selective salts. In addition, with NX Filtration's products, customers can treat wastewater streams to prevent discharge of polluting substances in the environment, and to reuse wastewater for purposes that also include the production of drinking water.

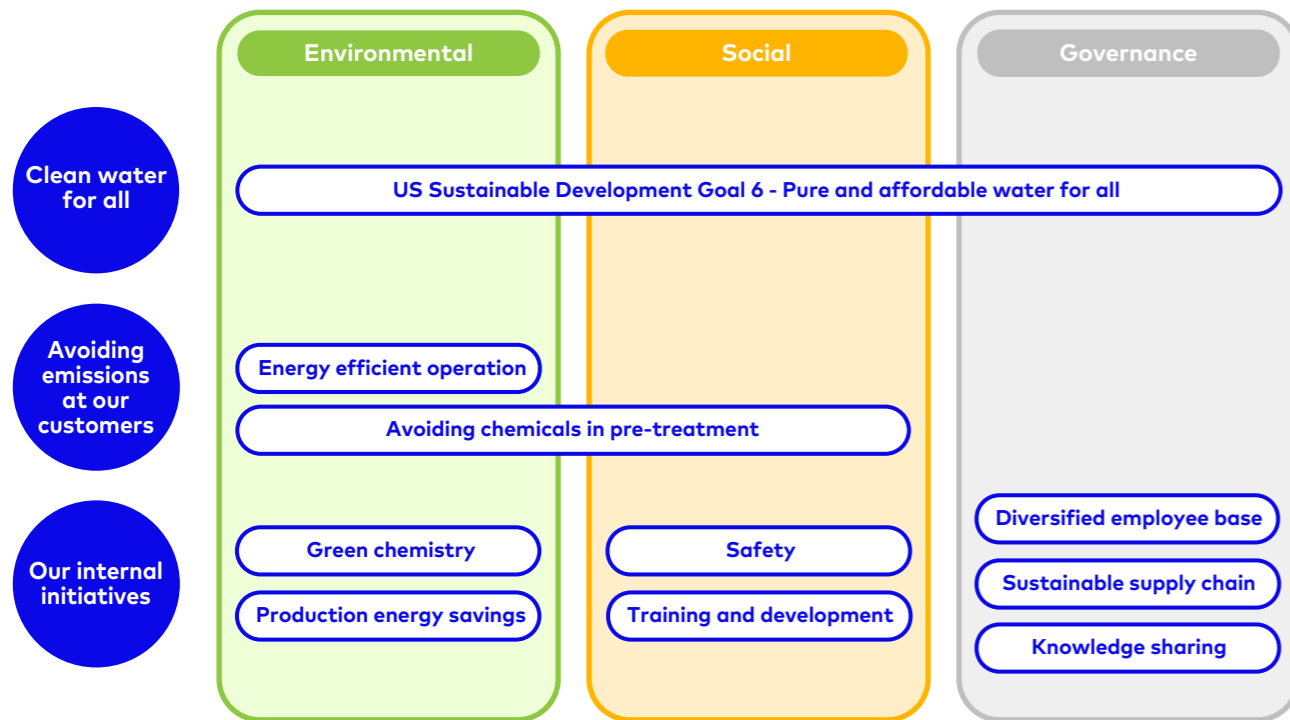
With Dutch drinking water utility Vitens, we have performed tests on both synthetic feed waters and on real waters containing a large range of PFAS compounds. Very high removal rates were obtained for our HFNF products. KWR, an independent water research institute researched our HFNF membranes with a full scale pilot installation under real live circumstances both on wastewater and surface water and found comparable, high removal rates for e.g. PFOA, which is a perfluorinated carboxylic acid produced and used worldwide as an industrial surfactant in chemical processes and as a material feedstock, and is a product of health concern and one of many PFAS compounds).

NX Filtration's potential contribution to objective 3 of the EU Taxonomy Regulation (the sustainable use and protection of water and marine resources) can be found in various (pilot) projects in which its HFNF technology enables companies to treat and reuse their wastewater and, as such, reduce their water consumption, for example through extracting (and depleting) groundwater sources. An

example of such application is the use of HFNF technology for NX Filtration's Recolab project in Sweden. Recolab is the largest source-separated sanitation plant in the world using circular treatment. Key highlights of the project are the energy-efficiency of the plant and the circular processes that recycles wastewater to drinking water quality.

NX Filtration's integrated ESG framework

NX Filtration has established an ESG framework to embed ESG in its way of working. This ESG framework consists of three layers.



The **first layer** constitutes the impact NX Filtration is aiming to make with its technology in addressing the global challenges around water scarcity and water quality, contributing to SDG 6 relating to clean water and sanitation. NX Filtration seeks to be a leading and global provider of breakthrough technology for producing pure and affordable water to improve quality of life.

Key KPIs in this respect mainly relate to SDG 6 (clean water and sanitation) and include i) the amount of clean water production enabled by NX Filtration membrane module sales and ii) the number of countries in which NX Filtration supplied its membrane modules.

The **second layer** constitutes the impact NX Filtration is aiming to make on its customers' operations and on its partners. The energy efficient and chemicals free operation of NX Filtration's membranes requires less energy compared to conventional technologies (environmental impact) and NX Filtration's solution avoids the use of flocculants and coagulants in pre-treatment (that is required for traditional filtration processes) and requires a low cleaning frequency (environmental and social impact). NX Filtration has a strong academic network; it partners and cooperates with multiple universities and research institutes around the world, including the University of Twente, Saxion University of Applied Sciences and the Universität Hamburg (governance impact).

Key KPIs in this respect mainly relate to SDG 12 (responsible consumption and production) and include i) GHG emissions scope 1 and 2 and 3 (upstream) and ii) avoided GHG emissions during the use of NX Filtration's membrane modules.

The **third layer** constitutes NX Filtration's own organisation, in which it has implemented various sustainability measures and is deploying various initiatives around ESG related themes. For example, NX Filtration's coating process for its HFNF membranes is based on water-based chemistry (green chemistry), in contrast to conventional solvent-based coating processes and NX Filtration has developed an energy efficient membrane spinning process based on a unique in-line polymer mixing concept. NX Filtration is valuing a diverse workforce. For example, its 169 FTEs at 31 December 2024 represented 19 nationalities.

Key KPIs in this respect mainly relate to SDG 8 (decent work and economic growth) including i) growth in the number of employees and ii) lost time injury rate, SDG 9 (Industry, innovation and infrastructure) including i) the number of patents filed and granted and ii) the number of scientific publications authored or supervised by NX employees and SDG 17 (partnerships for the goals) including i) progress on the implementation of the supplier code of conduct and ii) NX Filtration's network of research partners.

On the following pages, various examples and KPIs have been included on these three layers.

Our impact in 2024*

Clean water for all

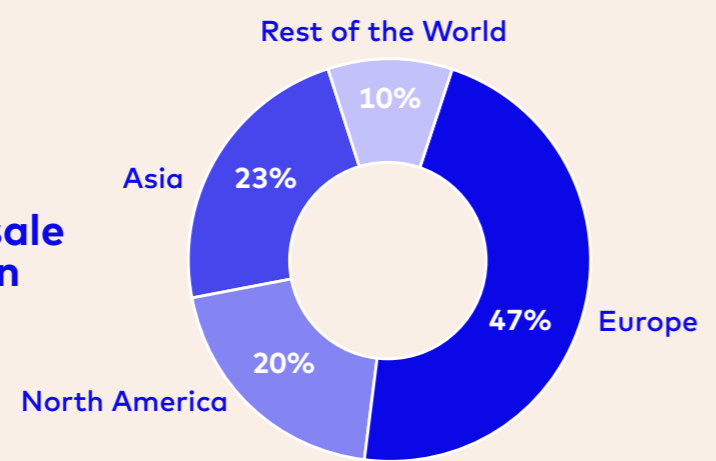
2024 membrane sales could enable the production of:



457 billion liters of clean water

Based on NX Filtration's sales of approximately 3782 membrane modules (HFNF and UF), multiplied by the expected capacity and lifetime of such modules.

2024 revenue of sale of goods by region

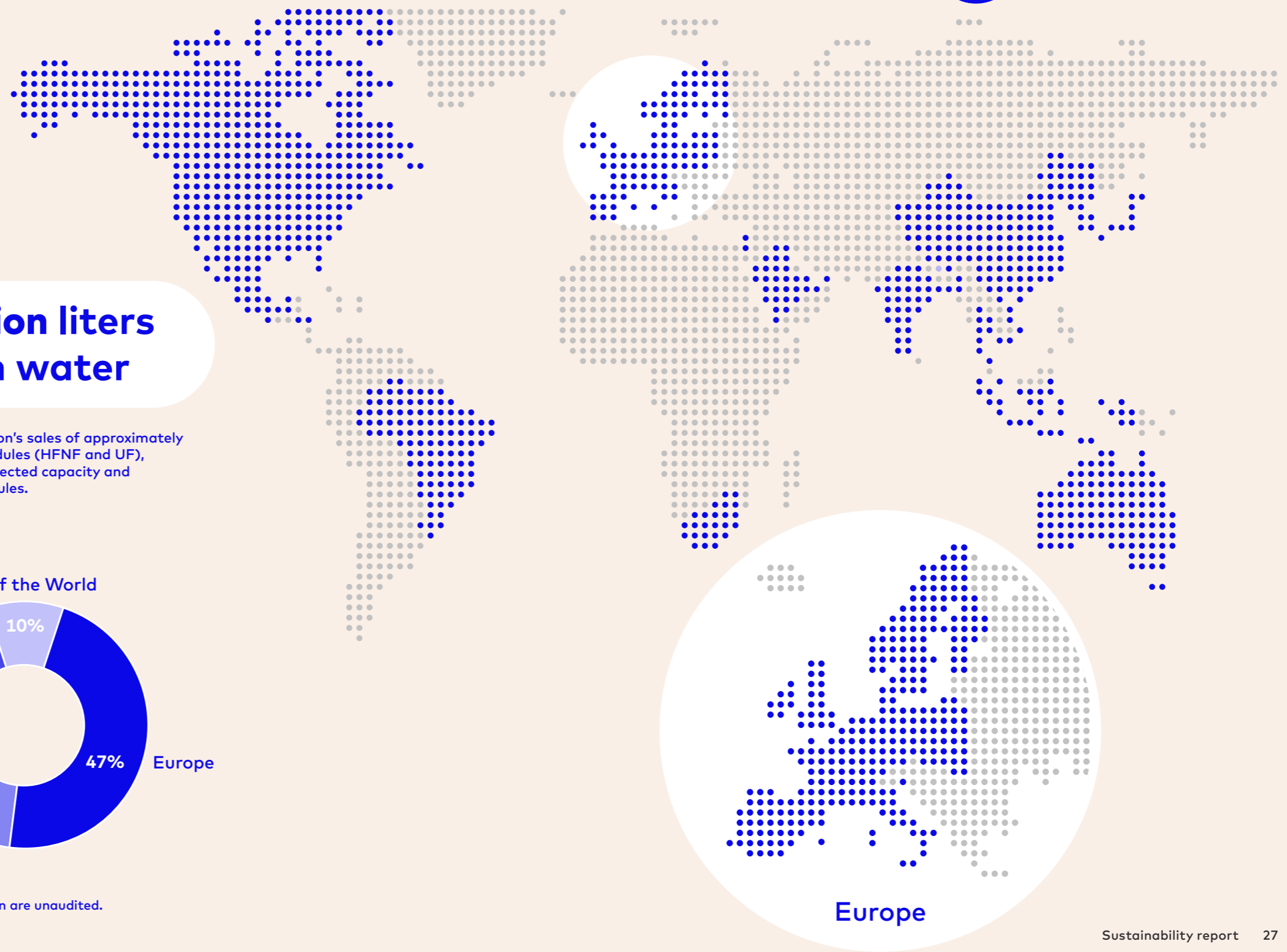


* Please note the statements and information provided in this section are unaudited.

In 2024

NX filtration

enabled clean water across **38** countries worldwide



Our impact in 2024*

Avoiding emissions

Methodology: GHG Protocol

The Greenhouse Gas Protocol (GHG Protocol) defines three emission scopes.

- Scope 1 emissions refer to all direct greenhouse gas emissions from sources that are owned or controlled by the organization itself.
- Scope 2 emissions are all indirect greenhouse gas emissions stemming from the consumption of purchased electricity, steam, or other sources generated upstream.
- Scope 3 emissions are all other indirect greenhouse gas emissions resulting from an entity's operations. This includes both upstream and downstream supply chains, such as the extraction and production of purchased materials and fuels, flight emissions, waste disposal, investments, etc.

Please note the statements and information provided in this section are unaudited.

Organizational boundaries

NX Filtration's organisational boundary has been determined according to the principles laid down in the GHG protocol. NX Filtration reports the emissions from its operations over which it has financial or operational control. Using this approach, this section includes emissions from its subsidiaries, NX Filtration B.V., NX Filtration International B.V., NX Filtration Real Estate B.V. (each incorporated in the Netherlands), NX Filtration (Beijing) Membrane Technology Co. (incorporated under Chinese law), Ltd., NX Filtration India Private Limited (incorporated under Indian law), and NX Filtration Americas, LLC (incorporated under United States law) so the reported GHG-data is on a fully consolidated basis.

* Please note the statements and information provided in this section are unaudited.

Base year

NX Filtration has set the base year at 2020 as this is the first year that NX Filtration has verifiable emission data available on essentially all scopes.

GHG footprint of NX Filtration

The reported GHG footprint of NX Filtration includes all emissions of Scope 1, Scope 2, and business travel of Scope 3, in line with the GHG protocol.

NX Filtration's total emissions in 2024 amounted to 939 ton CO₂e (CO₂ equivalent). Scope 1 CO₂e emissions amounted to 554.4 ton, of which 7% related to lease cars and 93% to natural gas combustion). The natural gas usage (201,464 cubic Nm³) was CO₂ compensated through NX Filtration's energy supplier by investments in Verified Emission Reduction units. Scope 2 CO₂e emissions amounted to 47.0 ton under the well to wheel approach. If we include CO₂e emissions due to the construction and demolition of wind turbines (under an LCA approach) we add approximately 0.014 grams of CO₂e per kWh meaning 27 ton CO₂e emission for electricity (based on 1,963 MWh). These Scope 2 emissions were all off-set as 100% of the purchased electricity (1,963 MWh) was sourced from European wind projects. Reported Scope 3 CO₂e emissions related to business travel (currently the only Scope 3 emissions that are monitored) amounted to 337.0 ton CO₂e in 2024.

NX Filtration's GHG footprint in 2024 amounted to:

939
ton CO₂e

versus:

4,300 ton
CO₂e savings

enabled during the deployment of NX Filtration's membrane modules

avoidance of **8.025 million kg** of chemicals

98 GWh energy savings

Downstream CO₂e savings of NX Filtration's products

The downstream CO₂e savings that NX Filtration enables through offering its HFNF membrane modules as an alternative to conventional water treatment technologies, such as activated carbon or a combination of ultrafiltration and reverse osmosis, add up to approximately 3,578 kilo CO₂e saved over the typical lifetime of a module.

In this analysis, the chemicals and energy footprint of NX Filtration's technology has been compared with a broad set of alternative technologies based on sources including Aggarwal (Rahul Aggarwal, "Strategic Assessment of Drinking Water Production Systems Environmental impacts from a Life Cycle perspective", KTH Royal Institute of Technology, school of architecture and the built environment, Stockholm, Sweden 2020) and The Water Factory (Energie en Grondstoffenfabriek). CO₂e savings of NX Filtration's other products have not been taken into account in this analysis of downstream savings, despite the fact that the production and related activities (such as business travel) of such products has been included in the GHG footprint analysis of NX Filtration.

CO₂e emission and energy consumption reduction programs at NX Filtration

Albeit emissions in upstream and business related activities represent a relatively small portion compared to downstream emissions, NX Filtration is implementing various programs to further reduce its energy consumption and CO₂e emissions per membrane module. Programs focus on those areas where most improvement can be made, most notable in reducing waste in the production process. It is expected that, after the start-up of the new megafactory and the integration of our existing operations into this facility, we will be able to realize reductions of waste in production. Other ongoing programs to reduce our CO₂ footprint include the recovery of materials used in the production process and further production efficiencies. ESG is strongly embedded in the design of our new megafactory, with more than 400 solar panels for electricity generation, a unique peer-to-peer heat exchange contract with a neighboring datacenter, an extensive heat energy management and reuse system, and an inhouse water treatment facility.

Our impact in 2024*

Our internal initiatives

169 Employees
the number of employees

Our employee base grew from 166 FTE at the end of 2023 to 169 FTE at the end of 2024, representing 19 nationalities. In addition to the Netherlands, NX Filtration has sales representation in Belgium, China, Egypt, France, Germany, India, Indonesia, Japan, Singapore, Spain, UAE, United States and Vietnam, and works with commercial and technical partners in various other parts of the world.

NX Filtration is placing strong emphasis on training and development with a focus on innovation, not only for NX Filtration's employees, but also for customers, partners and graduates. We are facilitating internships, joint research programs and partnerships with universities and research institutes.

0 Safety
lost time injuries and fatalities in 2024

NX Filtration harnesses a culture of safety, where health and safety risks are minimized with a methodology based on the safety awareness model. The management of NX Filtration is highly committed to improving health and safety conditions. This commitment is shown, amongst others, by a clear communication to all employees. Upon joining NX Filtration, each employee receives an introduction safety training and each department meeting starts with a health and safety topic. A proactive hazard reporting system has been introduced, wherein every employee is motivated to report hazards, to secure a safe workplace for all by improving and securing processes by learning from hazards/near misses and preventing it will not happen in future. Our QSHE manager is responsible for managing and improving our health and safety agenda.

NX Filtration had 0 lost time injuries and 0 fatalities in 2020, 2021, 2022, 2023 and 2024. NX Filtration has a safety policy, conducted safety trainings and is pro-actively sharing alerts and performance.

100% Suppliers
adherence to NX Filtration's Supplier Code of Conduct by all material suppliers and contractors for our new megafactory

NX Filtration actively engages with its suppliers about its Supplier Code of Conduct. Compliance therewith is included in legally binding agreements with our material suppliers and contractors for our new megafactory. We also conducted and continue to conduct various audits with existing and new suppliers. At NX Filtration, we are very much committed to strengthen the value chain by actively engaging with our suppliers, not only from a pure business perspective but also to pursue certain standards and values. We value a reliable and sustainable business relationship, a better environment, a safe workplace, high quality standards and the highest integrity. The principles we value most and are regarded as a minimum standard for us to cooperate based upon, are laid down in our Supplier Code of Conduct, which we apply to all of our suppliers. The spirit thereof is professional, reliable, down-to-earth and accountable.

Research & development

52 patents as per 31 December 2024

Our patent portfolio included 10 patent families (of which 1 newly added in 2024) with in total 52 patents granted (of which 2 added in 2024). In addition, we are working on various programs to further improve the sustainability of our production process, that is already working according to a 'green chemistry' process. Each of the initiatives on NX Filtration's research & development roadmap is monitored against its contribution to our sustainability objectives.

Knowledge sharing

5 scientific publications authored by NX Filtration employees

In total, our people authored in approximately 52 peer reviewed scientific publications since 2016. In 2024, our people authored in 5 peer reviewed scientific publications, amongst others, in Nature Water and Journal of Membrane Science.

Throughout 2024 a total of 15 students and trainees were part of the NX Filtration's team, e.g., as an intern for their BSc or MSc thesis. More than 20 lectures were given by NX Filtration's team at various conferences and shows.

Academic network

19 partnerships with universities and research institutes around the world



* Please note the statements and information provided in this section are unaudited.

No audit and no limited assurance

The information provided in this Sustainability Report has not been subject to an audit or limited assurance assignment.

In 2025, we will also start preparing us for the implementation of CSRD that requires us to report on ESG related KPIs in 2027 over the financial year 2026.

Looking ahead

While growing, the company remains steadfast in its commitment to Environmental, Social, and Governance (ESG) principles. NX Filtration places importance on maintaining high ESG standards, recognizing our significance for long-term success, customer satisfaction, environmental well-being, and societal benefits. The ongoing substantial growth of NX Filtration opens up numerous opportunities to integrate ESG considerations with the right standards right from the outset. With the construction of our new manufacturing facility at the High Tech Systems Park in Hengelo, we implemented measures for advancing ESG initiatives.

In 2025, NX Filtration aims to persist in its business expansion, concurrently increasing the impact through the sale of membrane products. This commitment contributes to global access to clean and safe water while simultaneously reducing energy and chemical usage in water treatment processes. As our business scales up, the goal is to further decrease energy consumption and implement measures to minimize greenhouse gas (GHG) emissions. This involves initiatives such as procuring green electricity, continuing the transition to electric vehicles, and electrifying operations. Other crucial factors in achieving this objective encompass enhancing efficiency in new production lines, adopting more energy-efficient production methods, and moving towards low-carbon distribution and logistics through active engagement with suppliers.

2024 month by month

20 February

NX Filtration supplies largest Chinese coffee chain Luckin's water treatment plant

NX Filtration supplied its hollow fiber nanofiltration membrane modules to the Luckin Coffee water treatment project together with its OEM partner Suzhou MOPU. The advanced membrane system marks a significant milestone for both companies in addressing the unique water filtration needs of Luckin Kunshan's bakery plant in Kunshan, Jiangsu Province. One of the key factors that contributed to the use of NX Filtration's technology is the company's dedication to environmental responsibility.



5 March

NX Filtration and TZW-DVGW partner for PFAS removal from drinking water

NX Filtration entered into a strategic collaboration with TZW-DVGW (Technologiezentrum Wasser, German Water Centre) for a pioneering project aimed at addressing the challenge of PFAS (Per- and Polyfluoroalkyl Substances) removal from drinking water, with minimal energy and chemical dosing. In response to the escalating concerns around PFAS, Germany implemented a new drinking water regulation, mandating compliance with PFAS-group limits, with specific deadlines set for PFAS20 by January 2026 and PFAS4 by January 2028.



7 March

Erik Roesink Honored with AMTA 2024 Hall of Fame Award for Advancing Clean Water Solutions

Erik Roesink, founder and Chief Technology Officer of NX Filtration, was awarded with the prestigious AMTA 2024 Hall of Fame Award for his tireless dedication to enhancing clean

and affordable water access. The American Membrane Technology Association (AMTA) is a non-profit organization dedicated to solving water supply and quality issues through the widespread application of membrane technology.

19 March

NX Filtration signs agreements in Vietnam to advance sustainable water solutions

NX Filtration enters a partnership with the United Nations Development Program (UNDP) and Nam Cau Kien Industrial Park, for a feasibility study for industrial wastewater reclamation. Additionally, NX Filtration collaborates with CA Water JSC and Climate Fund Managers (CFM) to integrate its hollow fiber nanofiltration membrane technology into the existing water treatment infrastructure of the La Giang Water Treatment Plant in Duc Tho District, Ha Tinh Province.



2 April

NX Filtration receives order from Delco Water for First Nations water treatment project in Canada

Delco Water, a Canadian leader in water treatment solutions, selected NX Filtration to deliver its hollow fiber nanofiltration membranes for a new Water Treatment Plant in Canada. The project seeks to upgrade and extend the water treatment system for a remote community, supplying clean and reliable drinking water produced from lake water with high organics. This is the second drinking water project for which NX Filtration delivers its nanofiltration membranes through Delco Water.



4 April

NX Filtration becomes B Corp certified

NX Filtration officially becomes B Corp certified. NX Filtration N.V. joins a global movement of over 8,400 B Corps that pursue a sustainable purpose alongside profit. A B Corp

must meet high, verified standards in terms of social and environmental impact, accountability and transparency and the certification is granted by B Lab. B Lab is the nonprofit network transforming the global economy to benefit all people, communities, and the planet. The B Corp certification addresses the entirety of a business' operations and covers five key impact areas of Governance, Workers, Community, Environment and Customers. Becoming a B Corp marks another significant milestone in advancing our ESG agenda and demonstrates our commitment to a sustainable and socially responsible organization.

24 April

NX Filtration celebrates commissioning of fourth drinking water project in Indonesia

NX Filtration announces the successful commissioning of the fourth drinking water project in Indonesia based on NX Filtration's hollow fiber nanofiltration (HFNF) membrane technology. PT Bayu Surya Bakti Konstruksi (BSBK) commissioned a new 450 m³/hour project in Medang Kampai, marking a significant milestone in sustainable water management in the region. The new water treatment plant addresses the growing demand for reliable water supply in the area. The source of the water is the Kemili river, which has a high load of colour caused by humic acids (plant residues). These types of waters can be treated optimally with HFNF membranes which require hardly any chemical dosing and operate at low pressure, thus consuming less energy.

16 May

NX Filtration signs contract for the world's largest hollow fiber nanofiltration water treatment plant in Mexico

NX Filtration announces that it will supply its hollow fiber nanofiltration membrane modules to an indirect potable water reuse system in Mexico, marking NX Filtration's largest project to date. The project was awarded by SAPAL (Sistema de Agua Potable y Alcantarillado de Leon), the Mexican water utility, and will be delivered through EcoAzur, distributor of NX Filtration's products in Mexico. The water reuse project is an important step to address water scarcity issues in the region. The project will be executed in 2 phases with a capacity of 17 Million Liters per Day (MLD) each.



30 May

NX Filtration appoints Jan Feie Zwiers as new Chief Financial Officer

NX Filtration announces the appointment of Jan Feie Zwiers as Chief Financial Officer (CFO) as per 1 August 2024, succeeding Mark Luttkhuis. Mr Zwiers has an excellent track record of managerial experience and a broad financial background. Since 2010, he held the

position of Group Finance & Control Director and Executive Board member at BDR Thermana Group, a Global manufacturer and distributor of sustainable smart indoor climate solutions to building owners and users. Mr Zwiers holds an Executive Master of Finance & Control from the University of Amsterdam and a Master of Science in Business Administration from Tilburg University.

4 June

Bucher Denwel collaborate with NX Filtration for a new beer membrane filtration solution

NX Filtration announces a collaboration with Bucher Denwel, a subsidiary of Bucher Unipektin AG, specializing in processing solutions for the Food & Beverage industry. Bucher Denwel will apply NX Filtration's microfiltration membranes in a new sustainable beer filtration solution it is bringing to the market. Bucher Denwel's new advanced beer membrane filtration solution is based on crossflow beer filtration with polymeric membranes, guaranteeing clear, yeast-free filtered beer with high flexibility for various beer types. The filters are designed for easy operation and seamless integration into the brewing process, maximizing efficiency.

27 June

NX Filtration receives orders from Thermax for various nanofiltration and ultrafiltration water projects in India

NX Filtration announces that it has added Thermax Ltd, an Indian multinational engineering company involved in clean air, clean energy and clean water, to its customer base. Thermax has placed a sizable initial order for both hollow fiber nanofiltration and ultrafiltration modules from NX Filtration. With over 40 years of

history, Thermax is amongst the prime Indian companies focusing on water and wastewater treatment, with more than 20,000 water and wastewater treatment installations across various municipal, industrial and commercial applications.

12 July

NX Filtration announces CEO change: Floris Jan Cuypers new CEO per 1 September 2024

NX Filtration appoints Floris Jan Cuypers as new Chief Executive Officer (CEO) as per 1 September 2024, to lead NX Filtration through its next stages of growth. He has a strong track-record of executive leadership positions focusing on commercial impact and operational excellence. Floris Jan Cuypers is succeeding Jeroen Pynenburg. Floris Jan Cuypers (1978) brings a wealth of experience in leading and growing international organizations. He holds a Master of Science in Applied Physics from Delft University of Technology in the Netherlands.

11 September

Her Majesty Queen Máxima opens innovative water transition factory NX Filtration

Her Majesty Queen Máxima officially opened the new membrane factory of NX Filtration in Hengelo. During the festive occasion, she was accompanied by NX Filtration's founder,



Prof.dr.ir. Erik Roesink, CEO Floris Jan Cuypers, the mayor of Hengelo, Sander Schelberg, and the King's Commissioner, Mr. Heidema. The opening attracted over 300 guests from both the Netherlands and abroad, including representatives from the water sector, technology, and government, emphasizing the importance of water and innovation.

8 October

NX Filtration supplies membrane modules to Kindasa Water Services Co water treatment plant in Saudi Arabia

Kindasa Water Services Co (KWS), a leading private potable water supply company in Saudi Arabia. Established in 2000, KWS is renowned for its expertise in seawater desalination and potable water distribution, serving both industrial and residential sectors. NX Filtration received new orders to supply its HYDRAcap ultrafiltration modules to KWS' largest water treatment plant, located in Jeddah, Saudi Arabia. With this delivery, all of the existing modules in this plant will have been replaced by NX Filtration's technology, representing more than 800 modules and boosting capacity to 65 million liters per day (MLD).

30 October

NX Filtration supplies membrane modules to PT. Grinviro Biotekno Indonesia for advanced water treatment

NX Filtration received an order from PT. Grinviro Biotekno Indonesia, a prominent water and wastewater management company based in Indonesia, for hollow fiber nanofiltration membrane modules for city water treatment with a capacity of nearly 100 m³/hour. With locations in Jakarta, Surabaya, and Makassar, Grinviro is known for providing water treatment solu-

tions to enhance environmental protection and deliver clean, pure water to both industrial and residential sectors.

11 November

NX Filtration recognized with 2024 Frost & Sullivan Global Product Leadership Award

NX Filtration has been awarded the prestigious 2024 Frost & Sullivan Global Product Leadership Award. Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry. This recognition highlights the company's successful development and deployment of its hollow fiber nanofiltration technology, which offers a chemical-free, energy-efficient, and cost-effective solution for purifying water supplies across various industries.



5 December

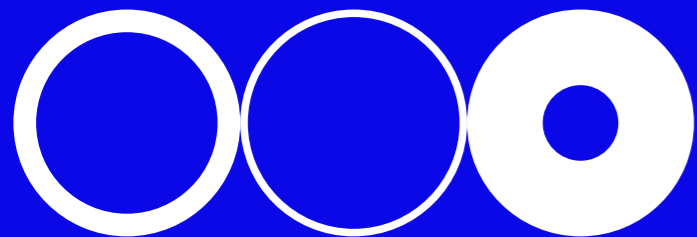
NX Filtration supplies advanced nanofiltration membranes to Lantania for wastewater treatment at a paper mill

NX Filtration has been selected by Lantania, the Spanish Infrastructure, Water and Energy Group, to supply its cutting-edge hollow fiber nanofiltration membranes for a wastewater treatment project at a paper mill. This project, currently under construction, marks a significant step towards achieving enhanced sustainability and compliance with strict water quality standards in industrial wastewater management.

19 December

NX Filtration achieves ACS certification for hollow fiber nanofiltration membranes

NX Filtration's hollow fiber nanofiltration membranes received the Attestation de Conformité Sanitaire (ACS) certification. This certification confirms that NX Filtration's technology complies with French regulations for materials in contact with drinking water, ensuring the safe and reliable use of its membranes in water treatment processes throughout France.



Financial Performance

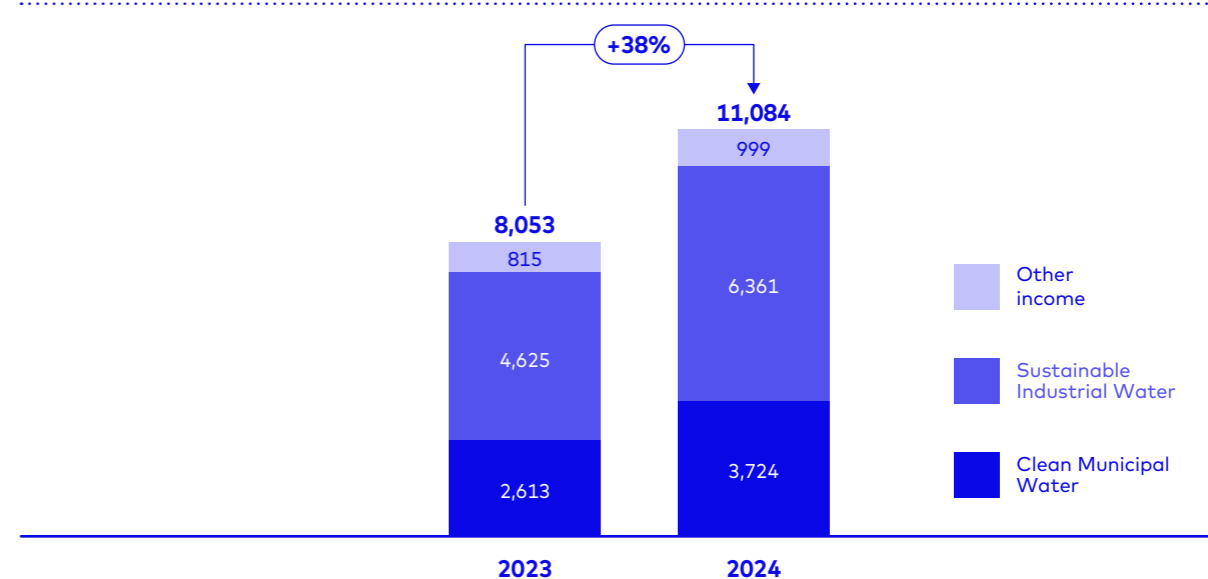
NX Filtration is a provider of membrane technology for producing pure and affordable water to improve quality of life. Its hollow fiber nanofiltration (HFNF) technology removes micropollutants (including pharmaceuticals, medicines, PFAS and insecticides), color and selective salts, but also bacteria, viruses and nanoplastics, from water whilst offering strong sustainability benefits. NX Filtration sells its filtration membrane modules in its two business lines: Clean Municipal Water and Sustainable Industrial Water. As there is a strong interrelationship between NX Filtration's different business activities, management reviews the profitability of the Company on an aggregate level. All financial information can be found in the consolidated financial statements.

Gross income

Gross income increased by 38% from € 8,053 thousand in 2023 to € 11,084 thousand in 2024. Revenues from the sale of goods increased by 39% from € 7,238 thousand in 2023 to € 10,085 thousand in 2024. Other income, primarily related to government grants for innovation projects and rental income from pilot projects, increased by 22% from € 815 thousand in 2023 to € 999 thousand in 2024.

The realized 2024 revenues came in lower than NX Filtration's original outlook of over € 16 million for the year, reflecting the evolving timelines associated with customers' project realization schedules. These were particularly impacted by global industrial slowdown, and longer lead times in Europe and North America. Some orders that were anticipated to be received and delivered in 2024, have been delayed by the respective customers, but are still part of NX Filtration's pipeline for delivery in 2025.

Gross income (€ '000)



NX Filtration added important new OEMs to its customer base (for example Thermax in India and Hydroflux in Australia), strengthened relationships with its existing OEM partners resulting in various repeat orders (for example repeat projects for Ecoazur in Mexico and Delco Water in Canada), and experienced strong traction in onboarding new OEMs to its customer base.

In our Clean Municipal Water business line, revenues were € 3,724 thousand in 2024, compared to € 2,613 thousand in 2023. We experienced a strong step-up in project sizes with, amongst others, our largest order to date for the world's largest hollow fiber nanofiltration water treatment plant in Mexico with a capacity of 17 million liters per day. In Indonesia, we onboarded a new OEM that used our membrane technology in a project related to peat water treatment for decentral drinking water production, an application with which we have already demonstrated successful performance over the past years. In Europe we continue to make strong progress with several key OEMs that are increasingly offering NX Filtration's products in various full-scale projects.

In our Sustainable Industrial Water business line, revenues were € 6,361 thousand in 2024, compared to € 4,625 thousand in 2023. We added Thermax, an Indian multinational engineering company involved in clean air, clean energy and clean water, to our customer base and received initial large orders from them. On the Food & Beverage side, we continued our work with PepsiCo (now supplying them across North America, Europe and Asia), and collaborated with Bucher Denwel (launching a new sustainable beer filtration solution to its customers).

Gross margin, EBITDA and Net result

Gross margin remained strong at 61.0% (59.6% in 2023) and is underpinning our strong technology position.

EBITDA loss was € 15,659 thousand in 2024 compared to a loss of € 11,936 thousand in 2023. The increase in EBITDA loss is mainly driven by additional investments in the organization ahead-of-the curve to facilitate future business, as well as specific cost related to the start-up of the new factory and the transfer from our previous facilities to the new factory. The loss before tax increased from € 14,347 thousand in 2023 to € 23,069 thousand in 2024, primarily driven by the initiation of depreciation for the new factory and related machinery. The net loss (after tax) was € 23,089 thousand in 2024 compared to a net loss of € 23,292 thousand in 2023. The 2023 net loss included an one-off derecognition of € 8,945 thousand related to the deferred tax assets previously recognized for accumulated tax losses.

Cash flows and investments

The cash position at 31 December 2024 amounted to € 53.4 million, compared to a cash position of € 49.9 million at 31 December 2023. The cash position was positively influenced by NX Filtration's newly secured combined equity and debt (real estate financing) package of approximately € 50 million in March 2024. We expect our current cash position will provide us with sufficient headroom to fund our growth ambitions.

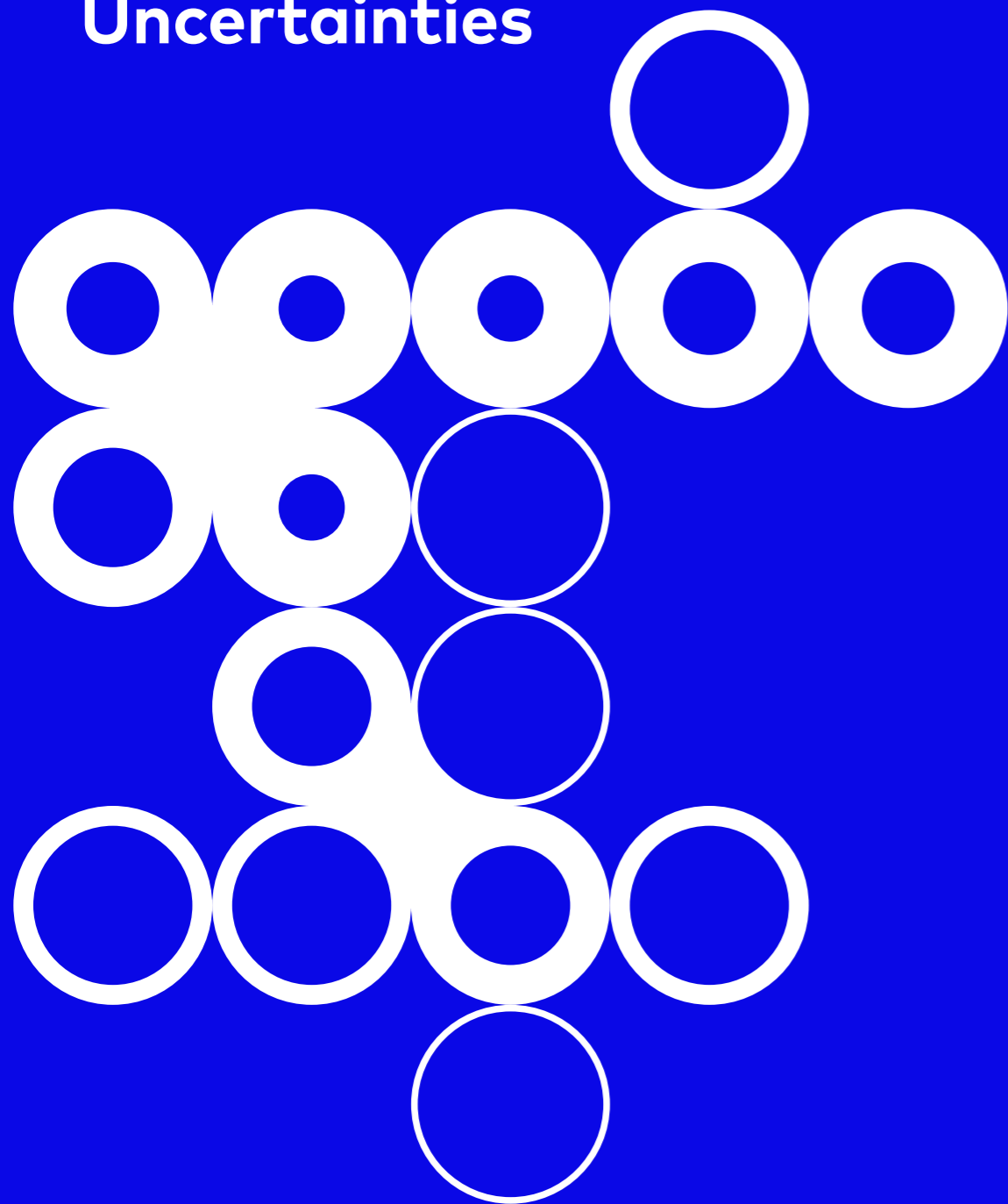
Operating cash flow is € 21,150 thousand negative, compared to € 11,744 thousand negative in 2023. Working capital¹ increased to €14,535 thousand at 31 December 2024 versus € 9,046 thousand at 31 December 2023. This was driven by lower trade payables (reflecting the impact of outstanding capex payables at the end of 2023), higher inventory levels to support the transfer of UF and MF membrane production to the new factory in Hengelo in Q1 2025 and to meet anticipated growth in demand for 2025, partially offset by a reduction in receivables.

Capital expenditures amounted to € 25,933 thousand in 2024 as compared to € 43,940 thousand in 2023. The capex mostly relates to the construction of our new factory, which was completed in 2024. Additionally, NX Filtration capitalized € 1,061 thousand of development costs which demonstrates the company's continued efforts to invest in innovations for the future.

Total FTE slightly increased to 169 at 31 December 2024 (versus 166 at 31 December 2023). We are able to benefit from efficiencies resulting from our larger scale operations and we continue shaping our global organization to position us well for the growth ahead of us. The Company does not pay any dividend for the year.

¹ Working capital defined as inventories plus trade and other receivables minus trade and other payables

Risks and Uncertainties



Below is a summary of our risks, our risk appetite, likelihood and potential impact. For a detailed description of these risks and how we believe we mitigate these risks we refer to the disclosure set out after the below table. Additional risks not known to us, or currently believed not to be material, could later turn out to have a material impact on our business, revenue, assets, liquidity, capital resources or net income.

Risk category	Risk description	Risk appetite	Likelihood	Potential impact
Strategic and Commercial	We are dependent upon acceptance of our technology by customers and future partners. A lack thereof will likely impact our ability to achieve and maintain market acceptance.	High	Medium	High
	Unsuccessful pilot projects or inconsistent performance of our products could harm the customer support for our products.	Medium	Medium	High
	The demand for NX Filtration's products depends on the continuation of market trends towards greater sustainability, including trends to lowering the corporate water footprint and decarbonisation. Such trends could change due to a number of factors outside our control, following which the demand for our products could be reduced.	High	Low	Medium
	Increased competition in the water treatment solution market may materially adversely affect our ability to gain market share.	High	Medium	Medium
	Our business and strategy depends, in part, on significant customers and our relationship with OEMs. If such relationships fail to develop this could have a materially adverse effect on our business.	High	Medium	High
	We do business with municipal clients and, as a result, we face risks of delays related to the procurement process, budget decisions driven by statutory and regulatory determinations and compliance with government contracting requirements.	High	Medium	Medium
General Business	We may need additional financing in the near future, and such financing may not be available on favourable terms, or at all.	Low	Medium	High

Risk category	Risk description	Risk appetite	Likelihood	Potential impact
Operational	If our new manufacturing facility were to become inoperable, we would be unable to produce sufficient products and our business would be harmed.	Low	Low	High
	We are dependent on third-party suppliers to deliver raw materials and components for our products. Supply interruptions could lead to interruptions of our own production, increased costs, order cancellations and loss of market share.	Low	Medium	High
	Significant increases in the cost of raw materials, components and finished goods may materially adversely affect our business.	Medium	Medium	Low
	We depend on the ability to hire and retain management, key employees and other qualified and skilled employees and we may not be able to attract and retain such personnel.	Medium	Medium	Medium
	Disruptions of our information technology systems could have a material adverse effect on our business.	Low	Medium	High
	Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.	High	Medium	Low

Risk category	Risk description	Risk appetite	Likelihood	Potential impact
Technology	Our failure to protect intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly, time consuming and distracting from daily operations.	Low	Low	Medium
	We may be unsuccessful in adequately protecting our technological know-how that is not covered by intellectual property registration.	Low	Low	Medium
	New products or technological improvements by competitors, including by larger players in the industry investing in research and development for product substitution of our HFNF products, or improvements to our HFNF technology could materially adversely affect our business and our ability to gain market share.	Medium	Low	Medium
Compliance	We are exposed to risks associated with product liability, warranties, recall claims or other lawsuits or claims that may be brought against us.	Low	Low	Medium
	We are subject to various laws and regulations in multiple jurisdictions in which we operate, and unfavorable changes or failure by us to comply with these regulations could have a material adverse effect on our business.	Low	Medium	Medium
	We may be exposed to the risk of fraud and other dishonest activities, which could have a material adverse effect on our business, financial condition or results of operations.	Low	Medium	Medium

For information about NX Filtration's credit risk, liquidity and market risks as well as the capital management structure, please refer to the information outlined in Note 3 and 4 of the Consolidated Financial Statements. Furthermore, risks related to external reporting are considered limited due to the limited number of estimates in the financial statements, and because NX Filtration was not faced with any indication for impairment in financial year 2024.

For each risk factor, we set out how we believe we mitigate these risks. However, we may not be successful in deploying some or all of these mitigating actions effectively. If circumstances occur or are not sufficiently mitigated, our business, financial condition, results of operations and prospects could be material adversely affected. In addition, risks and uncertainties could cause actual results to vary from those described, which may include forward-looking statements, or could impact our ability to meet our objectives or be detrimental to our financial condition or reputation.

General Business, Strategic and Commercial Risks and Uncertainties

We are dependent upon acceptance of our new technology by customers and future partners. A lack thereof will likely impact our ability to achieve and maintain market acceptance.

NX Filtration's ability to succeed is mainly dependent upon achieving and maintaining the acceptance by customers and future partners of its innovative inside-out hollow fiber HFNF membranes that are based on patented technology and production methods. Historically, governments, municipal and industrial companies have fully relied on water filtration activities using conventional water treatment technology. In order for NX Filtration

to achieve its business objectives, it must convince these governments and companies that its technology and capabilities justify the switch to its products. If NX Filtration, together with its (OEM) partners, cannot convince governments and companies of the effectiveness of its HFNF membranes or if NX Filtration is unable to obtain the necessary approvals, it is unlikely to keep existing customers or attract additional customers and future partners on acceptable terms or to develop a sustainable, profitable business.

The market for HFNF is still at a relatively early stage of operation and customers may not recognise the need for, or the benefits of, the HFNF products. Therefore, the extent to which the HFNF products will be able to meet its customers' requirements and achieve significant market acceptance is uncertain. By contrast, the markets for UF, traditional nanofiltration and reverse osmosis treatment technologies are large and well established, which may make the commercialisation of new water treatment technologies longer than foreseen and ultimately unsuccessful, including HFNF membrane technology or other future technology developments.

The use of a new type of water filtration depends on compatibility with existing infrastructures, installations and equipment, as well as the manner in which such technique may be used by a manufacturer. Manufacturers may elect not to use, distribute or install NX Filtration's products due to regulatory and political considerations, including but not limited to tax exemptions, subsidies, trade barriers, handling and safety requirements, and for a variety of other reasons, including (i) product and process safety considerations; (ii) advantages of alternative water filtration methods; (iii) lack of cost-effectiveness; (iv) timing of market introduction of competitive products; (v) process economics in realising economies of scale; (vi) incompatibility with

required product specifications; (vii) lack of fit with existing infrastructure; and (viii) the fact that NX Filtration is in an early stage of operation and potential uncertainty around its future development and ability to deliver its products in the future.

If NX Filtration fails to achieve a broad market acceptance for its products to replace or compete with current UF, traditional nanofiltration and reverse osmosis treatment technologies or if NX Filtration is not able to successfully commercialise the membrane technology that it develops, NX Filtration may not be able to generate significant revenue, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration is actively developing, piloting and investing in its technology. NX Filtration benefits from a unique team of leading membrane technology experts with technical, operational and commercial experience with an extensive background in membrane technology and the water sector. Based on the concept of its pilot-based roll-out model, NX Filtration invests in significantly expanding the number and size of its pilot systems to accelerate acceptance of its technology. Furthermore, it is expected that this risk is reducing over time, as the market for HFNF is expected to gradually mature and NX Filtration's customers are gaining more experience with HFNF products, including business case development, internal approval procedures and project management.

Unsuccessful pilot projects or inconsistent performance of our products could harm the customer support for our products.

Currently, in relation to its new HFNF technology, the vast majority of NX Filtration's projects are at a pilot system phase during which customers test the HFNF technology before making a decision whether to proceed

with a demo or full-scale installation investment. Some or all of such pilot systems may not ultimately lead to full-scale installations, including for reasons beyond NX Filtration's control, such as where third parties would not adequately integrate the products into a pilot, demo or full-scale system. Its products may not be functional, may be faulty or may not meet customers' expectations. This may lead to requirements for NX Filtration to repair or improve its products after sale and/or installation, which may diminish operating margins or lead to actual losses. In respect of water filtration systems that are built together with OEMs, NX Filtration may be made responsible if such systems are faulty or not functional. Furthermore, there could be unwillingness by OEMs to roll-out NX Filtration's technology across their customer base if its products do not display the promised performance. Any of the above events could materially adversely affect NX Filtration's business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration generally offers on-site commissioning, technical support and training by its engineers. NX Filtration seeks to maintain a constructive dialogue with the customer that is testing NX Filtration's technology through a pilot system. NX Filtration believes the vast majority of ongoing pilots have a clear visibility towards follow-on demo or full-scale projects and, the amount of customers that have not been retained after using NX Filtration's technology by way of a pilot system is considered to be limited.

The demand for NX Filtration's products depends on the continuation of market trends towards greater sustainability, including trends to lowering the corporate water footprint and decarbonisation. Such trends could change due to a number of factors outside our control, following which the demand for our products could be reduced.

The present and projected demand for NX Filtration's products is driven by the need to address global and structural water scarcity and water quality issues. Such issues include, but are not limited to, people not having daily access to clean, drinkable water, the fact that approximately 80% of global wastewater flows back in nature without being treated, the fact that approximately 95% of medicine waste reaches nature through sewerage systems, limited reuse of treated wastewater globally, and micro-plastics ending up in any water environment and eventually the food- and waterchain. Additionally, pollution is a major concern in many emerging countries due to the lack of adequate wastewater treatment facilities where wastewater is discharged untreated, directly into the sea or rivers. The key drivers of demand for NX Filtration's products include climate change/droughts, regulations, universal access to clean water, corporate responsibility, discharge surcharges, and health awareness.

Furthermore, water plays an integral part in the production process of companies in a wide variety of sectors, such as within the agricultural, food and beverage, textile, power generation, mining, high tech, datacenter, semi-conductor, and pulp and paper sectors. Such sectors heavily depend on water that is used as an ingredient or for operational purposes such as for cleaning, heating, cooling and transport. Many companies are reliant on water supply and exposed to the risk of water scarcity through their supply chains, since they rely on (hydropower) energy and input from water-

dependent agricultural and industrial sectors. Companies are becoming increasingly aware of the severity of water scarcity issues and its eventual impact on their businesses and seek to strategically address these by setting goals to reduce their corporate water footprint (i.e. the total volume of water that is used directly or indirectly to run and support a business). Increasingly, customers are demanding the use of products and technologies that contribute to decarbonisation and governments globally and locally are enacting pro-climate environmental standards and regulations.

These current and expected trends could change due to a number of factors which are outside of the NX Filtration's control, including the modification or elimination of economic incentives encouraging decarbonisation, the use of alternative forms of water treatment and the public perception moving away from the idea that CO₂ emissions negatively impact the environment. If any of these or other changes were to occur, demand for NX Filtration's products could be reduced significantly, which could, in turn, have a material adverse effect on its business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration continuously monitors trends and initiates R&D efforts accordingly. To verify its R&D and product development projects, NX Filtration actively engages with its customers, academic partners and stakeholders that are active in the global water market to anticipate trends and market developments and to provide it with a deep understanding of the (future) needs of NX Filtration's customers.

Increased competition in the water treatment solution market may materially adversely affect our ability to gain market share.

The water treatment solution market is highly competitive, and NX Filtration faces significant competition from large international

competitors as well as smaller regional competitors in certain markets. NX Filtration faces competition in countries across the globe and the products of NX Filtration's competitors are typically sold globally. NX Filtration primarily competes with organisations that offer conventional water treatment solutions (such as reverse osmosis, adsorption and oxidation processes), organisations that develop products similar to those offered by NX Filtration and organisations that offer alternative technologies. NX Filtration's competitors generally have global distribution networks, a global sales force and have therefore already achieved economies of scale, as opposed to NX Filtration. In addition, industry players that do not currently compete with NX Filtration but may have greater financial resources, may enter the market and disrupt the competitive environment, which may influence NX Filtration's ability to grow its market share. Such existing or new industry players may have longer operating histories, customer incumbency advantages, stronger relationships with industrial companies, more access to and influence on municipal governments and more capital resources than NX Filtration does.

NX Filtration competes primarily on the basis of, among other things, price, product technology and performance, delivery times, ease of operation, sustainability benefits, flexibility, design and innovation, reputation, brand recognition and customer access as well as the scope and quality of the products and the suitability of the products as components in systems built by original equipment manufacturers (OEMs). NX Filtration's ability to compete may be adversely affected by a number of factors, such as the following (i) new products or product improvements by competitors, including product substitution of NX Filtration's products for new or alternative technologies; (ii) greater financial and technical resources available to other competitors specialising in water treatment;

(iii) larger players in the industry investing in research and development relating to hollow fiber nanofiltration (HFNF), ultrafiltration (UF) or microfiltration (MF) technology; (iv) competitors having lower production costs (due to geographic location, currency fluctuations or other advantages), larger production and assembly capacity or larger spending budgets, more buying power with respect to raw materials, which may enable competitors to compete more aggressively in offering discounts and lowering prices; (v) consolidation among competitors in the water treatment industry; (vi) raw material suppliers seeking opportunities to forward integrate membrane spinning capabilities; and (vii) competitors temporarily offering their products and services at significant discounts in order to enter the market or to increase their market share, thereby impacting profitability throughout the sector. If NX Filtration is unable to compete successfully for any of the above reasons, its business, financial condition, results of operations and prospects could be materially adversely affected.

To mitigate this risk, NX Filtration is fully committed to leverage on the competitive edge of its HFNF products versus conventional water treatment solutions. Key characteristics of the HFNF product are lower energy usage, avoidance of pre-treatment chemicals, simpler system set-up with a smaller physical footprint and reduced cleaning and maintenance cost. As a consequence of expected future cost savings, the price NX Filtration can charge for its membrane modules is significantly higher than the price of alternative membrane modules. Furthermore, NX Filtration believes it will experience limited price pressure as its pricing strategy is based on total cost of ownership (TCO) comparisons with alternative technologies that are well-advanced on their cost curve (i.e. these technologies have been existing for several decades and are being produced and delivered by large global players).

Furthermore, NX Filtration continuously invests in innovation, operations and its organisation amongst other to further improve performance of its products and to further reduce its costs. In addition, NX Filtration is building its global sales and distribution network along its geographical market groups. This network allows NX Filtration to quickly roll-out its innovative product on a global scale.

Our business and strategy depends, in part, on significant customers and our relationship with OEMs. If such relationships fail to develop this could have a materially adverse effect on our business.

NX Filtration's business and strategy depends, in part, on significant customers and its relationship with OEMs, which have the potential to roll-out the NX Filtration's technology across their customer base. Generally, NX Filtration would have to cooperate with a third party to integrate its products in a system or installation. If the OEMs are unable to adequately integrate NX Filtration's product into their system design such roll-out may materially adversely affect NX Filtration's commercialisation efforts. Although NX Filtration seeks to penetrate a market in which a wide and diversified number of companies could become customers, in any particular period and most notably within the current early-stage of NX Filtration, a substantial amount of NX Filtration's revenue from sale of goods currently comes from and in the coming years could come from a relatively small number of customers and the impact of such customer concentration is unpredictable. While NX Filtration's initial commercial model is based on pilot systems, which allow prospective customers to test NX Filtration's technology for their application, NX Filtration has successfully converted and aims to convert these pilot systems into full-scale installations. NX Filtration may not be successful in converting all pilot systems into full-scale installations or, once installed, win repeat projects from such end-customers or may only be able to do so on less favourable terms. If NX Filtration is unable to win, renew or extend such contracts on favourable terms, it could have a negative impact on NX Filtration's revenue and profits or NX Filtration's ability to realise its business objectives. More generally, NX Filtration's inability to maintain relationships with key customers or OEMs could have a negative impact on NX Filtration's sales and profits. Failure by NX Filtration to win, renew or extend larger customer contracts could have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.



To mitigate this risk, NX Filtration seeks to build strong relationships with OEMs while applying certain standards, policies and practices under which its engineers are expected to operate. Together with the OEMs, NX Filtration is continuously reviewing potential areas of improvement, and ensuring thorough evaluations of all incidents and sharing resulting improvements and best practices. NX Filtration seeks to grow its relationships with OEM customers, mainly by the efforts of its commercial staff that targets and trains OEM customers to use HFNF technology in their projects. Once these OEM customers have been trained and have worked with NX Filtration's products, they can become an important element in the further commercial roll-out of NX Filtration's products. A key strategic advantage of NX Filtration is that it does not provide filtration systems and installations itself and, as such, is regarded as an independent supplier of membrane modules that can work with multiple OEM companies without creating channel conflicts. NX Filtration develops joint business plans with key OEMs that include customer service objectives and NX Filtration regularly monitors progress to improve customer performance and enhance our customer relationships.

We do business with municipal clients and, as a result, we face risks of delays related to the procurement process, budget decisions driven by statutory and regulatory determinations and compliance with government contracting requirements.

Doing business with public sector customers presents a variety of risks. The procurement process for municipal governments and their agencies can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. In addition, demand for NX Filtration's products may be adversely impacted by public

sector budgetary cycles and funding availability that, in any given fiscal cycle, may be reduced or delayed or not provided at all.

Public sector customers may also have contractual, statutory, or regulatory rights to terminate existing contracts with NX Filtration for convenience or due to a default, and any such termination may adversely affect NX Filtration's future results of operations. If a contract is terminated due to a default, NX Filtration may be liable for excess costs incurred by the customer for procuring alternative products or services or be precluded from doing further business with government entities. Further, entities providing services to governments are required to comply with a variety of complex laws, regulations, and contractual provisions relating to the formation, administration or performance of government contracts that give public sector customers substantial rights and remedies, many of which are not typically found in commercial contracts. These may include rights with respect to price protection, the accuracy of information provided to the government, contractor compliance with supplier diversity policies and other terms that are particular to government contracts, such as termination rights. NX Filtration's non-compliance with such terms could result in repercussions with respect to contractual and customer satisfaction issues.

To mitigate this risk, management and relevant internal stakeholders including the departments for sales, sales engineering and operations make a thorough assessment of the likelihood that efforts for municipal clients will result in a sale. The general rule is that a procurement process for municipal clients is only commenced after a satisfactory outcome of such an assessment. Furthermore, NX Filtration is continuously diversifying its customer base and the sectors it currently operates in.

NX Filtration may need additional financing in the near future, and such financing may not be available on favorable terms, or at all.

Given the slower than anticipated sales growth, the Company may need additional financing in the future for general corporate purposes, and to implement its growth strategy for the longer-term. At such time, we may be unable to obtain desired additional financing on favorable terms or at all, including accessing the capital markets when it may be necessary or beneficial to do so, which could negatively impact our flexibility to react to changing economic and business conditions. For example, during periods when credit markets are volatile, lenders may fail or refuse to provide capital. If adequate funds are not available on acceptable terms, we may be unable to fund growth opportunities, successfully develop or enhance products, or respond to competitive pressures, any of which could negatively affect our business, financial condition and results of operation.

We are fully cognizant of the risks associated with our current reliance on cash reserves and we have implemented proactive measures to address these concerns. To mitigate the identified risks, we have (i) secured equity and debt funding in excess of EUR 50 million in April 2024, (ii) developed a comprehensive revenue generation strategy aimed at diversifying income streams, and (iii) we have implemented robust cost management measures to optimize operational efficiency and ensure prudent use of available resources.

Operational Risks and Uncertainties

If our new manufacturing facility were to become inoperable, we would be unable to produce sufficient products and our business would be harmed.

The new manufacturing facility could expose NX Filtration to product comparability issues meaning that the products could not immediately have similar quality attributes before and after the manufacturing process changes. That may further delay the introduction of additional capacity to manufacture its products, as the facility and the equipment that will be used to manufacture its products will be costly to install and could require substantial lead time to install and qualify for use. The new manufacturing facility may not provide NX Filtration with all of the operational and financial benefits it expects to receive. Furthermore, the costs of complying with environmental laws and regulations and any claims concerning noncompliance, or liability with respect to contamination in the future, could have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration has an extensive expansion and implementation roadmap in place for further increasing production capacity going forward. The construction plans are based on a highly modular concept that foresee a gradual scale-up of production capacity based on existing blueprints of key process steps, including NX Filtration's spinning line for the production of its membranes.



We are dependent on third-party suppliers to deliver raw materials and components for our products. Supply interruptions could lead to interruptions of our own production, increased costs, order cancellations and loss of market share.

NX Filtration's production process depends on the availability, quality and timely supply of raw materials, components and finished goods from third-party suppliers. NX Filtration obtains a significant portion of its processed raw materials from a few key suppliers. With respect to a few raw materials and/or the processing thereof, NX Filtration has sourced and may in the future source from one of these suppliers or other single suppliers from time to time due to specific quality or other requirements or because the small volumes required may not justify the cost of sourcing from multiple suppliers or other suppliers may not be available to provide necessary quantities. If any of NX Filtration's suppliers is unable to meet its obligations under purchase orders or supply agreements, including due to their own production capacity limitations or otherwise limited supply of materials as a result of their obligations to other customers, or does not deliver the quality that is necessary to meet the raw material standards applied by NX Filtration, NX Filtration may be forced to pay higher prices to obtain the necessary raw materials from other suppliers, may be faced with increased lead times, may need to change suppliers, or may not be able to locate suitable alternatives at all. Changing suppliers can be time-consuming and costly, as resources are required to qualify new suppliers and ensure the quality, approval and consistency of the raw materials. Supply interruption could lead to interruption of NX Filtration's own production at one or more production facilities. Furthermore, if NX Filtration experiences significant increased demand for its products, there can be no assurance that additional supplies of raw materials, components and finished goods will be available when required on terms that are acceptable to NX Filtration, or at all, or that any supplier would allocate sufficient supplies to NX Filtration in order to meet its requirements or fill its orders in a timely manner.

NX Filtration may experience supply problems in the future or be unable to extend current or enter into new supply agreements, especially agreements for raw materials with relatively low volume requirements, where NX Filtration's negotiating power is limited. If NX Filtration fails to maintain its relationships with current suppliers, if suppliers offer pricing and other terms that are not satisfactory, or if a supplier fails to supply raw materials that meet NX Filtration's quality, quantity and cost requirements, NX Filtration may be unable to fill customers' orders on a timely

and cost-effective basis or in the required quantities, which could result in production disruptions, damage claims, order cancellations, decreased sales or loss of market share and damage to NX Filtration's reputation. These factors could, in turn, have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration always seeks to have multiple interchangeable suppliers for its key purchases. For its standardised commodity raw materials and parts suppliers, NX Filtration has a multiple supplier strategy in place in order to ensure continuous operations. NX Filtration is in continuous dialogue with its key suppliers to discuss potential supply chain challenges and, in case of any disruptions, seeks to jointly address these and return to normal course of business as quickly as possible. Any potential disruptions can further be mitigated by, temporarily, increasing stock levels and adjusting working procedures.

Significant increases in the cost of raw materials, components and finished goods may materially adversely affect our business.

NX Filtration uses various raw materials, components and finished goods in its operations, including polymers such as polyethersulfone, polyvinyl chloride (PVC) and epoxy. The prices for these raw materials, components and finished goods fluctuate depending on market conditions and global demand for these materials and could adversely affect NX Filtration's business and operating results. In recent years, PVC in particular experienced a significant price increase, largely attributable to persistent supply-side issues globally. NX Filtration's ability to achieve profitability is, and will continue to be, dependent in part upon its ability to reduce production costs and costs of materials required to make these products (including raw materials. As a consequence,

sudden and significant increases in the prices of raw materials or similar volatility with respect to the currency exchange rates between the euro and the currency of such goods may lead to corresponding price increases in components and finished goods used in the assembly of NX Filtration's products. NX Filtration is also indirectly exposed to fluctuations of labour costs, commodity prices and energy costs as the prices of raw materials and components it orders from third-party suppliers and manufacturers will likely increase if the costs of NX Filtration's suppliers increase. NX Filtration does not hedge the price exposure for its raw materials. Increases in the costs of raw materials and components and as a result in finished goods may therefore have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects, particularly because it is generally not able to pass on such price increases or reduce other costs to offset the higher commodity prices. Furthermore, the price of commodities could become so high that there is a decline in the demand of the products provided by NX Filtration.

To mitigate this risk, NX Filtration always seeks to have multiple interchangeable suppliers for its key purchases, also from a cost perspective. For its standardised commodity raw materials and parts suppliers, NX Filtration has a multiple supplier strategy in place in order to ensure continuous operations. Furthermore, NX Filtration's pricing strategy is based on TCO comparisons with alternative technologies that are likely impacted by similar raw material price increases as NX Filtration may be exposed to, and developments in raw material prices are monitored and where possible addressed through a pro-active pricing strategy.

We depend on the ability to hire and retain management, key employees and other qualified and skilled employees and we may not be able to attract and retain such personnel.

NX Filtration's future performance and its ability to reach its strategic objectives depends in significant part on the continued service of the senior management of the Company and other key personnel, including employees involved in research and development, operations, marketing and sales personnel and employees with critical know-how and expertise. Other than customary notice periods, none of NX Filtration's key employees is required to stay for any specific term. In addition, NX Filtration does not have "key person" life insurance policies covering any of its officers or other key employees. The loss of the services of one or more members of senior management or other key personnel, or the inability to hire (additional) members of the senior management, could disrupt its operations, delay the development and introduction of NX Filtration's products and anticipated expansion projects, which could, in turn, have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

NX Filtration's success also depends on its continuing ability to attract, retain and develop qualified and skilled personnel, including financial personnel, sales personnel, scientists, designers, technical employees and engineers with the requisite technical background. Competition for such personnel is intense, in particular for technical and industrial employees, and there is significant competition for talented individuals with the specialised knowledge of water filtration and membrane technology. This is particularly relevant in the Netherlands, as the country where NX Filtration has its headquarters, significant business operations and research and development activities. NX Filtration's efforts to retain and motivate management and key employees

or attract and retain other highly qualified personnel in the future may not be successful. A failure to attract and retain key personnel may have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration seeks to leverage on its public profile and the widespread interest in the growing water technology market, with in particular the sustainable character of NX Filtration's technology, in order to attract talent. Hiring, retention and development are key focus areas of the HR department and management. NX Filtration continuously assesses capability gaps for its key positions and has initiatives in place to close any employee capability gaps and maintains a remuneration structure aimed at attracting and retaining talent.

Disruptions of our information technology systems could have a material adverse effect on our business.

NX Filtration depends on its information technology (IT) systems to, among other things, conduct operations, to interface with customers, to maintain financial records and accuracy. All of NX Filtration's internal data is stored at Microsoft cloud services. NX Filtration's production process specifically depends on the use of custom-made processing software based upon standardised internationally accepted software platforms such as Siemens S7 and others. IT systems or such custom-made processing software failures, including risks associated with upgrading systems, network disruptions and breaches of security could disrupt operations by impeding NX Filtration's cyber security, its protection of customer or group information and its financial reporting, leading to increased costs. In addition, NX Filtration's computer systems, including its back-up systems, could be damaged or interrupted by power outages, computer and telecommunications

failures, viruses, ransom software, internal or external security breaches, events such as fires, earthquakes, floods and/or errors by NX Filtration's employees. Disruptions, security breaches or failures of NX Filtration's IT systems could impair its ability to effectively and timely produce and provide products, which could damage NX Filtration's reputation and could have a material adverse effect on its business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration uses cloud based solutions for its own IT systems from suppliers that offer proven and tested security which they continuously update to protect it from the latest threats. Furthermore, to mitigate the risks related to privacy related information as well as data protection in general several actions have been taken and NX Filtration maintains a cyber-security insurance policy. Additionally, NX Filtration has implemented an information security policy to safeguard and secure remote communication and operation of its products & services. The mitigation of these risks starts with an IT security policy that is in place and sufficient resources to manage the IT related risks. As such, NX Filtration has further strengthened its IT focus in 2024. To further mitigate the risks related to privacy related information as well as data protection in general several actions have been taken.

Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.

A component of NX Filtration's growth strategy involves the further expansion of its operations and customer base internationally. The countries in which NX Filtration has launched (pilot) projects include Canada, Hungary, India, Indonesia, the Netherlands, Philippines, Spain, Sweden, Switzerland, Turkey and the United States. NX Filtration is continuing to adapt to

and develop strategies to address international markets, but there can be no guarantee that such efforts will have the desired effect. For example, NX Filtration anticipates that it will need to expand its international sales force and establish relationships with new partners in order to expand into the countries where NX Filtration wants to conduct its business, and if NX Filtration fails to identify, establish and maintain such relationships, it may be unable to execute its expansion plans. NX Filtration expects that its international activities will continue to grow in the next few years as it continues to pursue opportunities in existing and new international markets, which will require significant dedication of management attention and financial resources. NX Filtration's current and future international business and operations involve a variety of risks, some of which are outside of NX Filtration's control, including (i) slower than anticipated HFNF membrane technology adoption by international businesses and municipalities; (ii) difficulty controlling the application of NX Filtration's solutions and the installation of pilot systems in distant or remote jurisdictions; (iii) changes in a specific country's or region's political, economic, or legal and regulatory environment, including pandemics, tariffs, trade wars or long-term environmental risks; (iv) the need to adapt and localise NX Filtration's products and service offerings for specific countries; (v) greater difficulty collecting accounts receivable and longer payment cycles; (vi) challenges relating to underdeveloped infrastructure or lack of qualified management or adequately trained customers and personnel in certain jurisdictions; (vii) challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction; and (viii) currency exchange rate fluctuations and the resulting effect on NX Filtration's revenue and expenses, and the cost and risk

of entering into hedging transactions if NX Filtration chooses to do so in the future. If NX Filtration invests substantial time and resources to further expand its international operations and is unable to do so successfully and in a timely manner, it could have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration's processes are set up to quickly understand, adapt to, and effectively apply international cultural and legal norms for doing business. We have actual presence of dedicated staff in some regions we operate in. We continuously monitor economic, political and general societal changes and, where deemed necessary, develop response strategies to such events, including pandemics.

Technology Risks and Uncertainties

Our failure to protect intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly, time consuming and distracting from daily operations.

Intellectual property rights are vital to NX Filtration's business. Although NX Filtration has taken many protective measures to protect its technologies and know-how, including patents, trade secrets, employee and third-party nondisclosure agreements, trademarks, copyright, limited access, segregation of knowledge (including on the particular set-up of the supply-chain and production process), password protections and other measures, policing the unauthorised use of proprietary technology can be difficult, time-consuming and expensive. Also, litigation may be necessary to enforce NX Filtration's intellectual property rights, protect its trade secrets or determine the validity and scope of the proprietary rights of others. Such litigation may result in NX

Filtration's intellectual property rights being challenged, limited in scope or declared invalid or unenforceable. NX Filtration cannot be certain that the outcome of any litigation will be in its favor, and an adverse determination in any such litigation could impair its intellectual property rights and may harm NX Filtration's business, prospects and reputation.

NX Filtration *inter alia* relies on (i) multiple patents relating to NX Filtration's HFNF technology, (ii) trade secrets and trademark rights, and (iii) non-disclosure, confidentiality and other types of contractual restrictions to establish, maintain and enforce its intellectual property and proprietary rights. However, the rights of NX Filtration under these laws and agreements may not fully protect NX Filtration, and the actions NX Filtration takes to establish, maintain and enforce its intellectual property rights may not be adequate. For example, NX Filtration's trade secrets and other confidential information could be disclosed in an unauthorised manner to third parties, NX Filtration's owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated or the intellectual property rights of NX Filtration may not be sufficient to provide it with a competitive advantage. Any successful challenge to any of NX Filtration's intellectual property rights could deprive NX Filtration of rights necessary for the successful commercialisation of its products or any technology relating thereto (including the HFNF technology). Patent prosecution process is expensive and time consuming, and NX Filtration may not file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner or in all jurisdictions where protection may be commercially advantageous. It is also possible that NX Filtration fails to identify patentable aspects of its research and development output before it is too late to obtain patent protection. In addition, the laws of some countries do not

protect proprietary rights as fully as Dutch law does. As a result, NX Filtration may not be able to protect its proprietary rights adequately abroad. Furthermore, intellectual property rights can be limited in time. Each of NX Filtration's current patents provide protection against infringement of the technology patented by such patent for 20 years after the filing date of the respective patent application with the relevant patent office. Any of the above, individually or in aggregate, could have a material adverse effect on NX Filtration's business, financial condition, results of operation or prospects.

To mitigate this risk, NX Filtration regularly monitors the market and takes steps, when appropriate, to ensure compliance with its intellectual property rights which may include various intellectual property related audits. In addition, control and governance frameworks are in place to establish, maintain and protect NX Filtration's intellectual property rights and minimize the risk of data leakage as far as possible. Furthermore, NX Filtration has developed all its critical production processes in-house based on the extensive industry experience of its team of experts. NX Filtration benefits from a strong team of leading membrane technology experts with technical, operational and commercial experience with an extensive background in membrane development, production and commercialisation. This team has been instrumental in developing the HFNF technology, bringing this from lab-scale to industrial-scale, developing the required innovative and patented production methods and processes and reliably producing the HFNF membranes and modules.

We may be unsuccessful in adequately protecting our technological know-how that is not covered by intellectual property registration.

NX Filtration relies on technology, know-how, and business and trade secrets, some of which NX Filtration believes cannot be adequately protected through registered intellectual property rights. Consequently, there is a risk that third parties, in particular competitors, may copy such technology and know-how or develop it independently and later challenge NX Filtration's use of it, especially considering that technology is constantly evolving and that NX Filtration's competitors are engaged in significant research and development work on products that are aimed at competing with NX Filtration's products. In addition, employees who, in the course of their employment with NX Filtration, have access to important proprietary information which may or may not be protected by intellectual property rights may leave to go work for a competitor.



To mitigate this risk, NX Filtration relies on confidentiality agreements with suppliers and customers, noncompete clauses in contracts with employees and technical precautions to protect its technology, knowhow and other proprietary information. Furthermore, we apply compartmentation in our processes. For different parts of our production process and equipment we make sure that no individual supplier or employee has a full picture of the total manufacturing process. However, there is no guarantee that these agreements and precautions or NX Filtration's ability to enforce its contractual rights, will provide sufficient protection in the case of any unauthorised access or use, misappropriation or disclosure of such information. Defending against any unauthorised access or use, misappropriation or disclosure of NX Filtration's technology, knowhow, and other proprietary information may result in lengthy and costly litigation or administrative proceedings and may cause significant disruption to the business and operations of NX Filtration. If NX Filtration is unable to protect or effectively enforce its proprietary technology and information, this could have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

New products or technological improvements by competitors, including by larger players in the industry investing in research and development for product substitution of our HFNF products, or improvements to our HFNF technology could materially adversely affect our business and our ability to gain market share.

Disruptive changes in technology and product standards could render NX Filtration's products less competitive, or even obsolete. Other companies that seek to enhance traditional technologies have recently introduced or are currently developing products based on emerging and potential technologies. These

competitors are engaged in significant research and development work on products that may be similar to NX Filtration's products. New products could be introduced that are in direct competition with, or superior to, NX Filtration's products. Competing technologies that outperform NX Filtration's technology could be developed and successfully introduced and, as a result, NX Filtration's existing or future products may not be able to compete effectively in its current or future target markets. If NX Filtration's technology is not adopted by its customers, or if its technology does not meet industry requirements, NX Filtration's existing or future products may not gain or maintain market acceptance. If NX Filtration cannot adapt to changing market conditions should customer behaviour change, or if NX Filtration fails to develop, manufacture and market products that improve upon existing technologies, its business, financial condition, results of operations and prospects could be materially adversely affected.

To mitigate this risk, NX Filtration continues to significantly invest in R&D to remain competitive. NX Filtration monitors and analyses competitors through various sources such as trade associations, universities, banks, employees and their intellectual property filings, and it actively maintains, protects and expands its own intellectual property portfolio. As a result of the limited innovation that has taken place by competitors, conventional technologies are not always equipped to cope with the challenges and demands of today's environment. NX Filtration believes its HFNF product provides a number of advantages over these technologies, including but not limited to (i) superior filtration characteristics and performance; (ii) sustainability benefits throughout the lifetime of the product, as it typically reduces energy consumption and avoids the use of pre-treatment chemicals; and (iii) reduced physical footprint, as it typically reduces the number of treatment steps.

Furthermore, NX Filtration's products are developed and produced in-house, which makes NX Filtration less vulnerable to new market developments, resulting in short innovation cycles, cross leverage of concepts, modularity of modules and short time to market.

Compliance Risks and Uncertainties

We are exposed to risks associated with product liability, warranties, recall claims or other lawsuits or claims that may be brought against us.

NX Filtration is exposed to product liability and warranty claims, as well as reputational damage, in the normal course of business in the event that (i) its products fail or allegedly fail to perform as expected or otherwise do not conform to the product's specifications or the expectations of its customers or (ii) the use of NX Filtration's products results, or is alleged to result, in property damage.

Furthermore, NX Filtration may become subject to other proceedings alleging violations of due care, safety provisions and claims arising from breaches of contract (such as delivery delays) or fines imposed by government or regulatory authorities in relation to its products and its operations. Any such lawsuits, proceedings and other claims could result in significant increased costs, including costs to defend against these claims and/or make payments to compensate for damages. In addition, under certain circumstances, any such issues could give rise to an investigation by regulatory authorities, which could result in the need for remedial action such as a recall requiring the repair or replacement of NX Filtration's products or even a prohibition of future sales. Furthermore, any product liability or warranty issues may damage NX Filtration's reputation as a provider of high quality, technologically advanced and safe products and place a

significant strain on management and divert management's attention from other business concerns. Any litigation or complaints and any adverse publicity surrounding such allegations or actions could have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

To mitigate this risk, NX Filtration has insurance coverage for claims arising from warranty and product liability lawsuits, proceedings and other claims, but the insurance coverage could prove insufficient in individual cases. NX Filtration aims to have back-to-back agreements in place with its suppliers, where possible. Furthermore, throughout the design and production phases, there is a continuous focus on quality with quality assurance being an integral part of NX Filtration's working processes. Moreover, NX Filtration will seek to continuously improve its products through valuable performance information obtained from its team of leading membrane experts and engineers through amongst others the increasing scale-up of pilots.

We are subject to various laws and regulations in multiple jurisdictions in which we operate, and unfavorable changes or failure by us to comply with these regulations could have a material adverse effect on our business.

NX Filtration and its products and business operations are subject to a broad range of local, national and multi-national laws and regulations in the Netherlands and other jurisdictions in which it operates and markets its products. For instance, extensive environmental and product stewardship legislation applies to NX Filtration's products and the components and parts used in manufacturing these products. Such legislation includes, *inter alia*, safety requirements, information requirements and requirements relating to the hazardous properties of substances used. NX Filtration is particularly subject to Regulation (EC) No

1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (**REACH**), a regulation of the European Union adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals. Under REACH, NX Filtration has to demonstrate to the European Chemicals Agency how the substances used by NX Filtration can be safely used. Furthermore, NX Filtration's production facilities each qualify as a facility (*inrichting*) under the Dutch Environmental Management Act (*Wet milieubeheer*) and need to comply with strict environmental rules in the Activities Decree (*Activiteitenbesluit*).

NX Filtration's business operations must therefore comply with laws and regulations relating to, *inter alia*, the protection of natural resources, the management of hazardous substances and wastes, air emissions, water discharges, the use, management, storage, treatment, transportation and disposal of waste and by-products, the protection and restoration of plants, wildlife and natural resources, the investigation and remediation of contaminated property, public and workplace health and safety (such as rules regarding the handling of carcinogenic substances or rules governing the use of protection equipment) and data protection. Many new laws and amendments, as well as amendments to existing ones, have become more stringent, particularly in the European Union. NX Filtration may incur additional costs to ensure that it operates its business and supplies products that comply with applicable laws and regulations, and any failure to comply with such laws and regulations may lead to fines, penalties or claims, injunctions which may lead to disruptions of NX Filtration's business, or harm its reputation, which may have a material adverse effect on NX Filtration's business, financial condition, results of operations and prospects.

To mitigate this risk, the quality of NX Filtration's products and compliance to the relevant safety and quality certificates is strictly embedded in the process control and monitored by the QHSE-department. Additionally, NX Filtration's legal team monitors or requests specialist assistance from external counsel about laws and regulations across multiple jurisdictions. Finally, in order to increase the safety awareness and accreditations of its personnel NX Filtration uses tailor-made education to train its people. Furthermore, NX Filtration prepares, rolls out and makes available relevant policies and procedures which are regularly reviewed and audited. NX Filtration implements observations made during inspections by line management, staff and relevant regulatory parties. NX Filtration's management system complies with ISO 14001. This has resulted in improved process technologies and people skills, as well as formalised procedures, checklists, training and instructions.

We may be exposed to the risk of fraud and other dishonest activities, which could have a material adverse effect on our business, financial condition or results of operations.

We have implemented a set of internal control measures and compliance policies, including amongst others, an authorization policy, sufficient level of segregation of duties, approval of bank payments, reporting and monitoring framework, which we believe is appropriate for NX Filtration. Considering the size and concentrated locations of NX Filtration, the existing internal control and reporting framework, we believe all material events are timely known to the Management Board and enable us to take appropriate actions. However, the risk of fraudulent or other dishonest activities occurring and affecting NX Filtration cannot be excluded. Further, as NX Filtration grows or expands in international markets, its internal controls may need to be adapted in order to effectively prevent and

detect fraud and other dishonest activities. However, there can be no assurance that NX Filtration will be able to adapt such internal controls in a timely manner or at all or that they will be effective. Any fraud incident or dishonest activity affecting NX Filtration, whether as a result of the activities of employees, partners, suppliers or other third parties, may result in financial losses, a loss of customer trust and confidence, as well as litigation or financial or other regulatory penalties being imposed, any of which could have a material adverse effect on NX Filtration's business, financial condition or results of operations.

We furthermore enforce a comprehensive code of conduct that outlines expected behavior and ethical standards for all employees. We promote a culture of integrity and transparency, making it clear that fraudulent activities will not be tolerated. As part of our regularly held business meetings, senior management reviews financial statements, reports, and key performance indicators. This oversight helps identify anomalies or inconsistencies that may indicate fraudulent activities. Our financial department continuously monitors systems to detect unusual patterns or behaviors in financial transactions. We started a formalization project on fraud risks and completed the formal fraud risk assessment in 2024. A formal fraud risk management programme fits our ambitions to grow to a set of defined or managed internal control measures to mitigate fraud risks.

Risk management and control systems

The Management Board is responsible for the control environment, including risk management and internal control systems in order to properly manage the strategic, operational and other risks and uncertainties

that could have a material adverse effect on NX Filtration's business and day-to-day operations. The applicable risks and uncertainties for NX Filtration are evaluated on a periodic basis by the Management Board and discussed with the Supervisory Board.

The Management Board recognizes the importance of a formalized approach towards risk management for a rapidly growing organisation like NX Filtration. In practice this means that it is important to maintain the right balance between formalized systems and procedures and the informal hands-on approach that is necessary to further boost the growth of the company. NX Filtration's corporate culture supporting the values of curiosity, honesty and collaboration is also an important 'soft-control' to mitigate risks and fraud.

During the financial year 2024, NX Filtration continued to support its corporate culture and other foundations of its risk management and control systems with its Code of Conduct, Human Rights Policy, Whistle-blower Policy, Insider Trading Policy, safety and quality certifications, periodic reports and meetings, as further described below. NX Filtration introduced a structured approach to introducing and maintaining the understanding of the company's vision and mission within the team.

In addition, further consolidation and professionalization has been achieved in the financial year 2024. We implemented a new formal fraud risk framework and a new internal control framework. These frameworks are essential pillars in fortifying NX Filtration against potential risks and ensuring the integrity of its operations. In the years to come, NX Filtration will continue to professionalize and strengthen its organization and control environment, further optimizing its control matrix. NX Filtration has implemented a further

segregation of duties, not only to properly divide responsibility and accountability, improve the quality of the staff, but also to create a system of checks and balances. To support this further, NX Filtration optimized the data warehouse and reporting system in which our business processes as well as our day-to-day working procedures are formally documented. The Management Board, to the best of its knowledge, is not aware of any significant deficiencies in its control environment, including risk management and internal control systems.

Code of Conduct

NX Filtration has a Code of Conduct that applies to all employees. The Code of Conduct is available in Dutch, English, German, French and Spanish making it easily understandable for all of our employees. The principles and best practices established in the Code of Conduct reflect the corporate culture that the Management Board wants to embed in the day-to-day routines of all employees. The core values of NX Filtration are included in the Code of Conduct and relate to professional conduct, flexibility, reliability and integrity and safety. The Code of Conduct includes topics including acting with integrity, gifts, anti-bribery, corporate social responsibility and health and safety. The Code of Conduct can be found on NX Filtration's website. NX Filtration also has a Supplier Code of Conduct in order to ensure our supply chain abides by our culture and values. Part of NX Filtration's compliance framework is an annual sign-off by our employees to acknowledge compliance with our Code of Conduct and related policies and procedures, including a commitment to cooperate fully with any requests for information, documents, or assistance. No violations of the Code of Conduct were reported in the financial year 2024.

Business Ethics Policy

NX Filtration has a Business Ethics Policy with the objective to:

- (i) outline the expectations that NX Filtration has of its employees and their behaviour relating to ethics & compliance and corresponding laws and regulations;
- (ii) ensure that employees understand the importance of conducting business in an ethical way and respecting the principles that are set out in the Code of Conduct, the Human Rights Policy and the Customer & Supplier Screening Policy;
- (iii) highlight the role of managers within NX Filtration in leading ethics & compliance efforts by creating a business environment in which employees understand their duties and feel safe to speak up about issues relating to ethics & compliance without fear of retaliation; and
- (iv) detail the requirements for the Ethics & Compliance programme and the minimum standards that apply thereto, including a training and awareness programme for employees focused on our corporate culture, core values and the key ethics & compliance risk areas that have been identified.

Human Rights

NX Filtration is committed to shape its activities and operations within a framework of proper standards and values, while fully complying with all applicable laws and regulations. It also means upholding human rights within NX Filtration and throughout its supply chain. NX Filtration's commitment is embedded in NX Filtration's Human Rights Policy, Code of Conduct and Supplier Code of Conduct, which it applies vis-à-vis its employees, stakeholders and business partners.

NX Filtration's approach towards human rights is based on the Universal Declaration of Human Rights, the core conventions of the International Labour Organization and the UN Guiding Principles on Business and Human Rights (UNGPs). NX Filtration's core Human Rights Standards focus on (i) access to water, (ii) no child labour and/or hard work, (iii) non-discrimination, (iv) safe work conditions, (v) no harassment and violence, (vi) freedom of association and the right to collective bargaining, (vii) no forced labour, (viii) work-life balance, (ix) recognition and reward, and (x) respect for human rights in high risk contexts. NX Filtration supports its employees in converting the Human Rights Policy into practical tools by developing relevant human rights guidelines.

NX Filtration is committed to provide remedy to correct negative impacts of human rights violations across our value chain. Respect for human rights includes preventing human rights issues or addressing them at an early stage or to seek adequate remedy in case human rights are violated. NX Filtration promotes an open feedback culture and carries out human rights due diligence processes and has not come across any issues in this respect in 2024. Because NX Filtration's growth strategy involves the further expansion of its operations and customer base internationally, human rights due diligence will require increased attention.

Whistle-blower Policy

NX Filtration employees are offered the opportunity to report irregularities or suspicions with regards to violations of the Code of Conduct, the law, safety policies, the environment or any other forms of misbehaviour without bringing their (legal) position in jeopardy. Reporting of such instances by NX Filtration employees can be

either by designated 'persons of trust' or in complete anonymity through a prescribed website. In 2024, NX Filtration has appointed an internal and external confidential adviser as anyone working within NX Filtration should feel safe and encouraged to speak-up. As far as NX Filtration is aware, no violations or irregularities were reported under the Whistle-blower Policy in the financial year 2024.

Insider trading policy

NX Filtration continues to adhere to its implemented regulations covering securities transactions by the members of the Management Board and Supervisory Board and other designated employees that have or may have access to inside information. The Insider trading policy is published on NX Filtration's website. The Insider Trading Policy aims to promote compliance with the relevant obligations and restrictions under applicable securities law, including Regulation (EU) 596/2014 and intends to limit the risk of NX Filtration's good reputation and business integrity being harmed as a result of prohibited or undesirable dealing in NX Filtration securities. No violations or irregularities were reported in the financial year 2024.

Safety and quality certifications

NX Filtration has been awarded with several ISO certifications and possesses other relevant safety and quality certificates. The quality of NX Filtration's products and compliance to the relevant safety and quality certificates is strictly monitored by the QHSE-department.

Corporate Governance

General

NX Filtration N.V. is a public limited liability company (*naamloze vennootschap*) incorporated under the laws of the Netherlands, with its registered seat in Amsterdam and, since completion of its headquarters and manufacturing facility mid-2024, with its registered office at Haaksbergerstraat 95, 7554 PA, Hengelo, the Netherlands (**NX Filtration** or the **Company**). The Company is registered with the trade register of the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under number 64951030 and its Legal Entity Identifier (LEI) is 254900YF0PQV9APMA050. For details regarding NX Filtration's share capital, reference is made to *Capital Structure*.

Corporate governance within NX Filtration is based on statutory requirements applicable to public limited liability companies in the Netherlands, the Dutch Corporate Governance Code as well as NX Filtration's articles of association, which are publicly available on the Investor Relations section of its website www.nxfiltration.com (the **Articles of Association**).

This section gives an overview of the information concerning the Management Board, the Supervisory Board and the General Meeting. NX Filtration has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board together with one senior manager of the Company forms the senior management of the Company (**Senior Management**) which is responsible for the day-to-day management of

the Company. The Management Board and the Supervisory Board are jointly responsible for the governance structure of NX Filtration.

Management Board

Powers, responsibilities and functioning

The Management Board is the executive body and is entrusted with the management of the Company and responsible for the continuity of the Company, under the supervision of the Supervisory Board. The Management Board's responsibilities include, among other things, setting the Company's management agenda, developing a view on a sustainable long-term value creation by the Company, enhancing the performance of the Company, developing a strategy, identifying, analysing and managing the risks associated with the Company's strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Management Board and the Supervisory Board in a timely manner. The Management Board takes into account the impact the actions of the Company have on people and the environment and to that end weighs relevant stakeholder interests. The Management Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting or the Supervisory Board as a matter of Dutch law or pursuant to the Articles of Association.

The Management Board has informed the Supervisory Board of the main outlines of the Company's strategic policy, the general and

financial risks, and the risk management and control systems. Each Managing Director, together with one other Managing Director, is jointly authorised to represent the Company. Pursuant to the Articles of Association, the Management Board may grant one or more persons, whether or not employed by the Company, a power of attorney or other form of continuing authority to represent the Company or to grant one or more persons such titles as it sees fit. No such powers of attorney have been granted.

The General Meeting appoints the Managing Directors. The Supervisory Board will nominate one or more candidates for each vacant seat. A resolution of the General Meeting to appoint a Managing Director other than in accordance with a nomination by the Supervisory Board can be adopted by a majority of the votes cast representing at least one third of the Company's issued capital. If such quorum is not met, the Company is entitled to convene a second meeting where no quorum shall apply.

The Articles of Association provide that a Managing Director may be suspended or dismissed by the General Meeting at any time. A resolution of the General Meeting to suspend or dismiss a Managing Director other than pursuant to a proposal by the Supervisory Board can be adopted by a majority of the votes cast, representing at least one third of the Company's issued capital. If such quorum is not met, the Company is entitled to convene a second meeting where no quorum shall apply.

The Articles of Association provide that the number of Managing Directors is determined by

the Supervisory Board after consultation with the Management Board, but there will be at least two Managing Directors. The Supervisory Board has appointed one of the Managing Directors as CEO.

Members of the Management Board

The Management Board is composed of the following members:

Name	Age	Position	Member since	End of current term
Mr F.J. (Floris Jan) Cuypers	46	CEO	6 September 2024	6 September 2028
Mr M.A. (Michiel) Staatsen	53	COO	2019	AGM of 2025 (nominated for reappointment)
Mr H.D.W. (Erik) Roesink	72	CTO	2016	AGM of 2025
Mr J.F. (Jan Feie) Zwiers	52	CFO	6 September 2024	6 September 2028

Mr F.J. Cuypers (born 1978, Dutch) is NX Filtration's CEO since 1 September 2024. Prior to joining NX Filtration, Mr Cuypers has been COO and CCO at SHV Energy since 2023, providing decentralized, low-carbon and clean energy solutions to business and residential customers around the world. He served as Chief Operating Officer (COO) and Chief Commercial Officer (CCO) at ERIKS between 2018 and 2023, an industrial service provider, offering technical products and services to all sections of industry. He holds a Master of Science in Applied Physics from Delft University of Technology, the Netherlands.

Mr M.A. (Michiel) Staatsen (born 1971, Dutch) is NX Filtration's COO. Between May 2019 and June 2023, he held the position of both CEO and COO of NX Filtration. Prior to joining NX Filtration, he held various positions related to the food and water markets. He held the position of chief operating officer at Pré Pain, a leading manufacturer of frozen bake off bread in North-West Europe. Michiel Staatsen was the chief operating officer and chief financial officer of Grand Duet B.V., an industrial bake-off bread bakery. He holds a master's degree in civil engineering from Delft University of Technology in Delft, the Netherlands.

Mr H.D.W. (Erik) Roesink (born 1952, Dutch) founded NX Filtration in 2016 and held the position of CEO between 2016 and 2019. Since 2019 he focuses on business and technology development and currently holds the role of CTO. He is also a Emeritus Professor advanced membranes for aqueous applications in the research cluster membrane science & technology at the University of Twente in Enschede, the Netherlands since 2013. Prior to joining NX Filtration, Erik Roesink worked in various director roles in research and development, strategic innovation and business development at Pentair and Norit X-Flow.

Mr J.F. (Jan Feie) Zwiers (born 1972, Dutch) is NX Filtration's CFO since 1 August 2024. Prior to joining NX Filtration, he held the position of Group Finance & Control Director and Executive Board member at BDR Thermea Group, a Global manufacturer and distributor of sustainable smart indoor climate solutions to building owners and users. Mr Zwiers holds an Executive Master of Finance & Control from the University of Amsterdam and a Master of Science in Business Administration from Tilburg University, both in the Netherlands.

Senior Management

The members of the Management Board comprise the Senior Management of the

Company together with the following non-statutory member:

Name	Age	Position	Member since
Mr A.M. (Alejandro) Roman Fernandez	48	Chief Commercial Officer	2021

Mr A.M. (Alejandro) Roman Fernandez (born 1977, Spain) is NX Filtration's Chief Commercial Officer. Prior to joining NX Filtration, Alejandro was a Vice President and Global Commercial Head at Organica Water where he was responsible for all sales activities globally, managing the regional sales teams and expanding the global partner network. Prior to that, Alejandro held various roles at Pentair (Netherlands), Xylem (Spain and United Kingdom) and Thames Water (United Kingdom). Alejandro holds a degree in Chemical Engineering from the University of Cadiz (Spain) and a degree in Environmental Science from Kingston University in London (United Kingdom).

The business address of the Senior Management of the Company is Haaksbergerstraat 95, 7554 PA, Hengelo the Netherlands.

Supervisory Board

Powers, responsibilities and functioning

The Supervisory Board supervises the Management Board and the general course of affairs of the Company, its subsidiaries and the business affiliated therewith. The Supervisory Board is accountable for these matters to the General Meeting. The Supervisory Board also provides advice to the Management Board. In performing its duties, the Supervisory Board focuses on the effectiveness of the NX Filtration's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board

assists the Management Board with advice on general policies related to the activities of NX Filtration. In the fulfilment of its duty, the Supervisory Board focusses on the interests of the Company and its related business.

Members of the Supervisory Board

The Supervisory Board is composed of the following members:

Name	Age	Position	End of current term
Ms C. (Carolina) Wielinga	54	Member (chair)	AGM of 2025 (nominated for reappointment)
Mr B.A.M. (Benno) van Dongen	60	Member	AGM of 2025 (nominated for reappointment)
Mr J.G. (Hans) Sloopweg	45	Member	AGM of 2027

The business address of the Supervisory Board of the Company is Haaksbergerstraat 95, 7554 PA, Hengelo, the Netherlands. Reference is made to the Supervisory Board Report in this annual report for their professional bio's.

Remuneration

The updated remuneration policy applicable to the Management Board was approved by the General Meeting on 6 September 2024, and applies as of 1 August 2024, with the exception of the increase in the on target opportunity level for STI, that came into effect on 1 January 2025. Any subsequent amendments to the Company's remuneration policy are subject to adoption by the General Meeting, which resolution can only be adopted by a majority of the votes cast. The Supervisory Board shall make a proposal to this effect. The remuneration of, and other agreements with, the Managing Directors are required to be

determined by the Supervisory Board, with due observance of the remuneration policy.

The Company's remuneration policy aims to attract, motivate and retain qualified individuals and reward them with a market competitive remuneration package that focuses on achieving sustainable financial results aligned with the sustainable long-term business strategy of the Company and fosters alignment of interests of Managing Directors with shareholders.

Based on the remuneration policy, the remuneration of the Managing Directors consists of the following components:

- annual base fee;
- pension and other benefits, except for the current COO and CTO, which are not entitled to pension benefits;
- STI, except for the current CTO;
- LTI, except for the current CTO; and
- a sign-on bonus upon appointment. For the avoidance of doubt, the current COO and CTO were not entitled to a sign-on bonus.

A summary of the paid or accrued remuneration of the Management Board and an explanation of these remuneration components is set out in the Remuneration Report of the Supervisory Board in this annual report.

Short-term incentive (STI)

The STI is a variable cash bonus incentive of which achievement is tied to specific financial and non-financial targets derived from the Company's (annual) strategic plan, allowing to apply focus on short-term business critical goals and drive behaviour. The Supervisory Board may, but is not obliged to, determine that a Managing Director becomes entitled to an STI.

The financial and non-financial performance conditions for the STI will be set taking into account the strategy of the Company and the five year business plan of the Company,

reflecting the Company's long term interests. As such, these conditions are closely linked to enhancing the sustainable performance of the Company and long-term value creation.

Long-Term incentive (LTI)

The LTI is a variable equity incentive of which achievement is tied to targets reflecting long-term stakeholder value creation, enhancing the pay-for-performance narrative and aligning recipients with the shareholder experience. The Supervisory Board may, but is not obliged to, determine that a Managing Director becomes entitled to an LTI. The LTI allows Managing Directors to receive annual conditional awards of Performance Shares under the Company's Long Term Incentive Plan for Managing Directors as amended from time to time, subject to the approval of the Supervisory Board in accordance with the Remuneration Policy. The LTI is designed to incentivize and reward sound long-term decision making and align the interests of the Managing Directors with those of shareholders and other stakeholders. The vesting of an award is subject to the achievement of predetermined financial and non-financial (including ESG) performance conditions set by the Supervisory Board on a yearly basis. In case the Performance Shares are unconditionally granted to the Managing Directors, the Managing Directors will be required to hold such granted Performance Shares for an additional period of two years following the grant of Performance Shares becoming unconditional, subject to any sales required in order to meet tax liabilities, if required.

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. The following transactions were carried out with related parties:

- Key management compensation (including sign-on bonuses)
- Management fee to Infestos Holding E B.V.
- Consultancy Agreement with Infestos Holding E B.V.
- Issuance of shares to Infestos Holding E B.V. as part of the Company's public equity raise in April 2024.
- The agreement with Polymer Filtration Solutions GmbH for the supply of sulfonated poly(ether sulfone).

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

General Meeting

According to the Articles of Association, General Meetings can be held in Amsterdam, in the Netherlands, or any other place in the Netherlands, at the choice of those who call the meeting.

The annual General Meeting must be held at least once a year, within six months after the close of each financial year. An extraordinary General Meeting may be convened, whenever the Company's interests so require, by the Supervisory Board or the Management Board. In addition, shareholders or others with meeting rights under Dutch law representing jointly at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened. If no General Meeting has been held within eight weeks of the shareholders making such request, the shareholders making such request may, upon their request, be authorised by the competent Dutch court in preliminary relief proceedings to convene a General Meeting.

The convocation of the General Meeting must be published through an announcement by electronic means. Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which, at the date of this annual report, is 42 calendar days. The notice convening any General Meeting must include, among other items, the agenda stating the items to be discussed, the venue and time of the General Meeting, the requirements for admittance to the General Meeting, the address of the Company's website, and such other information as may be required by Dutch law. The agenda for the annual General Meeting must contain specific subjects, including, among other things, the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as these are at the disposal of the General Meeting. In addition, the agenda must include such items as have been included in it by the Management Board, the Supervisory Board or the shareholders and others with meeting rights under Dutch law (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Managing Directors and the Supervisory Directors concerning the performance of their duties in the financial year in question, the discharge must be mentioned on the agenda as separate items for the Management Board and the Supervisory Board, respectively.

Shareholders and others with meeting rights under Dutch law representing jointly at least 3% of the Company's issued and outstanding share capital may request, by a motivated request, that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the General Meeting. No resolutions may

be adopted on items other than those that have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

Shareholders who, individually or with other shareholders, hold Ordinary Shares that represent at least 1% of the issued and outstanding share capital or a market value of at least €250,000 may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting, provided that the Company has done a so-called "identification round" in accordance with the provisions of the Dutch Securities Transactions Act. The Company can only refuse disseminating such information, if received less than seven business days prior to the day of the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

More information about the authority of the General Meeting and the articles of association can be found on NX Filtration's website.

Special provisions relating to shares and Management Board's powers

Unless indicated otherwise, there are no restrictions on the transfer of shares, the exercise of voting rights or the term for exercising those rights, and there are no special controlling rights attached to shares. Pursuant to a resolution adopted by the General Meeting, the Management Board has been authorised, for a period of three years following 9 April 2024 (i.e. until and including 9 April 2027), subject to the approval of the Supervisory Board, to resolve to issue Ordinary Shares (either in the form of stock dividend or otherwise) and/or grant rights

to acquire Ordinary Shares up to a maximum of 20% of the number of Ordinary Shares issued immediately following 9 April 2024, and to exclude pre-emptive rights in relation thereto. In addition, the Management Board has been, pursuant to a resolution of the General Meeting, authorised for a period of 18 months following 9 April 2024 (i.e. until and including 9 October 2025), subject to the approval of the Supervisory Board, to acquire its own Ordinary Shares (including Ordinary Shares issued as stock dividend), up to a maximum of 10% of the issued capital at the date of acquisition, provided that Company will hold no more Ordinary Shares in stock than a maximum of 50% of the issued capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Ordinary Shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%.

Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended in 2022, finds its statutory basis in Book 2 of the Dutch Civil Code (the **Dutch Corporate Governance Code**). The Dutch Corporate Governance Code applies to the Company as the Company has its statutory seat in the Netherlands and its Ordinary Shares are admitted to listing and trading on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the management board or, if applicable, the supervisory board of the company. If a company deviates from a best practice principle in the Dutch Corporate

Governance Code, the reason for such deviation must be properly explained in its management report.

Deviations from the Best Practice Principles of the Dutch Corporate Governance Code

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and is committed to adhering to the best practices of the Dutch Corporate Governance Code as much as possible. The Company fully complies with the Dutch Corporate Governance Code, except for best practice provisions set out below.

- The Company is not fully compliant with best practice provisions 2.1.5-2.1.6 that requires that the D&I policy of the Company should in any case set specific, appropriate and ambitious targets in order to achieve a good balance in gender diversity and the other D&I aspects of relevance to the Company with regard to the composition of the Management Board, the Supervisory Board and sub-top management.

Started in 2023 and further deployed throughout 2024, we have made significant improvements as regards D&I following the introduction of the Company's D&I Policy and the signed CEO statement. In the following paragraph of this annual report we elaborate extensively on our D&I efforts and report on gender data for the Management Board, Supervisory Board and sub-top management. However, given the early-stage nature of the Company, we had also other challenges and priorities to deal with, but we expect to comply with these best practice provisions in respect of the financial year 2025.

- The Company is not in compliance with best practice provisions in principle 1.3 that

requires an internal auditor. The current size of the Company does not justify the appointment of an internal auditor. In 2024 the Supervisory Board has reassessed the need for an internal auditor. Based on this review, the Supervisory Board has recommended the Management Board that the current size of the Company still does not justify the appointment of an internal auditor.

Diversity Policy Supervisory Board

The diversity policy of NX Filtration has been in effect since its adoption by the Supervisory Board on 11 June 2021 (the **Policy**).

The Supervisory Board values and promotes diversity in the Management Board and the Supervisory Board, and also in the Company as a whole. The Supervisory Board recognises that differences in skills, experience, background, nationality, age, race, gender, sexual orientation, religious beliefs, physical ability and other characteristics of people are important and enable both the Management Board and the Supervisory Board as well as the Company as a whole to look at issues and to solve problems in a different way, to respond differently to challenges and to take more robust decisions. All these different skills and backgrounds reflect the diverse nature of the environment in which the Company and its stakeholders operate, and improve the effectiveness through diversity of approach and thought. Diversity furthermore drives innovation, and accelerates growth. It enables the Company to attract and maintain the best talented people.

The Management Board and the Supervisory Board collectively are considered diverse and balanced from an educational background and work experience. The Management Board

and the Supervisory Board consist of people with a good mix of sector knowledge, financial expertise and management capabilities.

Annually, the Supervisory Board assesses the composition of the Supervisory Board and of the Management Board, and agrees to measurable objectives for achieving diversity on the Boards. At the date of this annual report, the Supervisory Board meets the quota as prescribed by law.

Diversity & Inclusion (D&I) within NX Filtration

In this paragraph we explain our D&I policy and the way in which it is implemented in practice, (i) the goals of the D&I policy; (ii) the plan to achieve the goals of the D&I policy; (iii) the results of the D&I policy in the past financial year and – where relevant and applicable – insight into the inflow, progression and retention of employees; and (iv) the gender composition of the Management Board, the Supervisory Board, and senior management at the end of 2024.

NX Filtration recognizes that for the success of the company, a culture of diversity, equity and inclusion is essential and therefore NX Filtration fosters such a culture. As we continue to grow rapidly, we truly want to keep building our diverse and inclusive workplace. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well. We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental

ability, political affiliation, race, religion, sexual orientation, socio-economic status, and other characteristics that make our employees unique.

Please also refer to the *Diversity and Inclusion Policy Statement* signed by our CEO.

Creating Awareness and Training

We strongly believe that in any organization, addressing bias is an ongoing journey that needs structural changes to policies and operations. Increasing awareness within NX Filtration is vital, but training people to manage their biases, change their behaviors and monitor how they are doing business takes it to the next level. Therefore we offer various trainings on topics such as:

- Cultural Diversity: how to deal with cultural differences in the workplace.
- Social Intelligence: open communication to create a trusting work environment that will enable that Personnel can be their true self.
- Giving and asking for feedback: helps personnel to better formulate their arguments and therefore be able to subtly put an (unbiased) opinion on the table.

Recruitment

Bias in the workplace limits diversity, recruitment, promotion and retention. It can shape a company's culture and standards if left to languish. NX Filtration seeks to break biases to become more diverse, equitable, and inclusive. Identifying how bias shows in talent management, training and development, performance management and talent acquisition plays a major role. All our recruiters go through interactive bias-at-work training to help them identify their own biases and how to reduce the risk of bias in recruitment. The training helps our recruiters support their managers in minimizing bias during the hiring process. Other practices that we make use of to reduce bias include, to the extent

appropriate, anonymized C.V. screenings, round table discussions, assessing competency rather than specific experience and diverse interview panels.

An international workforce

We are committed to fostering an international work environment where every employee can thrive. We promote diversity by offering opportunities for international mobility as well as intercultural training and cross-cultural work teams, which are major factors of individual and career development.

Equal opportunity globally

At NX Filtration, equality across the board is key. We strongly believe that diversity is vital to our business and we are committed to creating an atmosphere where everyone can feel like they belong. We nurture an environment comprising of a group of people who are not only diverse in skillset, but also in (cultural) backgrounds, perspectives and experience, disability status, ethnicity, age, gender identity and sexual orientation among others, in all countries we operate.

Gender balance

We empower the women in our organisation and are committed to promoting equal opportunities. We seek to increase the share of women in senior management positions. As we reflect on the achievements and progress made throughout the previous year, we find it important to transparently address a challenge that has been prevalent in our industry. At the end of the year, our gender balance stands at 18% women and 82% men, compared to 15% women and 85% men at the end of 2023. This ratio is not unique to our organization; it is a broader concern within the industry. It is crucial to recognize that we continue to focus on initiatives towards achieving a more balanced and sustainable gender balance.

Disability and accessibility

We have made good progress over the years towards better accessibility for disabled people. In our production facilities we take into account the diverse nature of disability (including hidden or invisible impairments) and how to support different needs.

Zero tolerance for harassment, bullying and racism

Our Code of Conduct, Business Ethics Policy, and Human Rights Policy describe values and principles that every employee of NX Filtration must observe in the course of their work. These rules of conduct guide our behaviour when acting within or on behalf of NX Filtration. In particular, we are committed to fostering respect for human dignity and for employees' work, and to a zero tolerance policy for harassment, bullying and racism. In doing this, we stand against racism, discrimination, and bias of any kind, striving to ensure that everyone feels equally welcome and embraced.

Wet ingroeiquotum en streefcijfers (Dutch Diversity Act)

NX Filtration is bound by the obligations laid down in the *Wet ingroeiquotum en streefcijfers (Dutch Diversity Act)*, which came into force on 1 January 2022.

Supervisory Board

Our Supervisory Board consists of 1 woman and 2 men. NX Filtration thereby meets the diversity quota of at least one-third female and one-third male on the Supervisory Board and will continue to do so.

Management Board

NX Filtration's Management Board consists of 4 men. NX Filtration thereby does not meet the diversity quota of at least one-third female and one-third male on the Management Board.

Sub-top management

This sub-top management group consisted of 13 employees as of 1 January 2024, and reached a total number of 14 employees per 31 December 2024.

Date	#	#	%	%
	Women	Men	Women	Men
1 January 2024	4	9	31%	69%
31 December 2024	4	10	29%	71%

Sub-top objective

For the purpose of the Dutch Diversity Act, NX Filtration has defined the sub-top as those executives who report directly to the management board. This includes all entities within NX Filtration, therefore also including all countries in which NX Filtration is based.

Plans to promote a proportionate split between women and men

In order to ensure a proportionate split, i.e. a larger share of women, we mainly focus on the new employees. For increasing the number of women in our organisation we will focus for the coming years on the following pillars:

1. Inflow and internal promotions;
2. Cooperation with educational institutions; and
3. External appearance.

Re 1. Inflow and internal promotions

Given NX Filtration's growth, many employees are recruited every year. Both by our internal recruitment team and with the help of external parties. The value of diversity is explicitly discussed within the recruitment team and with external parties and targets are set for the supply of female candidates. For internal promotion, the possibility of promoting women to management positions is explicitly discussed and stimulated.

Re 2. Cooperation with educational institutions

We strongly believe that, in order to show the attractiveness of technology in general, one needs to focus on the employees of the future. Therefore it is essential that we provide children with the guidance and resources they need to make informed decisions about their future (education). We will intensify the cooperation with schools (ranging from vocational education to universities) to offer interesting insights in our organisation as well as technology in general. This includes offering internships as well as graduation assignments. Doing so, we will specifically focus on attracting female students for our organisation.

Re 3. External appearance

We will focus on increasing the visibility of women in our company in recruitment activities and social media activities, among others. Female speakers at conferences and events will also contribute to the desired image of our Company.

Gender balance targets

During 2024, the Management Board set a gender balance target for the Management Board to have at least one female in 2030. When setting the gender balance target for the Management Board, the Supervisory Board has considered the technology environment NX Filtration operates in, with a thinly populated global STEM (science, technology, engineering and math) talent pool, making it challenging to recruit female talent. Furthermore, during 2023, and reassessed in 2024, a gender balance target was set to reach a representation of women at sub-top level of 40% by 2028, the current level being 29%.

Takeover Directive (Article 10)

In the context of the EU Takeover Directive (Article 10) Decree, the following notifications must be given insofar as they are not included in this Annual Report.

Capital Structure

As at 31 December 2024, the issued share capital of the Company amounts to €580,540.70 divided into 58,054,070 Ordinary Shares, each with a nominal value of €0.01. Each Ordinary Share confers the right to cast one vote.

Limitations on the transfer of shares

NX Filtration has not imposed any limitations on the transfer of its shares and therefore there are no outstanding or potential protection measures against a takeover of control of the company.

Substantial holdings

On the date hereof, NX Filtration has 58,054,070 Ordinary Shares outstanding in the market. Pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), interests in the issued capital of NX Filtration of 3% or more are required to be disclosed to the Netherlands Authority for the Financial Markets (AFM). At year-end 2024, the following shareholders were known to hold interests of at least 3% directly in the Company (as per AFM disclosure on 31 December 2024, actual substantial holdings may differ):

Shareholder	Number of Ordinary Shares	Percentage of the issued share capital of the Company
B.H.F. ten Doeschot ⁽¹⁾	29,402,463	58.80%
B.V. Beleggingsfonds Hoogh Blarick	5,030,020	10.06%
Teslin Participaties Coöperatief U.A.	2,932,954	5.87%
ASR Nederland N.V.	1,890,659	3.27%

Notes:

⁽¹⁾ Through Infestos Holding E B.V. and Stichting Administratiekantoor NX Filtration Holding. These entities are ultimately controlled by Mr B.H.F. ten Doeschot.

Material Subsidiaries

NX Filtration B.V., NX Filtration International B.V., NX Filtration Real Estate B.V. (each incorporated in the Netherlands), NX Filtration (Beijing) Membrane Technology Co. (incorporated under Chinese law), Ltd., NX Filtration India Private Limited (incorporated under Indian law), and NX Filtration Americas, LLC (incorporated under United States law) are the only (material) subsidiaries of the Company. The Company holds, either directly or indirectly, 100% of the ownership interest therein.

Special controlling rights

No special controlling rights are attached to the shares in the Company.

Employee equity plans

See above under *Long-Term Incentive (LTI)* and *Short-term incentive (STI)*.

Limitations on voting rights

Each share confers the right to cast one vote. The voting rights attached to the shares in the Company are not restricted, and neither are the terms in which voting rights may be exercised restricted.

Agreements on limitations on the transfer of shares

The Senior Management and certain other key employees of the Company hold depository receipts in Stichting Administratiekantoor NX Filtration Holding (**DRs**) as they have been given the opportunity to indirectly participate in the capital of the Company. These DRs are not freely tradeable. The transfer of DRs is subject to a resolution of the management board of Stichting Administratiekantoor NX Filtration Holding.

Appointment and dismissal of Management Board members and Supervisory Directors and amendment of the Articles of Association

The General Meeting appoints the Managing Directors. The Supervisory Board will nominate one or more candidates for each vacant seat. A resolution of the General Meeting to appoint a Managing Director other than in accordance with a nomination by the Supervisory Board can be adopted by a majority of the votes cast representing at least one third of the Company's issued capital. If such quorum is not met, the Company is entitled to convene a second meeting where no quorum shall apply.

The Articles of Association provide that a Managing Director may be suspended or dismissed by the General Meeting at any time. A resolution of the General Meeting to suspend or dismiss a Managing Director other than pursuant to a proposal by the Supervisory Board can be adopted by a majority of the votes cast, representing at least one third of the Company's issued capital. If such quorum is not met, the Company is entitled to convene a second meeting where no quorum shall apply.

The Articles of Association provide that the number of Managing Directors is determined by the Supervisory Board after consultation with the Management Board, but there will be at least two Managing Directors. The Supervisory Board has appointed one of the Managing

Directors as CEO. In addition, the Supervisory Board has appointed one of the Managing Directors as CFO (chief financial officer) to specifically oversee the Company's financial affairs.

The Supervisory Board Rules provide that the Supervisory Board must consist of a minimum of three members. The exact number of Supervisory Directors shall be determined by the Supervisory Board. The Supervisory Board will consist of three members. Only natural persons may be appointed as Supervisory Directors.

In accordance with the Articles of Association, the Supervisory Board has prepared a profile (*profielchets*) for its size and composition, taking account of the nature and activities of the business, the desired expertise and background of the Supervisory Directors, the desired mixed composition and the size of the Supervisory Board and the independence of the Supervisory Directors. The Company's diversity policy is also taken into account.

The General Meeting appoints the Supervisory Directors. The Supervisory Board will nominate one or more candidates for each vacant seat. A resolution of the General Meeting to appoint a Supervisory Director other than in accordance with a nomination by the Supervisory Board can be adopted by a majority of the votes cast representing at least one third of the Company's issued capital. If such quorum is not met, the Company is entitled to convene a second meeting where no quorum shall apply.

The Articles of Association provide that a Supervisory Director may be suspended or dismissed by the General Meeting at any time. A resolution of the General Meeting to suspend or dismiss a Supervisory Director other than pursuant to a proposal by the Supervisory Board can be adopted by a majority of the votes cast, representing at least one third of

the Company's issued capital. If such quorum is not met, the Company is entitled to convene a second meeting where no quorum shall apply.

The General Meeting may pass a resolution to amend the Articles of Association with an absolute majority of the votes validly cast in the General Meeting, but only (i) on a proposal of the Management Board that has been approved by the Supervisory Board or (ii) in the absence of such a proposal, with the explicit approval of the Management Board and the Supervisory Board or (iii) on the proposal of a Shareholder, or shareholders acting jointly provided that they belong to the same group, for as long as they solely or jointly represent at least 30% of the issued capital of the Company. Any such proposal must be stated in the notice of the General Meeting.

In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by shareholders and other persons holding meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting. A resolution by the General Meeting to amend the Articles of Association requires an absolute majority of the votes cast. A resolution of the General Meeting to amend the Articles of Association that has the effect of reducing the rights attributable to holders of share of a particular class, is subject to approval of the meeting of holders of shares of that class.

Significant agreements and changes in the control of the company

NX Filtration does not have any such agreements.

Redundancy agreements in the event of a public takeover bid

NX Filtration has not concluded any agreements with a Management Board member or employee that provides for any severance pay in the case of a termination of employment in connection with a public bid within the meaning of Article 5:70 of the Dutch Financial Supervision Act.

Shareholders

See *Substantial Holdings*.

Dividend Policy

The dividend policy is to reserve all profits (if any) until the policy is revised. NX Filtration does not pay dividends to its shareholders at this moment in time.

Financial calendar

Date	Event
10 February 2025	Publication full year results 2024
8 April 2025	Annual General Meeting
8 April 2025	Capital Markets Day
27 August 2025	Publication half-year results 2025

NX Filtration applied the following closed periods for transactions directly or indirectly, relating, to shares and other financial instruments in NX Filtration:

- 1 May 2024 until 30 August 2024
- 1 November 2024 until 10 February 2025

In accordance with best practice provision 1.4.3. of the Dutch Corporate Governance Code, the Management Board states to the best of its knowledge that:

- the report of the Management Board provides sufficient insight into any shortcomings in the effectiveness of the internal risk management and control systems;
- those systems provide reasonable assurance that the financial report does not contain any material misstatements;
- in the current situation, it is appropriate for the financial report to be prepared on a going concern basis; and

- the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

As required by the relevant statutory provisions, the Management Board hereby declares that to the best of its knowledge:

- the report of the Management Board provides a true and fair view of the position of NX Filtration and its subsidiaries included in the consolidation on the reporting date and of the course of their affairs during the financial year. The report of the Management Board provides information on any material risks to which NX Filtration is exposed;
- The Consolidated Financial Statements as at and for the year ended 31 December 2024, give a true and fair view of the assets, liabilities, financial position and result of the financial year of NX Filtration and its subsidiaries included in the consolidation as a whole.

Hengelo, 10 February 2025

Management Board

Floris Jan Cuypers CEO	Jan Feie Zwiers CFO	Michiel Staatsen COO	Erik Roesink CTO
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Report of the Supervisory Board





Carolina Wielinga
Chair

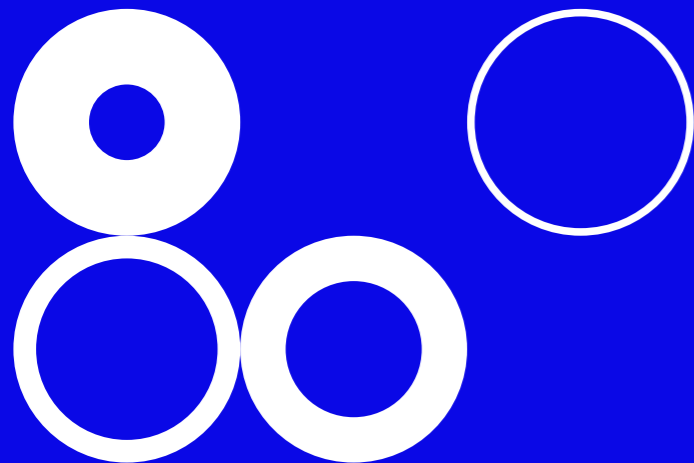


Benno van Dongen



Hans Slootweg

Report of the Supervisory Board



The Supervisory Board's main responsibility is to supervise and advise the Management Board, in particular regarding the strategy for realising sustainable long-term value and the manner in which the strategy is implemented. The Supervisory Board supervises the Management Board on actions that have an impact on people and the environment and to that end it weighs the interests of all relevant stakeholders involved. The Supervisory Board also focuses on the effectiveness of the Company's internal risk management and control systems and the integrity and quality of the financial reporting. Throughout 2024, we continued to see NX Filtration's commitment to enhanced corporate governance and risk management on the basis of its internal control framework. We were closely involved in discussions with the external auditor with the aim to increase risk management, and safeguard the integrity of operations and the quality of financial reporting.

Activities and priorities 2024

As we reflect on the events of 2024, the Supervisory Board acknowledges the challenges faced by NX Filtration that influenced its financial and operational environment. While NX Filtration adjusted its revenue outlook as a result of evolving timelines associated with converting pilot projects into full scale projects and customers' project realization schedules, it still recorded substantial revenue growth compared to 2023, and we continue to see major steps being made towards realizing the Company's longer term business objectives. We continue with our collaborative approach towards the Management Board to foster transparency and accountability throughout the Company.

We were particularly pleased that NX Filtration was able to strengthen its balance sheet by an equity raise and new financing agreement, providing the Company with additional flexibility to respond to market developments, accelerate specific growth initiatives and fund the path to profitability.

NX Filtration's key commercial success in 2024 was a partnership for the world's largest hollow fiber nanofiltration (NF) water treatment plant in Mexico. The Company was also able to reach major milestones for its other product categories. Together with a reputable partner it developed a new sustainable beer filtration solution (MF) that has been brought to market. Also, a reputable OEM-er placed a sizeable initial order for ultrafiltration modules (UF). NX Filtration continued to advance with key OEMs for full-scale projects. We still see NX Filtration's strong technological position underscored by a sustained high gross margin and a continuation of repeat orders from existing partners. We stressed to the Management Board that it should closely monitor the Americas and Asia in particular so that it can respond to local developments and opportunities in a timely manner.

The opening of the new manufacturing facility and headquarters by Her Majesty Queen Máxima was a major milestone. We have noticed a smooth transfer from the Company's former production locations to this new facility.

In 2024, a smooth transition to a new Management Board, was another priority for us. We were very pleased to welcome Floris Jan Cuypers (CEO) and Jan Feie Zwiers (CFO) as new members to the Management Board. Their leadership experience, and strong background in both commercial and operational executive roles, and financial roles, respectively, strongly positions them to lead NX Filtration.

The formulation and execution of an effective strategy are paramount in sustaining long-term growth. The Supervisory Board has closely monitored the development and implementation of NX Filtration's strategy, offering constructive input to enhance its effectiveness. We believe that this strategy will position NX Filtration for continued success in a competitive but strong growing market. In this context, the effectiveness of NX Filtration's sales organization is particularly important. The Supervisory Board acknowledges the diligent efforts undertaken by the Management Board to further optimize the sales structure to enhance effective leadership in the regions where NX Filtration is active. One other key point of attention was cost control to balance the companies spend in line with its growth projections.

We determined that NX Filtration has sound processes in place of achieving sustainable long-term value for its customers and shareholders, its people and society. Furthermore, we continued to work in our ESG Committee regarding sustainability, environmental, social, corporate governance and human capital matters. We are truly honored that NX Filtration joined the global B Corp community in 2024 alongside other companies aiming to transform business into a force for good. The Supervisory Board stresses timely preparation on the implementation of CSRD requirements, which is due in 2027 over the financial year 2026.

Strategy and sustainable long-term value creation

The Supervisory Board fully supports NX Filtration's strategy. During 2024, the Supervisory Board devoted a considerable amount of time discussing strategic topics. We performed the recurring annual review of NX Filtration's corporate strategy and the long-term financial budget. Some of the main challenges concern realizing NX Filtration's top line growth and timing thereof, and ensure that costs remain under control.

With increasing demand for NX Filtration's products in combination with its focus on execution of its strategic priorities, the Supervisory Board has confidence in NX Filtration's long-term growth opportunities and the continued delivery of value to its stakeholders. As part of several deep dive strategy reviews, we focused on long-term water market developments and external global forces, including geopolitics and ESG topics.

Composition and diversity

The Supervisory Board consists of the following three members:

Name	Gender	Age	Position	Initial appointment	End of current term
Ms C. (Carolina) Wielinga	Female	54	Member and Chair	11 June 2021	AGM 2025 (nominated for reappointment)
Mr B.A.M. (Benno) van Dongen	Male	60	Member	11 June 2021	AGM 2025 (nominated for reappointment)
Mr J.G. (Hans) Slootweg	Male	45	Member	6 April 2023	AGM 2027

Ms C. (Carolina) Wielinga (born 1970, Dutch) is a supervisory board member and chair of the audit committee at Gasunie and has been a supervisory board member of Darlin N.V. (part of Teslin) (2010-2017). Since November 2024, she is a supervisory board member of Royal A-ware Food Group. Ms Carolina Wielinga is an all-round finance business executive with over 25 years of experience. Most recently, she was CFO of BDR Thermea Group. Ms Carolina Wielinga had several functions at Rabobank and its subsidiaries, as head of financial restructuring and recovery at Rabobank Group (2016-2018), chief financial risk officer/chief operating officer at FGH Bank (2015-2016) and chief financial risk officer at Rabo Real Estate Group (2013-2015). In the period 2011-2013, she was senior director finance at Vion Food Group, an international supplier of meat, meat products and plant-based alternatives. Ms Carolina Wielinga started her career at Arthur Andersen (1993-2002), followed by roles as director business advisory services at KPMG (2002-2005) and country market leader and managing director of Protivi in the Netherlands (2005-2010). Ms Carolina Wielinga holds a master's degree in business administration from University of Groningen in Groningen, the Netherlands and is also a chartered accountant.

Mr B.A.M. (Benno) van Dongen (born 1964, Dutch) is a senior partner at Roland Berger, for which he cofounded the Amsterdam office in 2002. At Roland Berger, Mr Benno van Dongen is focusing on technology intensive industries and life sciences, publicprivate partnerships and academia. He supports these groups in innovation management, growth strategy, business model development and creating business plans. Prior to joining Roland Berger, Mr Benno van Dongen was an associate director at Arthur D. Little, where he focused on, amongst others, advising companies in the water markets as head of the engineering, manufacturing and resources practice. Mr Benno van Dongen studied chemical engineering and materials science at Delft University of Technology in Delft, the Netherlands and has an MBA degree from INSEAD in Fontainebleau, France. He is a member of the Supervisory Board of InnovationQuarter, the regional economic development agency for South Holland, a selected Fellow of the NAE (Netherlands Academy of Engineering), and a director of academic society Royal Holland Society of Sciences and Humanities (*Koninklijke Hollandse Maatschappij der Wetenschappen*).

Mr J.G. (Hans) Slootweg (born 1979, Dutch)

works at Infestos Nederland B.V., where he currently holds the role of investment director. Mr Hans Slootweg's expertise is in supporting companies on areas including technology, R&D, finance and accounting. This expertise will be of added value to the Supervisory Board of the Company. Prior to joining Infestos, Mr Hans Slootweg worked as manager at Scotch & Soda (2012-2014) and as senior manager at KPMG (2003-2012). He holds a master's degree in accountancy from Nyenrode University in the Netherlands.

The business address of the Supervisory Board is Haaksbergerstraat 95, 7554 PA, Hengelo, the Netherlands.

The Supervisory Board operates independently of the Management Board, any other participating interests and each other. Each of the Supervisory Board members has the necessary expertise, experience and background to perform his or her tasks and responsibilities. Two of the three members of the Supervisory Board are independent within the meaning of the Dutch Corporate Governance Code as, in the opinion of the Supervisory Board, the requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the Dutch Corporate Governance Code have been fulfilled.

One of the Supervisory Board members is not independent within the meaning of the Dutch Corporate Governance Code. Pursuant to the relationship agreement between Infestos Holding E B.V., Stichting Administratiekantoor NX Filtration Holding and NX Filtration dated 8 June 2021, Infestos Holding E B.V. has the right to designate for nomination, and propose replacements for, two Supervisory Directors on the Supervisory Board. One out of three Supervisory Directors is a representative of Infestos: Mr Hans Slootweg.

The Management Board and the Supervisory Board collectively are considered diverse and balanced from an educational background and work experience. The Management Board and the Supervisory Board consist of people with a good mix of sector knowledge, financial expertise and management capabilities. Annually, the Supervisory Board assesses the composition of the Supervisory Board and of the Management Board, and agrees to measurable objectives for achieving diversity on the Boards.

At the date of this annual report, the Supervisory Board meets the diversity quota as prescribed by law.

Where searches for appointment to any of the Boards or to senior management are conducted by NX Filtration or by search firms, they will identify and present a long list of candidates who are considered to meet the essential criteria for the relevant vacancy, including qualified females and people of colour. The Boards will consider suitably qualified candidates for positions from as wide a pool as appropriate, including candidates with little or no previous listed company board experience but whose skills and experience will add value to the relevant Board.

Meetings and attendance

The Supervisory Board held seven meetings in 2024, five of which were regular scheduled meetings, one related specifically to the appointment of the CEO, and one related specifically to the appointment of the CFO. The regular scheduled meetings were attended by the members of the Management Board. The specifically scheduled meetings and the meeting where the Supervisory Board discussed its own functioning were held without the members of the Management Board. All members of the Supervisory Board attended all the meetings, as such the absenteeism rate is zero.

Other than the Audit Committee and the ESG Committee, the Supervisory Board has not installed any standing committees as this is not required under Dutch law or the Dutch Corporate Governance Code based on the current composition of the Supervisory Board. If the Supervisory Board would in the future consist of more than four members, it should, in addition to the existing Audit Committee, appoint from among its members a remuneration committee and a selection and appointment committee to remain in compliance with the Dutch Corporate Governance Code.

The Chair speaks with the CEO regularly, and at least on a monthly basis. Next to the key priorities mentioned earlier the Supervisory Board agenda contained the financials, risk management, audit plan of the external auditor, financing structure, Long Term Incentive Plan for key management, HR overviews, development and diversity, and budget 2025.

Audit Committee

NX Filtration has an Audit Committee, consisting of Mr Benno van Dongen and Ms Carolina Wielinga, the independent members of the Supervisory Board. The Audit Committee held two meetings in 2024. The duties of the Audit Committee include:

- informing the Supervisory Board of the results of the statutory audit and explaining how the statutory audit has contributed to the integrity of the financial reporting and how the Audit Committee has fulfilled this process;
- monitoring the financial and sustainability reporting process and making proposals to safeguard the integrity of the process;
- monitoring the effectiveness of the internal control systems, the internal audit system and the risk management system with respect to financial and sustainability reporting;

- monitoring the statutory audit of the annual accounts, and in particular the process of such audit
- monitoring the independence of the external auditor; and
- adopting procedures with respect to the selection of the external auditor.

ESG Committee

NX Filtration has an ESG Committee, consisting of Mr Benno van Dongen and Ms Carolina Wielinga, the independent members of the Supervisory Board. See for disclosure on NX Filtration's ESG Committee, the Sustainability report included in this annual report.

Remuneration report

The remuneration of, and other agreements with, the Managing Directors are required to be determined by the Supervisory Board in any given year, with due observance of the remuneration policy of the Company (the **Remuneration Policy**). The updated Remuneration Policy applicable to the Management Board was approved by the General Meeting on 6 September 2024, and applies as of 1 August 2024, with the exception of the increase in the on target opportunity level for STI, that came into effect on 1 January 2025. Any subsequent amendments to the Remuneration Policy are subject to adoption by the General Meeting. The Supervisory Board carries out scenario analyses of the potential outcomes of variable remuneration components and the consequences thereof for the Managing Board's remuneration when drawing up any amendments to the Remuneration Policy and before determining the Managing Board's remuneration.

The Remuneration Policy is designed taking into account the Company's vision ("pure

and affordable water across the globe”), mission (“to be a leading global provider of breakthrough nano-filtration technology that enables customers to, amongst others, produce pure and affordable water, treat wastewater and reduce their water footprint, and achieve strong sustainability benefits”) and values (“Sustainable, Adaptive, Reliable, Knowledgeable”) through performance targets related to for example growth, innovation and sustainability. The Remuneration Policy contributes to long-term value creation because variable remuneration is higher when targets are exceeded and no variable remuneration is payable if threshold targets are not met. This helps to ensure the alignment of the Managing Directors’ interests with that of the Company’s stakeholders and create a true pay-for-performance culture. The Remuneration Policy fosters alignment of interests of the Managing Directors with its shareholders and other stakeholders. Furthermore, the Remuneration Policy is designed in a way that Managing Directors and Supervisory Directors are not encouraged to take or stimulate inappropriate risks.

The Remuneration Policy aims to attract, motivate and retain qualified individuals and reward them with a market competitive remuneration package that focuses on achieving sustainable financial results aligned with the long-term strategy of NX Filtration and fosters alignment of interests of Managing Directors with shareholders. Based on the Remuneration Policy, the remuneration of the Managing Directors consists of the following components:

- annual base fee;
- pension and other benefits, except for the current COO and CTO, which are not entitled to pension benefits;
- STI, except for the current CTO;
- LTI, except for the current CTO; and
- a sign-on bonus upon appointment. For the avoidance of doubt, the current COO and CTO were not entitled to a sign-on bonus.

Annual base fee

The annual base fee is a fixed cash payment (with a possible yearly indexation) intended to attract and retain executives of the highest caliber and to reflect their experience and scope of responsibilities.

Managing Directors, appointed after the date of the Remuneration Policy, may be entitled to a maximum annual base fee around the amount of the CFO as determined by the Supervisory Board in accordance with the peer group analysis.

Annually, the Supervisory Board may evaluate the base fee of the Managing Directors and decide on an increase thereof if warranted by relevant circumstances. Base fee levels will be reviewed, taking into account developments in the labour market and other factors (including potential changes in job sizes), whereby the peer group as referred to above will be used as reference. The annual base fee paid to the Managing Directors will be disclosed in the Company’s annual remuneration report.

Pension and other benefits

Managing Directors are generally eligible to participate in a pension plan at the level of NX Filtration B.V., a wholly-owned subsidiary of NX Filtration, but they may waive their pension rights. The Managing Directors contribute to the pension plan (*eigen bijdrage*) if they participate in the pension plan.

Managing Directors are generally eligible for a range of other emoluments, such as the use of a company car (except for Mr M.A. Staatsen and Mr H.D.W. Roesink), an expense allowance reflective of the position of the Managing Director, and a collective health insurance. NX Filtration has arranged and paid for a directors and officers liability insurance for the members of the Management Board.

STI

The STI is a variable cash bonus incentive of which achievement is tied to specific financial and non-financial targets derived from the Company’s (annual) strategic plan, allowing to apply focus on short-term business critical goals and drive behaviour. The Supervisory Board may, but is not obliged to, determine that a Managing Director becomes entitled to an STI.

LTI

The LTI is a variable equity incentive of which achievement is tied to targets reflecting long-term stakeholder value creation, enhancing the pay-for-performance narrative and aligning recipients with the shareholder experience. The Supervisory Board may, but is not obliged to, determine that a Managing Director becomes entitled to an LTI. The LTI allows Managing Directors to receive annual conditional awards of Performance Shares under the Company’s Long Term Incentive Plan for Managing Directors as amended from time to time, subject to the approval of the Supervisory Board in accordance with the Remuneration Policy.

Sign-on bonus

The Supervisory Board retains the flexibility to provide one-off compensation upon appointment of a Managing Director, such as a sign-on bonus, for example to replace variable remuneration awards that the appointee forfeits from previous employment and/or other loss of income as a direct result of joining the Company. Depending on the circumstances at the time, the Supervisory Board may determine the type of award, in cash or shares and the payout or vesting conditions that apply.

The appointment of a new member of the Management Board requires approval of the General Meeting. Attached to the proposal for appointment are the main terms of the management agreement. Any sign-

on arrangement will be submitted to the General Meeting for approval in conjunction with the proposal for appointment. If any sign-on arrangements are applied, these will be disclosed in the Company’s annual remuneration report.

Notice period

The management agreements for the Managing Directors are entered into for an indefinite term. The notice period for the Managing Directors is three months and for NX Filtration six months.

Severance current Management Board

The service agreement of each of Mr Floris Jan Cuypers, Mr Jan Feie Zwiers, and Mr Michiel Staatsen contains severance provisions which provide for compensation for the loss of income resulting from a termination of employment at the initiative of the Company of six months’ base compensation, subject to certain conditions such as that the termination is not based on seriously culpable acts or negligence of the Managing Director. The contractual severance amount will replace or be subtracted from any statutory or other severance payments.

The service agreement of Mr Erik Roesink does not contain any provisions providing for benefits upon termination of employment.

None of the Supervisory Directors does enjoy contractual severance provisions.

Variable remuneration

Mr Michiel Staatsen and Mr Erik Roesink were not entitled to any variable remuneration in 2024. Each of Mr Floris Jan Cuypers and Mr Jan Feie Zwiers was entitled to variable remuneration, as set out on the next page.

Management Board remuneration over 2023

The total amount of remuneration of the Managing Directors for the financial year 2023 comprised €1,108,058.

Management Board remuneration	Salaries	Fringe benefits	Termination benefit	Bonus	Pension	Share-based payments	Total 2023
Mr Michiel Staatsen	198,980	-	-	-	-	-	198,980
Mr Erik Roesink	175,225	-	-	-	-	-	175,225
Mr Marc Luttkhuis	259,972	15,768	-	31,250	8,751	88,672	404,413
Mr Jeroen Pynenburg	175,118	23,172	-	22,083	4,801	104,266	329,440
Total	809,295	38,940	-	53,333	13,552	192,938	1,108,058

Management Board remuneration over 2024

The total amount of remuneration of the Managing Directors for the financial year 2024 comprised €1,442,066.

Management Board remuneration	Salaries	Fringe benefits	Termination benefit	Bonus	Pension	Share-based payments	Total 2024
Mr Michiel Staatsen	191,035	-	-	-	-	-	191,035
Mr Erik Roesink	174,770	-	-	-	-	-	174,770
Mr Marc Luttkhuis	124,247	6,426	-	6,250	3,607	9,055	149,585
Mr Jeroen Pynenburg	165,305	23,154	198,750	-2,083	6,012	71,901	463,039
Mr Jan Feie Zwiers	129,183	6,605	-	10,688	4,009	86,175	236,660
Mr Floris Jan Cuypers	126,571	7,258	-	9,750	3,207	80,191	226,977
Total	911,111	43,443	198,750	24,605	16,835	247,322	1,442,066

Settlement former members of the Management Board

Mr Marc Luttkhuis stepped down as CFO and member of the Management Board as per 30 June 2024. Mr Marc Luttkhuis was not entitled to any severance pay. He was also not entitled to any STI or LTI over the financial year 2024. A total number of 9,017 ordinary shares as part of the equity sign-on incentive dated 17 November 2021 were released from the lock-up and served as a final settlement for the equity sign-on incentive.

Mr Jeroen Pynenburg stepped down as CEO and member of the Management Board as per 31 July 2024. Mr Jeroen Pynenburg was entitled to a severance pay of a six months gross base salary (in total €132,500). His STI and LTI

were settled against a one-time payment of €20,000. His equity sign-on incentive dated 2 May 2023 was settled by a redelivery of part of the awarded shares under his sign-on equity incentive as those were not yet released from their lock-up restrictions. In respect hereof, the Company paid a settlement price of € 87,833.

Additional disclosure STI And LTI of the current Management Board for the financial year 2024

Short-term incentive (STI)

Floris Jan Cuypers (CEO) and Jan Feie Zwiers (CFO) are each entitled to a short-term incentive, which consists of cash only. In setting the performance targets of this short-term incentive, the Supervisory Board took into account NX Filtration's strategy and

objectives. The at target gross amount of the STI is 15% of the gross annual base fee with a bandwidth of a 5% performance level (if the minimum threshold performance is met) up to and including 25% performance level (if the maximum performance is met), whereby the performance conditions, weighting, percentage of performance and bonus percentages for the financial year 2024 are set out below. A one year performance period applies.

STI performance KPIs for the CEO – Floris Jan Cuypers

Type	KPI	Weight	Performance level	Bonus
Financial performance conditions	Revenues and other income in 2024 > 55% growth compared to 2023	40.0%	0%	-
	Gross margin (excluding other income)	25.0%	20%	5.0%
Non-financial performance conditions	Employer branding & recruitment	10.0%	25%	2.5%
	Maximize the usage of the pilot equipment fleet	5.0%	25%	1.3%
	Stable operations, minimize waste & interruptions, start-up of new production location	10.0%	25%	2.5%
	Deploy integrated program management, focused technology roadmaps	10.0%	25%	2.5%
STI 2024		100.0%		13.8%

The revenues and other income in 2024 amount to €11.1 million. The minimum target level was set at €14.0 million. The at target level was set on €16.0 million and the maximum target level was set on €18.0 million thus, given a performance level of 0%, resulting in a weighted bonus of 0%. Gross margin (excluding other income) amounted to 61%. The at target level was set on 60% and the maximum target level was set on 62% thus, given a performance level of 20%, resulting in a weighted bonus of

5.0%. The Supervisory Board has determined that Mr Cuypers is entitled to a maximum bonus for the non-financial performance conditions.

Based on the aggregate realised STI bonus percentage of 13.8%, multiplied by the fixed remuneration, the cash bonus for 2024 amounted to €14,896 gross.

STI performance KPIs for the CFO – Jan Feie Zwiers

Type	KPI	Weight	Performance	
			level	Bonus
Financial performance conditions	Revenues and other income in 2024	40.0%	0%	-
	> 55% growth compared to 2023			
Non-financial performance conditions	Gross margin (excluding other income)	25.0%	20%	5.0%
	Employer branding & recruitment	10.0%	25%	2.5%
Internal control environment and governance	Working capital & cash management (including inventory levels)	10.0%	25%	2.5%
	Formalized fraud risk assessment, IT security	15.0%	25%	3.8%
STI 2024		100.0%		13.8%

The revenues and other income in 2024 amount to €11.1 million. The minimum target level was set at €14.0 million. The at target level was set on €16.0 million and the maximum target level was set on €18.0 million thus, given a performance level of 0%, resulting in a weighted bonus of 0%. Gross margin (excluding other income) amounted to 61%. The at target level was set on 60% and the maximum target level was set on 62% thus, given a performance level of 20%, resulting in a weighted bonus of 5.0%. Working capital was well under control as such the Supervisory Board decided to allocate the maximum amount of bonus possible for this KPI thus, given a performance level of 25%, resulting in a weighted bonus of 2.5%. In 2024, significant improvements were made to IT security and the fraud risk assessment. All internal control cycles have been fully implemented and the controls were found effective in design and operations, as such the Supervisory Board decided to allocate the maximum amount of bonus possible for this KPI thus, given a performance level of 25%, resulting in a weighted bonus of 3.8%.

Based on the aggregate realised STI bonus percentage of 13.8%, multiplied by the fixed remuneration, the cash bonus for 2024 amounted to €16,328 gross.

Long-term incentive (LTI)

Floris Jan Cuypers (CEO) and Jan Feie Zwiers (CFO) are each entitled to a conditional award of ordinary shares in NX Filtration (**Ordinary Shares**) under the LTI-plan, at the sole discretion of the Supervisory Board. The vesting of an award is subject to the achievement of predetermined financial and non-financial (including ESG) performance conditions set by the Supervisory Board over a 3 year vesting period. Following the vesting of an award the relevant Ordinary Shares are subject to a holding period of two years as of

the date of vesting (or any different holding period as the Supervisory Board may determine at the time of grant) subject to continued engagement to NX Filtration. The value of the 'at target' number of Ordinary Shares is 40% of the gross annual base fee (at the start of the performance period) with a bandwidth of 30% up to and including 50% taking into account the value of a price for the Ordinary Shares based on the average closing share price of the last trading day of the preceding year, at the start of the performance period.

LTI performance KPIs for the CEO – Floris Jan Cuypers

The grant under this plan to Mr Cuypers was made on 12 December 2024 and relates to 10,317 awards. This grant is subject to the following selection of performance conditions as determined by the Supervisory Board.

Type	KPI	Weight
Financial performance conditions	Revenues and other income	40.0%
	Gross margin	25.0%
Non-financial performance conditions	Number of pilots started	15.0%
	QHSE	5.0%
	ESG	15.0%
LTI		100.0%

The total realization of the LTI grant of 2024 will be based on the outcome of financial years 2024, 2025 and 2026 and thus cannot be determined yet. Note that NX Filtration recognized an expense of € 9,286 in the statement of profit and loss 2024 in respect of this LTI plan based on the application of IFRS 2 accounting regulations.

LTI performance KPIs for the CEO – Jan Feie Zwiers

The grant under this plan to Mr Zwiers was made on 12 December 2024 and relates to 11,310 awards. This grant is subject to the following selection of performance conditions as determined by the Supervisory Board.

Type	KPI	Weight
Financial performance conditions	Revenues and other income	40.0%
	Gross margin	25.0%
Non-financial performance conditions	Number of pilots started	15.0%
	QHSE	5.0%
	ESG	15.0%
LTI		100.0%

The total realization of the LTI grant of 2024 will be based on the outcome of financial years 2024, 2025 and 2026 and thus cannot be determined yet. Note that NX Filtration recognized an expense of € 9,828 in the statement of profit and loss 2024 in respect of this LTI plan based on the application of IFRS 2 accounting regulations.

During 2024, other than Mr Cuypers and Mr Zwiers, none of the other members of the Management Board was entitled to any of the STI and LTI.

Shareholdings of Mr Michiel Staatsen and Mr Erik Roesink

Mr Michiel Staatsen and Mr Erik Roesink participate directly and indirectly in the share capital of the Company. Their direct investments are the result of their participation in the Company's equity offering in April 2024, in which Michiel Staatsen acquired 76,804 Ordinary Shares, and Erik Roesink acquired 30,721 Ordinary Shares. The indirect investments are held through the STAK, which has issued depositary receipts of shares (*certificaten van aandelen*) in the capital of the Company for Ordinary Shares (the **DRs**) to them. Erik Roesink indirectly holds 1,611,750 DRs for Ordinary Shares and Michiel Staatsen indirectly holds 967,050 DRs for Ordinary Shares in the capital of the Company. As such, on the date hereof Michiel Staatsen holds 1,043,854 Ordinary Shares (1.80%) and Erik Roesink 1,642,471 Ordinary Shares (2.83%) in the capital of the Company.

Shareholdings of Mr Floris Jan Cuypers and Mr Jan Feie Zwiers

On the date hereof, Floris Jan Cuypers indirectly holds 105,829 Ordinary Shares (0.18%) in the capital of the Company and Jan Feie Zwiers indirectly holds 90,710 Ordinary Shares (0.16%) in the capital of the Company.

Sign-on bonus in shares Mr Floris Jan Cuypers

The Company agreed to a sign-on equity incentive with Mr Cuypers. The Company issued 105,829 ordinary shares of the Company to a designated securities account at ABN AMRO held by the Company for the benefit of Mr Cuypers, but which he will not have access to because the ordinary shares are subject to customary lock-up provisions, that have been agreed between the Company and Mr Cuypers.

Furthermore, the Company and Mr Cuypers agreed on certain other key terms of the sign-on equity incentive, such as the method

of delivery, pricing, and leaver provisions.

An important part of the agreement on the establishment of the sign-on equity incentive between Mr Cuypers and the Company is the fact that he was requested to commit to an investment in the Company's ordinary shares in the amount of EUR 171,500. The lock-up of the ordinary shares under the sign-on equity incentive is three years from 10 September 2024 where 1/3 of the ordinary shares will be released each year and the leaver provisions provide for a re-delivery of the ordinary shares if he is a bad-leaver. If Mr Cuypers is a good-leaver he will be entitled to a pro-rata portion of the shares subject to the lock-up.

Sign-on bonus in shares Mr Jan Feie Zwiers

The Company agreed to a sign-on equity incentive with Mr Zwiers. The Company issued 90,710 ordinary shares of the Company to a designated securities account at ABN AMRO held by the Company for the benefit of Mr Zwiers, but which he will not have access to because the ordinary shares are subject to customary lock-up provisions, that have been agreed between the Company and Mr Zwiers.

Furthermore, the Company and Mr Zwiers agreed on certain other key terms of the sign-on equity incentive, such as the method of delivery, pricing, and leaver provisions.

An important part of the agreement on the establishment of the sign-on equity incentive between Mr Zwiers and the Company is the fact that he was requested to commit to an investment in the Company's ordinary shares in the amount of EUR 148,500. The lock-up of the ordinary shares under the sign-on equity incentive is three years from 10 September 2024 where 1/3 of the ordinary shares will be released each year and the leaver provisions provide for a re-delivery of the ordinary shares if he is a bad-leaver. If Mr Zwiers is a good-leaver he will be entitled to a pro-rata portion of the shares subject to the lock-up.

Remuneration information for the Supervisory Board

The General Meeting determines the remuneration of the Supervisory Directors. The Supervisory Board submits from time to time proposals to the General Meeting in respect of the remuneration of the Supervisory Directors. The remuneration of the Supervisory Board may not be made dependent on the Company's results. Supervisory Directors will not receive Ordinary Shares and/or rights to Ordinary Shares as remuneration. The compensation for the chair of the Supervisory Board has been set at €50,000 (€55,000 after the 2025 annual general meeting of the Company) per year and the compensation for Mr Benno van Dongen has been set at €30,000 (€35,000 after the 2025 annual general meeting of the Company) per year. Mr Hans Slootweg is employed by Infestos Nederland and does not receive compensation for his Supervisory Board activities. NX Filtration has arranged and paid for a directors and officers liability insurance for the members of the Supervisory Board.

Internal pay ratio

Management Board

Compensation	2024	2023	2022
Salaries and wages	1,068,760	775,911	564,795
Short-term incentive plan	24,605	53,333	36,550
Social security distributions	41,102	33,384	24,130
Pension contributions (DC)	16,836	13,552	4,867
Share-based payments	247,322	192,938	18,939
Fringe benefits	43,443	38,940	-
Total	1,442,066	1,108,058	649,281
Average number of FTE's	4.1	3.6	3.0
Average compensation	353,448	304,412	216,427

Employee compensation	2024	2023	2022
Salaries and wages	10,639,706	7,631,639	4,948,344
Short-term incentive plan	135,952	120,426	-
Social security distributions	1,847,393	1,352,131	803,148
Pension contributions (DC)	548,535	345,309	216,688
Share-based payments	66,075	12,931	17,752
Fringe benefits	346,984	225,753	-
Total	13,584,645	9,688,190	5,985,932
Average number of FTE's	163	156	107
Average compensation	83,316	62,243	55,891
Internal Pay Ratio			
Management Board	4.2	4.9	3.9
Internal Pay Ratio CEO*	8.2	8.5	3.4

**the internal pay ratio CEO for 2024 is calculated using the annualized remuneration of Mr Floris Jan Cuypers, and for 2023 using the annualized remuneration of Mr Jeroen Pynenburg.*

The Remuneration Policy takes into account the pay ratio within the organisation. The NX Filtration internal pay ratio is calculated by dividing the average total Management Board compensation by the average employee compensation. The average employee compensation is based on the total personnel cost (defined as salaries and wages, social security contributions, pension contributions and share-based payment costs) and the average number of FTEs excluding the Management Board (see also the relevant notes to the Consolidated Financial Statements).

Advisory vote General Meeting

It is proposed to the General Meeting to approve this remuneration report (advisory vote) in the annual general meeting of 8 April 2025. The Supervisory Board is pleased that the 2023 Remuneration Report received a positive advisory vote in the annual general meeting of 9 April 2024, with 95% of the votes in favour of the report.

Internal audit function

NX Filtration does not have an internal audit function. The need for an internal audit function is assessed on a yearly basis by the Supervisory Board. The Supervisory Board concluded that the size of the Company and the combination of a finance and control department with accounting and audit knowledge, are presently covering the requirements sufficiently.

External auditor

The Management Board and the Supervisory Board have evaluated the activities performed for the Company by PricewaterhouseCoopers Accountants N.V. It is apparent that PricewaterhouseCoopers Accountants N.V. is capable of forming an independent judgment concerning all matters that fall within the scope of its auditing task; there is a good balance between the effectiveness and efficiency of their actions, for example in relation to auditing costs, risk management and reliability.

Functioning of the Supervisory Board and the Management Board (evaluation accountability)

The Supervisory Board discussed, in the absence of the Management Board, its own functioning. The evaluation was performed by the Chair of the Supervisory Board, by means of a structured questionnaire, which was subsequently discussed with the rest of the Supervisory Board. The Supervisory Board also filled in a questionnaire and addressed items such as: team effectiveness, interaction, transparency, composition and profile, competences, effectiveness of individual members, quality of information and the relationship with the Management Board and others, which is meant to also include the relationship with key managers. The outcome

of the evaluation is positive. It was found that the Supervisory Board organizes itself in an effective and efficient manner and considers the contributions of each Supervisory Board member to be complementary in nature. There is a good level of transparency amongst both the Management Board and Supervisory Board. The Supervisory Board evaluation delivered areas for improvement and key topics for 2025: (i) the Supervisory Board intends to intensify discussions with the Management Board on the effectiveness of NX Filtration's sustainable strategy, (ii) cost control measures and possibilities to increase NX Filtration's financial flexibility, and (iii) the development of the sales funnel.

The Supervisory Board has conducted an annual review to identify any aspects with regard to which the Supervisory Board members require further training or education during their term of office. For all members in the Supervisory Board this continues to relate to business dynamics, competitive arena, and innovations in the water filtration industry.

We shared our reflections with the Management Board members and had an individual discussion with each to discuss last year's performance, area of improvement and/or development and key priorities for 2025.

Financial statements and auditor's opinion

The financial statements 2024 included in this annual report have been audited and PWC has issued an unqualified opinion on them. The financial statements were extensively discussed with the Supervisory Board, in the presence of the external auditor, and the Management Board. The Supervisory Board is of the opinion that the financial statements meet all requirements for transparency and correctness. Therefore, the Supervisory Board recommends

that the General Meeting of Shareholders to be held on 8 April 2025 adopts the financial statements and the appropriation of the result.

Result appropriation NX Filtration realised a loss of € 23.1 million.

The proposal to the General Meeting is to recognise this loss in retained earnings. The members of the Supervisory Board have signed the financial statements to comply with their statutory obligation pursuant to article 2:101, paragraph 2, of the Dutch Civil Code.

Gratitude & looking forward

We are grateful with NX Filtration's partners, customers and shareholders for their continued support, confidence and loyalty, and our employees for their continued involvement and dedication. 2024 was a challenging year for NX Filtration yet it made also major steps forward with a new CEO and CFO, and the opening of its new facility, and putting in place building blocks facilitating further growth in the years to come.

The Supervisory Board remains committed to steer the Management Board towards a future of continued success.

Hengelo, 10 February 2025

The Supervisory Board

Carolina Wielinga (Chair)

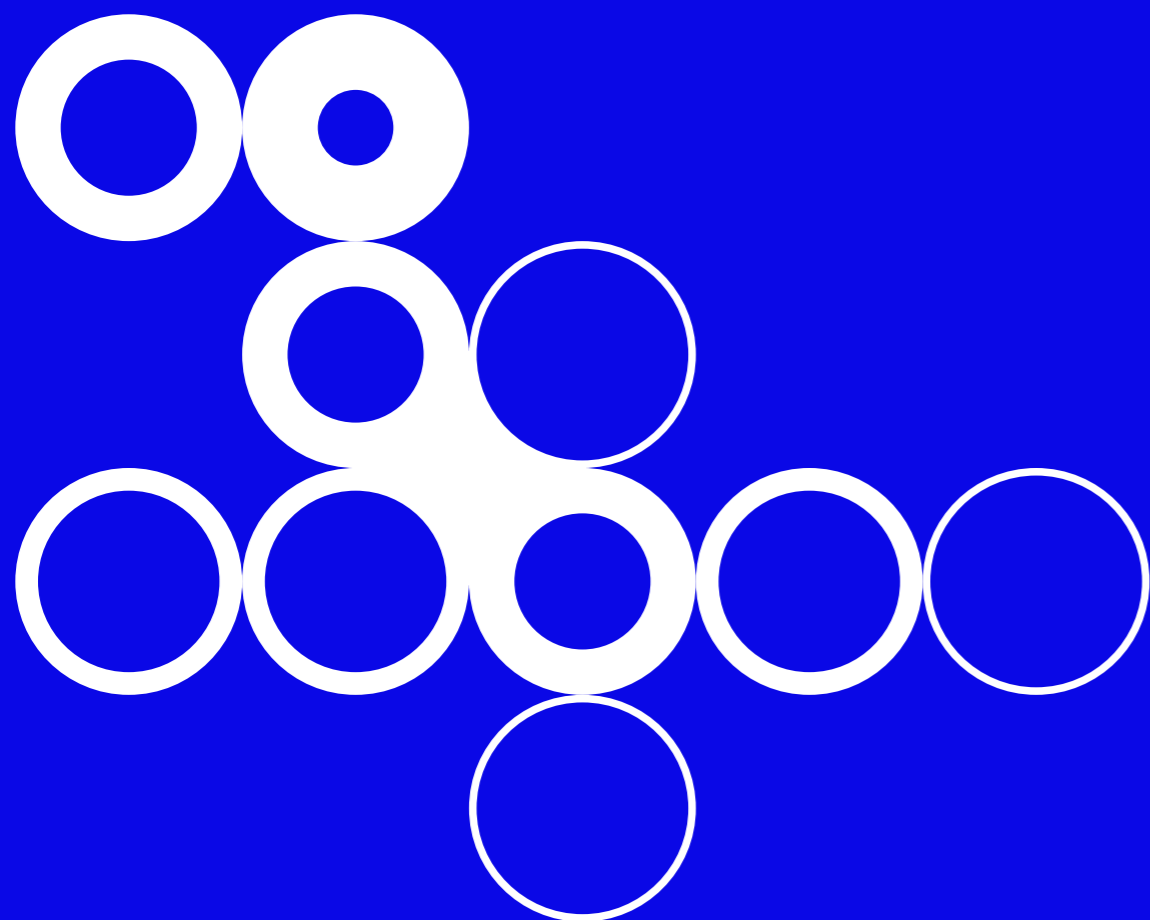
Benno van Dongen

Hans Slootweg

Financial statements



Consolidated financial statements for the year ended 31 December 2024



Consolidated statement of comprehensive income

In EUR '000	Notes	2024	2023
Revenue from sale of goods	7	10,085	7,238
Other income	8	999	815
Gross income		11,084	8,053
Operating expenses			
Costs of raw materials and consumables		(3,933)	(2,926)
Changes in inventories of finished goods and work in progress		1,731	3,669
Personnel expenses	9	(14,111)	(12,868)
Amortization on intangible assets	18	(705)	(679)
Depreciation on property, plant and equipment and right-of-use assets	19,20,10	(7,399)	(3,671)
Operating costs	11	(9,644)	(7,268)
External research & development costs	12	(786)	(596)
Operating expenses		(34,847)	(24,339)
Operating Loss		(23,763)	(16,286)
Finance income (expenses)	14	694	1,939
Loss before income tax		(23,069)	(14,347)
Income tax benefit (expense)	15	(20)	(8,945)
Net loss for the period		(23,089)	(23,292)
Other comprehensive result for the period		-	-
Total comprehensive loss for the period		(23,089)	(23,292)
Total comprehensive loss for the period (attributable to the owners of the Company)		(23,089)	(23,292)
Earnings per share			
Basic earnings per share (EUR)	16	(0.41)	(0.47)
Diluted earnings per share (EUR)	16	(0.41)	(0.47)

Consolidated statement of financial position

In EUR '000	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Intangible assets	18	3,741	2,637
Property, plant and equipment	19	75,052	57,890
Right-of-use assets	20	501	1,448
Deferred tax assets	21	1	16
Total non-current assets		79,295	61,991
Current assets			
Inventories	22	18,145	15,063
Trade and other receivables	23	5,490	9,057
Cash and cash equivalents	24	53,375	49,928
Total current assets		77,010	74,048
Total assets		156,305	136,039
Group equity			
Share capital	25	581	500
Share premium	25	195,477	170,450
Retained earnings		(74,364)	(51,498)
Total equity		121,694	119,452
Liabilities			
Non-current liabilities			
Borrowings	26	25,000	-
Lease liabilities	26	328	951
Total non-current liabilities		25,328	951
Current liabilities			
Trade and other payables	27	9,100	15,074
Lease liabilities	26	183	562
Total current liabilities		9,283	15,636
Total liabilities		34,611	16,587
Total equity and liabilities		156,305	136,039

Consolidated statements of changes in equity

In EUR '000	Notes	Attributable to equity owners of NX Filtration N.V.			
		Share capital	Share premium	Retained earnings	Total equity
Balance - 1 January 2023		500	170,450	(28,412)	142,538
Loss for the period		-	-	(23,292)	(23,292)
Other comprehensive result		-	-	-	-
Total comprehensive loss for the period		-	-	(23,292)	(23,292)
Transactions with owners in their capacity as owners					
Issuance of ordinary shares		-	-	-	-
Share-based payment transactions	13	-	-	206	206
Dividend		-	-	-	-
Balance - 31 December 2023		500	170,450	(51,498)	119,452
Balance - 1 January 2024		500	170,450	(51,498)	119,452
Loss for the period		-	-	(23,089)	(23,089)
Other comprehensive income (loss)		-	-	-	-
Total comprehensive loss for the period		-	-	(23,089)	(23,089)
Transactions with owners in their capacity as owners					
Issuance of ordinary shares	25	79	25,027	-	25,106
Share-based payment transactions	13	2	-	223	225
Dividend		-	-	-	-
Balance - 31 December 2024		581	195,477	(74,364)	121,694

Consolidated statement of cash flows

In EUR '000	Notes	2024	2023
Cash flows from operating activities			
Operating loss		(23,763)	(16,286)
<i>Adjustments to reconcile profit before taxation to net cash flows:</i>			
Depreciation, amortisation and impairment expenses	10,18,19	8,104	4,350
Non cash items in operating loss		-	-
Income taxes (paid)/received		(6)	-
Share-based payment expenses	13	223	206
<i>(Increase)/Decrease in working capital:</i>			
- Decrease (Increase) inventories		(2,982)	(8,263)
- Decrease (Increase) trade and other receivables		3,569	(1,903)
- Increase (decrease) trade and other payables		(6,295)	10,152
Net cash inflow/(outflow) from operating activities		(21,150)	(11,744)
Cash flows from investing activities			
Payment for property, plant and equipment	19	(24,123)	(42,977)
Payment for intangible assets	18	(1,810)	(963)
Net cash inflow/(outflow) from investing activities		(25,933)	(43,940)
Cash flows from financing activities			
Proceeds from share premium contribution and issuance of shares	25	25,106	-
Proceeds from borrowings	26	25,000	-
Principal elements of lease payments	20	(591)	(600)
Interest received		1,631	1,975
Interest paid		(616)	(37)
Net cash inflow (outflow) from financing activities		50,530	1,338
Net increase (decrease) in cash and cash equivalents		3,447	(54,346)
Cash and cash equivalents at the beginning of the financial year		49,928	104,274
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year		53,375	49,928

Notes

General information

NX Filtration N.V. (**NX Filtration** or the **Company**) is a public company with limited liability (*naamloze vennootschap*), incorporated under Dutch law, and the leading provider of nanofiltration membrane technology for producing pure and affordable water to improve quality of life. NX Filtration obtained its listing on Euronext Amsterdam in June 2021 through an IPO raising €165 million to enable the Company's commercial roll-out, capacity expansion program and innovation agenda.

NX Filtration is the holding company of the Group, which consists of NX Filtration and, as at 31 December 2024, the following subsidiaries:

Subsidiary	Domicile and country	Participation
NX Filtration B.V.	Hengelo, the Netherlands	100%
NX Filtration Real Estate B.V.	Hengelo, the Netherlands	100%
NX Filtration International B.V.	Hengelo, the Netherlands	100%
- NX Filtration Americas LLC	Delaware, United States of America	100%
- NX Filtration India Private Ltd	Bangalore, Republic of India	100%
- NX Filtration (Beijing) Membrane Technology Co Ltd.	Beijing, People's Republic of China	100%

NX Filtration is registered with the Chamber of Commerce under number 64951030 and has its registered office at Haaksbergerstraat 95, 7554 PA, Hengelo, the Netherlands. Both NX Filtration Real Estate B.V. and NX Filtration International B.V. are incorporated and part of the Group per 22 June 2022. The subsidiaries in the United States of America, India and China have been incorporated in the course of 2023.

The Company's financial year covers the first day of January and ends on the last day of December of each year.

On 10 February 2025, the management board of NX Filtration (Management Board) authorized the financial statements for publication. The financial statements as presented in this report are subject to adoption by the Annual General Meeting of shareholders to be held on 8 April 2025.

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These consolidated financial statements have been prepared in accordance, and comply with IFRS Accounting Standards as adopted in the European Union ("IFRS Accounting Standards"), where effective, for financial years beginning

1 January 2024 and also comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code.

The preparation of these consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6 'Critical accounting estimates and judgements'.

These consolidated financial statements have been prepared on a going concern basis. In June 2021, NX Filtration became a publicly traded company when it listed its ordinary shares on Euronext Amsterdam, raising €165 million for inter alia the acceleration of its business plan including a medium-term objective to realize a positive EBITDA margin by reaching a larger scale of operations and realizing purchasing benefits based on increasing volumes and optimizing product designs.

Going Concern assessment

In recent years, the Company has been incurring losses mainly due to ahead of the curve investments to roll out our commercial strategy, create global sales presence, further develop the disruptive HFNF technology and extend the production capacity to facilitate the expected growth in revenue.

In 2024 the Company incurred net losses of € 23.1 million (2023: € 23.3 million) and negative operating cash flows of € 21.2 million (2023: € 11.7 million). Per 31 December 2024, the cash balance amounts € 53.4 million (31 December 2023: € 49.9 million).

The Company's ability to continue as a going concern is contingent upon its ability to execute

on the successful roll out of its business strategy and to remain flexible in order to mitigate unforeseen circumstances that will impact the profitability of the Company. The Company has a clear plan to become cash-flow positive in the medium term.

The Company secured € 25.0 million of debt financing in April 2024 (see note 26) and placed new ordinary shares on 28 March 2024 raising gross proceeds of approximately € 25.5 million. The Company expects that this combined financing package will fund the Company's operations and provide it with sufficient headroom to fund its growth ambitions.

Therefore the accounting policies used in the financial statements are based on the expectation that The Company will be able to continue as a going concern.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, unless stated otherwise. These consolidated financial statements are presented in euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Changes in accounting policies and disclosures

A number of amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

New and revised IFRSs effective in 2024

The following amendments and revisions to existing standards became effective for the Company consolidated financial statements as of 1 January 2024:

Amendments to IAS 1, "Classifications of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants"

Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"

Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangement"

None of these standards which became effective had a material impact on the Company's condensed financial statements. This is also not expected on future reporting periods or on foreseeable future transactions.

New accounting policies not yet effective for 2024

Certain new accounting standards and amendments to standards have been published that are not mandatory for reporting periods starting on or after 1 January 2024 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.

2 Critical accounting policies

Consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency transactions and translations

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates, are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into euro at the exchange rates on the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates on the date of transactions. The functional currencies of our foreign operations are Chinese Yuan (CNY), US dollar (USD) and Indian Rupees (INR).

Revenue

The Company manufactures and sells a range of water filtration solutions to companies serving the industrial and municipal sectors. Sales are recognized when control of the products has transferred, being when the products are delivered or risks are transferred to the customers, the customer has full discretion over the use of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either

the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue is measured based on the consideration specified in a contract with a customer. The Company has no specific obligations for returns, refund clauses nor any other similar obligations specified in the contract with customers. However, standard product compliance warranty is provided to customers, which is not considered a separate performance obligation.

Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognized in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled fully within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Salaries, wages and social security contributions are charged to the consolidated statement of comprehensive income based on the terms of employment, when they are due to employees and the tax authorities respectively.

Pension obligations

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring.

Shared-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. The Company has no share-based payment awards with non-vesting conditions nor with market performance conditions.

Expenses

Expenses arising from the Company's business operations are accounted for in the year incurred.

Finance income & expenses

Finance income comprises interest income on funds invested and from financial assets held to maturity. Interest income is recognized in profit or loss as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings, bank and commitment fees, Realized and unrealized foreign currency gains and losses on monetary assets and liabilities, are reported on a net basis.

Finance income or expenses are recognized as they accrue, using the effective interest method.

Corporate income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge (if applicable) is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those

temporary differences and losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Intangible assets

Research and development

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the product or system so that it will be available for use;
- management intends to complete the product or system and use or sell it;
- there is an ability to use or sell the product or system;
- it can be demonstrated how the product or system will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product or system are available; and
- the expenditure attributable to the product or system during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the product include amongst others payroll costs and other costs related to creating or improving the existing product portfolio in the development phase.

Capitalized development costs are recorded as intangible assets and amortized in 5 years from the point at which the asset is ready for use. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not

recognized as an asset in a subsequent period. Expenditure on research activities is recognized as expense in the period in which it is incurred.

Concessions, licenses and rights to intellectual property

Concessions, licenses and rights to intellectual property are capitalized at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses. These assets are amortized over a period of 10 years.

Software

Software are capitalized at historical cost and amortized on a straight-line basis over the estimated useful life of the assets, typically 3 years. Cost associated with maintaining software programs are recognized as an expense as incurred.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated by recognizing the difference between historical cost and the estimated residual values using the straight-line method over their estimated useful life in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparable periods are as follows:

Buildings	10 - 30 years
Machinery and equipment	5 - 15 years
Right-of-use assets	1 - 9 years
Pilot equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The costs of future replacement are capitalized based on the component approach. Under this approach the total costs are allocated to the 'component assets'. Government grants on investments, if applicable, are deducted from the purchase price or manufacturing price of the assets to which the government grants relate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized within the consolidated statement of comprehensive income.

Leases

As a lessee

At the inception of an agreement, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Company, as a lessee, recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments at the lease commencement date.

The Company elected to apply the recognition exemption for both short-term and low value leases – e.g. office equipment. As such, the Company recognizes lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Subsequently, the lease liability is increased by the interest costs on the lease liability and decreased by lease payments made.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. The lease liability is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment whether a purchase or renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured as abovementioned, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company's right-of-use assets and lease liabilities are presented under Property, plant and equipment and Lease liabilities, respectively.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The Company has rental income from the lease of pilot equipment. This rental income is accounted for on a straight-line basis over the lease terms and is included in gross income in the statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as gross income in the period in which they are earned.

Impairment of non-financial assets

Non-financial assets with a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Inventories

Inventories mainly relate to raw materials, semi-finished goods, work in progress and finished goods and are valued at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the

basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Costs are determined using the first in first out method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

Financial assets – Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive Income (OCI) or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets – Recognition and derecognition

Regular purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets – Initial recognition

At initial recognition the Company measures a financial asset at its fair value. Except for cash and cash equivalents, the initial measurement of a financial asset is adjusted for directly attributable transaction cost. Transaction costs of financial assets carried at fair value through profit or loss (cash and cash equivalents) are expensed in profit or loss.

Financial assets – Subsequent Measurements

Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments: (i) Amortized cost, (ii) Fair value through profit or loss; and (iii) Fair value through other comprehensive income.

The Company makes no use of derivative financial instruments. Besides cash and cash equivalents that are measured at fair value through profit or loss, the Company's receivables are measured at amortized costs. Interest income (if any) from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss.

Financial assets – Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company has no trade receivables nor amounts due from customers for contract work including a significant finance component and is therefore allowed to apply the simplified approach under IFRS 9, in which the credit losses are measured using a lifetime expected loss allowance for all trade receivables.

Financial liabilities – Recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. The Company only has financial liabilities at amortized cost and makes no use of derivative financial instruments.

Financial liabilities at amortized costs

Financial liabilities at amortized cost include trade, other payables and borrowings. Financial liabilities are initially recognized at fair value equaling the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently financial liabilities are measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

Financial liabilities – Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of comprehensive income.

The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. However, when the cash flows of the modified liability are not substantially different, the Company (i) recalculates the amortized cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate and (ii) recognizes any adjustment in the consolidated statement of comprehensive income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Company does not have any legally enforceable

right to offset the recognized amounts in the balance sheet.

Trade and other receivables

Trade and other receivables are amounts due from customers for products delivered and services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement immediately and therefore all classified as current assets.

Trade receivables are recognized initially at their transaction price, the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortized cost using the effective interest method, less loss allowance.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at fair value.

Share capital – Ordinary shares

An ordinary share entitles its owner to a voting right and, only to extent so ultimately decided by the general meeting of the Company (the **General Meeting**), to dividends.

Trade and other payables

These amounts represent liabilities provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value. And subsequent measurement at amortized cost using the effective interest method.

Cash flow statement

The cash flow statement has been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Segment reporting

The Company is engaged in the business of developing, producing and selling hollow fiber membrane modules. NX Filtration sells its filtration membranes in the form of modules in its two business lines: Clean Municipal Water and Sustainable Industrial Water. As there is a strong interrelationship between NX Filtration's different business activities and these business lines, management reviews the profitability and monitors the performance of the two business lines, despite the split in revenue, solely on an aggregated basis for resource allocation and overall performance measurement. All financial segment information can therefore be found in the consolidated financial statements.

3 Financial instruments and risk management

Financial Instrument classification

As result of regular business practices, the Company holds positions in a variety of financial instruments. The financial instruments are presented in the balance sheet and consists

of cash and cash equivalents, trade receivables and other receivables, trade payables and other payables.

The Company does not use foreign exchange contracts and/or foreign exchange options and does not deal with such financial derivatives. On each balance date, financial instruments are reviewed to see whether or not an objective indication exists for the impairment of a financial asset or a group of financial assets.

If an objective indication for impairment exists, the Company determines the amount of impairment losses and charges this amount to the consolidated statement of comprehensive income. As a result of the use of financial instruments, the Company incurs credit risks, liquidity risks and market risks.

Risk management

The Management Board has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

Credit risk

Credit risk is the risk of a financial loss in case a customer does not comply with the contractual obligations. Credit risks are mainly incurred from receivables from customers. The Company executes a strict policy to minimize credit risks. To control these risks, the Company makes use of information from licensed credit agencies. If necessary, credit risks will be mitigated by the use of credit insurances, bank guarantees, prepayments and other insurances.

Cash- and cash equivalents are placed by a number of banks. The Company determines the credit risk of cash- and cash equivalents that are placed with these banks, by solely doing business with highly respectable banks.

The Company evaluates the concentration risk with respect to trade receivables as medium. For the financial year 2024, one customer accounted for approximately 14% (2023: 12%) of the revenue of the sale of goods.

Expected credit losses

The Company has the following types of financial assets that are subject to the expected credit loss model:

The Company assesses on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the IFRS 9 simplified approach for the calculation of expected credit losses by recognizing a loss allowance based on lifetime expected credit losses for all trade and other receivables at each reporting date.

Individually significant trade receivables are tested for impairment on an individual basis. The remaining trade receivables are assessed collectively in groups that share similar credit risk characteristics and the days past due. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company retrieves the latter from externally available information from credit rating agencies. Credit insured amounts are excluded from the determination of the loss allowance.

On that basis, the loss allowance as of 31 December 2024 and 31 December 2023 was determined as follows for both trade and other receivables:

In EUR '000	31 December 2024				
	Current amount	Overdue < 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue > 90 days
Expected loss rate	2%	3%	0%	0%	24%
Gross carrying amount - trade receivables and other receivables	3,024	635	9	-	1,822
Loss allowance	47	19	-	-	434

In EUR '000	31 December 2023				
	Current amount	Overdue < 30 days	Overdue 31 - 60 days	Overdue 61 - 90 days	Overdue > 90 days
Expected loss rate	0%	0%	0%	0%	2%
Gross carrying amount - trade receivables and other receivables	6,864	35	50	4	2,147
Loss allowance	-	-	-	-	42

During 2024 a couple of individual customers with long overdue balances were fully provided for. This is the main reason for the increase of our loss allowance towards € 500 thousand end of 2024 (2023: € 42 thousand).

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company and a failure to make contractual payments.

Impairment losses on trade and other receivables are recognized as selling costs and are part of the operating costs in the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations. The Company's approach to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet its obligations when they become due, avoiding unacceptable losses or damages to the Company's reputation. The Company monitors its liquidity risk on an ongoing basis.

In June 2021, NX Filtration became a publicly traded company when it listed its ordinary shares on Euronext Amsterdam, raising €165 million for *inter alia* the acceleration of its business plan. This provided the necessary funds for amongst others investing in pilot systems, expanding the organization, expanding the production capacity and supporting its innovation agenda. As per 31 December 2024, the Company has € 53.4 million cash available.

The tables below analyses the Company's financial liabilities on their contractual maturities for all non- derivative financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows.

In EUR '000	31 December 2024				
	Less than 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	9,100	-	-	-	9,100
Borrowings	-	-	5,460	19,540	25,000
Lease liabilities	53	130	259	69	511
Total non-derivatives	9,153	130	5,719	19,609	34,611

In EUR '000	31 December 2023				
	Less than 3 months	3 months to 1 year	Between 1 and 5 years	Over 5 years	Total
Trade and other payables	15,006	68	-	-	15,074
Lease liabilities	140	422	951	-	1,513
Total non-derivatives	15,146	490	951	-	16,587

Market risk

Foreign exchange risk

The Company does predominately business in the euro currency. Therefore, the currency risk is limited and largely concerns positions and (future) transactions in euros. Management has determined, based on a risk assessment, that these currency risks do not need to be hedged. The Company's exposure to other foreign exchange movements is not significant and therefore no sensitivity analysis is included. The concentration risk is therefore considered low.

Price risk

The Company incurs price risks on the purchase of (raw) materials for the difference between the market price at the time of the purchase and during the actual performance. Price risk is currently managed by agreeing on (long term) framework agreements with its suppliers. With the expected growing volume of purchase, the Company expects to be able to negotiate lower prices for raw materials.

In case the costs of raw materials and consumables increase with 2%, the impact on profit before tax is € 0.1 million.

Interest risk

The Company is exposed to interest rate risk and cash flow risk on its current accounts. If interest rates on its cash and cash equivalent balances would increase by 0.5%, the impact on profit before tax is € 0.1 million.

4 Capital management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern and maintain an optimal capital structure to reduce the cost of capital. The table below provides an analysis of our cash and cash equivalents, liabilities and the movements in net debt for each of the periods presented.

In EUR '000	Borrowings	Lease Liabilities	Total borrowings & lease liabilities	Cash and cash equivalents	Net debt
At 1 January 2023:	-	1,808	1,808	(104,274)	(102,466)
Cash flows	-	-	-	54,346	54,346
New leases	-	240	240	-	240
Other changes	-	(535)	(535)	-	(535)
Net debt - 31 December 2023	-	1,513	1,513	(49,928)	(48,415)
Cash flows	-	-	-	(3,447)	(3,447)
New loan	25,000	-	25,000	-	25,000
New leases	-	334	334	-	334
Other changes	-	(1,336)	(1,336)	-	(1,336)
Net debt - 31 December 2024	25,000	511	25,511	(53,375)	(27,864)

New leases relates to new equipment used for the logistics in our factory. The new loan (borrowings) relates to the new long term financing agreement (see note 26). Other changes relates to the ended rental contracts with our former locations, the yearly lease payments and a negative non-cash movement which relates to effective interest accounting on lease liabilities.

5 Fair value estimation

At 31 December 2024 and 31 December 2023, the Company's cash and cash equivalents are measured at fair value. The carrying amounts of trade and other receivables, trade and other payables and borrowings approximated their fair values.

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. IFRS establishes a three tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

6 Critical accounting estimates and judgements

The preparation of the 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.

Development costs

The capitalized development costs are based on management judgements taken into account:

- the technical feasibility to complete the product or system so that it will be available for use;
- management intends to complete the product or system and use or sell it;

- the ability to use or sell the product or system;
- the availability of adequate technical, financial and other resources to complete the development.

In determining the development costs to be capitalized, the Company estimates the expected future economic benefits of the respective product or system that is the result of a development project. Furthermore, management estimates the useful life of such product or system (note 2).

Property, plant and equipment

Estimates are required to determine the (remaining) useful lives of fixed assets, useful lives are determined based on an asset's age, the frequency of its use and technological changes in production.

Periodical evaluations are performed in order to ensure timely detection of triggers that might indicate impairment of specific assets. Whenever such triggers are noted, the related assets are assessed for impairment as appropriate.

Deferred tax assets

Deferred tax assets are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, unused tax losses and unused tax credits. 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 utilised. This assessment requires significant management judgements and assumptions and is inherently uncertain.

7 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 goods is transferred to the customer.

Set out below is the disaggregation of the Company's revenue from sale of goods based on the Company's two business lines.

In EUR '000	2024	2023
Type of markets		
Sustainable Industrial Water	6,361	4,625
Clean Municipal Water	3,724	2,613
Total revenues from sale of goods	10,085	7,238

Set out below is the disaggregation of the Company's revenue from sale of goods by region based on the destination of products.

In EUR '000	2024	2023
Geographical split		
The Netherlands	311	606
Europe (excluding the Netherlands)	4,434	3,711
North America	2,033	885
Asia	2,271	1,888
Rest of World	1,036	148
Total revenues from sale of goods	10,085	7,238

8 Other income

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

In EUR '000	2024	2023
Government grants	172	174
Pilot income	611	641
Other	216	-
Total other income	999	815

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 government grants at time of recognition. Pilot income relates to rental income from pilot equipment. Other includes other (rental) activities.

9 Personnel expenses

In EUR '000	2024	2023
Salaries and wages	12,271	11,423
Social security contributions	1,654	1,457
Pension contributions	563	359
External personnel cost	490	497
Capitalised personnel expenses	(867)	(868)
Total personnel expenses	14,111	12,868

Capitalised personnel expenses relate for € 408 thousand to development costs (intangible assets) and € 459 thousand to property plant & equipment (2023: intangible € 184 thousand, property plant & equipment € 684 thousand).

The number of FTEs per year-end are:

	2024	2023
Direct employees	70	67
Indirect employees	99	99
Total FTE	169	166

A total of 26 (2023: 24) employees are employed outside the Netherlands. This includes 8 employees which are hired through an external human resource service provider (2023: 12). The average number of FTEs during 2024 was 163 (2023: 159).

Pensions

The Company has a defined contribution scheme for certain key employees, in which the pension contribution is predetermined and based on the gross salary and the age of the individual employee. Furthermore, the Company has a defined contribution scheme for the other employees, in which the pension contribution is predetermined and based on the gross salary

only. Both schemes limit the Group's legal obligation to the amount it agrees to contribute during the period of employment. The assets of the plans are held separately from those of the Company in funds under the control of pension insurance companies.

The average annual net premium contribution for 2024 is 6.0% (2023: 4.0%). The pension contributions are paid on a monthly basis to the pension fund. The net contribution for 2024 amounts to € 563 thousand (€ 359 thousand in 2023). The premium payable during the financial year is charged to the consolidated statement of comprehensive income and is classified as costs of personnel.

Aside from premium payables, the Company does not have any additional obligations in respect to the pension schemes.

10 Depreciation and amortization

In EUR '000	2024	2023
Amortization on intangible assets	(705)	(679)
Depreciation on property, plant and equipment	(5,483)	(3,126)
Gains & losses on disposal of assets	(1,378)	-
Depreciation on right-of-use assets	(538)	(545)
Total depreciation and amortization	(8,104)	(4,350)

In the course of 2024 we have moved our office and production equipment from our rented locations towards our new factory in Hengelo. As a consequence we had to dispose some of our capitalized installations and equipment, which resulted in a loss on disposal of assets of € 1.4 million.

11 Operating costs

The operating costs can be divided into the following cost categories:

In EUR '000	2024	2023
Housing expenses	2,491	1,534
Other personnel expenses	1,096	1,006
Administrative expenses	2,198	1,888
Selling expenses	2,955	1,699
Operating expenses	904	1,141
Total operating costs	9,644	7,268

The increase in housing costs relates to additional costs for utilities and energy consumption. The increase in selling expenses is caused by increased costs for marketing, events, tradeshows and also includes an addition to our loss allowance for trade receivables of € 0.5 million.

12 External research & development costs

In EUR '000	2024	2023
Gross external R&D Costs	1,439	1,233
Capitalized external R&D costs	(653)	(637)
Total external research & development cost (net)	786	596

Capitalised external R&D costs relate for € 653 thousand to development costs (intangible assets) (2023 also mainly relates to development costs).

To maintain its technological leadership position, NX Filtration continuously invests in its research and development activities for further improvement of existing products and development of new products. Gross research and development costs, including R&D salaries in 2024 amounted to € 4.6 million (2023: € 4.2 million).

Development costs that are directly attributable to the design and testing of identifiable and unique products and systems controlled by the Company are recognized as intangible assets and are capitalized as part of the product. Other research and development expenditures are recognized as an expense as incurred.

NX Filtration currently relies on its commercially ready and available product ranges with proven applications. Going forward, the Company's strategy is to build further on this technology and make the technology available towards different applications and markets, which may require additional product development costs in future periods.

13 Share based payments

Depository Receipts

Since the incorporation of the Company in 2016, eligible and selected employees and directors have been provided with the opportunity to invest indirectly in ordinary shares in the capital of the Company by acquiring Depository Receipts ("DRs") issued by a foundation that is controlled by the majority shareholder. The DRs are not freely transferable and, under certain circumstances, the majority shareholder may require a participant to sell DRs to a party designated by the majority shareholder. If a participant voluntarily leaves the Company prior to the end of the vesting period, he/she is not entitled to the full fair market value.

The share participation arrangement is accounted for as an equity-settled share-based arrangement since the Company and its subsidiaries do not have an obligation to settle or to repurchase any DRs from the participants. Each DR issued by the foundation represents one ordinary share in the capital of the Company.

The number of outstanding DRs held by employees of the Group are as follows:

	2024	2023
Outstanding at 1 January	3,466,468	3,792,094
Granted (purchased) during the year	-	-
Exercised	(20,000)	(325,626)

Outstanding shares at

31 December	3,446,468	3,466,468
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As the Company's ordinary shares were not listed at the grant date, the fair value of the ordinary shares has been estimated by the Company as of each date a participant indirectly acquired shares in the Company. For accounting purposes, the fair value of an award is equal to the fair market value of the underlying ordinary shares at the grant date less the acquisition price paid by a participant for the DRs. Given that the participants have paid the estimated fair market value of the underlying shares as of each grant date, the fair value of the share-based payment awards is nil.

Long-term incentive plan – Key employees

The Management Board recognises the importance of its key employees to the future success of the Company. Therefore, on 26 May 2021, a long-term incentive plan ('LTIP Key employees') was introduced for a number of designated employees within the group of the Company.

The following grants, comprising of Ordinary Shares in the Company, have been made under this plan:

Grant date	Number of Awards granted	Exercise Price
1 January 2022	6,982	Nil
1 February 2022	788	Nil
1 January 2023	4,425	Nil
1 January 2024	11,142	Nil

The conditional rights to existing Ordinary Shares granted will vest on the day that is four years after the grant date, on the condition that the relevant employee continues to be employed by the Company on this date (subject to certain arrangements for exceptional circumstances, such as death of the employee). Besides the aforementioned service vesting condition, no other vesting conditions are applicable for the LTIP Key employees.

Long-term incentive plan – Management Board

As part of the newly introduced remuneration policy, which has been adopted by the general meeting of shareholders on 11 June 2021, a long-term incentive plan for the Management Board ('LTIP Management Board') was introduced in order to increase the alignment between shareholder's interest and the interest of the Management Board. The following grants, comprising of Ordinary Shares in the Company, have been made under this plan:

Grant date	Number of Awards granted	Exercise Price
20 May 2022	8,296	Nil
7 April 2023	9,091	Nil
10 December 2024	21,627	Nil

The conditional rights to Ordinary Shares granted will vest on the day that is three years after inception of the service and performance period, subject to continued employment as a member of the Management Board and certain non-market based performance vesting conditions.

The service and performance period are starting on the 1st of January of the applicable financial year, in which the grant has been made. Besides the aforementioned service and performance vesting conditions there is one additional condition in place, which is an two year holding period for the Management Board after vesting date.

The awards with grant date 10 December 2024 are in favor of the new Management Board members Mr Floris Jan Cuypers and Mr Jan Feie Zwiens.

Summary of changes in outstanding shares

Changes in outstanding shares for the period:

	LTIP Key employees	LTIP Management Board
1 January 2024	10,985	17,387
Granted	11,142	21,627
Forfeited	-	(17,387)
Vested	-	-
31 December 2024	22,127	21,627

None of the outstanding shares related to the LTIP Key employees and LTIP Management Board are vested at 31 December 2024.

Fair value measurement

The Company used the Black & Scholes model to determine the fair value of the share-based payments plans at grant date. The fair value of the Company's Ordinary Shares for the different plans at grant date was:

Share award plan	Grant date	Grant date fair value
LTIP Key employees	1 January 2022	10.84
LTIP Key employees	1 February 2022	10.84
LTIP Management Board	20 May 2022	11.08
LTIP Key employees	1 January 2023	11.00
LTIP Management Board	7 April 2023	11.10
LTIP Key employees	1 January 2024	6.70
LTIP Management Board	10 December 2024	4.20

The present value for expected dividend over the vesting period for all plans is nil because the Company has currently no intention to distribute dividends in the foreseeable future in order to be able to further invest in the growth of the Company. Consequently and in

conjunction with an exercise price of nil, both the expected volatility and risk-free-rate have no impact on the fair value determination at the grant date. Which means that the fair value of the conditional rights to Ordinary Shares is equal to the share price on the grant date.

Share-based payment expenses

Share-based payment expenses recognized as other operating costs in the statement of comprehensive income:

In EUR '000	2024	2023
LTIP Key employees	63	13
LTIP Management Board	(5)	5
Sign-on equity incentive	253	188
Total share-based payment expenses	311	206

The LTIP of the Management Board includes releases of accruals & settlements which resulted in a € 5 thousand benefit in 2024. For further information about the sign-on equity incentive we refer to note 17.

14 Finance income and expenses

In EUR '000	2024	2023
Interest income	1,678	2,004
Interest expenses borrowings	(791)	-
Bank fees & other interest expenses	(137)	-
Interest expenses related to lease liabilities	(56)	(65)
Finance (income) expenses	694	1,939

Interest expenses borrowings relates to the new long term financing agreement (see note 26). Interest expense related to lease liabilities is the result of application of IFRS 16. The interest income is resulting from our cash and cash equivalents.

15 Income tax benefit (expense)

This note provides an analysis of the Company's income tax, showing how the tax benefit or expense is affected by non-deductible items.

The tax on the Company's loss before tax differs from the statutory amount that would arise using the tax rate applicable to losses of the entity. The reconciliation of the effective tax rate is as follows:

In EUR '000	2024	2023
Current tax		
Current tax on profits for the year	(6)	-
Adjustments for previous years	-	-
Total current tax (expense) benefit	(6)	-

Deferred income tax

Income tax	(14)	(8,945)
Change in tax rates	-	-
Total deferred tax benefit (expense)	(14)	(8,945)

Total income tax benefit (expense)

In EUR '000	2024	2023
Result from operations	(23,089)	(23,292)
Total income tax	(20)	(8,945)
Loss before income tax	(23,069)	(14,347)

Tax calculated based on

Dutch tax rate	25.8%	25.8%
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Tax effect of:

Adjustments for previous years	0.0%	-0.2%
Non-taxable expenses	-0.4%	-0.3%
Derecognition of deferred tax asset prior years	0.0%	-62.4%
Derecognition of deferred tax asset current-year	0.0%	-11.8%
Current-year losses for which no deferred tax asset is recognised	-25.5%	-13.5%
Change in tax rates	0.0%	0.0%
Other differences	0.0%	0.0%
Effective tax rate	-0.1%	-62.3%

The deferred tax assets resulting from carry-forward losses in the Netherlands have been fully derecognized in 2023 (see note 21). In 2024 no deferred tax assets are recognized.

16 Earnings per share

	2024	2023
Net loss attributable to equity holders (in EUR '000)	(23,089)	(23,292)
Outstanding number of shares for the basic earnings per share as at 1 January	50,025,190	50,000,000
Effect of issued ordinary shares	7,832,341	-
Effect of shares issued as a share plan	196,539	25,190
Outstanding number of shares for the basic earnings per share as at 31 December	58,054,070	50,025,190
Weighted-average number of shares outstanding for the purpose of basic earnings per share	56,053,109	50,013,010
Weighted-average number of shares outstanding for the purpose of diluted earnings per share	56,053,109	50,013,010

Earnings per share

Basic earnings per share (EUR), based on ordinary shares outstanding at 31 December	(0.40)	(0.47)
Basic earnings per share (EUR), based on weighted average	(0.41)	(0.47)
Diluted earnings per share (EUR), based on weighted average	(0.41)	(0.47)

17 Remuneration of the Management Board and the Supervisory Board

The total amount of remuneration of the Managing Directors for the financial year 2024 comprised € 1,442,066 (2023: € 1,108,058).

Management Board remuneration	Salaries	Fringe benefits	Termination benefit	Bonus	Pension	Share-based payments	Total 2024	Total 2023
Mr Michiel Staatsen	191,035	-	-	-	-	-	191,035	198,980
Mr Erik Roesink	174,770	-	-	-	-	-	174,770	175,225
Mr Marc Lutikhuis	124,247	6,426	-	6,250	3,607	9,055	149,585	404,413
Mr Jeroen Pynenburg	165,305	23,154	198,750	-2,083	6,012	71,901	463,039	329,440
Mr Jan Feie Zwiers	129,183	6,605	-	10,688	4,009	86,175	236,660	-
Mr Floris Jan Cuypers	126,571	7,258	-	9,750	3,207	80,191	226,977	-
Totaal	911,111	43,443	198,750	24,605	16,835	247,322	1,442,066	1,108,058

Mr Marc Lutikhuis stepped down as CFO and member of the Management Board as per 30 June 2024. Mr Jeroen Pynenburg stepped down as CEO and member of the Management Board as per 31 July 2024. As a consequence the related STI, LTI and sign-on incentive plans were settled. For Mr Jeroen Pynenburg this included a termination benefit and a redelivery of part of the awarded shares under his sign-on equity incentive. These shares (2/3) were not yet released from their lock-up restrictions. In respect hereof, the Company paid a settlement price of € 87,833.

Both new directors Mr Floris Jan Cuypers and Mr Jan Feie Zwiers received a sign-on equity incentive with a value for 2024 of € 350,000 respectively € 300,000 which are included in the total amount of remuneration. The characteristics of this incentive are described below.

In 2024, the Company has facilitated a sign-on equity incentive with Mr Floris Jan Cuypers and Mr Jan Feie Zwiers and issued 196,539 ordinary shares to Stichting Bewaarneming Aandelen NX Filtration, with a value of € 650,000 in aggregate. These ordinary shares have been delivered to a designated securities account and are subject to customary lock-up provisions. The lock-up of the ordinary shares under the sign-on equity incentive will be three years after 10 September 2024, where 1/3 of the ordinary shares will be released each year and the leaver provisions provide for a re-delivery of the ordinary shares in case of a bad-leaver.

Mr Michiel Staatsen and Mr Erik Roesink participate directly and indirectly in the share capital of the Company. Their direct investments are the result of their participation in the Company's equity offering in April 2024, in which Michiel Staatsen acquired 76,804 Ordinary Shares, and Erik Roesink acquired 30,721 Ordinary Shares. The indirect investments are held through the STAK, which has issued depositary receipts of shares (*certificaten van aandelen*) in the capital of the Company for Ordinary Shares (the **DRs**) to them. The management board collectively holds 2,578,800 DRs (see note 13) in the share capital of the Company, of which Mr Michiel Staatsen holds 967,050 DRs and Mr Erik Roesink 1,611,750 DRs.

The total amount of compensation of the Supervisory Board for the financial year 2024 amounted to € 80,000 (2023: € 80,000).

The compensation for Ms Carolina Wielinga, chair of the Supervisory Board for the financial year 2024 amounts to € 50,000 (2023: € 50,000) and the compensation for Mr Benno van Dongen amounts to € 30,000 (2023: € 30,000). Mr Hans Sloopweg is employed by Infestos Nederland and does not receive compensation for his Supervisory Board activities.

The Company does not provide loans, advance payments or guarantees to members of the Management Board or members of the Supervisory Board.

18 Intangible assets

The movement in intangible assets during the years was as follows:

In EUR '000	Development costs	Concessions and rights of intellectual property	Software	Total
At 1 January 2023				
Cost	3,078	275	164	3,517
Accumulated impairments and amortisation	(1,020)	(117)	(27)	(1,164)
Net book value	2,058	158	137	2,353
Year ended 31 December 2023				
Opening net book value	2,058	158	137	2,353
Additions	730	65	167	962
Acquisitions	-	-	-	-
Amortisation for the year	(601)	(32)	(45)	(678)
Closing net book value	2,187	191	259	2,637
At 31 December 2023				
Cost	3,808	340	332	4,480
Accumulated impairments and amortization	(1,621)	(149)	(73)	(1,843)
Net book value	2,187	191	259	2,637
Year ended 31 December 2024				
Opening net book value	2,187	191	259	2,637
Additions	1,061	-	748	1,809
Acquisitions	-	-	-	-
Amortisation for the year	(580)	(34)	(91)	(705)
Closing net book value	2,668	157	916	3,741
At 31 December 2024				
Cost	4,870	340	1,079	6,289
Accumulated impairments and amortization	(2,202)	(183)	(163)	(2,548)
Net book value	2,668	157	916	3,741

Development costs

Additions to intangible fixed assets relate to internal development projects for new products or systems or development projects for new features to existing products and systems.

Concessions and rights of intellectual property

Additions for concessions and rights of intellectual property relate to payments made

to the patent office for the filing process of the Company's patents and intellectual property rights.

Software

Additions to software relate to externally acquired programs and software for amongst others sales, engineering and data management.

19 Property, plant and equipment

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

In EUR '000	Land & buildings	Machinery and equipment	Pilot equipment	Assets under construction	Total
At 1 January 2023					
Cost	4,048	9,401	7,031	2,141	22,621
Accumulated impairments and depreciation	(47)	(3,011)	(1,028)	-	(4,086)
Net book value	4,001	6,390	6,003	2,141	18,535
Year ended 31 December 2023					
Opening net book value	4,001	6,390	6,003	2,141	18,535
Additions	-	-	-	42,977	42,977
Reclassification assets under construction	8	884	724	(1,616)	(0)
Reclassification to inventories	-	-	(484)	-	(484)
Disposal	-	(237)	-	-	(237)
Depreciation for the year	(56)	(1,596)	(1,474)	-	(3,126)
Depreciation of disposal	(9)	234	-	-	225
Closing net book value	3,944	5,675	4,769	43,502	57,890
At 31 December 2023					
Cost	4,056	10,049	7,271	43,502	64,878
Accumulated impairments and depreciation	(112)	(4,374)	(2,502)	-	(6,988)
Net book value	3,944	5,675	4,769	43,502	57,890
Year ended 31 December 2024					
Opening net book value	3,944	5,675	4,769	43,502	57,890
Additions	-	-	-	24,123	24,123
Reclassification assets under construction	43,365	22,903	29	(66,297)	-
Reclassification	-	210	(210)	-	-
Disposal	(518)	(2,625)	(64)	-	(3,207)
Depreciation for the year	(1,531)	(2,598)	(1,354)	-	(5,483)
Depreciation of disposal	163	1,510	56	-	1,729
Closing net book value	45,423	25,075	3,226	1,328	75,052
At 31 December 2024					
Cost	46,903	30,537	7,026	1,328	85,794
Accumulated impairments and depreciation	(1,480)	(5,462)	(3,800)	-	(10,742)
Net book value	45,423	25,075	3,226	1,328	75,052

The Company's additions from under construction towards land & buildings and machinery & equipment mainly relates to the new large-scale factory for the production of our membrane modules according to plan

in the first half-year of 2024. The additions to machinery and equipment mainly relate to expansion of the Company's production capacity. We have started depreciation for the new factory and machinery in the second half

year of 2024, although not all new machinery & equipment have already been integrated in our production processes.

The additions to pilot equipment mainly relate to the expansion of its pilot fleet. The depreciation accounting policies for PP&E are included in the section accounting policies of the Company.

20 Right-of-use assets

The movement in the right-of-use assets during the years was as follows:

In EUR '000	2024	2023
At 1 January		
Cost	2,825	2,585
Accumulated depreciation	(1,377)	(832)
Net book value	1,448	1,753
Additions	334	240
Other / remeasurement	(5)	-
Disposals	(2,116)	-
Depreciation of disposals	1,378	-
Depreciation for the year	(538)	(545)
Net book value at 31 December	501	1,448

Total gross right-of-use assets:

In EUR '000	31 December 2024	31 December 2023
Buildings	-	1,863
Vehicles	707	922
Fork-life truck	336	40
Total gross right-of-use assets	1,043	2,825

Total depreciation charge right-of-use-assets:

In EUR '000	2024	2023
Buildings	286	333
Vehicles	210	208
Fork-life truck	42	4
Total depreciation charge	538	545
Interest expense (included in finance cost)	56	65

The total cash outflow for leases in 2024 was € 591 thousand (2023: € 600 thousand).

In 2024 all our rental contract related to our office and production location were settled with owners and or rental companies and have been included as disposal.

21 Deferred tax assets

In EUR '000	31 December 2024	31 December 2023
Deferred tax assets		
Timing differences	1	16
Carry forward losses	-	-
Total	1	16
Of which:		
Current (<1 year)	1	16
Non-current (>1 year)	-	-

In EUR '000	31 December 2024	31 December 2023
Deferred tax assets		
At 1 January	16	8,960
Change in timing differences	(15)	3
Movement in loss compensation	-	(8,947)
At 31 December	1	16

As of December 31, 2024, the amount of tax losses that can be offset in the future amounts to € 70.4 million (€ 48.7 million per December 31, 2023). At 31 December 2023, the deferred tax assets have been fully derecognized. The remaining € 1 thousand temporary difference is related to leases (right-of-use assets).

In line with IFRS regulations and interpretations, management evaluated positive and negative evidence supporting the valuation of deferred tax assets for tax losses. The delay in the business plan changed the balance in this assessment resulting in the derecognition of the deferred tax assets at the end of 2023. Management emphasizes that

this assessment is not a change in its medium and long term targets. This derecognition has no cash implications and the tax losses remain available for the Company at the moment it starts to generate profits.

22 Inventories

In EUR '000	31 December 2024	31 December 2023
Raw materials	7,051	5,114
Semi finished goods	5,514	3,189
Finished goods	4,850	6,409
Work in progress	730	351
Total	18,145	15,063

During 2024 the company wrote down € 0.1 million to lower net realizable value (31 December 2023: € nil).

23 Trade and other receivables

In EUR '000	31 December 2024	31 December 2023
Trade receivables	4,498	4,722
Less: loss allowance	(500)	(42)
Trade receivables - net	3,998	4,680
Prepaid expenses	466	498
Other taxes	375	3,491
Other receivables	651	388
	5,490	9,057
Less non-current portion	-	-
Current portion	5,490	9,057

The fair value of the receivables approximates the carrying amounts. As at 31 December 2024 and 31 December 2023 mainly all receivables are denominated in euro currency. Information about the Company's exposure to credit and market risks, and impairment losses for trade and other receivables is included in note 3 'Financial instruments and risk management'.

24 Cash and cash equivalents

In EUR '000	31 December 2024	31 December 2023
Cash and cash equivalents	53,375	49,928
Total	53,375	49,928

The cash and cash equivalents are freely disposable to the Company.

25 Equity

Ordinary shares

The movement of the ordinary shares in 2024 and 2023 is outlined in the tables below.

	Number of ordinary shares	Par value EUR '000	Share premium EUR '000	Total EUR '000
Opening balance 1 January 2023	50,000,000	500	170,450	170,950
Share issuance	25,190	-	-	-
Balance 31 December 2023	50,025,190	500	170,450	170,950
Share issuance	8,028,880	81	25,027	25,108
Balance 31 December 2024	58,054,070	581	195,477	196,058

The Company's issued capital amounted to € 500,251.90 at 31 December 2023, divided into 50,025,190 Ordinary Shares. The authorized capital (*maatschappelijk kapitaal*) of NX Filtration N.V. amounts to € 1,750,000 divided into 175,000,000 ordinary shares.

On 28 March 2024, the Company issued 7,832,341 ordinary shares against an issue price of €3.255 each with a nominal value of € 0.01. On 10 September 2024, the Company issued 196,539 ordinary shares to Stichting Bewaarneming Aandelen NX Filtration, for the purposes of the sign-on equity incentives for Mr Cuypers and Mr Zwiers.

This is resulting in 8,028,880 newly issued ordinary shares in 2024. So the Company's current issued capital amounts to € 580,540.70 divided into 58,054,070 ordinary shares. All ordinary shares are fully paid up.

The share premium reserve relates to contribution on issued shares in excess of the nominal value of the shares (above par value).

Retained earnings

The retained earnings are restricted due to a legal reserve for capitalized development costs of € 2.7 million (31 December 2023: € 2.2 million) which is not available for distribution.

Loss for the period

The proposal to the General Meeting is that the 2024 loss for the period will be recognized in retained earnings.

26 Non-current liabilities

In EUR '000	31 December 2024	31 December 2023
Borrowing (subject to future covenants)	25,000	-
Leases	328	951
Total (non-current liabilities)	25,328	951

Borrowings

On 10 April 2024, NX Filtration Real Estate B.V., a wholly-owned subsidiary of the Company, entered into a financing agreement with ABN AMRO Bank N.V. (**ABN AMRO**) pursuant to which ABN AMRO has granted two loans to NX Filtration Real Estate B.V.:

a loan with a maturity of ten (10) years in the principal amount of € 12,500,000 with EIB interest discount

This loan carries an annual variable interest rate of 3-months EURIBOR + a 2.28% markup (including the EIB interest discount). According to the financing agreement, this loan will be repaid in 31 installments of € 195,000 starting 1 July 2026, and one closing repayment of € 6,455,000 at 1 April 2034.

a loan with a maturity of ten (10) years in the principal amount of € 12,500,000

This loan carries an annual variable interest rate of 3-months EURIBOR + a 2.60% markup. According to the financing agreement, this loan will be repaid in 31 installments of € 195,000 starting 1 July 2026, and one closing repayment of € 6,455,000 at 1 April 2034.

The fair value approximates the carrying amount of in total € 25.0 million.

Material terms and conditions

NX Filtration Real Estate B.V. and ABN AMRO have agreed to certain terms and conditions, including financial covenants and security rights in favour of ABN AMRO.

The following financial covenants apply as from 30 June 2024.

Guaranteed capital (Equity ratio)

The guaranteed capital of NX Filtration Real Estate B.V. should be equal to or more than 35% (tested on a yearly basis, starting 31 December 2024).

The equity ratio is calculated by equity divided by the balance sheet total. Both are adjusted for intangible assets, deferred taxes, subsidiaries, minority interest, any liabilities or receivables related to shareholders or board members and intercompany positions.

Debt service coverage ratio

The debt service coverage ratio of NX Filtration Real Estate B.V. should be equal to or more than 1.10 (tested on a yearly basis, starting 31 December 2024).

The debt service coverage ratio is calculated by dividing net earnings before interest, taxes, depreciation and amortization by repayments, income of (minority) participations and subsidiaries, interest costs and other financial income and expenses.

Loan to value ratio

The loan to value ratio of NX Filtration Real Estate B.V. may not exceed:

-55.8% in the period 30 June 2024 until

31 December 2027; and

-50.0% in the period as from 1 January 2028.

These ratios are tested on a yearly basis, starting 31 December 2024

NX Filtration Real Estate B.V. complied with the financial covenants on 31 December 2024.

Based on current scenario's and forecast NX Filtration Real Estate B.V. expects to be compliant with sufficient headroom on the next testing date 31 December 2025.

NX Filtration Real Estate granted the following security rights in favor of ABN AMRO:

Mortgage Rights

- A first-ranking mortgage, amounting to EUR 40,000,000.00, plus 40% for interest and costs relating to the financing agreement. This mortgage has been granted on the registered property of NX Filtration Real Estate B.V. in Hengelo, Haaksbergerstraat 95, the Netherlands, in accordance with a notarial deed of mortgage. The mortgage covers also certain other registered rights.

Pledges

- A first ranking pledge on receivables and rights from existing and future rental agreements.
- A pledge on inventories of NX Filtration Real Estate B.V., on the basis of the general banking terms and conditions.

In addition to the security rights granted by NX Filtration Real Estate B.V., NX Filtration B.V. granted a first pledge on a water treatment plant (which is used for the Company's own operations).

Other Securities and Declarations

- Cash flow guarantee from NX Filtration N.V., located in Enschede, which will be terminated if the EBITDA of the Company is at least EUR 16,000,000.
- Repayment of certain intercompany receivables by means of a debt-for-equity swap in NX Filtration Real Estate B.V. ultimately on 30 June 2024, which has been finalized.

Lease liabilities

The Company leases several assets, which can be combined into the asset classes: (i) Buildings, (ii) Equipment and (iii) Vehicles. These contracts are typically entered into for a period between 3 to 8 years, but some leases may include renewal and/or termination options.

In EUR '000	31 December 2024	31 December 2023
Buildings	-	987
Equipment	276	18
Vehicles	235	508
Total	511	1,513

The maturity of the lease liabilities can be specified as follows:

In EUR '000	31 December 2024	Repayment obligation in 2025	Remaining term >1 year and <5 year	Remaining term >5 years
Buildings	-	-	-	-
Equipment	276	39	168	69
Vehicles	235	144	91	-
Total	511	183	259	69

Right-of-use assets

Right-of-use assets related to leases that do not meet the definition of investment property are presented as property, plant and equipment. The Company has no right-of-use assets that meet the definition of investment property.

Amounts recognized in the statement of comprehensive income and cash flows

Besides the interest expenses related to lease liabilities and depreciation charges on right-of-use assets as disclosed in Note 14 and Note 20, respectively, the Company recognized in 2024 within the statement of comprehensive income € 40 thousand (2023: € 13 thousand) relating to low value leases.

Extension and termination options

During 2024 the Company has ended her contracts within the building asset class that include renewal and termination options or a combination of both. At 31 December 2023 the renewal options are included in the measurement of the lease liabilities, no termination options are included.

27 Trade and other payables

In EUR '000	31 December 2024	31 December 2023
Trade payables	4,340	13,039
Tax payables	346	316
Employee benefits	662	631
Payments received in advance	490	279
Other liabilities	3,262	809
Total	9,100	15,074

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the carrying amount due to its short-term character. The entire amount of payments received in advance has been recognized as income in the subsequent period.

As at 31 December 2024 and 31 December 2023 the payables are mainly denominated in euro currency. The increase in trade payables is related to received invoices for our assets under construction.

28 Contingencies and commitments

Capital Expenditure Commitments

NX Filtration B.V. and NX Filtration Real Estate B.V. have signed a number of purchase contracts related to buildings, machinery and equipment capital expenditures, amounting to € 1.1 million (2023: € 20 million).

Purchase Commitments

Outstanding commitments related to operating activities and the purchase of raw materials are amounting to € 1.0 million.

29 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.

The following transactions were carried out with related parties:

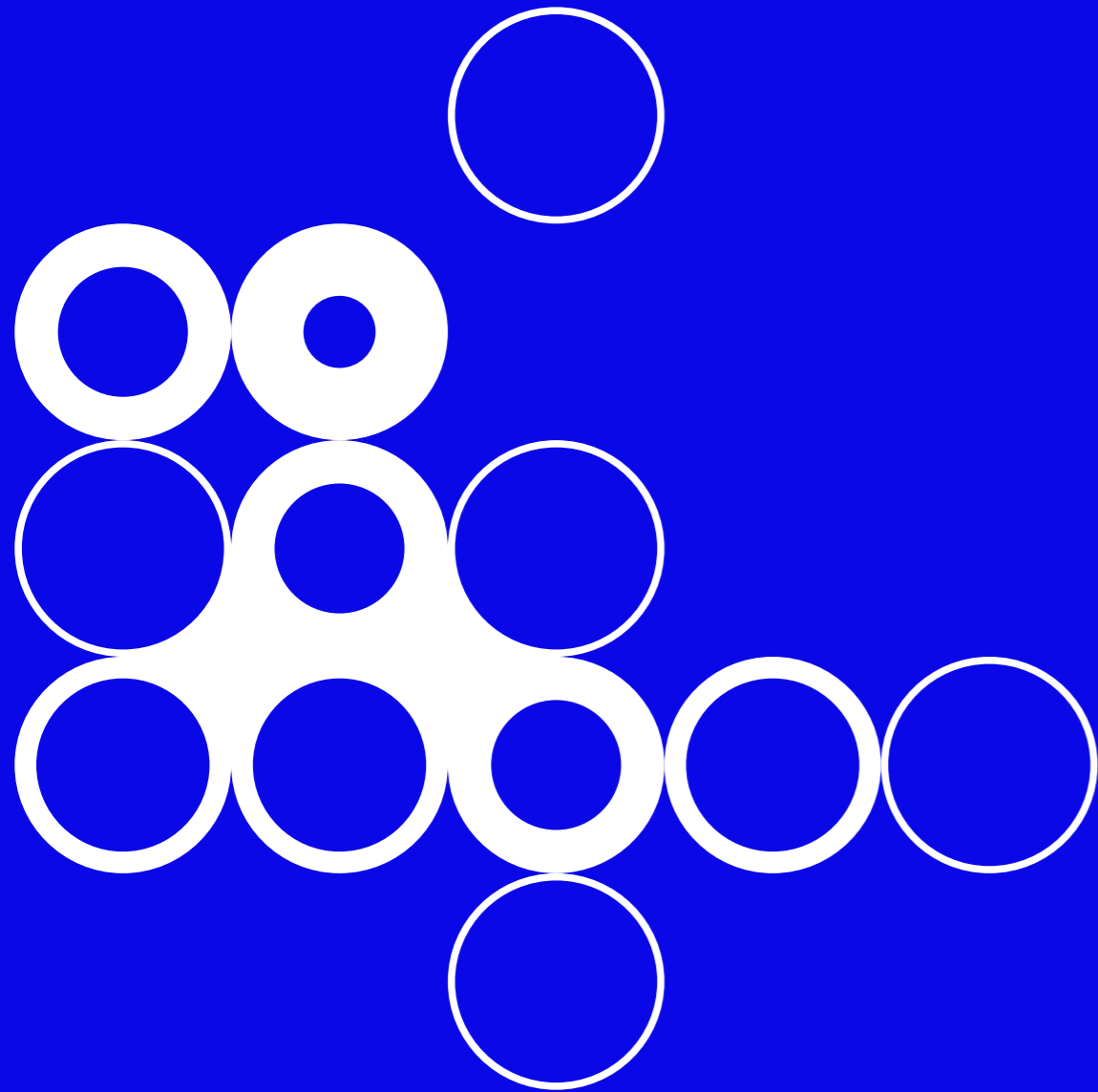
- Key management compensation, as further disclosed in note 17 above;
- Management fee to Infestos Holding E B.V., based on the consultancy agreement between Infestos Holding E B.V. and NX Filtration as entered into on the date of IPO in the amount of € 150 thousand;
- Polymer Filtration Solutions GmbH (PFS) is a long-term supplier of sulfonated poly (ether sulfone) to NX Filtration. PFS is under the (indirect) control of Infestos Nederland B.V.

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

30 Events after the end of the reporting period

No such events to report.

Company financial statements



Company balance sheet as at 31 December 2024

Before profit allocation

In EUR '000	Notes	31 December 2024	31 December 2023
Assets			
Non-current assets			
Intangible Assets	3	2,826	2,379
Financial fixed assets	4	69,044	50,914
Total non-current assets		71,870	53,293
Current assets			
Receivables		108	157
Receivable from group companies	6	-	17,964
Cash and Cash Equivalents	7	51,246	48,309
Total current assets		51,354	66,430
Total assets		123,224	119,723
Equity and liabilities			
Shareholders' equity			
Issued share capital		581	500
Share premium		195,477	170,450
Legal and statutory reserves	8	2,669	2,188
Other reserves	8	(53,944)	(30,394)
Result for the period		(23,089)	(23,292)
Total equity		121,694	119,452
Current liabilities			
Trade and other payables		284	-
Payable to group companies	6	1,246	-
Other payables		-	271
Total current liabilities		1,530	271
Total equity and liabilities		123,224	119,723

Company income statement for the year ended 31 December 2024

In EUR '000	Notes	2024	2023
Revenue	9	53	53
Amortization of intangible assets	3	(614)	(633)
Personnel expenses		(1,486)	(1,136)
General expenses	11	(1,436)	(972)
Operating loss		(3,483)	(2,688)
Finance income	12	3,771	2,421
Finance expenses	13	(53)	-
Finance income (expense)		3,718	2,421
Profit (loss) before income tax		235	(267)
Income tax benefit (expense)	5	(6,040)	(12,581)
Share of net loss of investments in subsidiaries	4	(17,284)	(10,444)
Loss for the period after income tax		(23,089)	(23,292)

Notes

General information

The company financial statements are part of the consolidated financial statements of NX Filtration N.V. (the **Company**).

The current financial year covers the period 1 January 2024 until 31 December 2024. The previous financial year covers the period 1 January 2023 until 31 December 2023.

1 Basis of preparation

The Company financial statements of NX Filtration N.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. In accordance with sub 8 of article 362, Book 2 of the Dutch Civil Code, the Company financial statements are prepared based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements. These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

In case no other policies are mentioned, refer to the accounting policies as described in the accounting policies in the consolidated financial statements of this Annual report. For an appropriate interpretation, the company financial statements of NX Filtration N.V. should be read in conjunction with the consolidated financial statements.

All amounts are presented in euro and have been rounded to the nearest thousand, unless stated otherwise. The balance sheet and income statement include references. These refer to the notes.

2 Critical accounting policies

Investments in subsidiaries

Subsidiaries are all entities (including intermediate subsidiaries) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognized from the date on which control is transferred to the Company or its intermediate holding entities. They are derecognized from the date that control ceases.

Investments in subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. In case of a negative net equity value of a subsidiary, the negative value is initially deducted from loans due from the respective subsidiary.

3 Intangible assets

The movement in intangible assets during the year was as follows:

In EUR '000	Development costs	Concessions and rights of intellectual property	Total
At 1 January 2023			
Cost	3,078	275	3,353
Accumulated impairments and amortisation	(1,020)	(117)	(1,137)
Net book value	2,058	158	2,216
Year ended 31 December 2023			
Opening net book value	2,058	158	2,216
Additions	731	65	796
Acquisitions	-	-	-
Amortisation for the year	(601)	(32)	(633)
Closing net book value	2,188	191	2,379
At 31 December 2023			
Cost	3,809	340	4,149
Accumulated impairments and amortization	(1,621)	(149)	(1,770)
Net book value	2,188	191	2,379
Year ended 31 December 2024			
Opening net book value	2,188	191	2,379
Additions	1,061	-	1,061
Acquisitions	-	-	-
Amortisation for the year	(580)	(34)	(614)
Closing net book value	2,669	157	2,826
At 31 December 2024			
Cost	4,870	340	5,210
Accumulated impairments and amortization	(2,201)	(183)	(2,384)
Net book value	2,669	157	2,826

Amortization rates:

	%
Development costs	20%
Concessions and rights of intellectual property	10%

4 Financial fixed assets

The movement in the financial fixed assets during the years was as follows:

In EUR '000	Investment in subsidiaries	Loans / receivables from group companies	Total
At 1 January 2023			
	47,813	-	47,813
Investment/ changes	-	13,545	13,545
Share of net loss	(10,444)	-	(10,444)
Other movements	-	-	-
	37,369	13,545	50,914
Reclassification	298	(298)	-
At 31 December 2023	37,667	13,247	50,914
At 1 January 2024			
	37,667	13,247	50,914
Investment/ changes	19,700	15,714	35,414
Share of net loss	(17,284)	-	(17,284)
Other movements	-	-	-
	40,083	28,961	69,044
Reclassification	(298)	298	-
At 31 December 2024	39,785	29,259	69,044

The receivables from group companies end of 2024 are considered as long-term financing and are interest-bearing, based on a 3-month Euribor plus margin, with no fixed repayment schedule.

The reclassification relates to the negative equity value of NX Filtration International B.V., which has been deducted from the receivable from group companies end of 2023 and which became positive again 2024.

	Share in issued share capital at 31 December 2024	Share in issued share capital at 31 December 2023
NX Filtration B.V.	100%	100%
NX Filtration Real Estate B.V.	100%	100%
NX Filtration International B.V.	100%	100%

5 Income taxes

The income tax expense can be specified as follows:

In EUR '000	31 December 2024	31 December 2023
Tax benefit (expense)		
NX Filtration N.V.	(6,040)	(12,581)

As of December 31, 2024, the total amount of unrecognized tax losses amounts to € 70.4 million (€ 48.7 million as per December 31, 2023). The tax expense of 2024 relates to the corporate income tax recharged from the subsidiaries within the fiscal unity. The deferred tax assets resulting from the carry-forward losses in the Netherlands have been fully derecognized in 2023.

6 Receivables & Payables group companies

The receivables & payables group companies are considered as short-term financing and are interest-bearing, based on a 3-month Euribor plus margin, with no fixed repayment schedule.

7 Cash and cash equivalents

In EUR '000	31 December 2024	31 December 2023
ABN AMRO bank	153	204
Van Lanschot bank	129	130
HSBC	18,363	20,743
Goldman Sachs	20,810	7,621
Barclays	8,215	17,795
Rabobank	3,576	1,816
Total	51,246	48,309

The cash and cash equivalents are freely disposable to the Company.

8 Shareholders' equity

Reference is made to note 25 of the consolidated financial statements for an explanation of the equity composition of the Company.

Legal and statutory reserves

The legal reserve relates to a reserve for capitalized development costs.

In EUR '000	2024	2023
At 1 January	2,188	2,058
Movement in legal reserve	481	130
At 31 December	2,669	2,188

Other reserves

The other reserves can be specified as follows:

In EUR '000	2024	2023
At 1 January	(30,394)	(21,828)
Allocation of previous year loss	(23,292)	(8,642)
Share-based payment transactions	223	206
Movement in legal reserve	(481)	(130)
At 31 December	(53,944)	(30,394)

9 Revenue

In EUR '000	2024	2023
Charged patent rights	48	48
Management fee	5	5
Total	53	53

10 Average numbers of employees

In 2024, the company had 4 employees (2023: 4 employees). None of these employees works abroad.

11 General expenses

In EUR '000	2024	2023
Audit fees	174	150
Legal fees	169	116
Consultancy fee		
Infestos Holding E.B.V.	150	150
Listing costs	202	194
Other general costs	741	362
Total	1,436	972

The following audit fees were expensed in the income statement in the reporting period.

In EUR '000	PricewaterhouseCoopers Accountants N.V.		Other network		Total network	
	2024	2023	2024	2023	2024	2023
Audit of the financial statements	174	150	-	-	174	150
Other audit procedures	-	-	-	-	-	-
Tax services	-	-	-	-	-	-
Other non-audit services	-	-	-	-	-	-
Total	174	150	-	-	174	150

The fees listed above relate to the services provided to the Company by accounting firms and external independent auditors as referred to in Section 1(a) of the Dutch Accounting Firms Oversight Act (*Wta*).

12 Finance income

In EUR '000	2024	2023
Interest from cash (equivalents) and deposits	1,678	2,000
Interest on receivables from group companies	2,093	421
Total	3,771	2,421

13 Finance expense

In EUR '000	2024	2023
Interest on payables group companies	(53)	-
Total	(53)	-

14 Contingencies and commitments

Fiscal Unity

The Company constitutes the fiscal unity 'NX Filtration N.V.' with its Dutch subsidiaries for corporate income tax purposes and value Added Tax. The standard conditions prescribe that each of the companies is liable for the corporate income tax payable by all companies belonging to the fiscal unity. The corporate income tax (liable or receivable) positions of the Dutch subsidiaries are offset and settled against the current account of the parent company NX Filtration N.V.

15 Events after the reporting period

Nothing to report.

Authorisation of the financial statements

Hengelo, 10 February 2025

Management Board

Floris Jan Cuypers CEO	Jan Feie Zwiers CFO	Michiel Staatsen COO	Erik Roesink CTO
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Other information



Provision in the Articles of Association relating to profit appropriation

Article 31. Profits and Distributions.

- 31.1 The Management Board, with the approval of the Supervisory Board, may decide that the profits realised during a financial year fully or partially be appropriated to increase and/or form reserves.
- 31.2 The profits remaining after application of Article 31.1 shall be put at the disposal of the General Meeting. The Management Board, with the approval of the Supervisory Board, shall make a proposal for that purpose. A proposal to pay a dividend shall be dealt with as a separate agenda item at the General Meeting of Shareholders.
- 31.3 Distributions from the Company's distributable reserves are made pursuant to a resolution of the Management Board, with the approval of the Supervisory Board.
- 31.4 Provided it appears from an interim statement of assets signed by the Management Board that the requirement mentioned in Article 31.7 concerning the position of the Company's assets has been fulfilled, the Management Board may, with the approval of the Supervisory Board, make one or more interim distributions to the holders of Shares.
- 31.5 The Management Board may, with the approval of the Supervisory Board, decide that a distribution on Shares shall not take place as a cash payment but as a payment in Shares, or decide that holders of Shares shall have the option to receive a distribution as a

cash payment and/or as a payment in Shares, out of the profit and/or at the expense of reserves, provided that the Management Board is designated by the General Meeting pursuant to Articles 6.2. With the approval of the Supervisory Board, the Management Board shall determine the conditions applicable to the aforementioned choices.

- 31.6 The Company's policy on reserves and dividends shall be determined and can be amended by the Management Board, subject to the approval of the Supervisory Board. The adoption and thereafter each amendment of the policy on reserves and dividends shall be discussed and accounted for at the General Meeting of Shareholders under a separate agenda item.
- 31.7 Distributions may be made only insofar as the Company's equity exceeds the amount of the paid in and called up part of the issued capital, increased by the reserves which must be kept by virtue of the law or these Articles of Association.

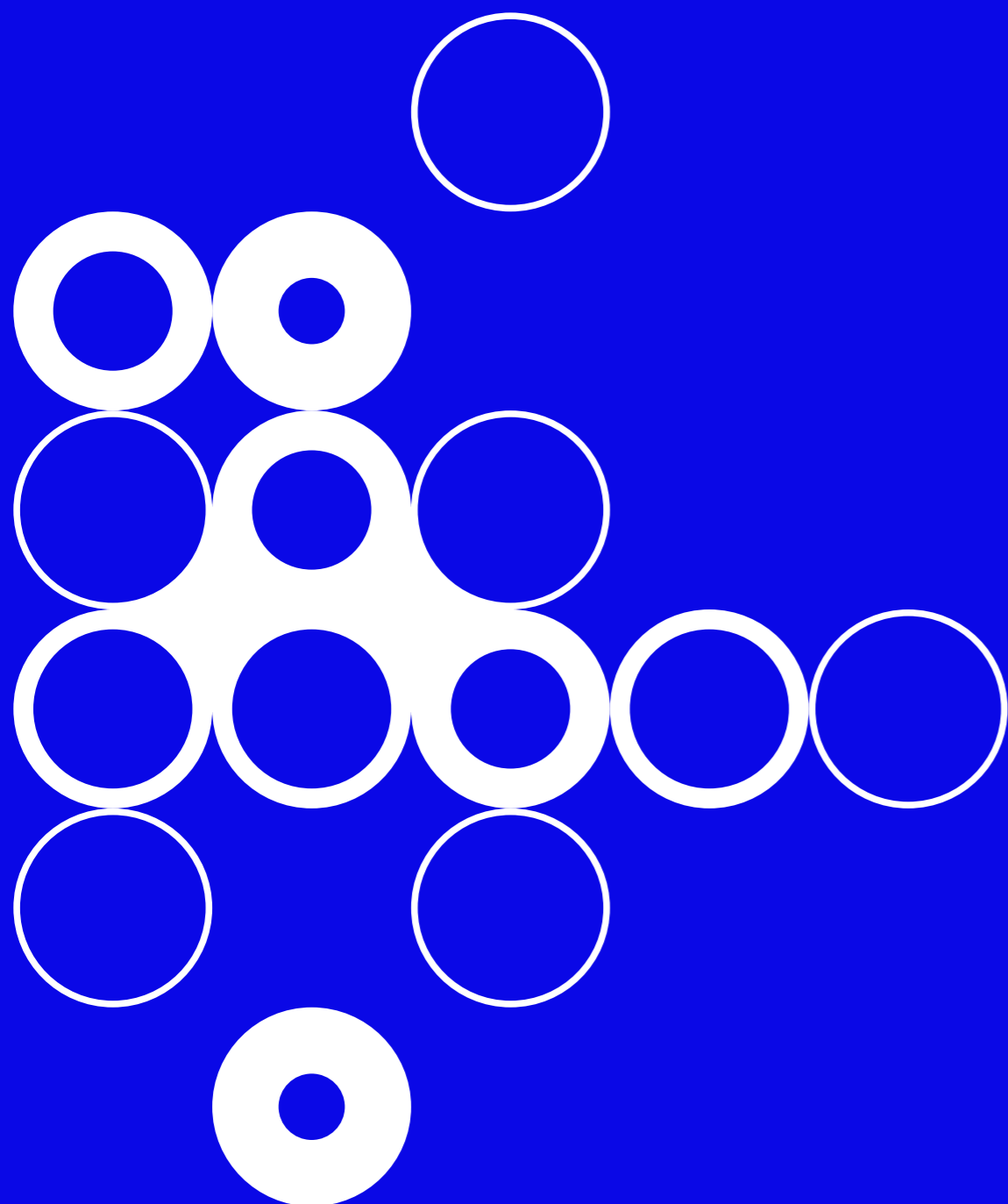
Article 32. Payment of and Entitlement to Distributions.

- 32.1 Dividends and other distributions will be made payable pursuant to a resolution of the Management Board within four weeks after adoption, unless the Management Board sets another date for payment.
- 32.2 A claim of a Shareholder for payment of a distribution shall be barred after five years have elapsed after the day of payment.

- 32.3 For all dividends and other distributions in respect of Shares included in the Statutory Giro System the Company will be discharged from all obligations towards the relevant Shareholders by placing those dividends or other distributions at the disposal of, or in accordance with the regulations of, Euroclear Netherlands.

Independent auditor's report

To: the general meeting and the supervisory board of NX Filtration N.V.



Report on the audit of the financial statements 2024

Our opinion

In our opinion:

- the consolidated financial statements of NX Filtration N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of NX Filtration N.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of NX Filtration N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the following statements for 2024: the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2024;
- the company income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' 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 NX Filtration N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening

inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

NX Filtration N.V. is a public limited liability company (N.V.) which is specialised in the production of advanced hollow fibre membrane modules for nanofiltration, ultrafiltration and microfiltration applications. The Group comprises several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

The completion of the construction of the new large-scale factory and the delay in the realization of the business plan of NX Filtration N.V. impacted the financial year 2024. This affected our audit procedures as described in the section 'Key audit matters'.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Management Board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change. In note 6 to the consolidated financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty.

Taking into consideration the anticipated growth in revenues we considered the risk of fraudulent reporting due to overstating the revenues to be a key audit matter. Additionally, we identified the capitalisation of property, plant and equipment as key audit matter, given the significance of the construction project related to the new large-scale factory and the transaction being outside the normal course of business.

NX Filtration N.V. assessed the possible effects of climate change on its financial position, refer to the 'sustainability report' in the Report of the Management Board. We discussed NX Filtration N.V.'s assessment and governance thereof with the Management Board and evaluated the potential impact on the financial position including underlying assumptions and estimates. The expected effects of climate change are not considered a key audit matter.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of NX Filtration N.V.

The outline of our audit approach was as follows:



Materiality

- Overall materiality: €1,000,000.

Audit scope

- We performed a full scope audit on NX Filtration N.V., NX Filtration B.V. and NX Filtration Real Estate B.V.
- Audit coverage: 100% of consolidated revenue, 99% of consolidated total assets and 96% of consolidated profit before tax.

Key audit matters

- The risk of fraudulent reporting due to overstating revenues; and
- Capitalisation of property, plant and equipment.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for

the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall group materiality	€1,000,000 (2023: €861,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 1% of the benchmark ' <i>Total assets minus Cash</i> '.
Rationale for benchmark applied	We used ' <i>Total assets minus Cash</i> ' as the primary benchmark, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that ' <i>Total assets minus Cash</i> ' is an important metric for the financial performance of the Company, as this shows the total asset base that can be used to generate future revenues.
Component materiality	We applied one materiality to the audit of the different components in scope. We performed the audit procedures on a consolidated level and did not allocate materiality levels amongst the components.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the Supervisory Board that we would report to them any misstatement identified during our audit above €100,000 (2023: €86,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

NX Filtration N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of NX Filtration N.V.

We are responsible for the identification and assessment of the risks of material

misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

Our audit primarily focused on the significant components NX Filtration N.V. which holds the cash position obtained from the listing and the group's tax positions, NX Filtration B.V. which accounts for the majority of the operations of

the group and NX Filtration Real Estate B.V. which holds the property, plant and equipment related to the new large-scale factory and the external financing obtained in 2024. All these group entities have a similar internal control environment and a centralised management structure. Therefore, we were able to perform all audit work for the Group at one location in the Netherlands.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	100%
Total assets	99%
Profit before tax	96%

None of the remaining components represented more than 1% of total group revenue or total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of NX Filtration N.V. and its environment and the components of the internal control system. This included the Management Board's risk assessment process, the Management Board's process for responding to the risks of fraud and monitoring the internal control system and how the Supervisory Board exercised oversight, as well as the outcomes. We refer to the section 'risks and uncertainties' of the report of the Management Board for management's fraud risk assessment. We note that management does consider fraud risk on a regular basis as part of its formalised risk assessment process.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistleblower procedures. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the Management Board and the Supervisory Board whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
<p><i>The risk of management override of controls</i> As with all our audits, we addressed the risk of management override of controls, including whether there was evidence of management bias that may represent a risk of material misstatement due to fraud.</p> <p>In this context, we paid particular attention to revenue recognition, significant transactions outside the normal course of business and accounting estimates.</p>	<p>Where relevant to our audit, we evaluated the design of the internal control measures that are intended to mitigate the risk of management override of controls and assessed the effectiveness of those measures in the processes of generating and processing journal entries and making estimates. We also paid specific attention to access safeguards in the IT system and the possibility of functional segregation as a result and reported our observations to the Management Board and the persons charged with governance.</p> <p>We performed data analysis on high-risk journal entries, including unexpected account combinations of increasing revenues or total results and unexpected account combinations with respect to cash.</p> <p>Where we identified instances of unexpected journal entries or other risks through our data analysis, we performed additional audit procedures to address each identified risk. These procedures include, amongst others, inspection of source documentation supporting the journal entries.</p> <p>We also performed specific audit procedures related to important estimates of management, including the capitalisation of development costs, useful lives of property, plant and equipment, the recoverability of property, plant and equipment and the recognition of deferred tax assets. We specifically paid attention to the inherent risk of management bias in estimates.</p> <p>Our procedures did not reveal any material misstatement in the information provided by management in the financial statements and the management report compared with the financial statements.</p> <p>Our work did not reveal any specific indications of fraud or suspicion of fraud in respect of management override of controls.</p>

Identified fraud risk	Our audit work and observations
<p><i>Risk of fraudulent reporting due to overstating the revenues</i> NX Filtration N.V. aims for growth through the commercialisation of its hollow fibre nano filtration membrane technology and to realise increase in turnover and profitability in the future in order to increase shareholder value. In general, this may cause pressure on management to show growth in both sales and profitability.</p>	<p>For our audit procedures, performed with respect to revenue recognition, we refer to our key audit matter 'risk of fraudulent reporting due to overstating the revenues'.</p> <p>Our procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the revenue recognition of NX Filtration N.V.</p>
<p>We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.</p> <p>Audit approach going concern The Management Board performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements. Our procedures to evaluate the Management Board's going-concern assessment included, amongst others:</p> <ul style="list-style-type: none"> • Considering whether the Management Board identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks); • considering whether the Management Board's going concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the Management Board regarding the Management Board's most important assumptions underlying its going concern assessment. Amongst others, the Management Board took into consideration 	<p>the developments in the industry and the budgeted expenses to be made to finance the growth strategy of the Company;</p> <ul style="list-style-type: none"> • evaluating the Management Board's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry, the cash balance as at balance sheet date of €53.4 million, the Company's on-balance and off-balance sheet obligations and all relevant information of which we were aware as a result of our audit; • analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants; • performing inquiries of the Management Board as to its knowledge of going concern risks beyond the period of the Management Board's assessment. <p>Our procedures did not result in outcomes contrary to the Management Board's assumptions and judgements used in the application of the going-concern assumption.</p>

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Compared to prior year, we no longer considered going concern a key audit matter, due to the improved cash position as a result of newly secured combined equity and debt package in March 2024. In line with prior year, we have identified the risk of fraudulent reporting due to overstating revenues and capitalisation of property, plant and equipment as key audit matters.

Key audit matter

The risk of fraudulent reporting due to overstating revenues

Refer to note 7 to the consolidated financial statements

NX Filtration N.V. aims for growth through the commercialisation of its hollow fiber nano filtration membrane technology and to realise increase in turnover and profitability in the future in order to increase shareholder value. In general, this may cause pressure on management to show growth in both sales and profitability.

During 2024 NX Filtration N.V.'s revenues increased, however this the increase was below the initial growth strategy communicated to its shareholders. Given the delay in the realisation of the business plan, the entity is facing pressure to meet revenue and profit targets. Therefore, there is an increased risk of overstating revenue. In addition, we noted that a material part of the revenues was realised in December 2024.

Therefore, we considered revenue recognition as a key audit matter, with specific attention for the existence and occurrence and the cut-off of the revenues.

Our audit work and observations

Where relevant to our audit, we evaluated the design and effectiveness of the internal control measures related to revenue recognition and reported our observations to the Management Board and the persons charged with governance.

We tested, on a sample basis, whether revenues were recognised in the correct period and for the correct amount, by reconciling the transactions to contracts or orders, sales invoice, shipping document and receipt in the bank account. Furthermore, we performed audit procedures to determine whether credit notes were issued after year-end that indicate incorrectly recognised revenue in the current financial year.

We tested, on a sample basis, for products delivered just before year-end, whether revenues were recognised in the correct period by reconciling these transactions to shipping documents and acceptance documents of the customers.

We performed data analysis on high-risk journal entries, including unexpected account combinations increasing revenues. No such transactions were identified.

Our procedures did not identify any material misstatement in the information provided by the Management Board in the financial statements and the report of the Management Board compared with the financial statements.

Our procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the existence of the revenue accounted for.

Key audit matter

Capitalisation of property, plant and equipment

Refer to note 10 and note 19 to the consolidated financial statements

NX Filtration N.V. has completed the construction of the new large-scale factory in Hengelo during 2024. The total property, plant and equipment amounts to €75.1 million as per year-end 2024, of which the major part relates to the new large-scale factory. Furthermore, due to the new large-scale factory NX Filtration N.V. closed its previous production locations, which resulted in disposals as disclosed in note 10 to the consolidated financial statements.

Due to the significance of capital expenditures and the transactions being outside the normal course of business, we consider the capital expenditures related to the construction of the new large-scale factory a key audit matter. Given the construction project is completed, during our audit we had specific attention for the reclassification of the assets under construction, the depreciation terms and the disposals related to the previous production locations.

Our audit work and observations

Where relevant to our audit, we evaluated the design and existence of the internal control measures related to the construction of the new large-scale factory in Hengelo.

We tested, on a sample basis, the additions to the tangible fixed assets by agreeing them to the purchase orders, contracts and invoices.

We tested the completion of construction in progress including testing of the reclassification of the assets under construction and the appropriateness of depreciation terms. We performed a recalculation of the depreciation expenses during the year.

We tested, on a sample basis, the disposals related to the previous production locations by agreeing them to the underlying fixed asset registers.

Based on the procedures set out above, we did not note any material exceptions. Our procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the capitalisation of property, plant and equipment.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code. The Management Board and the Supervisory Board are responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were appointed as auditors of NX Filtration N.V. on 9 April 2024 by the Supervisory Board. This followed the passing of a resolution by the shareholders at the annual general meeting held on 9 April 2024. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of five years.

European Single Electronic Format (ESEF)

NX Filtration N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the marked-up consolidated financial statements, as included in the reporting package by NX Filtration N.V., complies in all material respects with the RTS on ESEF.

The Management Board is responsible for preparing the annual report, including the financial statements in accordance with the RTS on ESEF, whereby the Management Board combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen

van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
 - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
 - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 11 to company the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Management Board and the Supervisory Board for the financial statements

The Management Board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board should prepare the financial statements using the going-concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The Management Board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about 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 but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They 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.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Zwolle, 10 February 2025

PricewaterhouseCoopers Accountants N.V.

F.S. van der Ploeg RA

Appendix to our auditor's report on the financial statements 2024 of NX Filtration N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

- Concluding on the appropriateness of the Management Board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the 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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing 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 financial statements. We are also 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 the Supervisory Board 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. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board 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, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the 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 or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

