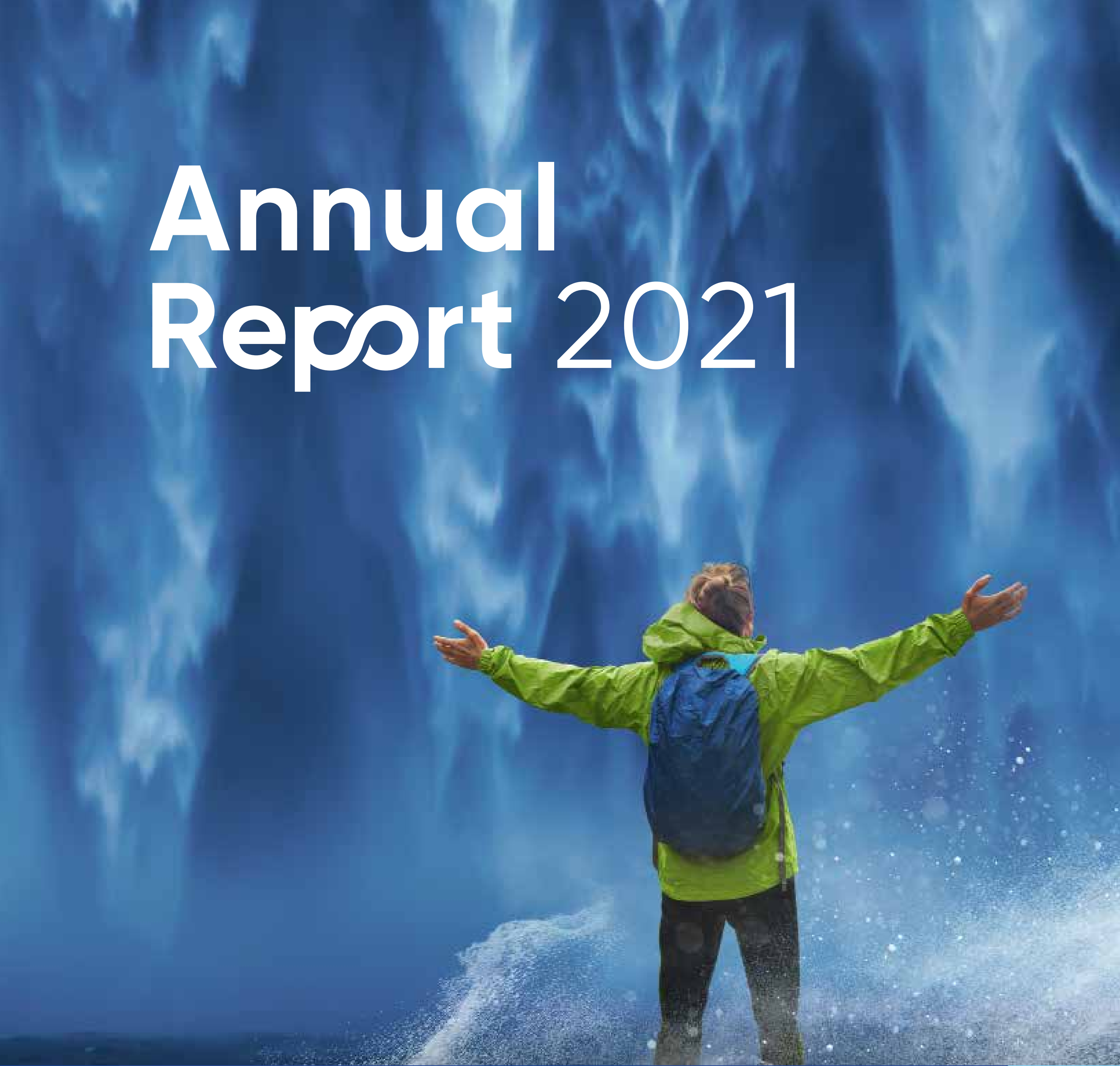
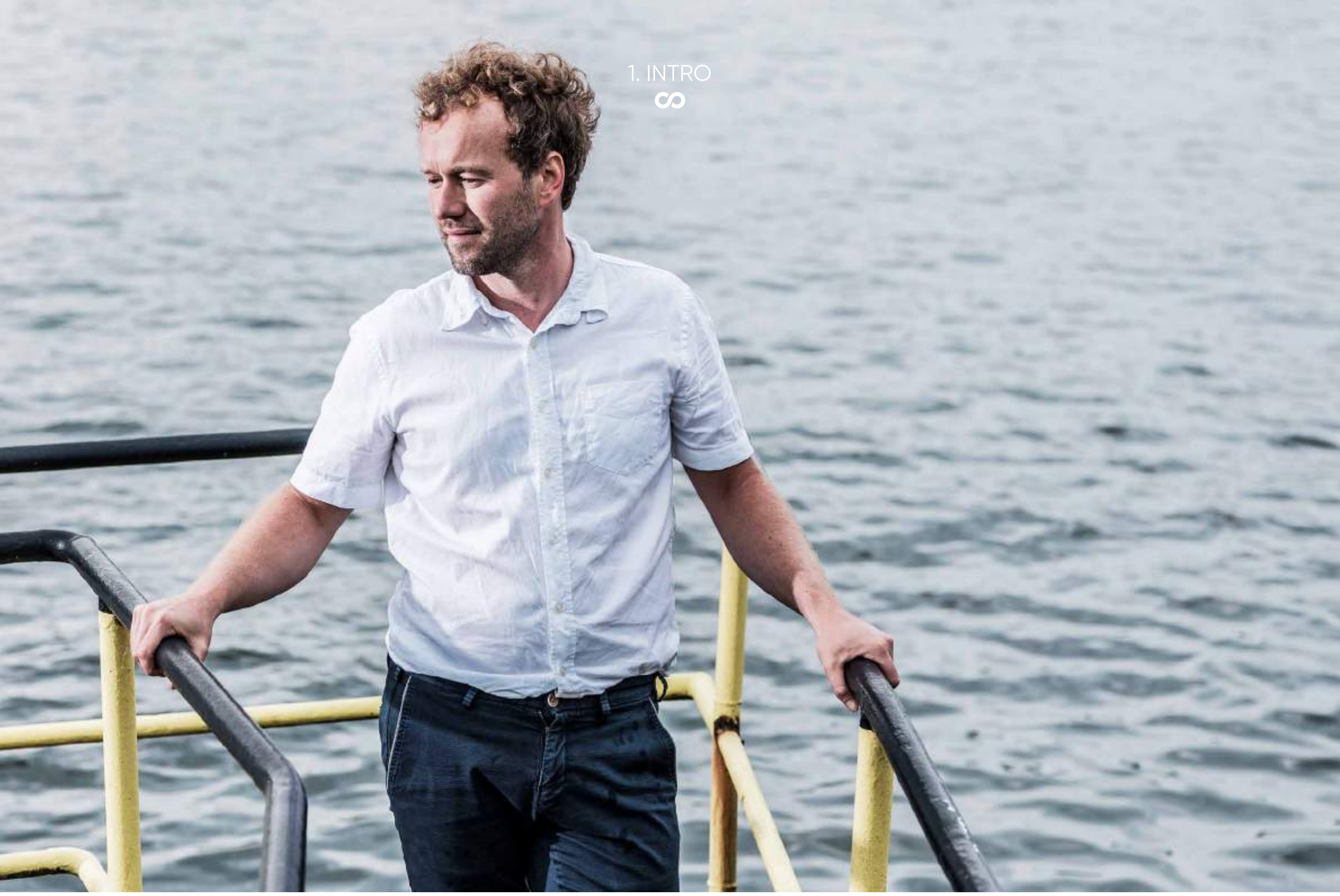
Annual Report 2021



Ekopak

Ekopak Sustainable Water

Together towards
a sustainable future.



2021: strong performance and strategic decisions

Dear stakeholders,
We are at the end of March 2022 when I write this foreword to Ekopak's Annual Report 2021. It seems a bit strange to look back at 2021 at a time that 2022 has already progressed so far. Moreover, my focus always tends to be more on today and to making plans for the future. Yet it is useful - and even necessary - to look back every now and then. Reflecting on the past enables me to look towards the future with greater insight. The editing of this annual report offers a unique opportunity to this end.

In 2021, we have taken a number of important decisions. We have chosen to embark on certain roads that will determine the future of Ekopak. Whereas we were in 2021 intensively focused on implementing those decisions to the best of our ability, I see today primarily the broader strategic context. I want to share that perspective with you.

"**In 2021, we have taken a number of important decisions that will determine the future of Ekopak.**"

Pieter Loose – CEO

The IPO in March 2021, for example, was much more about than just raising funds. This step also indicates that Ekopak resolutely embraces a growth strategy. The IPO also implies that Ekopak chooses to report transparently and on a regular basis about the progress in implementing its growth strategy.

In April 2021 Ekopak signed the principles of the UN Global Compact, which has an enormous scope. Ekopak hereby commits itself to fully integrate sustainability into its strategy and its activities. Ekopak's growth strategy is a sustainable growth strategy. In order to determine the sustainability of our activities, we adopt a validated methodology. In the future we will report on our progress in that area on an annual basis.

The foundation of Ekopak France does not only enable Ekopak to better respond to opportunities on the French market. It is also the very first step in our strategy to achieve sustainable growth through geographical expansion.

The introduction of the Water-as-a-Service business model was already mentioned at the IPO. Our conviction that we can really make a difference with the WaaS model has grown tremendously, as we have clearly indicated this in our half-year report of September 2021. The triple digit growth of the WaaS-revenue in 2021 highlights the potential for this business.

"What a journey we have made in 2021. And the best is yet to come! 2022 has certainly got off to a strong start."

Pieter Loose – CEO

In short, in 2021 we embarked on a number of paths that are of great strategic importance. I am amazed at what we have been able to achieve in 2021. What a journey we have already made! And the best is yet to come! 2022 has got off to a strong start: as the driving force in the Waterkracht joint venture, we are going to put our shoulders to the wheel in this project to recycle 20 billion litres of Antwerp waste water into process water for the Port of Antwerp every year from 2025 onwards. The drive that sports journalists refer to when writing about the Quick Step-Alpha Vinyl cycling team – of which we are a co-sponsor – is certainly also vibrant within Ekopak. We too are passionate to push our limits, to achieve success and to further strengthen our team.

I am very grateful to everyone who has contributed to these achievements and to everyone who has honoured us by putting their trust in us. We will continue to count on you, just as you can count on us.

Pieter Loose

If you can have a big impact, you should go for it

Even though finding a timeslot for this in the diaries of both Pieter Bourgeois (Chairman) and Pieter Loose (CEO) was not easy, they were glad to take the time for this interview. Once the conversation about Ekopak gets going, they are hard to keep up with because it's obviously an important part of their lives. For Ekopak, no effort is too much for them. For Ekopak they dream up a bright future.

What prompted you to go public, with the IPO?

Pieter Loose. Actually, everything started a year earlier, when I met Marc Coucke. He was immediately enthusiastic about what we do at Ekopak. He is very conscious about the water problems in the world and he saw that Ekopak could make a significant contribution to the solution. To cut a long story short, Marc took an important participation with his investment company Alychlo. That's how the ball got rolling.

Pieter Bourgeois. As an investment manager at Alychlo, I became closely involved with Ekopak. I saw immediately that Ekopak is operating in an area that will become increasingly relevant in the future, but that is today perhaps still a bit overlooked when talking about the environment and climate. There are still enormous growth opportunities for Ekopak, and by growing, Ekopak can also make a substantial contribution to solving the water problem.

Pieter Loose. At that time, I had already been on quite a growth trajectory with Ekopak. But I realized that I could use some help in order to grow further. I thought that with the help of Alychlo I would be able to get a long way but Pieter Bourgeois opened up a whole new dimension to me.

Pieter Bourgeois. If Pieter really wants to make a difference to the world with Ekopak, Alychlo's contribution alone is not enough - perhaps to achieve the kind of growth he had in mind at the outset, but not to achieve the growth needed to make a real difference to the global challenge of water supply. That is a totally different dimension. This is how we came up with the plan to go public and thus gain structural access to the public capital markets. The IPO was a real success. It was not an end in itself, but rather a means to realize our dreams. With the IPO, Ekopak joined the league of large corporations. Different standards apply there: performance management, reporting, corporate governance, etc. As a young company we still have some way to go, but that doesn't deter us.

"The key points for Ekopak:

- **Have access to the resources to realize our business plan**
- **Grow in the markets in which we are already active**
- **Grow through geographical expansion**
- **Sustainable entrepreneurship**
- **Focus on the WaaS business model**
- **Develop new concepts (e.g. Waterkracht)"**

The IPO apparently gave Ekopak wings, because a lot has happened since then. What do you consider Ekopak's most important achievements in 2021?

Pieter Loose. Every day brings something special at Ekopak; that is what makes it so attractive here. But if I have to make a business-driven selection, I come to five major events, of which the IPO was already mentioned. Actually, it's more about decisions and strategies rather than events. We have resolutely opted for a growth strategy, and in the current phase this growth will be primarily achieved in the market where we are already operational. In addition, we have decided to achieve our growth also through geographical expansion. The establishment of Ekopak France is a very first step in this direction. Importantly, we have also decided that we will integrate the concept of sustainability in our organization; our growth must therefore also be sustainable. But, our growth should also be profitable. That is why we have initiated the strategic switch to the WaaS business model.

Pieter Bourgeois. These are indeed the five key strategies for Ekopak: (1) securing access to the capital markets in order to have the necessary resources at our disposal for the implementation of our business plan, (2) growing our business in the markets in which we are already active, (3) growing through geographical expansion, (4) focusing on sustainability, (5) fully playing the card of the WaaS business model. Actually, I would like to add a sixth strategy: develop new concepts, for which the Waterkracht joint venture in the port of Antwerp is a good example.

From your answer I understand that for Ekopak sustainability is more than just another project?

Pieter Loose. That's right. At Ekopak, we have always been very conscious of our impact on the world. Sustainability is the balancing act between the social and environmental needs of our stakeholders on the one hand and the growth of our business on the other. This approach is the cornerstone of our sustainability strategy, but also of our entire long-term business strategy.

Pieter Bourgeois. Sustainability is simply also a matter of common business sense. As a company that offers solutions to water supply issues – and thus enables its customers to operate in a more sustainable way – it is self-understood that Ekopak wants to be a sustainable company itself. That is why we signed the principles of the UN Global Compact in April 2021. Together with the specialized agency Encon, we have already had several workshops to integrate sustainability into our strategy and our activities. Joining UN Global Compact also implies our commitment to adopting a validated methodology to set our sustainability goals, to measure our progress in meeting them and to report on the progress on an annual basis. This annual report further explains this methodology and you can already track our progress in that regard. Our first sustainability report will be published in the second quarter of 2022. Starting next year, you may expect an integrated annual report from Ekopak, in which sustainability is entirely embedded.

Obviously there are a lot of things to do at Ekopak. How are you tackling all that?

Pieter Bourgeois. Our CEO's energy and drive are impressive, and he also manages to take his entire team along with him. However, this will not be enough to meet the challenges and opportunities that lie ahead. It is the task of the Board of Directors to support and coach the management. We have carefully analyzed this challenge. Ekopak's growth strategy must not only be sustainable, but also manageable. You can do two things to achieve manageable growth. Either you remove a number of things from the priority list, or you strengthen the organization. Considering the wave on which Ekopak is currently surfing, the first option would be a missed opportunity. So we have deliberately chosen to also provide the necessary resources to build Ekopak's organization, systems, processes and procedures for the future.

> **"Ekopak's growth strategy must be sustainable, but also manageable. That is why we are already building an organizational structure that is anticipated for future growth."**
>
> Pieter Bourgeois – Chairman

Pieter Loose. I really appreciate the role that our Board of Directors has played in this respect. Together, we have opted to start building systems and processes that already anticipate Ekopak's expected future growth. This option goes with a certain price tag, but in the long term it is the only solution. We do not want to muddle along in the margins, but we resolutely choose to build a solid structure. Just as we endorse the principles of the UN Global Compact for our sustainability strategy like many blue chip companies do - we are also building an organization that can emulate these large companies. The Corporate department will be further expanded. We have already taken this into account in the plans for our new headquarters, which we are going to build on an industrial estate alongside the E17 freeway near Deinze. This building, which we plan to bring to use in the spring of 2021, will be a textbook example of sustainability.

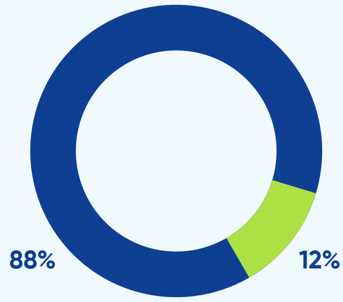
So, Ekopak will be working at several construction sites this year?

Pieter Bourgeois. Indeed, we also hope to be able to start the construction of the water treatment plant for the Waterkracht joint venture in the port of Antwerp very soon. Ekopak's expertise mainly concerns decentralized circular water supply. But with Waterkracht this circular water supply will become more centralized, since we will supply the purified water from a central installation in the port to several customers in the port area. As of 2025, Waterkracht aims to purify 20 billion liters of water a year for circular use. If you can have that kind of impact in your area of expertise, then you should go for it.

Pieter Loose. Our stakeholders can count on us.

Key Figures 2021

Revenue 2021
Geographic segmentation



● BeLux ● Other countries

58.6 million

Equity

31 Dec 2021

Composition

Female vs. Male

17% - 83%

Management

33% - 67%

Board of Directors

43% - 57%

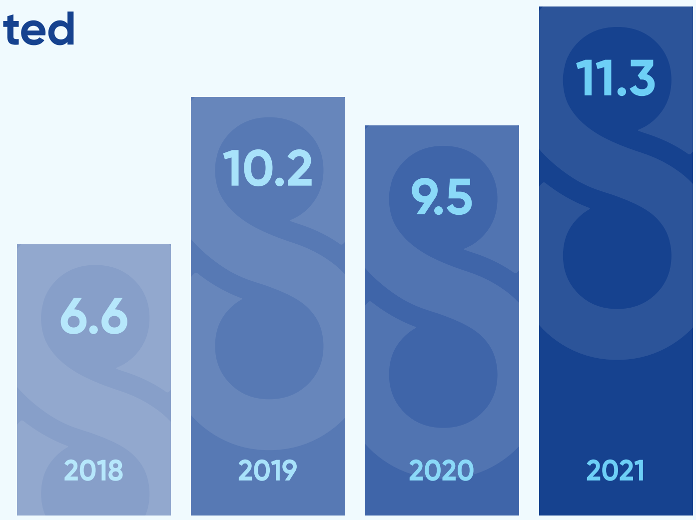
Full-time vs. Part-time

89% - 11%

Fixed-term vs. indefinite duration

99% - 1%

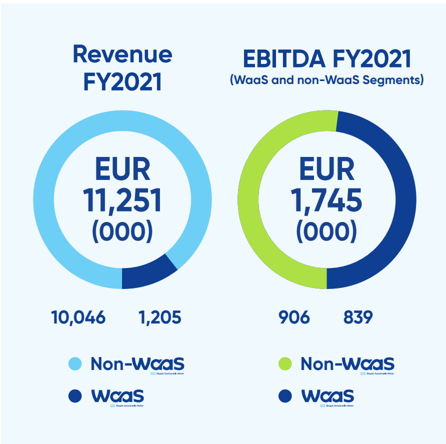
Consolidated turnover



Numbers in Million €

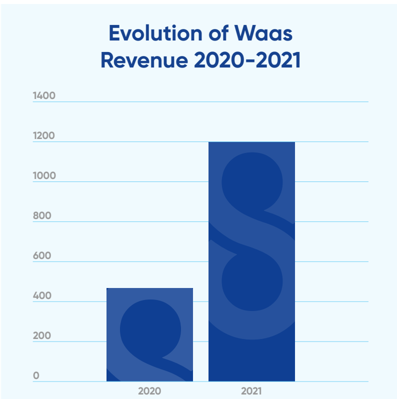
In 000 €

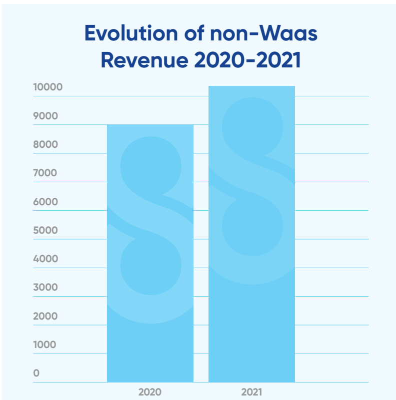
	1st Half 2021	1st Half 2020	1H2021/ 1H2020	2nd Half 2021	2nd Half 2020	2H2021/ 2H2020	Full Year 2021	Full Year 2020	FY2021/ FY2020	As a % of revenue FY2021	As a % of revenue FY2020
Revenue											
WaaS segment	281	224	25%	924	241	283%	1,205	465	159%		
non-WaaS segment	4,207	5,124	-18%	5,839	3,890	50%	10,046	9,014	11%		
Total segments	4,488	5,348	-16%	6,763	4,131	64%	11,251	9,479	19%		
EBITDA											
WaaS segment	199	157	27%	640	156	310%	839	313	168%	69.6%	67.3%
non-WaaS segment	502	218	130%	404	119	239%	906	337	169%	9.0%	3.7%
Total segments	701	375	87%	1.044	275	280%	1,745	650	168%	15.5%	6.9%

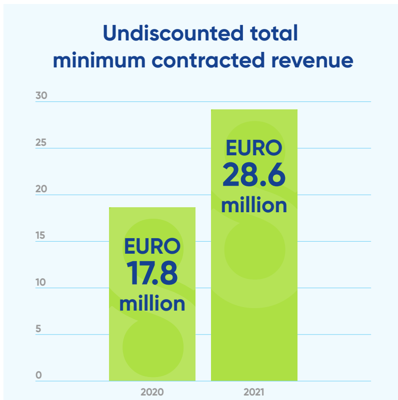


Evolution headcount

	FTE 2020	FTE 2021	Headcount 2020	Headcount 2021
Ekopak BE	32.3	46.3	39	63
iServ		7.59		14
Ekopak FR		0.5		2
Total		54.4		79







Operational highlights 2021

In 2021, Ekopak initiated its strategic transition to the Water-as-a-Service (WaaS) business model. This strategy was inspired by Ekopak's intention to optimize the product mix in favor of those activities that offers the highest growth opportunities while generating the best margins and providing a high degree of predictability.

This strategic transition got off to a flying start in 2021. The WaaS business now represents 11% of Revenue but contributes 48% to the EBITDA for both business segments in 2021.
Ekopak's overall revenue witnessed a double digit growth (+19%) in 2021 compared to 2020. While the transition to the WaaS business model immediately picked up speed, the non-Waas business continued to grow as well.
The EBITDA of the combined WaaS/non-Waas business represents 15.5% margin on EUR 11.3 million revenue – more than double of the 6.9% margin of 2020.
One-off expenses of EUR 0.6 million and corporate costs lead to an Operating Result of EUR -0.6 million and a Net Result of EUR -0.7 million.

WaaS business shifted into higher gear

While Ekopak's WaaS business revenue already witnessed a remarkable growth in the first six months of 2021, it more than trippled in the second half of 2021: from EUR 0.3 million in 1H2021 to EUR 0.9 million in 2H2021. This results in a revenue of EUR 1.2 million for the full year – i.e. a 159% growth compared to 2020.

The signed WaaS contracts as at 31 December 2021 represent an undiscounted Total Contracted Value of EUR 28.6 million (billable over the period 2020-2034). This compares to an amount of EUR 17.8 million as at 31 December 2020 (billable over the period 2020-2031). The 61% increase demonstrates the success of the strategic transition to the WaaS business model.

The evolution of the EBITDA from the WaaS business kept pace with the revenue growth acceleration from 1H2021 to 2H2021, resulting in EUR 0.8 million for the full year 2021 and representing a solid 70% margin on revenue, i.e. above the 67% margin applied in our business plan.

The 2021 performance of this business segment underscores Ekopak's key strategy to strengthen the WaaS pipeline as the basis for growth in recurring annual revenue, earnings and cash flows.

Solid non-WaaS business performance

The 18% decrease of the revenue from Ekopak's non-WaaS business in the first half of 2021 has been more than offset by the impressive 50% revenue growth in the second half – thus resulting in a 11% growth for the full year 2021. This implies that Ekopak's strategic transition from non-WaaS to WaaS can involve business growth in both segments at the same time.
The EBITDA of EUR 0.9 million for the non-WaaS business over the full year 2021 represents a margin of 9% of the corresponding revenue: a solid performance!

The future perspective for Ekopak's non-WaaS business is illustrated amongst others by the contract with Vynova, for which the revenue is expected to be entirely recognized in the financial statements by the fourth quarter of 2022, i.e. upon completion of the water treatment installation at the site in Tessenderlo, Belgium. Vynova is an international chemical company active in the production of PVC and chlor-alkali products, which are used, among others, in the construction, medical, food and pharmaceutical industries.

Preparing for future growth

In April 2021, Ekopak has acquired iSERV with the aim to strengthen its platform in anticipation of future growth. iSERV is now integrated in the organization as the Water Treatment service provider for both Ekopak's non-WaaS customers and its WaaS operations.

Along with the strategic transition from the non-WaaS to WaaS business model, Ekopak embarked on its geographic expansion with the creation of its first foreign subsidiary – a pilot project for more comprehensive mid-term plan.

In August 2021, Ekopak created its first ever foreign subsidiary, Ekopak France, and opened branches in Rouen and Lyon. From this base, Ekopak can maximally benefit from business opportunities in the major French water treatment market, the first market abroad that will now be intensively explored by the company. Revenue beyond Ekopak's traditional home markets Belgium and Luxembourg, grew 87% and represents 12% of total Revenue in 2021.

Fully aware of the challenge to adequately manage the numerous business opportunities that present themselves, Ekopak has spent EUR 0.8 million (recognized in the Corporate reporting segment) for setting-up adequate systems and procedures, anticipating the continued future growth of the group as well as reflecting Ekopak's commitment to live up to its sustainability strategy by initiating the implementation of the standards of the Global Reporting Initiative.

Balance sheet situation illustrates careful management of resources

The proceeds of the successful IPO lead to a significant strengthening of Equity on the balance sheet at 31 December 2021. Equity represents EUR 58.6 million on a balance sheet total of EUR 67.4 million. The appropriation of Equity is carefully considered, as indicated by the fact that between 30 June 2021 and 31 December 2021 Equity has only slightly evolved from EUR 59.1 million to EUR 58.6 million.

Total liabilities at 31 December 2021 amount to EUR 8.8 million versus EUR 6.9 million at 31 December 2020. This increase is mainly related to Trade, tax and other payables, reflecting the growth of Ekopak's business.

The growing business is also reflected in the evolution of the Assets. The EUR 4.3 million increase of the amount for Property, plant and equipment (between 30 June and 31 December 2021) mainly refers to water treatment installations for the WaaS operations (EUR 3.7 million). The increase of the business size of Ekopak also involves an increase of the amounts for Inventories and Trade receivables.

Cash and cash equivalents and other current assets evolved from EUR 50.0 million at 30 June 2021 to EUR 42.1 million at 31 December 2021. In addition to the costs associated with the IPO, the acquisition of iServ also led to a reduction in the cash position. Moreover, several installations for WaaS-projects have been paid in cash in 2021, although a sale-and-lease-back approach for large WaaS project still remains under review for the future. Again, this illustrates that Ekopak's cash resources are well managed.

Business Outlook 2022

The proceeds from the IPO are managed with consideration and enable Ekopak to further fund its growth strategy. In 2022 Ekopak will definitely continue to put these resources to work in order to create shareholder value.

Since revenue from WaaS contracts is only recognised as of the moment that the installation becomes operational, a substantial part of WaaS contracts signed in 2021 is not yet included in the FY2021 figures. On an annualised basis (i.e. assuming that contracts are operational for 12 months), the signed WaaS contracts as at 31 December 2021 represent a secured* annual turnover of over EUR 2.8 million in 2022. This excludes the potential uplift revenue that comes on top of the minimum contracted annual revenue of the existing contracts as well as the revenue from new WaaS contracts that will be concluded in 2022.

The accelerated market acceptance of the innovative WaaS concept leads to a solid triple digit growth forecast for this segment in 2022.

Based on the encouraging performance of the non-Waas segment in the second half of 2021, Ekopak aims for a double digit revenue growth for this segment in 2022.
Ekopak is also very ambitious for its 2022 business in France. The French subsidiary that was created in August 2021 is gaining traction and has already convinced a number of high-end customers of Ekopak's solutions, which is very encouraging for the future.

It goes without saying that possible shifts from new customers between WaaS and non-WaaS could impact the forecasted figures for the rebalanced revenue mix WaaS/non-WaaS for 2022 and thus also for the group's total revenue and profitability. While Ekopak has not identified an immediate impact on its business from the current turbulent political and economic environment, these factors too, further complicate a more precisely calculated growth forecast than indicated above.

Ekopak has made a strong start in 2022 and feels confident that this momentum will continue. In January, we announced that we have signed a Memorandum of Understanding with PMV and water-link to set up a joint venture, that will convert the treated waste water from Antwerp households into cooling water for companies in the Port of Antwerp by 2025. The joint venture, in which Ekopak will have a 51% stake, is named Waterkracht ('water power') and is a leading example of public-private partnership. If all goes according to plan, 20 billion litres of water will be recycled each year as of 2025. Just a few weeks later, we revealed our plans to construct a new building, comprising an office building and a factory workshop, on a plot of approximately 2.1 hectares on an industrial zone in Deinze, Belgium. The current Ekopak head offices in Tielt, the office in Ghent and the warehouse in Roeselare will be integrated into this new site, which is conceived as a sustainable building and will meet environmental specifications that go beyond those legally required. Ekopak anticipates to move into the new premises in the spring of 2024.

The company has the necessary resources at its disposal, has mapped out the right strategy, has tapped into the major French market and, above all, can rely on the WaaS business model that has conclusively demonstrated its value in 2021.

Ekopak is not directly exposed by the war in Ukraine. The group has neither in Ukraine nor in Russia any installations and is not exploring these geographic markets for its business. Ekopak does not procure any equipment, key components and ingredients from these countries. It cannot be excluded that Ekopak may be affected indirectly from this situation, more specifically when major customers would be affected, which could over time result in delayed orders. We cannot estimate the impact the macro economical situation might have in the future.

** In general, there are contractually agreed minimum monthly fees over the term of the contract, but, generally, the agreement also stipulates the conditions upon which a contract can be terminated*

The story behind Ekopak's mission and growth

A lot has happened for Ekopak in these past few years. It's a good time to appreciate how far we have come, before we tackle the work that is still in front of us.

Turning water users into water producers

The simplest description of what Ekopak does, is provide industry with sustainable water management. This provides companies with a changemaking solution to different issues they face. But how exactly? And what makes a decentralized source a better solution than any water saving project companies might already be implementing? Let's get into it.

Companies carry a responsibility toward their stakeholders that includes minimizing their negative impact on the environment. Considering the ever more frequent periods of extreme drought and the enormous consequences that has on our society, a responsible attitude towards water usage is essential – especially if a company uses very large quantities of water and is largely dependent on the availability of this natural resource.

Many businesses are already aware they need a more conscious approach to their usage of water but have until now focused almost exclusively on projects to try and save water. And that is just not enough to truly deal with the layered issues they face concerning their water usage.

Companies might need water for a variety of reasons other than standard sanitary use, which is obviously already larger scale than that of a family's household, for example. Additionally, factories or other industrial facilities might use a lot more water in their processes or as an ingredient in their product – and that is where their usage is the most important.

Because not only is this where they use the largest quantity of water, this is also where the water has the biggest impact on the business itself. A company could quite easily survive a short interruption in their sanitary water supply because their core activities don't entirely depend on it. But if a company's water supply for its processes is cut off, it can create a serious safety risk for its employees and the consumers of its final product.

> **A decentralized water source enables businesses to disconnect from the regular water network and start a circular use.**
>
> Pieter Loose – CEO

A decentralized water source offers a more comprehensive solution than simply 'saving water', explains Ekopak CEO Pieter Loose: "It enables businesses to disconnect from the regular water network and start a circular use by revaluing and recycling the water." In other words, instead of 'wasting less water', let's not waste any water for industrial purposes at all by using a decentralized water source for an endlessly renewable supply. That not only allows companies to minimize their water footprint, but it also makes them much less vulnerable to water scarcity and the negative effects a water shortage and potential interruptions of their processes.

Smarter and more sustainable

"It is smarter, safer and more ecological to stop using and wasting drink water, and to switch to alternative sources such as wastewater, rainwater and surface water", says Loose. "But of course, in making that switch, water treatment plays a crucial role." Aside from their need for water continuity, businesses are also dependent on the quality of the water. It's important to note here that 'quality' does not mean one general set of requirements that water has to meet: the characteristics that render water usable for one factory, might not make it usable for another facility.

"Our ambition is to convince all companies to disconnect from traditional water sources," proclaims Loose. He's not just speaking out of enthusiastic ambition for Ekopak's growth, or not even for the preservation of our precious natural resources – it also genuinely makes the most sense for other business leaders.

> **When natural water reserves are exhausted, companies will certainly feel the negative economic impact of this. If companies become self-reliant, that offers them the advantage of certainty.**
>
> Pieter Loose – CEO

By switching to a decentralized source, companies simultaneously guarantee the continuity of their own process water, and that of drinking water for the rest of society. It is not only the right thing to do, but also simply a matter of limiting business risks. When natural water reserves are exhausted, companies will certainly feel the negative economic impact of this. If companies become self-reliant, that offers them the advantage of certainty.

That is why Pieter Loose can barely contain his excitement when he announces Ekopak's ambitious dreams for the future: "We are convinced that by 2030 50% of companies in Belgium will no longer be connected to a traditional water source. By 2050 this will be the case throughout Europe."

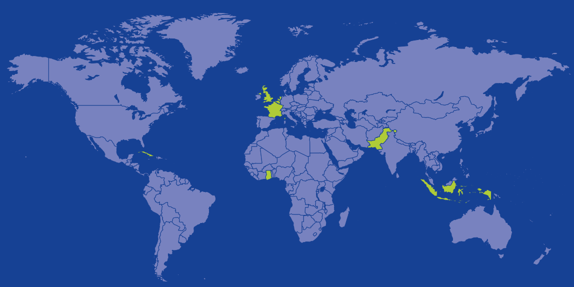
Our business units

For managing its performance Ekopak has adopted two business units, corresponding with an equal number of reporting segments: WaaS and non-WaaS – with WaaS being the acronym for Water-as-a-Service.

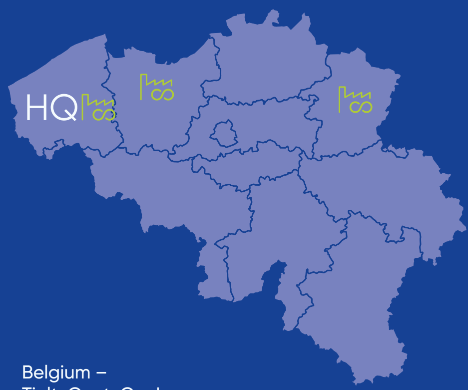
In the non-WaaS business model, Ekopak focuses on designing and building water purification installations with the option to also cover the related servicing once the installation becomes operational. In this business model, the main part of the revenue recognition consists of the sales of the water purification installations to the customer, complemented by consultancy services, after-sales services and consumables supplies. The non-WaaS business is characterised by high operating income levels (inherent to the sale of these investment goods), combined with single to low-double digit EBTIDA-margins, depending on the mix between sales of consultancy services, investment goods, consumables,...

The WaaS business model combines Ekopak's design, build, finance, operation and maintenance services in a one-stop-shop, end-to-end solution with pay-by-the-drop pricing. Each WaaS agreement generates revenues in the form of a contractually agreed minimum monthly fee over the term of the contract, as from the first m^3 of water supplied. Ekopak aims for an initial contract term of 10 years, with fixed €/m^3 prices. Inherent to the WaaS business model is the fact that operating income is spread over the total lifetime (target: 10 years) of each agreement. Whereas a comparable non-WaaS contract largely results in a one-off revenue, a typical 10 year WaaS-contract secures 120 monthly revenues. As such, the WaaS business generates a lower revenue level at the time that the water purification installation becomes operational, but this is secured for the entire duration of the contract. Moreover, the WaaS business generates EBITDA-margins of at least 67%.

Activity



Belgium, France, The Netherlands, Luxemburg, UK, Ghana, Cuba, Indonesia & Pakistan

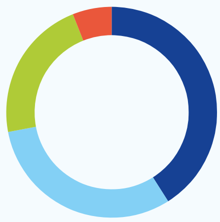


Belgium –
Tielt, Gent, Genk

Focus industries

- Food Industry
- Chemical Industry
- Pharmaceutical Industry

Products & Services



- 40% Water process installations
- 33% Services
- 16% Consumables
- 11% WaaS

Our Partners

Partner	Role
encon	Sustainability
INCERTA	Consultant ISO & VCA
BTV	SCC examination
keppens design & communication	Corporate communication

Trademarks

Ekopak SUSTAINABLE WATER

WaaS Ekopak Sustainable Water

Reporting

- **Listed since 31/03/2021** | Obligation to publish financial results at least twice a year (HY & YE)
- **UN Global Compact** | Participant since 19/04/2021

EURONEXT

WE SUPPORT

Memberships, Associations & Certificat

- **UN Global Compact** | Participant since 19/04/2021
- **VCA** | Since june 2015 | Label renewed in 2021 (until 2024)
- **VCA Petrochemicals** | Ambition to obtain the label by June 2022
- **ISO 9001** | Ambition to obtain the label in 2022

WE SUPPORT

Timeline of our growth

March 2021

Ekopak announces its intention to raise gross proceeds of €50 million through the issue of new shares pursuant to a private placement to qualified investors followed by a listing of its shares on the regulated market of Euronext Brussels.

March 2021

WaaS NV enters into a new WaaS contract with Takeda, for its production site in Lessines, Belgium. The contract covers the annual reuse of 600,000 m^3 of waste water.

March 2021

Ekopak sets private placement price at €14.00 per share, implying a total market capitalization of approximately €201 million. The total size of the private placement, including a partial exercise of the Increase Option and including the placement of the Additional Shares (473,214 existing Shares), amounts to approximately €57 million. The listing and trading of the shares on Euronext Brussels starts.

April 2021

Following the exercise of the "Over-allotment Warrant" and the resulting capital increase, Ekopak's share capital amounts to €6.7 million.

April 2021

Ekopak joined the UN Global Compact on April 19 of 2021, as it provides an excellent framework to offer support and structure to our process of integrating sustainability into our business strategy and operations.

THE GLOBAL COMPACT
WE SUPPORT

April 2021

Ekopak announces the integration of iSERV, a specialized service provider for water treatment and sector partner.

June 2021

Vynova, an international chemical company active in the production of PVC and chlor-alkali products, signs a contract with Ekopak for the construction and installation of a demineralisation plant that will supply the Vynova site in Tessenderlo (Belgium) with over one million cubic metres of pure and sustainable process water per year.

August 2021

Ekopak sets up Ekopak France with the opening of two branches in France: the first in Rouen (focussing on projects in northern France, including the industrial areas of Lille, Paris, Metz, Rennes and Nantes), the second in Lyon (focussing on central and southern France).

September 2021

Ekopak publishes its interim results for the first six months of 2021, indicating that the strategic transition to Water-as-a-Service (WaaS) business model gets off to a flying start with a 25.4% increase in WaaS business revenue.

September 2021

Several new WaaS-projects are announced on Ekopak's website, including a full redesign of the water treatment facility of the Brussels university hospital, UZ Brussel, as well as a water treatment system for the Lahore facility of the Sapphire textile group in Pakistan, as part of a larger project of Vyncke, a company headquartered in the same region as Ekopak.

September 2021

Ekopak announces to be the official co-title shirt sponsor of the international cycling team Quick Step – Alpha Vinyl, with top riders including Julian Alaphilippe, Remco Evenepoel, Kasper Asgreen and Fabio Jakobsen. Few days after this announcement, the French rider Julian Alaphilippe wins the world championship. In his rainbow shirt, Alaphilippe will play an excellent ambassador's role for Ekopak's growing business in France and beyond.

November 2021

Ekopak initiates its plan to optimize the legal structure for the group, with a proposed merger by acquisition between Ekopak NV, the acquiring company, and on the other hand, Water-as-a-Service NV and iSERV BV as the companies to be acquired.

Ekopak foresees to publish its sustainability report in the 2nd quarter of 2022.

An ongoing journey

Major changes also mean new challenges and new needs for Ekopak. To manage its explosive growth and create a stable environment for future success, Ekopak will need to change its fundament.

To protect the company's purpose and the wellbeing of its employees; Ekopak needs a framework that doesn't separate business from sustainability strategy but integrates both to form a guiding light for the entire company, and for its growth. "There is only one way to make sure your growth will create the positive impact that you want to, and that is when sustainability is baked into the business strategy", explains Pieter Loose. "The process started with holding up a mirror to ourselves and really seeing who we are. Otherwise, we couldn't possibly define what sustainability means for our company, exactly, and how we could integrate it in every aspect of our business and organization."

> **"There is only one way to make sure your growth will create the positive impact that you want to, and that is when sustainability is baked into the business strategy."**
>
> **Pieter Loose – CEO**

This strategy provides Ekopak with a framework for its operations and with both social and environmental KPIs for the short and the long term. "We are all very aware that this is really only the beginning of our journey", says Loose. "It is a process of continuous development. In the next few years, we must implement the plan that is on the table, while we must constantly evaluate to find out how and where we can do better. This thing we have started – this journey towards an ever-growing positive impact on our world – it will have no ending. We will keep raising the bar."

Step by step

While Ekopak has succeeded in establishing a strong corporate culture with a clear mission, values and principles, this now needs to be formalized and integrated. In recent years the company needed to focus all its efforts and attention on its rapid growth.

In 2022, Ekopak will make it top priority to create the structure the company needs to build on. Formal policies will be drawn up to protect the company's culture and everyone's rights within its organization: standards, a code of conduct and a written policy for safety, ethics and health are all a part of this.

This also applies to the existing baseline measurements: they, too, need to be complemented and formalized. Ekopak is well aware of this and therefore further formulation and implementation of these baselines will also be a strong focus for the company in the coming years, so that it can get a firm grasp on its current state and measure its improvements.

We invite you to check back in with us a couple of months from now, or perhaps in next year's report – so we can show you the next steps we have taken.

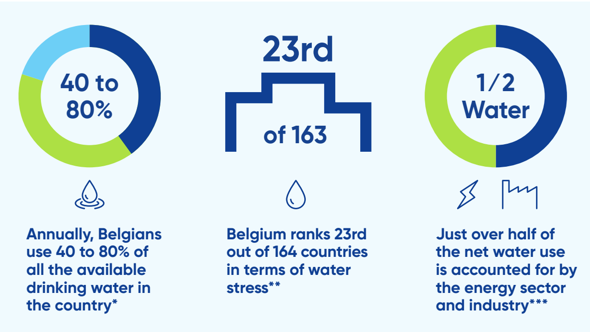
Where we are today: no drop to waste

To know where we need to go in the future, we must fully understand where we are today. Ekopak's story is inextricably linked to the world's rising water demand and shortages. While a sustainable approach to water usage has become ever more relevant, this has continuously fortified Ekopak's focus and determination to offer real, viable solutions to a situation that endangers everyone on this planet.

Water demand: the world's excessive thirst

Since the 1980's the global use of freshwater rises at a rate of roughly 1% every year. The United Nations World Water Development Report 2021 attributes much of this growth to a combination of population growth, economic development and shifting consumption patterns. Agriculture currently accounts for 69% of global water withdrawals, says the report, which are mainly used for irrigation but also include water used for livestock and aquaculture. Industry (including energy and power generation) accounts for 19%.

Water stress in Belgium



Ekopak's home market Belgium is not an exception to this global trend. Research by the World Resource Institute shows that Belgium is among the countries with the most water scarcity in the world. Every year Belgians use as much as 40 to 80% of all available drinking water in the country. It places Belgium as 23rd out of 164 countries surveyed. Just over half of the net water use is accounted for by the energy sector and industry. The latter thus has an impact on water use that is much more important than that of households or agriculture: industry needs the water for its production process or as an ingredient for its products.

Water availability: an (in)exhaustible resource

While the demand for water keeps increasing, water availability is decreasing. In absolute terms, the total renewable freshwater resource in Europe is around 3,500 km^3 per year. The Mediterranean islands of Malta and Cyprus and the densely populated European countries have the least available water per capita.

Belgium also feels the effects of the climate change: forecasts indicate that our region will continue to have a very high probability of long dry periods in the summer months, after having recently faced four consecutive summers with periods of extreme drought. Aside from endangering the drinking water supply, the droughts have another dangerous effect on society. While it does rain less often, the rainfall – when it eventually happens – has become more concentrated and intense. This has elevated the risk of devastating floods after heavy rainfall, as the preceding periods of drought have reduced the capacity of the soil to absorb and drain water.

The effect: water stress and blue out

A structural water shortage is looming in the future. Water stress – a shortage of drinking water versus the demand – affects many parts of the world. The United Nations World Water Development Report 2021 reports that over two billion people live in countries experiencing water stress, which may lead to many devastating consequences.

Many companies today are still entirely dependent on drinking water for their processes or production because it is the only source of water available to them. Yet as this water source threatens to fluctuate or fall away completely, companies' product and process continuity comes under threat.

The answer: a paradigm shift in water management

The analysis of the current global water demand and availability makes it clear that an adaptation to climate change is urgent and needs a global approach. It is precisely here that Ekopak identifies its potential to be a catalyst for change, by raising awareness among companies that more sustainable water use within the industry is possible thanks to decentralized and renewable water sources. In this way, Ekopak takes up its responsibility in the realization of the United Nations Sustainable Development Goals. These SDGs are the goals the world is setting for 2030, as a framework to evolve towards sustainable development. "Ensure availability and sustainable management of water and sanitation for all" is the official wording of SDG 6, aiming for clean water and sanitation for all people.

Within SDG 6 you can find six 'outcome-oriented targets': safe and affordable drinking water, end open defecation and provide access to sanitation and hygiene, improve water quality, wastewater treatment and safe reuse, increase water use-efficiency and ensure freshwater supplies, implement IWRM (integrated water resources management), protect and restore water-related ecosystems. Next to SDG 6 water is also an important element in SDG 9 (industry, innovation, and infrastructure) and SDG 13 (climate action). Water plays indeed an important role within the industry and is closely linked to the climate.

* *wri.org/aqueduct*
** *wri.org/aqueduct*
*** *Willems, P., et al. (2020), 'Uitwerking van een reactief afwegingskader voor prioritair watergebruik tijdens waterschaarste'*

Our value chain: turn the tide

The idea of the value chain is based on the process view of organizations, the idea of seeing a manufacturing (or service) organization as a system, made up of subsystems each with inputs, transformation processes and outputs. Ekopak's value chain is built around the increased urgency regarding the establishment of circular processes and should be seen within the broader paradigm shift towards a stakeholder economy.

In contrast to a shareholder economy, companies within a stakeholder economy consider all stakeholders who are affected by the company. For example, strategic decisions touch upon the needs of employees and shareholders but as well the needs of suppliers and customers and on less obvious stakeholders such as society or NGO's. In other words: the actors in the value chain are only one part of the Ekopak stakeholders.

A credible strategic management therefore assumes an economic as well as a social and an environmental aspect. It always seeks to balance what is important to stakeholders with what is important to the company. These three aspects do not function in isolation, a credible sustainability promise requires a systemic approach in which mutual influences are recognized.

Ekopak doesn't see itself and its purpose as a standalone. The impact the company can have in the market is crucial. The operational model is built on the ambition to use its impact to move the market forward in a positive way and to raise awareness about water shortage. "We have come a long way", says CTO Joost Van der Spurt. "A decade ago, we met chemical plants for whom our proposition was 'just about water'. Today, Ekopak experts are welcomed to provide solutions around water. That changed perception demonstrates very tangibly that we can really make an impact on the stakeholders in our value chain."

"There is a need for innovations that allow companies to reuse wastewater and to use alternative sources in a circular economic model. I think innovation, both technological and in terms of business models, will leverage this circular evolution. We are already noticing that the increasing demand and the drive to innovate are accelerators for Ekopak's growth."

Pieter Loose – CEO

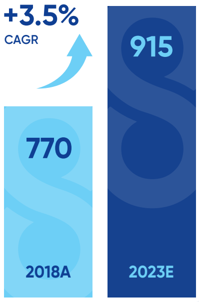
Ekopak operates in a new, innovative, and fast-growing market. The global water and wastewater expenditures by utilities and industrial water users is predicted to grow 3.5% CAGR by 2023. Only 2% of urban wastewater is re-used in the EU, but at the same time the water supply market is increasingly gaining relevance across global stakeholders.

Ekopak's key technology segments are growing at an even faster pace. By 2024 the reverse osmosis market aims for a growth of 8.7% CAGR, the ultra-filtration market is targeting a growth of 15.3% and the nano filtration market will progress with 18.2%.

Driven by increasing water scarcity, increasing water demand, progressively stringent regulations and more relevant ESG goals, many industrial water consumers are seeking ways to reduce their overall water use footprint and to use water in a more sustainable way. To accomplish its mission, Ekopak made the strategic choice to focus on industries with a high water usage and the need for water with particular qualities. As a result, assignments in the food industry, the pharmaceutical industry and the chemical industry have become very important for our business.

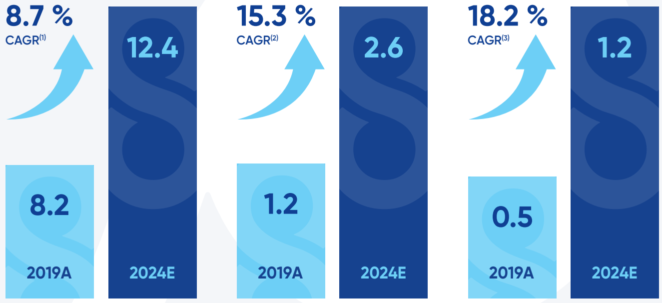
Our market

The legacy global industrial water market is vast & growing.



Source(s): (1) Global Water Intelligence (GWI) – Global Water Market in 2018; (2) United Nations – The UN World Water Development Report, 2020

Ekopak's key technology segments are growing at a fast pace.



Note(s): (*) Tubular/ spiral nano membrane market Source(s): (1) Allied Market Research – Reverse Osmosis Membrane Market Outlook - 2025, 2018; (2) Reports and Data – Ultrafiltration Market Size, Share And Analysis By Type And By Applications, 2020; (3) bcc research – Nanotechnology, 2019

Ekopak's Sustainable Growth

Though sustainability has always played an important role in Ekopak's history, in 2021 the company started its transition from undertaking various initiatives and projects to approaching sustainability in an intentional, consistent, and integrated way. In this chapter of our report, we would like to outline the process of developing our sustainable strategy and introduce its four pillars.

> **"By establishing our sustainable strategy, we clearly identify where we can create the biggest impact – allowing us to streamline our efforts where it makes most sense."**
>
> Els De Keukelaere – CFO

To be continued...

In Q2 of 2022 we will publish our first sustainability report, which will illustrate the process in full and will also detail our concrete ambitions and goals as validated by our Board of Directors.

The process

STEP 1: it starts with us

For our company to grow sustainably, we don't separate our business strategy from our sustainability efforts, but rather develop them both so they reinforce each other. That is why our sustainable strategy starts with determining the business strategy: what do we do as a company? What do we stand for?

Once we have a very clear understanding of who we are, we can recognize the actual impact that we have as a company. Our strategy must then guide us where we are able to create the biggest impact, so that it not only assures this impact is as positive as possible, but that it also strengthens our business.

"Sustainability is achieving that balance between ecological, social, and economic aspects. When this balance is achieved, whatever we do for the good of the world, will also be for the good of the company – and that is how we will be able to grow sustainably."

Pieter Loose – CEO

STEP 2: all about the stakeholders

Once it is clear what we do as a company, we can identify where our biggest impact lies, and what our priorities and risks are. But for that, we need our stakeholders. If 'sustainability' is the balance between ecological, social, and economic aspects, we need to determine which ecological and social aspects are important for our stakeholders, and thus for our company.

Because our stakeholders are impacted by our business, they experience certain needs. These materialities represent potentially interesting opportunities for Ekopak (if we can meet these needs) but they can also express significant risks (if we fail to meet them). Talking to our stakeholders broadens our horizon, so that we don't experience the world through our own tunnel vision but are made aware of the risks and opportunities that lie outside of our own perspective.

Discover more

In our sustainability report, we'll explain how we identified our stakeholders, plan to communicate with them in the future and how we learned about their materialities regarding Ekopak.

Ekopak's stakeholders

1 Suppliers	2 Owners & Investors	3 Employees	4 Clients	5 Communities
• Main Suppliers • Construction Materials • Chemistry • Containers • Pumps • Membranes • Transporters	• Green funds • Shareholders • Board of Directors • Individual shareholders • Banks • Pilovan & Alychlo	• Employees • Subcontractors	• Big clients • Food industry • Chemical industry • Pharmaceutical industry • Clients in countries prone to corruption	• Ecological frameworks Europe • Blue Deal • Green Deal • Certificates • BREEAM • VCA • ISO • UN GC • Government/ municipality/province • Nature associations • Schools/universities
Suppliers of semi-finished products Transport purchasing Car dealership	Management team Collaborators	External employees • Interim • Trainees & Students External services Cleaning service	Employees of the client Children & family of the client End customer of the product/consumer	European Union NGOs Competitors Environmentalists Neighbors
Insurance company		Transportation (sales) Family of employees		Quick-step Alpha Vinyl UN Water.org BMC Financial associations

No business can become 100% perfect, but that shouldn't stop us from steadily and purposefully improving ourselves step by step. We do so by prioritizing the things with which we can make the biggest difference.

Dwight Vandendaele – Ekopak Belgium

STEP 3: priorities

Sustainable development is only possible if we have a positive impact on the world around us, as well as on the economic reality of our company. Drawing up our strategy is a constant balancing act, then – in which we need to prioritize those issues that have the most impact on both sides.

As soon as we are aware of our stakeholders' needs, we need to determine which materialities to prioritize and integrate into our strategy. We determine these priorities by plotting all materialities on a matrix that considers both the relative impact Ekopak has on a materiality (and thus on the stakeholder) and the impact a materiality has on Ekopak's business. In that way we can find the right balance between people, planet and profit that allows us to further develop sustainably.

Discover more

In our sustainability report we'll show our materiality matrix and explain the process that went behind the prioritization of the materialities.

STEP 4: determining our sustainability pillars

A list of materialities would not be a very effective way to communicate what sustainability means to Ekopak. By integrating them into a clear and concise story, it helps our company communicate – internally as well as externally – where our focus and priorities lie.

Ekopak Sustainable Water

- Renewable Water Use
- Safe Water Use
- Eko-wolfpack
- Responsible Asset Management

Renewable water use
The world is headed to a major shortage of usable water. To avert an ecological and humanitarian disaster we need to use the right water sources for the right applications. Only then will our water usage become renewable and therefore sustainable. To make this possible Ekopak supports companies in their transition from the traditional water grid to a decentralized supply.

Safe water use
Companies use water either as process water or as an ingredient in the product. In both cases the water has an important impact on safety. Ekopak guarantees this safety by treating the water to the desired quality and by maximizing continuity.

Eko-wolfpack
Ekopak makes an important contribution towards more sustainable water usage thanks to its decentralized supply but can only do this thanks to a highly skilful and ambitious team. However, the same drive and passion that drives innovation, can also cause employees to burn out. It is thus essential that Ekopak invests in both the mental health and knowledge of its Eko-wolfpack.

Responsible asset management
The impact of Ekopak's own operations is small compared to the difference we make for our clients' impact. Still, we also want the improvement of our own footprint to stay at par with the evolution of society. Our focus is on our buildings and our mobility, as we aim to reduce our negative impact on CO_2 emissions, air pollution, water, energy and waste.

> **While we developed our sustainable strategy in 2021, the real work begins in 2022: we will have to deepen and strengthen the approach we have taken. Our focus will be both on the concrete projects, and on a more structured engagement with stakeholders.**
>
> Els De Keukelaere – CFO

STEP 5: acting where it matters

Our pillars offer the foundation for a specific project plan according to our priorities. Such a project plan makes sure that every action Ekopak takes, will support its sustainable strategy. Below, we will summarize the framework our pillars create for Ekopak.

In our sustainability report, we'll share with you a detailed and complete project plan that clarifies what our objectives are, where we stand today and how we want to improve, as validated by our Board of Directors.

Ekopak's sustainability pillars and the SDG's

Renewable Water Use

The right water source for the right application

Safe Water Use

Quality and continuity to guarantee safety

Eko-wolfpack

Passion and knowl-edge as the motor to make water renewable

Responsible Asset Management

Minimize the negative impact of our build-ings and mobility

Using the right water sources for the right applications

Switching to a decentralized water supply

The first part of this pillar is Ekopak's commitment to help companies switch to a decentralized water supply. This starts with an analysis of all possible residual flows – from wastewater and rainwater to surface water – to provide the decentralized supply with sufficient water for process continuity. Based on this analysis we determine which treatment the incoming water needs to achieve the desired quality. In close collaboration with the academic world, Ekopak applies innovative solutions within this process to maximize the use of the decentralized supply: optimizing its usability for the customer in terms of both quality and continuity.

Impact

- Smaller water footprint
- Water continuity and quality guaranteed
- Independent of fluctuating costs of traditional water grid
- Resilience in the face of water scarcity

Takeda Lessines makes the switch

The decentralized water supply at Takeda Lessines converts the site's wastewater back to drinking water through ultrafiltration and reverse osmosis (3x50 m^3/hr). Before, Takeda had a consumption of 700.000m^3 of city water per year. This number fell by 90% after switching to a decentralized water supply: only when the residual flows can't guarantee continuity, does Ekopak add the absolute minimum of drinking water.

Raising awareness about decentralized water supply

To maximize the impact of renewable water use, it's not enough to focus on the actual implementation of the decentralized water supply, as many companies remain insufficiently aware of its existence and opportunities. Awareness needs to be raised about the Ekopak products and services, to motivate stakeholders in our value chain – suppliers on the one hand and customers on the other – to make more sustainable choices.

Impact

- By informing companies of the advantages and opportunities that a decentralized water supply can offer them, it will intrinsically motivate them to want to disconnect from the drinking water grid and lower their water footprint.
- Simultaneously, raising awareness can make Ekopak top-of-mind for potential customers, which supports our company's sustainable development.

Ekopak minimizes the impact of a decentralized water supply

Convincing as many companies as possible to switch to a decentralized water supply is not a 'standalone' sustainability ambition. Within the strategy we strive to combine a smaller water footprint with minimizing the impact of the installations in terms of chemicals, CO2, energy, and waste. As a result, Ekopak can offer a more economically viable decentralized supply that withstands the ever-increasing pressure of fixed costs.

Created impact

It just wouldn't do to see companies take a step forward in terms of water, only to take a step backwards in terms of other ecological parameters.

Ekopak creates access to drinkable water where needed

At Ekopak we think it's important to create impact beyond the value chain. We already help our customers save many millions of litres of water, but together with Water.org we take it one step further. Through our 'Save water, give water'-program, we help people gain access to drinking water in regions facing severe shortages.

Created impact

The 'Save water, give water'-program is a lever for Ekopak to further raise awareness among its own customers about the impact of climate change.

Water.org

Water.org is a global non-profit organization that works to promote water and sanitation in the world. The organization helps people gain access to safe water and sanitation through affordable financing, such as small loans. This is a life-changing step that gives women hope, enables children to grow up healthy and allows a bright future to families.

Safe water use

Guaranteeing the right water quality of the decentralized supply

Ekopak takes responsibility to maximize the deployment of their decentralized water resources by using the best possible techniques of water treatment to bring the quality of the water to the right level for each client's processes and products. Our engineers visit clients regularly to carry out analyses and to guide them towards optimum water quality. Ekopak's key technologies are reverse osmosis, ultra-filtration, and nano filtration, but we also offer corrosion control, disinfection, or legionella prevention.

Impact

- Process safety in production is crucial for the safety of the production workers.
- Product safety has an important impact on the general population.

1 million m³ purified process water annually for Vynova

Vynova is an international chemical group active in the production of PVC and chlor-alkali products. In its operations, they demand a constant quality and reliability of process water. Vynova does not use a decentralized water supply, but as in any of its client projects Ekopak strives to maximize water deployment by ensuring quality and continuity. For Vynova, a demineralization installation using membrane technology will supply the site in Tessenderlo with more than one million cubic meters of pure and sustainable process water per year (at 3x80 m^3/hour) starting from the third quarter of 2022. The project confirms and underlines the importance of sustainable process water for the entire chemical sector.

Save Water, Give Water

Takeda
has already joined the program

2.4K
we've given people access to drinking water in areas of water stress

Guaranteeing the water continuity of the decentralized supply

Businesses also need to be sure of water continuity for their safety: just think of the risks involved when process water or cooling water is no longer delivered. These risks are keeping companies from becoming fully self-sufficient. So, Ekopak guarantees the continuity of our decentralized water supply by bringing together sufficient wastewater streams internally, and by investigating the possibilities of linking the decentralized water supplies of different companies. By connecting companies in an alternative water network, peak moments in one company can be compensated by off-peak moments in the other.

Impact
As groundwater extraction for drinking water has an impact on the groundwater level and can cause a lot of ecological damage, the fewer companies that use the drinking water network for their activities, the less negative impact industry will have on the groundwater level.

20 billion litres of recycled water each year

In early 2022, Ekopak announced a joint venture with PMV and water-link to convert the treated wastewater from Antwerp households into cooling water for companies in the Port of Antwerp by 2025. The collaboration is named Waterkracht ('the power of water') and is a significant milestone in the Port of Antwerp's sustainability transition. In this public-private partnership Ekopak owns a 51% share in the established joint venture.

Waterkracht is in talks with the Port of Antwerp about building the water purification installation for this project on a plot in the NextGen district – the former Opel site in the Port of Antwerp. Ekopak will build and operate the factory. With membrane technology, it will treat wastewater to prepare it for industrial applications. The project will recover and filter the wastewater from the entire City of Antwerp and will recycle 20 billion litres of water each year – the equivalent of the water consumption of 400,000 families. If all goes according to plan, this plant will be fully operational in 2025.

6.4. EKO-WOLFPACK

Eko-wolfpack

Caring about the mental health of our people

It's the people – our Eko-wolfpack – that carry the organization and ensure Ekopak can develop sustainably. However, people who are pushed too far will lose the motivation and the ability to continue to contribute their very best to our shared goal. At Ekopak we are vigilant and we aim to keep the team spirit high. We have a responsibility to take care of our people – and their mental health, today and in the future.

Impact
Passionate people who feel good can change the world.

Building and spreading knowledge about decentralized water supply

Ekopak operates in a relatively new industry. The knowledge about decentralized water supply is not yet widely available. This puts a double responsibility on Ekopak's shoulders: we need to adequately train our own employees, but we also need to prepare a new generation for a future in renewable water.

Impact
By spreading the knowledge about decentralized water supply as widely as possible, the potential change that it can create will grow exponentially.

Responsible asset management

The impact of Ekopak's own operations is small compared to the difference we make for our clients' impact. Still, we also want the improvement of our own footprint to stay at par with the evolution of society. Our focus is on our buildings and our mobility, as we aim to reduce our negative impact on CO2 emissions, air pollution, water, energy, and waste.

A new sustainable home for Ekopak

To accommodate our growth, Ekopak quite literally needs more space. At this moment Ekopak is drafting the plans and conducting the feasibility study for the BREAAM and WELL certification of its new building.

Impact

The new headquarters offer us an excellent opportunity to not only improve our impact on our immediate surroundings, but also develop a sustainable environment where our Eko-wolfpack can thrive in their shared mission.

- **BREEAM** (Building Research Establishment Environmental Assessment Method) is the certification method for a sustainably built environment: the method provides guidelines not only in terms of energy or water, but across the board by also considering the used materials, waste, facility management, and impact on health and wellbeing.
- **The WELL Building Standard** is an international standard for buildings that positively impact its users' health and wellbeing. It describes specific criteria on the topic of 10 concepts: air, water, food, light, movement, thermal comfort, acoustics, materials, wellbeing, and community.

Green mobility

The way our Eko-wolfpack travels to work contributes to our world's CO2 and air pollution. That is why this pillar calls for the electrification of our car fleet and raised awareness about alternative means of transportation among our employees.

Impact

If more employees use alternatives to the car, the impact on our world will be smaller and we will contribute to reducing the harmful effects of climate change.

Water-as-a-Service: continuous improvement in sustainable water use

Our WaaS business model positively impacts all Ekopak's sustainability pillars: it is the most effective way in which Ekopak can help save cubic meters of drinking water, ensure the safety of their clients' water supply, and invest in the team that drives Ekopak's innovation. We install the decentralized water supply for our client but retain ownership and management over it. Our client can disconnect from the central grid without the worry of having to maintain the source.

The business model is advantageous for Ekopak's clients on different levels:

1. Clients only pay for the water they consume, without the upfront investment in the water supply.
2. Clients don't need to invest in the skills and knowledge necessary for the management of the supply.
3. Retaining ownership of the decentralized supply also offers Ekopak more opportunities to keep adjusting, optimizing, and customizing it, and as a result keep improving the sustainable water use of their clients.

"We can do whatever it takes to keep the source running as efficiently as possible with the least amount of chemicals. We can also properly assess whether we choose membranes or another technology, and with WaaS we can always implement new techniques or technologies as they are developed"

Joost Van der Spurt – CTO

THE BENEFITS OF WaaS

Ekopak Sustainable Water

Disconnect from the drinking water grid.

No upfront investment, pay for the water you use.

No operational risk: Ekopak manages the source.

Continuous optimization of the source by Ekopak

Water as a Service at Takeda Lessines

By disconnecting from the water grid, Takeda Lessines reduces its water footprint and increases water availability without compromising its process continuity. At this facility 600,000 m^3 of water – 90% of the site's entire freshwater consumption – is recycled and reused in manufacturing, meeting all the strict quality requirements in the process.

With WaaS, Ekopak takes care of everything: there is always a continuous water supply, and the client does not need to employ its own staff to implement or monitor the systems. Ekopak's R&D engineers and highly qualified technicians manage the development, construction and 24/7 monitoring. Of course, Ekopak is happy to work with the client's managers who are responsible for water treatment. Our integrated approach guarantees a sustainable and cost-effective customized solution at an affordable leasing rate.

Corporate Governance Report 2021

Ekopak

Ekopak Sustainable Water

Together towards a sustainable future.

Shareholder structure

As a result of the offering of 4,044,642 new shares in a private placement, on 31 March 2021 and 8 April 2021, the total number of outstanding shares is 14,824,642. All outstanding shares are traded on the regulated market of Euronext Brussels. Each share entitles the holder to one vote. Consequently, the total number of securities conferring voting rights is also 14,824,642.

Along the securities conferring voting rights, there are 35,000 rights to subscribe for securities conferring voting rights yet to be issued (cf. Warrant Plan).

Shareholders who cross, either up- or downwards, the threshold of three (3) percent of the company's share capital on a fully diluted basis (i.e. with the sum of the securities conferring voting rights and the rights to subscribe for securities conferring voting rights, as the denominator) must disclose their holdings. A subsequent disclosure is required for each crossing, either up- or downwards, of the threshold of five (5) percent and each multiple of five (5) percent of the company's share capital. Disclosures should be transmitted to both Ekopak and the FSMA.

Shareholder Percentages

Based on the disclosures of major holdings that Ekopak has received since its IPO on 31 March 2021 and 8 April 2021, the shareholder structure is as follows:

Shareholder	Number of Ekopak shares	% of total number of outstanding shares / securities conferring voting rights
Alychlo NV (BE)*	6,252,358	42.18%
Pilovan (BE)**	5,280,714	35.62%
Free Float	3,291,570	22.20%

*Alychlo NV, Lembergsesteenweg 19, B-9820 Merelbeke ** Pilovan BV, Hogerlucht 28, B-9600 Ronse

There are no restrictions on the shares or voting rights. There are no special items to note with respect to the Royal Decree of 14 november 2017. There are no transactions outside normal market conditions with major shareholders and no conflicts of interest.

2. ANNUAL SHAREHOLDERS MEETING

Annual shareholders meeting

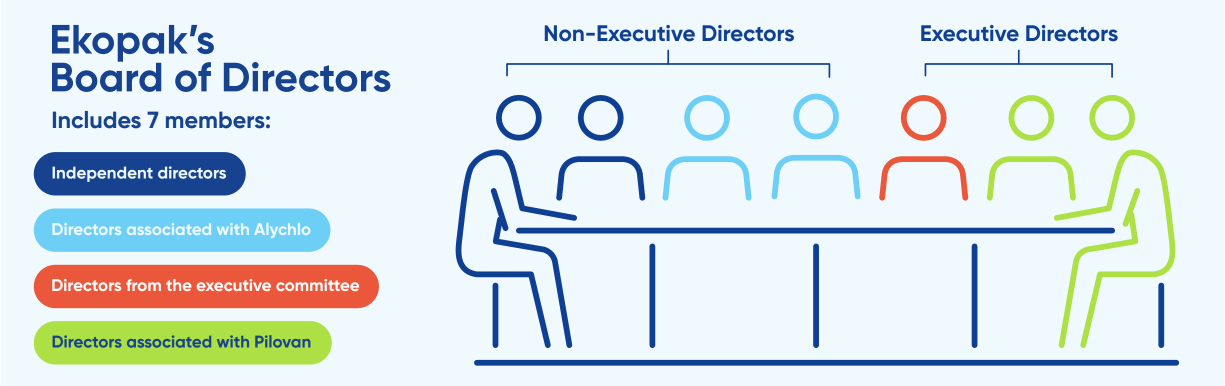
The annual shareholders meeting (ASM) is held on the second Tuesday of May. Shareholders can attend the meeting in person, or vote by proxy.

In 2021, the annual shareholder meeting took place on 17 March 2021, i.e. prior to the listing of Ekopak's shares on Euronext Brussels.

In addition to the annual shareholders meeting, the Board of Directors also convened an extraordinary shareholders meeting (ESM) on 17 March 2021, to decide on the private placement and the listing of Ekopak's shares on Euronext Brussels, to amend the company's articles of association accordingly and to nominate the members of the Board of Directors and its committees.

This year's Annual Shareholder Meeting will be held on 10 May 2022. All details concerning this meeting are published on Ekopak's investor relations website: **https://ekopaksustainablewater.com/investor-relations/**

Composition



The Board of Directors of Ekopak includes 7 members:

- 3 executive and 4 non-executive directors
- 2 independent directors, 2 directors associated with the reference shareholder Alychlo, and 3 directors from the executive committee, of whom 2 associated with the reference shareholder Pilovan

The Board of Directors is chaired by Pieter Bourgeois. The members of Ekopak's Board of Directors are the management corporations with the following permanent representatives (mentioned in alphabetical order of their family names).

- **Pieter Bourgeois**, Investment manager of Alychlo NV since 2015, Ekopak's reference share-holder. Master in electro-mechanical industrial engineering (Group T); MBA (Solvay Brussels School of Economics). Over 20 years of experience in various management roles at Alycholo, DHL, YouBuild and Worldline/Banksys. Belgian nationality.

- **Els De Keukelaere**, chief financial officer of Ekopak NV since 2020 . Master in applied economics (UGent, Ghent university), MBA in financial management (Vlerick Business School), Registered Accountant since 2004. Previous career roles include: auditor at KPMG Ghent and chief financial officer of Concordia Insurances (Ghent). Belgian nationality.

- **Tim De Maet**, chief operations officer of Ekopak NV since 2020 following 9 years as operation manager with the company . Master industrial engineering chemistry with a specialisation in environmental biotechnology (HoGent, Ghent). Over 15 years of experience in the water solutions industry, including Entaco NV and Micron NV. Belgian nationality

- **Ben Jansen**, chief strategy officer at Alychlo NV since 2021. Master commercial engineering (KULeuven). Over 20 years of experience in various (marketing and sales) management roles at Unilever and as CCO at DPG Media (and its predecessors Medialaan and De Persgroep). Belgian nationality.

- **Kristina Loguinova**, Kristina Loguinova, compliance counsel at Value Square NV and parttime professor at the VUB (Vrije Universiteit Brussel/ Free University of Brussels). Master of laws and PhD in financial law (VUB). Prior to joining Value Square she provided consulting services on innovation and sustainable finance (ESG) to a broad range of financial companies. Dutch nationality.

- **Pieter Loose**, chief executive officer of Ekopak NV since 2013 following 3 years as sales engineer at the company. Master industrial civil engineering (HoGent, Ghent university/ KULeuven). Prior to Ekopak, Pieter held various management roles at Hertel. He is also vice-chairman of Watercircle, an interest group for water technology companies in Belgium. Belgian nationality.

- **Regine Slagmulder**, partner and full professor in accounting & control at Vlerick Business School (Belgium). Master in electro-technical engineering and in management sciences (UGent), PhD in management (Vlerick Business School, Ghent). Previously, she was a professor at INSEAD (France & Singapore) and Tilburg University (The Netherlands), and also worked for McKinsey & Company's strategy practice. Belgian nationality.

A more detailed resume of each member of the Board of Directors can be found at: **https://ekopaksustainablewater.com/investor-relations/corporate-governance/management-board-of-directors/**

Board Member	Permanent Representative	Executive status (1)	Independency status (2)	Committees (3)	Current mandate term, until (4)	Board mandates in other publicly listed companies
Crescemus BV	Pieter Bourgeois	N	S	A	ASM 2025	Snowworld (Euronext Amsterdam)
EDK Management BV	Els De Keukelaere	E	E		ASM 2025	
Tim De Maet	(Tim De Maet)	E	E, S		ASM 2025	
BJVS BV	Ben Jansen	N	S	R*	ASM 2025	
Kristina Loguinova	(Kristina Loguinova)	N	I	A, R	ASM 2025	
Pilovan BV	Pieter Loose	E	E, S		ASM 2025	
Regine Slagmulder BV	Regine Slagmulder	N	I	A*, R	ASM 2025	Quest for Growth (Euronext Brussels), MDX Health (Euronext Brussels/NASDAQ)

(1) Executive director (E) or non-executive director (N)
(2) Independent director (I), representing a reference shareholder (S) or as member of the executive committee (E)
(3) Member of the Audit committee (A) and/or the Remuneration and nomination committee (R) – presidency is indicated with an asterisk (*)
(4) ASM: Annual Shareholders Meeting

Assignments

- Pursue sustainable value creation by setting the strategy, putting in place effective, responsible and ethical leadership and monitoring the performance;
- Appoint and dismiss the Chief Executive Officer and other members of the Executive Management;
- Meet at least four times a year.

Activity report

In principle, the Board of Directors convenes on a quarterly basis. The meeting frequency may be increased when deemed appropriate or necessary for the business.

In 2021, the Board of Directors held (5) meetings, of which (4) with physical participation and (1) online meetings. The meeting participation rate was 100% for each member of the Board of Directors (or its permanent representative).

At these meetings, the Board of Directors discussed and evaluated operational and financial performance of the company, as well as strategic issues and opportunities, including (potential) mergers and acquisitions and expansion projects. Specifically for 2021, considerable attention has been paid to setting-up a corporate governance structure, including the approval of a Dealing Code, as well as to prepare the Initial Public Offering and the related listing on Euronext Brussels, including the approval, on 21 March 2021, of the related prospectus. Other topics included the integration of IT systems in the group and the sustainability theme.

The conflict of interest regulation had not to be applied in 2021

Committees of the Board of Directors

Within the Board of Directors, two specialised committees have been set up, with effect as from the Listing Date, for assisting the Board of Directors and making recommendations in specific fields.

Audit committee

- Set up in accordance with Article 7:99 of the Belgian Code of Companies and Associations, and with provisions 4.10-16 of the Belgian 2020 Corporate Governance Code
- Members: Regine Slagmulder (chair), Pieter Bourgeois and Kristina Loguinova

In principle, the Audit Committee convenes on a quarterly basis. The meeting frequency may be increased when deemed appropriate or necessary for the business. In 2021, the Audit Committee convened 2 times – i.e. below the frequency recommended in the Corporate Governance Charter, which can be explained by the fact that the Audit Committee has only been set up in March 2021. All members participated in every meeting, except Crescemus BV who attended 1 of the 2 Audit Committee meetings in 2021. In 2021, the Audit Committee has focussed on the development of Ekopak's audit strategy and the company's audit process, involving the input of the Statutory Auditor. In addition, the Audit Committee also conducted a thorough risk assessment, in close cooperation with the Executive Management Committee (cf. Risk Management section in this document). Annual and interim results of the company have also been discussed at the Audit Committee 2021 meetings. The conflict of interest regulation had not to be applied in 2021.

Remuneration & nomination committee

- Set up in accordance with Article 7:100 of the Belgian Code of Companies and Associations and with provisions 4.17-23 of the Belgian 2020 Corporate Governance Code.
- Members: Ben Jansen (chair) Regine Slagmulder and-Kristina Loguinova
- In principle, Remuneration & nomination committee convenes on a bi-annual basis. The meeting frequency may be increased when deemed appropriate or necessary for the business. In 2021, the Remuneration & nomination Committee convened 3 times and all members participated in every meeting .
- In 2021, the Remuneration and Nomination Committee
- developed the framework for a coherent remuneration policy for Ekopak. The committee also discussed an option/warrant plan for Ekopak's management and evaluated the Belgian collective labour agreement 90 for the personnel, excluding management.
- The conflict of interest regulation had not to be applied in 2021

Executive Management Committee

The Chief Executive Officer is charged by the Board of Directors with the day-to-day management of the company and leads the Executive Management Committee within the framework established by the Board of Directors and under its ultimate supervision.

Composition

- **Pieter Loose** (through his management company Pilovan), Chief Executive Officer (CEO) since 2013 following 3 years as sales engineer at the company. Master industrial civil engineering (HoGent, Ghent university/KULeuven). Prior to Ekopak, Pieter held various management roles at Hertel. He is also vice-chairman of Watercircle, an interest group for water technology companies in Belgium. Belgian nationality

- **Els De Keukelaere*** (through her management company EDK Management BV), Chief Financial Officer (CFO) since 2020. Master in applied economics (UGent, Ghent university), MBA in financial management (Vlerick Business School), Registered Accountant since 2004. Previous career roles include: auditor at KPMG Ghent and chief financial officer of Concordia Insurances (Ghent). Belgian nationality.

- **Tim De Maet**, Chief Operating Officer (COO) since 2020 following 9 years as operation manager with the company. Master industrial engineering chemistry with a specialisation in environmental biotechnology (HoGent, Ghent). Over 15 years of experience in the water solutions industry, including Entaco NV and Micron NV. Belgian nationality

- **Niels D'Haese****, Chief Commercial Officer (CCO) since the beginning of 2022. Master in Environmental Engineering from the University of Ghent. Prior to joining Ekopak mid-2021, Niels was General Manager of the water division at DEME Environmental Contractors. He has 14 years of experience and held various positions at Epas (Veolia), Suez (Benelux, International)

- **Joost Van Der Spurt**, Chief Technology Officer (CTO) since 2014. Master in Chemical Engineering from the University of Leuven. Eight years of experience in the water industry, focusing on process management, research and development, as well as automation.

- **Anne-Mie Veermeer**, Chief Disinfection Officer (CDO) since 2006. Master of Engineering with a specialisation in Chemistry and Biochemistry (KULeuven, Campus Ghent). Before joining the Issuer, Anne-Mie worked for four years as a quality manager in R&D at a company specialised in the preparation of ready-to-eat acuum-packed dishes and meal components.

* *In the prospectus for Ekopak's IPO, it was mentioned that the contract with EDK Management ran until end of February 2022. This contract has been converted to a contract of indefinite duration, with standard termination clauses.*

** *Appointed to the Executive Committee of Ekopak effective January 1, 2022*

A more detailed resume of each member of Executive Management Committee can be found at: **https://ekopaksustainablewater.com/investor-relations/corporate-governance/management-board-of-directors/**

Risk Management

Ekopak's business is subject to a number of risks. If one or more of these risks arise, Ekopak may be unable to execute its strategy and implement its business plan.

Risk Management process

Ekopak's Executive Management Team is responsible for the identification, the assessment and the prioritisation of key risk factors as well as for the development and implementation of programs for risk prevention, risk mitigation and risk coverage.

Therefore, the company has installed a process to manage the key risk factors that it may be confronted with. For each risk category, the Executive Management Teams assesses the likelihood of occurrence as well as the magnitude of impact should they actually occur. Based on this in-depth assessment, the risk categories are plotted on a grid that indicates how these risk categories should be prioritised.

Taking the risk prioritisation into account, the Executive Management Team identifies how the related risk can be prevented, how the impact can be mitigated when a risk actually occurs, and whether the impact can be covered by an insurance policy.

Throughout the year, the Executive Management Team reports on a quarterly basis to Ekopak's Audit Committee, who supervises the company's entire risk management process.

At least once a year, but in practice on a continuous basis, the Audit Committee conducts an in-depth review of all potential risk factors in concertation with the Executive Management Team. At such occasion, new risk factors may be formally identified and included in the program. Subsequently, the Audit Committee presents the mutually agreed plan to the Board of Directors for formal approval. Upon the Board's decision in this respect, the Executive Committee is commissioned to implement the correspon-ding action plan and to report on its status on a regular basis to the Audit Committee.

2021 Risk Management review

For 2021, the identified risk factors were the following :

- ***Risk of Unavailability of Raw Materials***. Ekopak's containerised water purification systems require specific raw materials to operate. While these raw materials are typically broadly available, some of them have become scarce in the past few months. Any interruption in the supply chain may have a negative impact on Ekopak's operations. Ekopak mitigates this risk factor by implementing a diversified procurement approach and a balanced inventory policy.
- ***Risk of Price Increases of Raw Materials.*** Along with the risk of supply chain interruptions and stock breaks, the scarcity of specific raw materials leads to price hikes, which negatively affect Ekopak's business when they would occur. Ekopak mitigates this risk factor by including this potential factor in each contract negotiation, both with clients and suppliers, and by closely monitoring how the agreement is applied in reality.
- ***IT & Cyber Security Risk.*** Ekopak's operations highly depend on the proper functioning of its IT systems, whether they are running on on-site hardware or 'in the cloud'. Any disruption of these IT systems, whether for technical reasons or because of hacking, would have a major negative impact on Ekopak's operations. Ekopak mitigates this risk factor by creating vigilance and awareness among its staff together with the necessary IT security measures taken. Ekopak has also subscribed a cybersecurity policy.
- ***Credit risk.*** If one or more key customers would fail to meet its payment obligations towards Ekopak, this would have a major impact on Ekopak's financial situation. Invoices related to the investment goods of non-WaaS project refer to significant amounts. While the invoice amounts for WaaS-projects are relative lower, they, too, would have a material adverse impact on Ekopak's mid- and long-term financial situation. Ekopak has developed a sound process for credit collection.
- ***Protection of Know-How.*** Ekopak's know-how and technology are not protected by patents or design registrations. Failure to adequately protect know-how could allow clients and, by extension, competitors to copy or reverse-engineer (the functioning of) Ekopak's water purification solutions. Ekopak carefully selects the most appropriate technology for each specific installation, but is not contractually bound by any specific technology and can adopt new technologies as they come available. The application of technology is extremely "installation-specific", thus limiting the risk for duplication.
- ***Human Capital Risk.*** Ekopak might fail to retain existing key management, R&D and/or engineering staff, and/or might fail to attract and train new highly-qualified personnel, which could have a material adverse effect on Ekopak's business. If key staff would leave the company for a competitor, this would result in a 'brain drain' that would also have a material adverse effect on the company's operations. Ekopak is an attractive employer, mainly based on its reputation as a recently listed growth-driven company and on its ESG-commitment.
- ***Litigation Risk.*** Ekopak's operations are subject to stringent environmental, health and safety laws and regulations, which could expose the Company to environmental liability and significant increase compliance costs and litigation. Underperformance of Ekopak's systems installed at the client's site, for whatever reasons – whether or not under the control of Ekopak, may also lead to litigation, thus negatively affecting the company's situation. Ekopak's strategic transition towards the WaaS business model mitigates this risk, which is -albeit limited in number- mainly related to non-WaaS installations.
- ***Operational Risk.*** If material failure would occur at Ekopak's installations at the client's site, this may involve significant repair costs as well as compensation payments and litigation costs, which could have a material negative effect on the company's financial situation. Ekopak mitigates this risk by a permanent monitoring system, combined with sufficient stock levels for crucial SKU's.

Preventive programmes and mitigation plans have been developed for each of these risk categories, and have been approved by the Board of Directors.

Corporate Governance Statement 2021

In order to meet the requirements for the Corporate Governance Statement, as specified by the Belgian law of 3 September 2017 on the disclosure of non-financial and diversity-related information, the above information is complemented by the following.

Corporate Governance Charter – Articles of Association – Dealing Code

Ekopak has adopted a Corporate Governance Charter that is in line with the Belgian 2020 Corporate Governance Code, and which is published on the company's website, along with the Articles of Association (as amended by the Extraordinary General Shareholders' Meeting of 2021) and the Dealing Code.

- Corporate Governance Charter
https://ekopaksustainablewater.com/app/uploads/2021/03/Ekopak-Corporate-governance-charter.pdf
- Articles of Association
https://ekopaksustainablewater.com/app/uploads/2021/04/Ekopak-Gecoo%CC%88rdineerde-statuten-08.04.2021.pdf
- Dealing Code
https://ekopaksustainablewater.com/app/uploads/2021/04/Ekopak-Dealing-Code.pdf

Compliance statement to the Belgian 2020 Corporate Governance Code

Ekopak applies the ten corporate governance principles contained in the Belgian 2020 Corporate Governance Code and intends to comply with the corporate governance provisions set forth in the Belgian 2020 Corporate Governance Code, as authorised by the "comply or explain" principle. The provisions for which Ekopak is non-compliant are listed hereunder, along with an explanation for this non-compliance:

- Provision 2.19: the powers of the members of the Executive Management other than the CEO are determined by the CEO rather than by the Board of Directors. This deviation is explained by the fact that the members of the Executive Management Committee perform their functions under the leadership of the CEO, to whom the day-to-day management and additional well-defined powers were delegated by the Board of Directors.
- Provision 3.4: the Board of Directors only include 2 independent directors. This deviation is explained by the small size of the current Board of Directors. At the IPO of March 2021, Ekopak announced its intention to have a third independent director appointed within a period of 18 months (i.e. before the end of September 2022).
- Provision 4.14: no independent internal audit function has been established. This deviation is explained by the current size of the Company. The Audit Committee will yearly assess the need for the creation of an independent internal audit function and, where appropriate, will call upon external persons to conduct specific internal audit assignments and will inform the Board of Directors of their outcome.
- Provision 7.6: the non-executive members of the Board of Directors do not receive part of their remuneration in the form of Ekopak shares. This deviation is explained by the fact that the interests of the non-executive members of the Board of Directors are currently considered to be sufficiently oriented to the creation of long-term value for the Company. However, Ekopak intends to review this provision in the future in order to align its corporate governance with the provisions of the Belgian 2020 Corporate Governance Code.
- Provision 7.8: the members of the Executive Management Committee do not receive any variable remuneration related to the overall corporate and individual performance. Ekopak justifies the absence of a variable remuneration of the members of the Executive Management Committee in the light of the fact that their interests are already sufficiently aligned with the sustainable value-creation objectives of the Company, also taking into account the shares and ESOP warrants held by certain of the members of the Executive Management Committee. The remuneration policy, that will be submitted for approval at the General Shareholders' meeting on 10 May 2022, contains the possibility of a variable remuneration for the members of the Executive Management Committee.
- Provision 7.9: no minimum threshold of Ekopak shares to be held by the members of the Executive Management Committee has yet been set. This deviation is explained by the fact that the interests of the members of the Executive Management Committee are currently considered to be sufficiently oriented to the creation of long-term value for the Company, also considering the fact that some of them hold ESOP warrants, the value of which is based on the value of the Ekopak shares. Therefore, setting a minimum threshold of Ekopak shares to be held by them is not deemed necessary. However, Ekopak intends to review this in the future in order to align its corporate governance with the provisions of Belgian 2020 Corporate Governance Code.

Remuneration statement

Remuneration policy

In 2021, the Remuneration and Nomination Committee developed the framework for a coherent remuneration policy for Ekopak.

The remuneration policy will be submitted for approval to the Annual Shareholder Meeting of May 2022.

Remuneration report 2021

This report covers the 2021 remuneration of the board members, of the Chief Executive Officer (CEO) and of the other members of the Executive Committee. Please note that the remuneration of Niels D'Haese is not included in Part C, as his membership of the Executive Committee was effective only as of 1 January 2022.

A. 2021 Remuneration of the board members

For 2021, no distinction is made between executive and non-executive directors with regard to their remuneration as members of the board of directors. The 2021 base remuneration was set at €15,000 per director and €25,000 for the chairman of the board. Considering the fact that the board of directors became operational following the IPO of 31 March 2021, it was agreed to adjust the 2021 remuneration on a proportional base, i.e. for three quarters only. For 2021, no additional remuneration was provided for a mandate in any of the board committees.

In 2021, Tim De Maet was not granted any remuneration for his mandate in the board of directors. Upon his nomination as board member, however he was granted 10,000 warrants. No other members of the board hold warrants.

The actual board remuneration for 2021 is reflected in the table below.

Crescemus BV (Chairman)	€18,750
EDK Management BV	€11,250
BJVS BV	€11,250
Kristina Loguinova	€11,250
Pilovan BV	€11,250
Regine Slagmulder BV	€11,250
Total board remuneration 2021	**€75,000**

B. 2021 Remuneration of the Chief Executive Officer (CEO)

In addition to the remuneration of Pilovan BV for his board mandate, Pilovan BV was also granted the following remuneration in 2021 in his capacity as CEO.

Base remuneration	€168,330	67%
Bonus	€84,165	33%
Total CEO remuneration 2021	**€252,495**	**100%**

C. 2021 Remuneration of the Executive Committee, excluding the CEO

The 2021 remuneration of the Executive Committee is detailed hereunder, but excludes the remuneration of the CEO as this has been detailed in the table above. The remuneration for members of the Executive Committee who also hold a mandate in the board comes on top of their board remuneration. The amounts included in the table hereunder refer to the remuneration of EDK Management BV, Tim De Maet, Joost Van Der Spurt and Annie-Mie Veermeer. The remuneration of Niels D'Haese is not included because his membership of the Executive Committee became effective 1 January 2022. At his appointment, Niels D'Haese was granted 5,000 warrants. As already mentioned, Tim De Maet was granted 10,000 warrants. Joost Van Der Spurt was granted 10,000 warrants. Anne-Mie Veermeer was granted 10,000 warrants. Beside them, no other member of the Executive Committee holds any warrants. For more information regarding a.o. price and date of exercise, we refer the IFRS Financial Statements.

Base remuneration	€328,326.76	64.9%
Bonus	€60,000.00	11.9%
other compensation components (company car and fuel card, laptop, phone, luncheon voucher etc.);	€105,044.84	20.8%
Hospitalization insurance	€1,538.09	0.3%
Group insurance	€11,213.76	2.2%
Total 2021 remuneration	**€506,123.45**	**100%**

In 2021, Ekopak has continued to reward the members of the Executive Committee in accordance with its existing practice.
As Ekopak is quoted since 31 March 2021, the remuneration policy will be submitted to the General Shareholders' meeting on 10 May 2022. The bonuses paid are in line with the amounts listed in the prospectus.

Diversity policy

Considering Ekopak's current business size and the fact that its shares are only listed since 31 March 2021, Ekopak is exempted to adopt and publish a Diversity policy at this stage. Ekopak values workforce diversity and strives to act with respect of diversity at all times. A formal policy will be developed in the future.

Anti-fraud measures

Considering Ekopak's current business size and the fact that its shares are only listed since 31 March 2021, Ekopak is exempted to adopt and publish formal anti-fraud measures. At present, Ekopak conducts audits at regular intervals, with the purpose to deter fraud and to detect it in a timely manner. A formal set of anti-fraud measures will be developed in the future, in addition to the Dealing Code, which is already in place (cf. above in this section).

Declaration regarding the information given in the Annual Report 2021

The undersigned declare that:

- The annual accounts, which are in line with the standards applicable for annual accounts, give a true and fair view of the capital, the financial situation and the results of the issuer and the consolidated companies.
- The annual report gives a true and fair view of the development and the results of the company and of the position of the issuer and the consolidated companies, as well as a description of the main risks and uncertainties they are faced with

Pieter Loose – CEO
Els De Keukelaere – CFO

Information about the Ekopak share

Shareholder structure	
Total number of outstanding shares:	14,824,642 (100%)
Total number of shares held by reference shareholders and related parties:	11,533,072 (77.80%)
Free float:	3,291,570 (22.20%)

Share price	
Highest closing price (date):	€19.00 (6 April 2021)
Lowest closing price (date):	€ 15.00 (31 March 2021)
Average closing price:	€17.357
Closing price 31 December 2021:	€17.96
Highest intraday price (date):	€22.80 (7 April 2021)
Lowest intraday price (date):	€14.70 (31 March 2021)
Final Placement Price at initial listing	€14.00 (31 March 2021)

Share transactions	
Since 31 March 2021, the Ekopak shares are listed on Euronext Brussels (ticker EKOP).	
Total number of trades in 2021:	20,128
Total number of shares traded in 2021:	2,142,601
Average number of shares per transaction in 2021:	106
Daily average number of shares traded:	10,932
Highest daily number of shares traded (date):	235,768 (7 April 2021)
Lowest daily number of shares traded (date):	482 (21 October 2021)
Share velocity 2021:	0.14
Free Float Share velocity 2021:	0.65
Total volume (in EUR) traded in 2021:	€37,957,061
Market Capitalisation 31 December 2021:	€266,250,570.32

Share Price Evolution 2021

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Together towards
a sustainable future.

FINANCIAL REPORT 2021

IFRS Consolidated Financial Statements

1. Consolidated statement of profit or loss

		for the year ending December 31	
in 000€	**Notes**	**2021**	**2020**
Revenue	5	11.251	9.479
Other operating income	7	310	302
Operating income		**11.561**	**9.781**
Purchases of materials	7	-5.243	-6.394
Services and other goods	7	-3.167	-1.006
Employee benefit expense	7	-2.777	-1.580
Depreciation charges	9,11,12	-953	-623
Other operating charges	7	-32	-151
Operating profit / (loss)		**-611**	**27**
Financial expenses	7	-166	-149
Financial income	7	29	4
Loss before taxes		**-748**	**-118**
Income taxes	8	48	25
Net loss for the year *		**-700**	**-93**
Earnings per share attributable to the owners of the parent			
Basic	17	-0,05	-0,01
Diluted	17	-0,05	-0,01

** The net loss for the year is full attributable to the owners of the parent*

The accompanying notes on pages 8 to 56 form an integral part of these IFRS Consolidated Financial Statements.

2. Consolidated statement of comprehensive income

		for the year ending December 31	
in 000€	**Notes**	**2021**	**2020**
Net loss for the year		**-700**	**-93**
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations, net of tax	18	-157	-11
Other comprehensive loss, net of tax		**-157**	**-11**
Total comprehensive loss for the year, net of tax *		**-857**	**-104**

** The total comprehensive loss for the year is full attributable to the owners of the parent*

The accompanying notes on pages 8 to 56 form an integral part of these IFRS Consolidated Financial Statements.

3. Consolidated statement of financial position

		At December 31	
in 000€	**Notes**	**2021**	**2020**
Assets			
Non-current assets			
Goodwill		1.035	–
Intangible assets	9	245	90
Property, plant and equipment	11,12	14.842	4.948
Deferred tax assets	8	1.023	142
Other financial assets		16	1
Total non-current assets		**17.161**	**5.181**
Current assets			
Contract assets	14	1.733	562
Inventories	13	2.152	1.057
Trade receivables	14	2.981	3.299
Other current assets	14	1.296	488
Cash and cash equivalents	15	42.100	1.300
Total current assets		**50.262**	**6.706**
Total assets		**67.423**	**11.887**

The accompanying notes on pages 8 to 56 form an integral part of these IFRS Consolidated Financial Statements.

		At December 31	
in 000€	**Notes**	**2021**	**2020**
Equity			
Share capital	16	6.671	–
Share premium	16	55.116	–
Restricted reserve - share capital	16	–	5.162
Other reserves	16	-2.345	12
Accumulated (loss)/profit		-859	-159
Equity attributable to the owners of the parent		**58.583**	**5.015**
Total equity		**58.583**	**5.015**
Liabilities			
Non-current liabilities			
Borrowings	20	2.232	2.625
Lease liabilities	12, 20	393	326
Deferred tax liabilities	8	19	–
Provisions	18	542	400
Total non-current liabilities		**3.186**	**3.351**
Current liabilities			
Borrowings	20	522	473
Lease liabilities	12, 20	282	236
Trade and other payables	21	3.828	2.449
Tax payables	8	963	328
Contract liabilities	21	–	–
Other current liabilities	21	59	35
Total current liabilities		**5.654**	**3.521**
Total liabilities		**8.840**	**6.872**
Total equity and liabilities		**67.423**	**11.887**

The accompanying notes on pages 8 to 56 form an integral part of these IFRS Financial Statements.

4. Consolidated statement of changes in equity

in 000€	Share capital	Share premium	Restricted reserve - share capital	Other reserves	Accumulated (loss)/profit	Total equity attributable to the owners of the parent	Total equity
At January 1, 2020	**–**	**–**	**5.162**	**23**	**234**	**5.419**	**5.419**
Net profit	–	–	–	–	-93	-93	-93
Other comprehensive loss	–	–	–	-11	–	-11	-11
Total comprehensive (loss)/profit	**–**	**–**	**–**	**-11**	**-93**	**-104**	**-104**
Dividends paid	–	–	–	–	-300	-300	-300
At December 31, 2020	**–**	**–**	**5.162**	**12**	**-159**	**5.015**	**5.015**

in 000€	Share capital	Share premium	Restricted reserve - share capital	Other reserves	Accumulated (loss)/profit	Total equity attributable to the owners of the parent	Total equity
At January 1, 2021	**–**	**–**	**5.162**	**12**	**-159**	**5.015**	**5.015**
Net loss	–	–	–	–	-700	-700	-700
Other comprehensive loss	–	–	–	-157	–	-157	-157
Total comprehensive loss	**–**	**–**	**–**	**-157**	**-700**	**-857**	**-857**
Capital increase	1.820	54.805	–	–	–	56.625	56.625
Share issue costs net of tax	–	–	–	-2.259	–	-2.259	-2.259
Share based payment expense	–	–	–	59	–	59	59
Transfers within equity	4.851	311	-5.162	–	–	–	–
At December 31, 2021	**6.671**	**55.116**	**–**	**-2.345**	**-859**	**58.583**	**58.583**

The accompanying notes on pages 8 to 56 form an integral part of these IFRS Consolidated Financial Statements.

5. Consolidated statement of cash flows

in 000€	Notes	For year ending December 31 2021	2020
Operating activities			
Net (loss)/profit		**-700**	**-93**
Non-cash and operational adjustments			
Depreciation of property, plant & equipment and ROU assets	11, 12	875	593
Amortization of intangible assets	9	78	29
Gain/(loss) on disposal of property, plant & equipment	11	24	-2
Increase in provisions	18	-68	74
Impairments on receivables	7	39	12
Interest and other finance income	7	-29	-4
Interest and other finance expense	7	166	149
Deferred tax expense	8	-58	-30
Tax expense	8	10	5
Equity settled share based payment expense		60	0
IFRS 16 - gain on early termination of lease	12	-13	-4
Net cash flow (used in)/from operating activities before working capital movements		**384**	**729**
Movements in working capital			
Decrease/(Increase) in trade and other receivables	14	-448	1
Increase in inventories	13	-893	-99
(decrease)/increase in trade and other payables	21	1.652	-990
Use of provisions	18	0	-85
Decrease in contract assets	14	-1.033	-4
Increase/(decrease) in cash guarantees		-15	0
Increase/(decrease) in deferred revenue		103	0
Income tax received/(paid)	8	-44	30
Interests paid	7	-121	-122
Interests received	7	1	1
Net cash flow (used in)/from operating activities		**-414**	**-539**
Investing activities			
Purchase of property, plant and equipment	11	-10.220	-1.221
Purchase of intangible assets	9	-150	-73
Proceeds from the sale of property, plant and equipment	11	41	5
Acquisition of subsidiary, less the acquired cash	6	-1.063	0
Net cash flow used in investing activities		**-11.392**	**-1.289**

Financing activities			
Proceeds from borrowings	20	143	700
Repayment of borrowings	20	-842	-1.316
Repayment of leases	12, 20	-290	-167
Receipts from capital increase	16	56.625	0
Share issue costs		-3.013	-3
Dividends paid	16	0	-300
Other financial expense, net		-17	-23
Net cash flow (used in)/from financing activities		**52.606**	**-1.109**
Net cash flow		**40.800**	**-2.937**
Cash and cash equivalents at beginning of year	15	1.300	4.237
Cash & cash equivalents at end of year	**15**	**42.100**	**1.300**

The accompanying notes on pages 8 to 56 form an integral part of these IFRS Consolidated Financial Statements

Notes to the IFRS Consolidated Financial Statements

1. Corporate information

Ekopak NV (further referred to „Ekopak“ or „the Company“) is a limited company incorporated and domiciled in Belgium quoted on Euronext. The registered office is located at 13 Careelstraat, 8700 Tielt in Belgium.

Ekopak is a technology company who is principally engaged in designing, building, financing and operating industrial water processing installations. Ekopak is active primarily in Europe.

Information on other related party relationships of the Company is provided in Note 24.

The IFRS Consolidated Financial Statements (further referred as „the consolidated financial statements“) of Ekopak NV for the year ended December 31, 2021 were authorised for issue in accordance with a resolution of the directors on March 21, 2022.

2. Significant accounting policies

2.1. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards („IFRS“) and as adopted by the European Union („adopted IFRS“) and interpretations issued by the IFRS interpretation committee applicable to companies reporting under IFRS.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

The preparation of consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company’s accounting policies. The areas where significant judgements and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in Note 4. The accounting policies have been applied consistently and are prepared on a going concern basis considering the following:

- the Company has a good liquidity position with a cash position of KEUR 42.100 and a positive working capital position (current assets minus current liabilities) of KEUR 44.608 as of December 31, 2021.
- the Company has a net cash flow from operating activities of KEUR -414 in 2021, however the net cash flow from operating activities before working capital adjustments was positive for the amount of KEUR 384.
- The COVID-19 impact on the Company was limited during 2021. There was a slight temporarily drop in production and service capacity due to personnel absence as a consequence of the COVID 19 pandemic.

There are no impairment indicators since the Company expects a further growth in revenue and improvement in operating results in the future.

2.2. Principles of consolidation

2.2.1. Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity where the group 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 group. They 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.

The subsidiary Water-as-a-Service NV has been established as per July 16, 2020. The subsidiary has an extended financial year, ending on December 31, 2021. For consolidation purposes, the subsidiary has been closed on December 31, 2020 and on December 31, 2021. The subsidiary iServ BV was acquired through a business combination on April 23, 2021, we refer to note 6 for more information. For consolidation purposes, the figures of iServ BV are included as of April 30, 2021. The impact of the difference between moment of completion of the acquisition (April 23) and the moment of inclusion of the figures of iServ (April 30) is considered immaterial with respect to the Consolidated Financial Statements.

The subsidiary Ekopak France has been established as per September 14, 2021 and has a first closing date on December 31, 2021.

2.3. Summary of significant accounting policies

2.3.1. Foreign currency translation

The Company's consolidated financial statements are presented in euros. The Company's functional currency is euro.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into euro at the exchange rate at the end of the previous month-end. Monetary items in the consolidated statement of financial position are translated at the closing rate at each reporting date and the relevant translation adjustments are recognized in financial result.

2.3.2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decisionmaker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer. Operating segments have similar economic characteristics and are determined based on:

- the nature of the products and services.
- the type and characteristics of the contract (one off sales model, sales of consumables, services model, DBMO and DBFMO model). The DBFMO model and the operational part of the DBMO model are also commercially known as Water-as-a-Service (WaaS).
- whether the customer controls the water process installation or not.

2.3.3. Revenue

The Company is in the business of designing, building, financing and operating industrial water processing installations. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The normal credit term is 30 days net of invoice.

The Company has 3 revenue streams, being the traditional sales model, the DBMO (Design, Build, Maintain and Operate) model and the DBFMO (Design, Build, Finance, Maintain and Operate) model. The DBFMO model and the operational part of the DBMO model are also commercially known as Water-as-a-Service (WaaS). In addition, the Company sells consumables to customers operating a sold process water or disinfection installation as well as servicing such installations.

Sale of consumables

Contracts under this type of revenue stream have one single performance obligation which is the sale of consumables and spare parts. Revenue is recognized at a point in time, being usually when the control over the products is transferred to the customer upon shipment.

Services

Service contracts have one single performance obligation which is the service of process water and desinfection installations. Revenue is recognized over time, being a rato of the services performed.

One off sales of process water and disinfection installations

Contracts under this type of revenue stream have one single performance obligation which is the design, build and delivery of the installation with a fixed transaction price. Revenue is recognized over time, which is the period of the development and construction of the process water installation until delivery and installation at the customer premises as the installation has no alternative use for the Company and an enforceable right to payment exist for the performance to date. Revenue is recognized based on the actual progress and expected margin at the end of the reporting period.

Design, Build, Maintain and Operate installations - DBMO

Contracts under this type of revenue typically consist of two distinct performance obligations, being the Design, Build and Maintain ("DBM") of the installation and the Operating of the installation. Revenue will be allocated to each distinct performance obligation based on its relative stand-alone selling price over the transaction price. In general, the contractual price for each distinct performance obligation is similar to its relative stand-alone selling price over the transaction price, i.e. any discounts are already allocated in the contract to each distinct performance obligation.

Revenue for the DBM is recognized over time, which is the period of the development and construction of the process water installation until delivery and installation at the customer premises. Revenue is recognized based on the actual progress and expected margin at the end of the reporting period.

Revenue from the operating of the process water installation is recognized over time, being monthly, when the services are performed. The price consists of a monthly fixed fee and a variable fee based on the output. The operating agreement is cancellable by the customer without reason at any time without significant financial penalty and long notice period.

Design, Build, Finance, Maintain and Operate installations – DBFMO - WaaS

Contracts under this type of revenue typically consist of a single separate performance obligation, being the operating of the installation as the customer does not control the water process installation during the non-cancellable term of the contract (10 up to 15 years).

Revenue from the operating of the process water installation is recognized over time, which is the contractual non-cancellable term of the Operating agreement (10 up to 15 years). The services are invoiced monthly. The price mainly consists of a monthly fixed fee and a variable fee based on the output.

Contract costs related to the design and build of the water installation process are recognized as a DBFMO installation in property, plant and equipment.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale and operating of the process water installations, the Company considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Most of the contracts which include operating of the process water installations, contain a variable price based on the volume output of water. The variable fee is invoiced monthly based on the actual volume output of water of the month, together with the monthly fixed fee.

Some contracts for the operating of the process water installations include considerations payable to the customer, i.e. in case tap water used in excess of a certain threshold. The variable price components and considerations payable to the customer give rise to variable consideration.

Considerations payable to the customer

Some contracts contain clauses whereby there is a consideration payable to the customer in case the delivery of water is not coming from the process water installation but from tap water and when in excess of a certain threshold. The Company applies the most likely amount method to estimate this variable consideration in the contract. The Company then applies the requirements on constraining estimates of variable consideration (highly probable that no significant revenue reversal will occur) in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue.

Significant financing component

The Company receives advance payments from customers for the sale of process water installations with a manufacturing lead time of three to six months after signing the contract and receipt of payment. There is not a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the asset.

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Contract balances

Contract assets

Contract assets are initially recognized for revenue earned from the design and build of the water process installation in the one off sales model and from the DBM part of a DBMO transaction, but which are not billed. Upon completion of the building and installation of the water process installation, the amount recognized as contract assets is reclassified to trade receivables. Contract assets are presented as a separate line in the consolidated statement of financial position.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. Contract liabilities are presented in the line other current liabilities in the consolidated statement of financial position.

Costs to fulfil a contract

The Company does incur costs to fulfill a contract which, when they are not in scope of another standard, are accounted for as contract asset. For the DBFMO contracts, the Company may incur costs to fulfill a non-distinct performance obligation which are accounted for as a DBFMO installation within property, plant and equipment. The Company evaluates whether those costs meet the recognition criteria for property, plant and equipment and when criteria are not met, expenses those costs as incurred.

2.3.4. Financing costs

Financing costs relate to interests and other costs incurred by the Company related to the borrowing of funds. Such costs mostly relate to interest charges on short and long-term borrowings and lease liabilities as well as the amortization of additional costs incurred on the issuance of the related debt. Financing costs are recognized in profit and loss for the year or capitalized in case they are related to a qualifying asset.

2.3.5. Other financial income and expenses

Other financial income and expenses include mainly foreign currency gains or losses on financial transactions and bank related expenses.

2.3.6. Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Belgium where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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 tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3.7. Intangible assets other than goodwill

Intangible assets comprise primarily software and design components of containers used for the water process installations. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The Company does not have internally generated intangibles assets.

Intangible assets are amortized straight-line over the useful life, which is:

- Software & cloud platform related assets: 3 to 5 years
- Design components: 3 years.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets is recognized in the consolidated statement of profit or loss in the expense category „depreciation charges".

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

2.3.8. Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.3.9. Property, plant and equipment

Property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses. Construction in progress is stated at cost, net of accumulated impairment losses, if any. The cost comprises the initial purchase price plus other direct purchase costs (such as non-refundable tax, transport). The cost of self-constructed equipment (primarily water process installations under the DBMFO revenue model) comprises the cost of materials, direct labour costs and a proportional part of the production overheads and borrowing costs in case the construction would be more than 12 months.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Major spare parts that fulfill the definition of property, plant and equipment are capitalized as machinery and equipment. These spare parts will be used to replace malfunctioning or expired components. These spare parts are, unlike the spare parts included in inventories, not sold to the customers.

Depreciation and useful life

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	10 to 20 years
Plant, machinery and equipment	5 to 10 years
Computer equipment	2 to 3 years
DBMFO installations	10 to 15 years
Membranes in DBMFO installations	4 years
Leased assets	Shorter of the useful life or the duration of the lease or useful life in case the Company will obtain ownership of the asset at the end of the lease

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognized.

2.3.10. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company leases office buildings and vehicles. Rental contracts are typically made for fixed periods of 36 months to 5 years but may have extension options as described below. Contracts may contain both lease and non-lease components. The Company has applied the practical expedient not to separate non-lease components for all lease categories.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. The Company has applied the portfolio approach to determine the interest rate implicit in the lease for similar lease assets with similar characteristics. The interest rate applied for the portfolio is determined based on the average interest rate implicit in each lease of the portfolio.

The lease payments do generally not include variable lease payments (e.g. based on an index or rate).

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs,
- and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term and low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company has no payments associated with low-value assets.

Residual value guarantees

The Company sometimes provides residual value guarantees in relation to vehicle leases. The Company initially estimates the amounts payable under the residual value guarantees to be zero.

2.3.11. Impairments of assets

Non-financial assets and goodwill 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).

2.3.12. Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Spare-parts and servicing materials: purchase cost on a first-in/first-out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.3.13. Financial assets

The Company has only financial assets measured at amortized cost. Those include trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Trade and other receivables are recognized initially at the amount of consideration that is unconditional. Those financial assets do generally not include a significant financing component.

Other receivables include receivables on vendors packaging guarantee which is the price paid to the vendors for the packaging. The Company does recognize such as receivable when the guarantee is paid to the vendor.

Impairment of financial assets

The Company determines the value of the allowance for losses (impairment) on each reporting date. It recognizes this impairment for credit losses to be expected during the term of all financial instruments for which the credit risk – whether on an individual or collective basis – has increased significantly since initial recognition, taking into account all reasonable and substantiated information, including forward-looking information. In case the credit risk is low, the 12-month expected credit losses are recognized.

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Based on the historical information and any available forward looking information, the expected credit losses are not material.

For the receivable on vendor packaging guarantee, the Company recognizes an impairment equal to the amount of the receivables that have an origination date of 24 months or later. This impairment equals the reversal of the payables to the customers in relation to the packaging guarantee paid and which have origination date of 24 months or later.

Derecognition

A financial asset is primarily derecognized when

(i) the rights to receive cash flows from the asset have expired, or

(ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a. the Company has transferred substantially all the risks and rewards of the asset, or

b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.3.14. Financial liabilities

The Company has financial liabilities measured at amortized cost which include loans and borrowings, lease liabilities, trade payables and other payables. Other payables include the payable towards the customer for the packaging guarantee paid. The Company adjusted the liability for all payables which have an origination date of 24 months or later, consistent with the impairment on the receivable on the vendor in relation to the packaging guarantee paid by the Company.

Those financial liabilities are recognized initially at fair value plus directly attributable transaction costs and are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

2.3.15. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.3.16. Provisions

The Company has only provision for disputes and litigations. A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

If the Company expects that some or all of the expenditure required settling a provision will be reimbursed, a separate asset is recognized once it is virtually certain that the reimbursement will be received.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognizes any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

2.3.17. Employee benefits

Pension commitments

The Company has two active Belgian "branche 23" pension plans (for executive and for the employees). Those plans provide a retirement lump sum and a death in service coverage with employer's contribution is expressed as a percentage of a reference salary. There are no employee contributions to the plans.

The company has also two dormant Belgian "branche 21" pension plans (for executive and for the employees). As of July 1, 2021 employer contributions for new and existing employees are made with respect to the active "branche 23" pensions plans.

Under Belgian law, defined contribution pension plans are subject to minimum guaranteed rates of return which, in case of the Company, equal 1,75% for all contributions. Because of these minimum guaranteed rates of return, those pension plans are considered as a defined benefit plan under IFRS. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation in the consolidated statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly 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 other current payables in the consolidated statement of financial position.

Share-based payments

Share-based compensation benefits are provided to employees via an employee stock ownership plan (ESOP). Information relating to these plans is set out in note 16. The plans are equity-settled plans as they will be settled by issuing new shares of the Company and there is no obligation for the Company to deliver cash or another financial asset.

The fair value of warrants granted under the ESOP plan is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. The ESOP plan only has a service performance vesting conditions which are further detailed in note 16.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.3.18. Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares incurred before the equity contribution is presented as other current assets and reclassified as a deduction in equity, net of tax, from the proceeds upon the equity contribution.

2.3.19. Dividends

Dividends paid are recognized within the consolidated statement of changes in equity only when an obligation to pay the dividends arises prior to the year end.

2.3.20. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

3. New and revised standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2021 and have been endorsed by the European Union:

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 01/01/2021).** These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

- **Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 01/06/2020, with early application permitted).** If certain conditions are met, the Amendment would permit lessees, as a practical expedient, not to assess whether particular covid-19-related rent concessions are lease modifications. Instead, lessees that apply the practical expedient would account for those rent concessions as if they were not lease modifications.

The following new standard and amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2021 but have been endorsed by the European Union:

- **Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions beyond 30 June 2021 (effective 01/04/2021, with early application permitted).** The amendments extend, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. In particular, the amendment permits a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021). The amendment is effective for annual reporting periods beginning on or after 1 April 2021 (earlier application permitted, including in financial statements not yet authorised for issue at the date the amendment is issued).

- **Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 1 January 2022).** The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.

  - **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

  - **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

  - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** specify which costs a company includes when assessing whether a contract will be loss-making.

4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities for future periods.

On an ongoing basis, the Company evaluates its estimates, assumptions and judgments, including those related to revenue recognition – work in progress and assumptions applied when measuring the defined benefit obligation for the Company insurance plan.

The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1. DBFMO arrangements – assessment whether these contracts contain a lease

The Company has contracts with customers in place for sales under the DBFMO model as explained in the accounting policies. The assessment of whether a contract is or contains a lease may require judgement in applying the definition of a lease to those DBFMO arrangements. A DBFMO arrangement include significant services, so determining whether the contract conveys the right to direct the use of an identified asset may be judgemental.

At inception of the contract, the Company assesses whether the 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.

The Company has judged that the DBFMO arrangements do not contain a lease, although the customer obtains all of the economic benefits of the water process installation, because:

- There is no identified asset. Substantive substitution rights are in place for the Company throughout the period of use as the Company may, at its own discretion, replace the assets with another asset that produces the same volume and quality of water. In a DBFMO contract, the Company performance obligation is the delivery of a minimum volume of water, which meet the contractual quality requirements, during the contract term. In addition, the process water installation is built in a removal container which is easily to transport and connect to the customer installations and water tank. This substitution right is considered substantive by the Company as due to changing technology, the Company does want to optimise and improve, from a cost benefit, its manufacturing process of the required volume and quality water to be delivered to the customer.
- The customer is not able to direct the use of the asset as the responsibility to operate and maintain the water process installation is only with the Company and are only permitted to have access to observe the water process installation. The installation delivers the volume of water in a buffer tank owned by the customer. The contractual delivery of a minimum volume of water is the combination of the output of the water process installation and tap water. The Company can decide, at its own discretion and for a time decided by the Company, to stop the water process production for maintenance or other reasons.

As a result, the WaaS arrangements are accounted for in accordance with IFRS 15 contracts with customers.

4.2. Revenue recognized over time – performance obligation to design and build a process water installation

The Company recognized revenue under the one off sales model and the DBMO model for the construction of the water process installation over time, i.e. over the period when the installation is being designed and build. In determining the revenue to be recognized at the end of the reporting period, the Company has estimate the (i) progress over time and (ii) the margin that will be realized for the project.

The progress over time is estimated based on the direct costs incurred versus the total budgeted costs. The budget costs and the estimated margin on the project for the design and build of the process water installation is reviewed and, if necessary, revised at each reporting period.

4.3. Defined benefit plan

The Company has two active group insurance plans with minimum guaranteed return of 1,75% which are accounted for as a defined benefit plan. The Company makes use of an expert in performing the actuarial calculations using the project unit credit method. The actuarial calculation requires significant estimate with regards to the discount rate, inflation rate, salary increases and withdrawal rate. In making those estimates, management together with the expert make use of objective sources and historical information. More information on the estimate is provided in Note 18.

The company has also two dormant group insurance plans (for executive and for the employees). As of July 1, 2021 employer contributions for new and existing employees are made with respect to the active "branche 23" pension plans.

4.4. Recognition of deferred tax assets over tax losses carried forward

Deferred taxes are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Company has KEUR 3.785 of tax losses carried forward. These losses do not expire and are not related to structural losses, but relating to IPO related costs deducted in the fiscal result. The Company has recognized deferred tax assets over tax losses carried forward for a total amount of KEUR 946. The Company has determined it can recognize deferred tax assets on the tax losses carried forward, since the Company expects an increase in revenue and operating profit resulting from the increasing importance of the DBFMO business model in the near future and as such is convinced that the tax losses carried forward will be recovered in the near future.

5. Operating segments

For management purposes, the Company is organized as from 2019 in two business units based on product and service and the related performance obligations. The two reportable operating segments are the following:

- Non-Waas model (which include the traditional sales, recurring services, consumables and short-term rental sales): the contracts with the customer are to design and build a process water installation, ownership and control over the process water installation is transferred to customer. iServ is included in the Non-Waas model as of April 23, 2021.
- Water-As-A-Service ("WaaS") model (which include the DBFMO contracts and the operating sales of the DBMO contracts): the contract with the customer is in substance the delivery, during the contractual period, of a guaranteed minimum volume of water which meet the contractual quality requirements under the DBFMO contracts. Under the DBMO contracts, eventually, at the discretion of the customer, a cancellable operating agreement is signed between the Company and the customer to maintain and operate the process water installation.

These segments are reflected in the organization structure and the internal reporting. No operating segments have been aggregated to form the above reportable operating segments. The measurement principles used by the Company in preparing this segment reporting are also the basis for segment performance assessment and are in conformity with IFRS. The Chief Executive Officer of the Company acts as the chief operating decision maker. As a performance indicator, the chief operating decision maker controls the performance by the Company's revenue, adjusted EBITDA and EBITDA. The line item expenses from claims can be reconciled to note 7.3.

The following table summarizes the segment reporting for the year ending December 31, 2021.

in 000€	NON-WAAS	WAAS	TOTAL SEGMENTS	CORP-ORATE	TOTAL CONSO-LIDATED
Revenue	10.046	1.205	11.251	–	11.251
Other operating income	310	–	310	–	310
Purchases of materials	-5.082	-161	-5.243	–	-5.243
Services and other goods	-1.751	-42	-1.793	-1.374	-3.167
Employee benefit expense	-2.588	-160	-2.748	-29	-2.777
Other operating charges, net, without expenses from claims	-100	-3	-104	0	-104
Adjusted EBITDA	**834**	**839**	**1.673**	**-1.403**	**270**
Expenses from claims	72	–	72	–	72
EBITDA	**906**	**839**	**1.745**	**-1.403**	**342**
Depreciation charges	-667	-286	-953	–	-953
Operating profit / (loss)	**239**	**553**	**792**	**-1.403**	**-611**
Financial expenses	–	–	–	-166	-166
Financial income	–	–	–	29	29
Profit (loss) before tax	**239**	**553**	**792**	**-1.540**	**-748**
Segment assets	56.037	11.386	67.423	–	67.423
Segment liabilities	7.735	1.105	8.840	–	8.840

The column 'Corporate' included in the line item 'Services and other goods' relate to group charges amounting to KEUR 437 and IPO related costs including professional fees amounting to KEUR 572 and management fees amounting to KEUR 13. The group charges were as per interim financial statements still included in the segment profit for an amount of KEUR 133. The group will restate the segment reporting in the interim financial statements of 2022 for the comparative period.

The following table summarizes the segment reporting for the year ending December 31, 2020.

in 000€	**NON-WAAS**	**WAAS**	**TOTAL SEGMENTS**
Revenue	9.014	465	9.479
Other operating income	302	–	302
Purchases of materials	-6.258	-136	-6.394
Services and other goods	-1.006	–	-1.006
Employee benefit expense	-1.564	-16	-1.580
Other operating charges, net, without expenses from claims	-92	–	-92
Adjusted EBITDA	**396**	**313**	**709**
Expenses from claims	-59	–	-59
EBITDA	**337**	**313**	**650**
Depreciation charges	-447	-176	-623
Operating profit / (loss)	**-110**	**137**	**27**
Financial expenses	-128	-21	-149
Financial income	4	–	4
Profit (loss) before tax	**-234**	**116**	**-118**
Segment assets	9.777	2.110	11.887
Segment liabilities	5.560	1.312	6.872

The revenue by product and service can be presented by product as follows:

in 000€	2021	2020
Consumables	1.856	2.072
Services	3.740	2.550
WaaS revenue	1.205	465
One off sales of water process installations	4.449	4.392
Total revenue by product type	**11.251**	**9.479**

Revenue of mainly all products and services is satisfied over time for the WaaS revenue, one off sales of water process installations and services performed under a service contract. Revenue related to consumables and single services is satisfied at a certain point in time.

The revenue can be presented by geographical area, based on the country in which the customer is domiciled, as follows:

in 000€	2021	2020
Belgium	9.012	7.129
France	403	217
Netherlands	542	309
United Kingdom	14	7
Luxembourg	934	1.651
Other countries	347	166
Total revenue by geography	**11.251**	**9.479**

Most non-current assets are located in the country of domicile, Belgium. A total of KEUR 99 non-current assets are located in France.

The Company has one customer which revenue present 17% (KEUR 1.525) of total revenues of the „Non-Waas“ segment in the year 2021.

The Company has three customers which revenue present 16%, 16% and 12% (KEUR 1.623, KEUR 1.588 and KEUR 1.226) of total revenue of the „Non-Waas“ segment in the year 2020.

6. Business combinations

The Group acquired on April 23, 2021 100% of the shares in iServ BV. iServ BV is a specialized service provider for the treatment of water, based in Genk. The target market of iServ consists of producers and companies active in water treatment and companies that need to treat their water for use in their industrial applications, production or services. The acquisition creates opportunities for the steady growth of Ekopak in the sector of ecological water treatment and strengthens Ekopak's presence on the Belgian territory. The acquisition enables Ekopak to focus even more on quick customer service.

The enterprise value of iServ BV in the transaction amounts to KEUR 1.611.

The identification and valuation of the fair value of the assets and liabilities of iServ are presented below:

in 000€	**Fair value**
Non-current assets	474
Working capital	480
Cash and cash equivalents	167
Financial debt	-549
Other assets and liabilities	-377
Total identified assets and liabilities	**195**
Goodwill	1.035
Fair value compensation	**1.230**

The fair value adjustment of the intangible assets relates to the recognition of the customer list for an amount of KEUR 81. The fair value adjustment of the inventory for KEUR -77 relates to the step-down of inventory. The deferred tax liability recognized resulting from the fair value adjustments amounts to KEUR 28

The transaction resulted in the recognition of goodwill for an amount of KEUR 1.035, which mainly represent the expected synergies with other Group entities. The goodwill is non-deductible for tax purposes.

If the acquisition would have taken place on January 1, 2021, the contribution to revenue would have been KEUR 2.397 and the contribution to net result would have been KEUR 23. Since acquisition date, the contribution to revenue was KEUR 1.361 and the contribution to net result was KEUR 63.

The increase in the headcount resulting from the acquisition is 14, in full time equivalents the increase is 7,59 as the employees are included since 23 April 2021.

The reconciliation with the consolidated statement of cash flows is presented below:

Fair value compensation	-1.230
Cash acquired	167
Acquisition of subsidiaries, net of cash	**-1.063**

7. Income and expenses

7.1. Purchases, services and other goods

in 000€	2021	2020
Purchase of materials	-4.142	-5.115
Other purchases	-1.101	-1.279
Total purchases of materials	**-5.243**	**-6.394**
Rent charges	-126	-31
Repair and maintenance	-134	-76
Utilities	-28	-16
Fuel	-146	-72
Small materials	-166	-37
Postage and website costs	-133	-52
Professional fees	-1.128	-204
Insurance fees	-149	-59
Transport related expenses	-84	-16
Fees for outsourcing engineering and interim personnel	-177	-37
Management fees	-604	-266
Other services	-293	-140
Total Services and other goods	**-3.167**	**-1.006**

The purchase of equipment materials relates to the materials purchased for the building of the water process installations. The other purchases are related to outsourced production capacity. We note that the comparative figures of 2020 have been reclassified to include a more consistent presentation of the total purchases of materials as explained above. The purchases of materials in 2021 were reduced with KEUR 4.739 (2020: KEUR 430) as a consequence of the capitalization of WaaS installations.

The rent charges comprise the rent of an iServ installation subrented to a customer.

The increase in repair and maintenance, small materials and interim personnel can be explained by the increase in business activities. Insurance fees, fuel and transport related expenses have increased given the surge in FTEs. Additionally insurance fees comprise a new D&O policy.

The professional fees include the fees paid to the accountants, lawyer, design agency, recruitment agency and other service providers to the Company and contain IPO related costs for an amount of KEUR 572.

Management fees include the directors remunerations and fees for management active through a management company. IPO related costs amount to KEUR 13.

Other services comprise mainly marketing, IT and communication expenses.

7.2. Employee benefits expenses

in 000€	2021	2020
Gross Salaries	-1.944	-1.089
Social Security charges	-364	-204
Group Insurance	-75	-70
Share based payment costs	-60	–
Other Insurance	-27	-18
Other payroll charges	-306	-199
Total employee benefit expenses	**-2.777**	**-1.580**

The Company had an average of 54,4 FTE during 2021 (32,3 FTE during 2020). The gross salaries in 2021 were decreased with the labour cost amounting to 782 KEUR (2020: KEUR 533). These costs are capitalized in the context of the production of WaaS installations.

7.3. Other operating charges

in 000€	2021	2020
Non-deductible taxes & contributions	-24	-15
Traffic loads	-11	-21
(Reversal of) write-offs on receivables	-39	-12
Claims (settlement & provisions, net)	72	-59
Loss on receivables	–	-30
Other operating charges	-29	-14
Total other operating charges	**-32**	**-151**

7.4. Financial expenses and income

in 000€	2021	2020
Interest charges - borrowings	-107	-89
Interest charges - lease liabilities	-14	-33
Bank charges	-42	-19
Other financial expenses	-3	-8
Financial expenses	**-166**	**-149**
Exchange differences	0	1
Payment discounts and differences	28	2
Interest income	1	1
Financial income	**29**	**4**
Net financial result	**-136**	**-145**

8. Income and deferred taxes

The major components of income tax expense are:

in 000€	for the year ending 31st December 2021	2020
Consolidated statement of profit or loss		
Current income tax:		
Estimated tax liability for the year	10	5
Deferred income tax:		
Relating to origination and reversal of temporary differences	29	82
Relating to tax loss carried forward	-840	-112
of which has been recorded directly in equity (other reserves)	753	–
Income tax expense reported in the consolidated statement of profit or loss	**-48**	**-25**
Consolidated statement of other comprehensive income		
Deferred tax related to items recognized in OCI during the year:		
Remeasurement loss on actuarial gains and losses	-52	-4
Deferred tax charged to OCI	**-52**	**-4**

Reconciliation of tax expense and the accounting profit multiplied by Ekopak's domestic tax rate is as follows:

in 000€	2021	2020
Profit before tax	**-748**	**-118**
Tax expense at the statutory tax rate of 25%	-187	-30
Disallowed expenses	69	42
Minimum tax	9	–
Prepaid share issue costs	52	-52
Other	9	15
Income tax expense	**-48**	**-25**

The domestic tax rate is 25% for both 2021and 2020.

The deferred taxes are explained as follows:

	Consolidated statement of financial position		Consoli-dated statement of profit or loss & OCI	Acquisition of subsidiary
	At December 31		For the year-ending December 31	
in 000€	**2021**	**2020**	**2021**	**2021**
Tax losses	946	112	834	–
Pension liabilities	73	20	53	–
Leases	14	20	-6	–
Offsetting of deferred tax	-10	-10	–	–
Total deferred tax assets	**1.023**	**142**	**881**	**–**
Property, plant & equipment	-10	-10	–	–
Intangible assets	-15	–	5	-20
Inventory valuation	-4	–	-23	19
Offsetting of deferred tax	10	10	–	–
Total deferred tax liabilities	**-19**	**–**	**-18**	**-1**
Net deferred tax asset	**1.004**	**142**		
Total deferred tax (expense)/income in P&L			**58**	
Total deferred tax (expense)/income in OCI			**52**	**–**
Total deferred tax (expense)/income in other reserves			**753**	**–**

The Company has a total of KEUR 3.785 tax loss carryforwards for which a deferred tax assets has been recognized. The tax loss carryforwards will be utilized in the coming years when taxable profits are generated. The tax loss carryforward do not expire.

The Company did not recognize deferred tax assets on the tax loss carryforward of the subsidiaries of Ekopak NV that have merged as disclosed in note 25 - Events after the reporting period, since the tax loss carryforward of those subsidiaries will be lost since the merger.

9. Intangible assets

The changes in the carrying value of the intangible assets at December 31, 2021and 2020 can be presented as follows:

in 000€	Customer list	Software	Other intangible assets	Total
Acquisition value				
At January 1, 2020	**–**	**64**	**38**	**102**
Additions	–	73	–	73
Disposals	–	-17	–	-17
At December 31, 2020	**–**	**120**	**38**	**158**
Additions	–	150	–	150
Business combinations	81	7	–	88
Disposals	–	-23	–	-23
At 31st December 2021	**81**	**254**	**38**	**373**
Amortization				
At January 1, 2020	**–**	**-39**	**-13**	**-52**
Additions	–	-16	-13	-29
Disposals	–	13	–	13
At December 31, 2020	**–**	**-42**	**-26**	**-68**
Additions	-22	-44	-12	-78
Business combinations	–	-4	–	-4
Disposals	–	22	–	22
At December 31, 2021	**-22**	**-68**	**-38**	**-128**
Net carrying value				
At January 1, 2020	–	25	25	50
At December 31, 2020	–	78	12	90
At December 31, 2021	**59**	**186**	**–**	**245**

The intangible assets as per December 31, 2021 consist of software, other intangible assets and customer list.

The software relates to capitalized standard software purchased or licensed from third parties and the cloudplatform used for monitoring of the service activities. The other intangible assets are mainly consisting of an electronic 3D design components library for which external expenses of technical designers have been capitalized.

The customer list results from the business combination of iServ BV which is disclosed in note 6. The customer list is depreciated straight line over 2,5 years.

The total net increase in intangibles resulting from the business combination of iServ BV amounts to KEUR 84 and is presented in the line item non-current assets as disclosed in note 6.

10. Goodwill

The changes in the carrying value of goodwill at December 31, 2021and 2020 can be presented as follows:

	Goodwill
Acquisition value	
At December 31, 2020	**–**
Business combinations	**1.035**
At 31st December 2021	**1.035**
Amortization	
At December 31, 2020	**–**
At December 31, 2021	**–**
Net carrying value	
At December 31, 2020	–
At December 31, 2021	**1.035**

The group distinguishes two cash generating units (CGUs): WaaS and Non WaaS. The goodwill relates to the acquisition of iServ BV and has been allocated to the CGU WaaS.

As per December 31, 2021 the Group performed an impairment analysis on the goodwill based upon a discounted cash flow method that contains cash flows for the following four years and a residual value as of year five. The value retrieved from the valuation model is for 99% related to the terminal value. The estimates in the valuation method are based on experience from the past, existing agreements and forecast looking information of existing customers and partners, supplemented where relevant with market evolutions.

The assumptions used in the model are the pre-tax discount rate (pre-tax WACC) of 11,4%, a perpetual growth rate of 2% and EBITDA as a percentage of sales of 69%.

The headroom is more than three times the carrying value of the CGU. Increasing the pre-tax WACC to 12,4% would decrease the headroom to more than two times the carrying value of the CGU. Decreasing the perpetual growth rate to 0% would decrease the headroom to one times the carrying value of the CGU. Decreasing the EBITDA as a percentage of sales to 62% would decrease the headroom to one times the carrying value of the CGU.

Based on the above information, management concluded that no impairment losses need to be recorded.

11. Property, Plant and Equipment

The land and buildings relate to the owned properties of Ekopak that are used as production and administrative facilities. The additions during 2021 mainly relate to the extension of the existing warehouse.

The major increase in property, plant and equipment results from the increasing number and progress of WaaS installations under construction. As per December 31, 2020 there were three WaaS installations included with a completion status of on average 10%. During 2021, three additional customer projects under construction and two additional projects for rent containers under WaaS were added. As per December 31, 2021 three WaaS installations have been completed and transferred to machinery and equipment.

The machinery and equipment consists of warehouse equipment, computer equipment and divers tools, equipment and machinery used for the production of installations. The machinery and equipment also contains rent containers that are held as spare containers to be able to do replacements or repairs of active installations, as well as consumables that are parts that will be necessary to replace in active installations after a period of time.

The right-of-use assets mainly relate to leased vehicles and buildings, we refer to Note 12 for further information on the right-of-use assets and related liabilities.

The land and building has part of a mortgage in favour of a bank for a total amount of KEUR 55. There are no other restrictions or pledges on the property, plant and equipment. We refer to Note 20 for further information on the pledges and guarantees.

The total net increase in property, plant and equipment resulting from the business combination of iServ BV amounts to KEUR 390 and is presented in the line item non-current assets as disclosed in note 6.

The changes in the carrying value of the property, plant and equipment at December 31, 2021 and 2020 can be presented as follows:

	Land and buildings	DBFMO Installations	Machinery and Equipment	Office furniture and equipment	Vehicles	Right-of-use assets	Construction in progress (DBFMO)	Total
Acquisition value (in 000€)								
At 1st January 2020	**2.340**	**1.488**	**713**	**109**	**45**	**739**	**-0**	**5.434**
Additions	75	69	527	2	68	261	480	1.482
Disposals	-	-	-15	-6	-1	-88	-	-110
At December 31, 2020	**2.415**	**1.557**	**1.225**	**105**	**112**	**912**	**480**	**6.806**
Additions *	32	30	216	71	313	241	9.557	10.461
Business combinations	-	-	134	25	159	194	95	607
Disposals	-	**-47**	-8	-3	-107	-263	-	-428
Transfers	-	**5.076**	-209	-	-	-18	-4.849	-
At December 31, 2021	**2.447**	**6.616**	**1.358**	**198**	**477**	**1.066**	**5.283**	**17.446**
Depreciation (in 000€)								
At 1st January 2020	**-606**	**-4**	**-353**	**-67**	**-23**	**-312**	**-**	**-1.364**
Additions	-136	-104	-132	-12	-15	-194	-	-593
Disposals	-	-	15	6	1	77	-	99
At December 31, 2020	**-742**	**-108**	**-470**	**-73**	**-37**	**-429**	**-**	**-1.858**
Additions	-141	-286	-105	-21	-43	-279	-	-875
Business combinations	-	-	-37	-21	-159	-	-	-217
Disposals	-	**23**	7	3	68	244	-	345
Transfers	-	**-144**	126	-	-	18	-	-
At December 31, 2021	**-883**	**-515**	**-479**	**-112**	**-171**	**-445**	**-**	**-2.605**
Net book value								
At January 1, 2020	**1.734**	**1.484**	**360**	**42**	**22**	**428**	**-0**	**4.070**
At December 31, 2020	**1.673**	**1.449**	**755**	**32**	**75**	**484**	**480**	**4.948**
At December 31, 2021	**1.564**	**6.102**	**879**	**86**	**306**	**621**	**5.283**	**14.842**

* The additions include an amount of KEUR 88 depreciations of other assets activated as part of the cost of DBFMO installations and construction in progress.

12. Leases

This note provides information for leases where the Company is a lessee. There are no leases where the Company is a lessor. The Company leases office buildings and vehicles. Rental contracts are made for fixed periods of 3 to 5 years. Contracts may contain both lease and non-lease components.

Lease terms are negotiated on an individual basis. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

A number of contracts have a lease term of less than 12 months. Ekopak applies the short-term exemption for these contracts.

The consolidated statement of financial positions presents the following amounts relating to leases:

	At December 31	
in 000€	**2021**	**2020**
Right-of-use assets		
Land and buildings	206	–
Machinery and equipment	0	0
Vehicles	415	484
Total right-of-use assets	**621**	**484**
Lease liabilities		
Current	282	236
Non-current	393	326
Total lease liabilities	**675**	**562**

Below are the carrying amounts of right-of-use assets recognized and the movements during the years:

in 000€	Land and buildings	Machinery and equipment	Vehicles	Total
Acquisition value				
At January 1, 2020	**–**	**25**	**714**	**739**
Additions	–	–	261	261
Disposals	–	-7	-81	-88
At December 31, 2020	**–**	**18**	**894**	**912**
Additions	146	–	95	241
Business combinations	113	–	81	194
Disposals	–	–	-263	-263
Transfers	–	-18	–	-18
At December 31, 2021	**259**	**-0**	**807**	**1.066**
Depreciation				
At January 1, 2020	**–**	**-22**	**-289**	**-312**
Depreciation charge for the year	–	-3	-191	-194
Disposals	–	7	70	77
At December 31, 2020	**–**	**-18**	**-410**	**-429**
Depreciation charge for the year	-53	–	-225	-279
Disposals	–	–	244	244
Transfers	–	18	–	**18**
At December 31, 2021	**-53**	**-0**	**-392**	**-445**
Net book value				
At January 1, 2020	–	3	425	428
At December 31, 2020	–	0	484	484
At December 31, 2021	206	-0	415	621

The disposals and early termination is combined as disposals in the right-of-use assets category of Note 11.

Below are the values for the movements in lease liability during the years:

in 000€	Lease Liability
At January 1, 2020	**484**
Additions	261
Early termination	-15
Payments	-167
At December 31, 2020	**562**
Additions	241
Business combinations	194
Early termination	-32
Payments	-290
At December 31, 2021	**675**

The following amounts are recognized in the consolidated income statement:

in 000€	2021	2020
Depreciation expense of right-of-use assets	-279	-194
Interest expense on lease liabilities	-9	-32
Gain on disposal of IFRS16 assets	13	4
Expense relating to short-term leases and low-value assets	-126	-31
Total amount recognized in the consolidated income statement	**-401**	**-253**

Cash-flows relating to leases are presented as follows:

- Cash payments for the principal portion of the lease liabilities as cash flows from financing activities,
- Cash payments for the interest portion as cash flows from operating activities, and,
- Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities as cash flows from operating activities.

13. Inventory

The inventory consists only of goods held for resale which include spare parts and consumables that are being used as part of the agreements with customers to operate the installation. The inventory is stated at its cost as no impairment have been recorded.

	At December 31	
in 000€	**2021**	**2020**
Consumables	68	48
Spare parts	2.021	1.009
Total inventories	**2.089**	**1.057**

14. Contract assets, trade and other receivables

Contract assets

Contract assets are initially recognized for revenue earned from the design and building of the water process installation in the one off sales model and from the DBM part of a DBMO transaction but which are not billed.

The contract assets amount to KEUR 1.733, net of prepayments (KEUR 4.144), and KEUR 562 as per December 31, 2021 and 2020. The contract assets are related to several open projects. The increase is due to an increase in the number of the open projects at reporting date compared to December 31, 2020 as well as the completion status of the projects. An increase for an amount of KEUR 82 as per December 31, 2021 is related to iServ BV.

Trade and other receivables

Trade and other receivables include the following:

	At December 31	
in 000€	**2021**	**2020**
Trade receivables	2.981	3.299
Receivable on vendor - packaging guarantee	45	39
VAT receivable	1.011	149
Current account - related party	–	7
Deferred charges	170	279
Other current assets	46	14
Total trade receivables and other current assets	**4.253**	**3.787**

The Company applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses. The historical losses have been very limited because the Company only works with customers active in the chemical, pharmaceutical and food industry with outstanding credit ratings. As such the expected credit loss provision is not material. Trade receivables are non-interest-bearing and are generally on payment terms of 30 days net of invoice.

The receivable on vendor – packaging guarantee relates to the price paid to the vendors for the packaging that will be reimbursed upon return of the packaging. At the same time, the Company has a payable towards the customers for the packaging delivered to and paid by the customers. The receivable is being reviewed regularly for expected credit losses and all receivables outstanding more than 24 months are being fully impaired.

15. Cash and cash equivalents

The cash and cash equivalents can be presented as follows:

	At December 31	
in 000€	**2021**	**2020**
Cash at banks and on hand	42.100	900
Saving accounts	–	400
Cash and cash equivalents	**42.100**	**1.300**

Cash and cash equivalent consists mainly of cash at banks and cash on saving accounts with an original maturity less than 3 months. The increase of the cash position is mainly the result of the cash inflow from the net proceeds of the IPO.

The cash and cash equivalents as disclosed above do not contain restrictions.

16. Equity

The Company has issued ordinary shares with no nominal value. The following share transactions have taken place during the period between December 31, 2020 and December 31, 2021:

	Total number of ordinary shares adjusted for share split (in 000 shares)	Total share capital in €000	Total share premium in €000	Restricted reserves in €000	Par value per ordinary share adjusted for share split (per share)
Outstanding at January 1, 2020	**10.780**	**–**	**–**	**5.162**	**0,00**
Outstanding on December 31, 2020	**10.780**	**–**	**–**	**5.162**	**0,00**
Outstanding at January 1, 2021	10.780	–	–	5.162	0,00
Capital increase in cash - public offering and private placement	4.044	1.820	54.805	–	0,45
Change legal form - transfer restricted reserves to share capital	–	4.851	311	-5.162	–
Outstanding on December 31, 2021	**14.824**	**6.671**	**55.116**	**–**	**0,45**

At February 19, 2021, the Company has amended its bylaws and changed the legal form resulting in a transfer from the restricted reserves to share capital and share premium.

At March 31, 2021, the Company has issued 3.571.428 new ordinary shares through private placement for a total issue price of KEUR 1.607. The difference between the subscription price and the issue price was added to share premium. Share issue costs were deducted from equity for a total amount net of tax of KEUR 2.258.

At April 8, 2021, The Company has issued 473.214 new ordinary shares for a total issue price of KEUR 213. The difference between the subscription price and the issue price was added to share premium.

The other reserves consist of the following:

	At December 31	
in 000€	**2021**	**2020**
Restricted reserve - legal reserve	6	6
Other reserves	-2.213	47
Share based payment reserve	60	–
Other comprehensive income:		
Actuarial gains (losses) on defined benefit plans	-198	-41
Total reserves	**-2.345**	**12**

The negative other reserves are for EUR 2.3 million explained by the portion of the IPO costs (net of tax) which was recorded directly through equity.

The Shareholders' meeting held in 2020 has declared a dividend of KEUR 300, over the result of 2018, paid in 2020.

16.1. Share-based payments

On December 30, 2020, the Company has approved and issued 30,000 warrants in the context of an employee stock ownership plan (the ESOP Warrants) to certain members of the Executive Management. The ESOP Warrants have been granted free of charge. On December 16, 2021, the Company approved and issued an additional 5,000 warrants.

Each ESOP Warrant entitles its holder to subscribe for one new Share at an exercise price of EUR 16.20 per warrant under the 2020 plan and EUR 17.63 per warrant under the 2021 plan. The new Shares that will be issued pursuant to the exercise of the ESOP Warrants, will be ordinary shares representing the capital, of the same class as the then existing Shares, fully paid up, with voting rights and without nominal value. They will have the same rights as the then existing Shares and will be profit sharing as from any distribution in respect of which the relevant ex-dividend date falls after the date of their issuance.

The ESOP Warrants shall only be acquired in a final manner ("vested") in cumulative tranches over a period of three years as of the starting date (determined for each beneficiary separately): i.e., a first tranche of one third vests on the first anniversary of the starting date and subsequently one third vest each next anniversary. ESOP Warrants can only be exercised by the relevant holder of such ESOP Warrants, provided that they have effectively vested, as of the beginning of the fourth calendar year following the year in which the Issuer granted the ESOP Warrants to the holders thereof. As of that time, the ESOP Warrants can be exercised during the first fifteen days of each quarter. However, the terms and conditions of the ESOP Warrants provide that the ESOP Warrants can or must also be exercised, regardless of whether they have vested or not, in a number of specified cases of accelerated vesting set out in the issue and exercise conditions.

The terms and conditions of the ESOP Warrants contain customary good leaver and bad leaver provisions in the event of termination of the professional relationship between the beneficiary and Ekopak. The terms and conditions of the ESOP Warrants also provide that all ESOP Warrants (whether or not vested) will become exercisable during a special exercise period to be organized by the Board in the event of certain liquidity events. These liquidity events include (i) the dissolution and liquidation of the Issuer; (ii) a transfer of all or substantially all assets or Shares of the Issuer; (iii) a merger, demerger or other corporate restructuring of the Issuer resulting in the shareholders holding the majority of the voting rights in the Issuer prior to the transaction not holding the majority of the voting rights in the surviving entity after the transaction; (iv) the launch of a public takeover bid on the Shares; and (v) any other transaction with substantially the same economic effect as determined by the Board of Directors.

None of the warrants have vested, forfeited or are currently exercisable. The fair value of the warrants are presented below per warrant plan based on a Black-Scholes Merton valuation model with the following assumptions:

	ESOP 2021	ESOP 2020
Share price	17,70	16,20
Exercise price	17,63	16,20
Volatility	20 %	24 %
Risk-free interest rate	-0,53	-0,66
Contractual term	5,00	5,00
Dividend yield	–	–
Fair value warrants per share	**€ 3,01**	**€ 3,24**

The volatility of the ESOP 2020 has been determined based on the average volatility of similar European peers in the „waterwaste services" sector. For ESOP 2021, the volatility was based on both the average volatility of similar European peers as well as Ekopak's volatility since listing.

The share-based payment expense per December 31, 2021 is KEUR 59.

17. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit (loss) for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year. The Company has 35,000 diluted potentially ordinary shares of the ESOP Warrants. The Company is in a loss-making position during 2021 and 2020 and as such the potential ordinary shares would decrease the loss per share, resulting in a non-dilutive effect. As such the basic earnings per share equal the diluted earnings per share.

The following income and share data was used in the earnings per share computations:

in 000€, except per share data in '000	2021	2020
Net profit / (loss) attributable to ordinary equity holders of the parent for basic earnings and diluted earnings per share	-700	-93
Weighted average number of ordinary shares for basic and diluted earnings per share	13.828	10.780

18. Provisions and defined benefit obligations

Provisions include the following:

	At December 31	
in 000€	**2021**	**2020**
Provision legal claim from customers	-248	-320
Net defined benefit liability	-294	-80
Total provisions and defined benefit obligations	**-542**	**-400**

Movements in the provision legal claim from customers during the financial year are set out below:

in 000€	2021	2020
At January 1	-320	-348
Additions	-26	-57
Use	–	85
Reversals	98	–
At December 31	**-248**	**-320**

The decrease in provisions (KEUR 68) in the consolidated statement of cash flows includes the additions and reversals from the table above for respectively the amount of KEUR 26 and KEUR 98 and KEUR 4 from the increase in defined benefit liability for the amount included in the statement of profit and loss.

Provisions for legal claims from customers

The company has a legal claim from a customer for which it has recognized the expected indemnities to be paid and the related professional fees and interests, in case the Company would not be able to successfully defend the case against court or in appeal.

The claim relate to projects realized before 2018 where the customer claims that the water quality and volume produced do not meet the contractual requirements

The claim has not yet been settled as per year-end 2021 and is currently in expertise for the court. The Company does not expect a judgment before 2024. Ekopak lost in first instance during 2018, but filed an appeal. Yearly interests are accrued on the claim. Due to a change in estimates with respect to the exposure of the lawsuit the provision for claims decreased with KEUR 72.

Contingent liabilities and unrecognized contractual commitments

The Company does not have contingent liabilities and material unrecognized contractual commitments.

Defined benefit obligations

The Company has two active Belgian Branche 23 group insurance schemes for management and employees whereby the monthly employer contribution in the plan is equal to a percentage over a reference salary. The percentage is variable and based on the number of years the person is working for the Company.

The company has also two dormant Belgian Branche 21 group insurance plans (for management and for the employees). As of July 1, 2021 employer contributions for new and existing employees are made with respect to the active Belgian Branche 23 group insurance schemes.

There are no employee contributions into the plans. The Company insurance builds up a retirement capital and covers death-in-service benefits for the members.

The employer contribution are subject to a minimum guaranteed return of 1,75% which lead to the Company insurance schemes to be classified as a defined benefit plan.

The number of the members and the average age of the members in the plans is as follows:

	At December 31	
	2021	2020
Number of active members	43	28
Number of inactive members	7	2
Average age	37	39

The net defined benefit liability is as follows:

	At December 31	
in €000	**2021**	**2020**
Net defined benefit liability at the beginning of the year	**80**	**48**
Defined benefit cost included in profit & loss	68	66
Total remeasurement included in other comprehensive income	209	15
Employer contributions	-64	-49
Net defined benefit liability at the end of the year	**294**	**80**

The increase in the net defined benefit liability compared to last year, mainly results from the increase in the assumption on the salary increase from 0,00% to 3,00%.

The gross defined benefit liability is as follows:

	At December 31	
in €000	**2021**	**2020**
Defined benefit liability at the beginning of the year	**189**	**124**
Current service cost	67	65
Interest cost	2	2
Benefit payments	-4	-5
Taxes on contributions	-7	-7
Insurance premiums on risk coverages	-5	-4
Actuarial loss on DBO due to change in financial assumptions	173	13
Actuarial loss (gain) on DBO due to experience adjustments	51	1
Defined benefit liability at the end of the year	**468**	**189**

The fair value of the plan assets is as follows:

	At December 31	
in €000	**2021**	**2020**
Fair value of plan assets at the beginning of the period	**110**	**76**
Interest income	1	1
Employer contributions	64	49
Benefit payments	-4	-5
Taxes on contributions	-7	-6
Insurance premiums on risk coverages	-5	-4
Changes in return of plan assets	15	-1
Fair value of plan assets at the end of the period	**174**	**110**

All plan assets are invested in an insurance contract with guaranteed interest rate (branch 23 product).

The defined benefit calculation has been performed based on the below assumptions:

	At December 31	
	2021	**2020**
Discount rate	0,85 %	1,00 %
Duration of liabilities	24,8	23
Inflation rate	1,80 %	1,70 %
Salary increase (excluding inflation)	3,00 %	0,00 %
Withdrawal rate (annual)	2,50 %	2,50 %

The discount rate was derived from the index iBoxx EUR Corporate AA on each valuation date, considering the weighted average duration of liabilities. The inflation rate is based on the long-term objective of the European Central Bank. Retirement age assumption is in line with current legal requirements. The withdrawal rate and the salary increase rate reflect the expectations of the company on a long-term basis.

A sensitivity with reasonable possible changes on the discount rate and the inflation rate will impact the net defined benefit liability as follows (positive = increase net defined benefit liability / negative = decrease of net defined benefit liability):

	At December 31	
in €000	**2021**	**2020**
Increase of 0,25% in the discount rate	-33	-11
Decrease of 0,25% in the discount rate	35	15
Increase of 0,25% in the inflation rate	17	7
Decrease of 0,25% in the inflation rate	-17	-4

The expected employer contributions for the year 2022 amounts to KEUR 184.

19. Fair value

The carrying value of the financial assets and the financial liabilities can be presented as follows:

	Carrying value	
	At December 31	
in 000€	**2021**	**2020**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	2.981	3.299
Other current receivables	45	46
Cash & cash equivalents	42.100	1.300
Total debt instruments	**45.126**	**4.645**
Financial liabilities measured at amortized cost		
Borrowings	2.754	3.098
Lease liabilities	675	562
Trade and other payables	3.828	2.449
Other current liabilities	55	35
Total financial liabilities measured at amortized cost	**7.312**	**6.144**
Total non-current	2.232	2.625
Total current	5.080	3.519

The fair value of the financial assets and the financial liabilities can be presented as follows:

	Fair value	
	At December 31	
in 000€	**2021**	**2020**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	2.981	3.299
Other current receivables	45	46
Cash & cash equivalents	42.100	1.300
Total debt instruments	**45.126**	**4.645**
Financial liabilities measured at amortized cost		
Borrowings	2.779	3.119
Lease liabilities	675	562
Trade and other payables	3.828	2.449
Other current liabilities	55	35
Total financial liabilities measured at amortized cost	**7.337**	**6.165**
Total non-current	2.254	2.644
Total current	5.083	3.521

The fair value of the financial assets and financial liabilities has been determined on the basis of the following methods and assumptions:

- The carrying value of the cash and cash equivalents, the trade receivables and the other current receivables approximate their fair value due to their short-term character.
- The carrying value of trade payables and other liabilities approximate their fair value due to the short-term character of these instruments.
- Loans and borrowings are evaluated based on their interest rates and maturity dates. Most interest-bearing debts have fixed interest rates and have a different fair value. We have estimated the fair value by discounting the future payments including interest with the current interest rate with similar maturity.

The fair value for the borrowings is classified as a level 2 in the fair value hierarchy. The Company has used public interest rates based on Euribor adjusted with an estimated debt margin in each contract to estimate fair value.

20. Borrowing and lease liabilities

The long term liabilities include the following:

	At December 31	
in 000€, except interest rate	**2021**	**2020**
Leasing liabilities (interest rate range: 1,52% to 7,98%)	675	562
Investment borrowings (interest rate range: 1,28% to 3,78%)	1.500	1.563
Government loan (interest rate: 3%)	148	222
Investment borrowing for specific customer project (interest rate: 1,48%)	1.106	1.313
Total borrowings and lease liabilities	**3.429**	**3.660**
of which current	804	709
of which non-current	2.625	2.951

- The investment borrowings with a total carrying value of KEUR 1.500 and KEUR1.563 at December 31, 2021, and 2020 respectively, are investment credits which have a fixed interest rate ranging from 1,28% to 3,78% with maturities between 36 to 180 months. For one investment credit with maturity of 180 months with a carrying value of KEUR 701 and KEUR 772 at December 31, 2021 and 2020 respectively, the bank can revise the fixed interest rate every 5 years. Certain investment borrowings allow an early repayment at each interest due date and/or the interest revision date.

The investment credits are collateralized by means of the following:

- Mortgage for the investment credit in relation to the building of KEUR 55.
- Proxy for a mortgage in relation to the building of KEUR 1.328.
- Pledge and proxy for a pledge on the trading fund for a total amount of KEUR 500.
- Pledge on the business goods for a total amount of KEUR 600
- Government guarantee from PMV for a total amount of KEUR 150

The above collateral is also applied to the bank guarantees provided to by the bank in favour of certain customers for ongoing projects.

The government loan is a loan granted by „Participatiefonds Vlaanderen“ for a total amount of KEUR 300 and a maturity of 60 months. Capital instalments are only payable as from the 13 month. The government loan has no guarantees.

The investment borrowing for an amount of KEUR 1.106 relate to the financing of a customer project with a WaaS contract. The borrowing has a maturity of 84 months, a fixed interest rate of 1,48%. This investment borrowing has a pledge on contractual payment to be paid by the customer and on the related water process installation for a total amount of KEUR 1.500 and a general guarantee of KEUR 75.

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Restriction on disposal or pledge for all assets under the borrowing agreements (sale or rent out for more than 9 years)
- Restriction on distribution of reserves and profits until the Company has a 20% solvability ratio
- The Company is restricted from entering into new banking relations without the prior written approval of the current lenders
- The Company is restricted from providing guarantees for obligations of itself or third parties until the borrowing facilities are terminated
- Restriction on change of control over the Company

The Company has complied with these covenants through the reporting period.

Cashflows from financing activities

The cashflow from the financing activities can be presented as follows:

i000€	2021	2020
At January 1	**3.660**	4.197
Proceeds from loans & borrowings	143	700
Repayment of loans & borrowings	-842	-1.316
New loans and borrowings through business combinations	355	–
New leases (non-cash)	241	261
New leases through business combinations	194	–
Repayment of leases	-290	-167
Early termination of leases (non-cash)	-32	-15
At December 31	**3.429**	**3.660**

21. Short term liabilities

The short term liabilities are the following:

	At December 31	
in 000€	**2021**	**2020**
Trade and other payables		
Trade payables	-3.433	-2.228
Payroll-related liabilities	-396	-220
Total trade and other payables	**-3.828**	**-2.449**
Other current liabilities		
Payable towards customer for packaging guarantees	-43	-35
Other	-16	–
Total other current liabilities	**-59**	**-35**

The payable towards the customers for packaging guarantees is the expected reimbursement of the price paid by each customer for the packaging materials delivered by the Company to the customer when returned by the customer to the Company. This payable is related to the receivable towards the suppliers for packaging guarantee. There are no other material obligations for other returns, refunds or warranties.

22. Capital management

The primary objective of the Company's shareholders' capital management strategy is to ensure it maintains healthy capital ratios to support its business and maximize shareholder value. Capital is defined as the Company's shareholder's equity. The shareholder's equity totals KEUR 58.583 and KEUR 5.015 as per December 31, 2021 and 2020 respectively. The ratio shareholder's equity to the total liabilities and equity (solvability ratio) is 87% and 42% as per December 31, 2021 and 2020 respectively.

The Company consistently reviews its capital structure and makes adjustments in light of changing economic conditions, expected business growth and cash requirements to fund the growth.

23. Financial risk management

Market risks

The Company is not exposed significantly to market risks such as interest rate risk, foreign currency risks and other market risks that may impact the fair value or future cash flows of its financial instruments. As such, sensitivity analysis is not provided.

Interest rate risk

The Company is not subject to immediate changes in interest rates as almost all borrowings outstanding have a fixed interest rate except for one long-term investment borrowings where the fixed interest rate can be revised every 5 years. As for the latter the interest rate has been revised in 2019, the next interest revision date is 2024.

Foreign exchange risk

The Company invoices its customers in EUR and not in other foreign currency. In addition, the Company purchases its materials also in EUR. Euro is the functional currency of the Company. As such, the Company is not subject to foreign exchange risks.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company expects to meet its obligations related to the financing agreements through operating cash flows. This risk is countered by regular liquidity management at the corporate level. The Company has historically entered into financing and lease agreements with financial institutions to finance significant projects and certain working capital requirements.

The range of contracted obligations is as follows:

in 000€	**Less than 1 year**	**2 to 3 years**	**4-5 years**	**More than 5 years**	**Total**
At December 31, 2021					
Borrowings	572	958	815	609	2.954
Lease liabilities	291	379	19	–	689
Trade payables and other payables	3.828	–	–	–	3.828
Other current liabilities	59	–	–	–	59
Total	**4.750**	**1.337**	**834**	**609**	**7.530**
At December 31, 2020					
Borrowings	540	1.021	791	1.028	3.380
Lease liabilities	243	317	80	–	640
Trade payables and other payables	2.449	–	–	–	2.449
Other current liabilities	35	–	–	–	35
Total	**3.267**	**1.338**	**871**	**1.028**	**6.504**

The amounts disclosed in the table above are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances as the impact of discounting is not significant.

The Company is not subject to any covenants.

Credit risk

Credit risk is the risk that third parties may not meet their contractual obligations resulting in a loss for the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities (cash and cash equivalents), which are mainly cash held and short-term deposits with high-creditworthy financial institutions. The Company limits this exposure by contracting with credit-worthy business partners or with financial institutions which meet high credit rating requirements. In addition, the portfolio of receivables is monitored on a continuous basis.

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Historically, the Company had no significant credit losses and currently has accounted for a credit loss allowance only for a limited number of customers for which credit losses are highly probable. The Company is of the opinion that the expected credit losses are not material.

The Company evaluates the concentration of risk with respect to trade receivables and contract assets regularly. The customer only works with customers active in the chemical, pharmaceutical and food industry with outstanding credit ratings. Contract assets as per December 31, 2021 include one customer with contract assets of 88% compared to the total contract assets.

Set out below is the information about the maximum credit risk exposure on the Company's trade receivables:

in 000€	Total	Non-due	Less than 30 days	31-60 days	>61 days
At December 31, 2021	2.981	2.244	349	61	327
At December 31, 2020	3.297	2.782	142	160	213

The maximum credit risk exposure in 2020 was highly impacted with one outstanding invoice amounting to KEUR 1.424 related to the one off sales model.

Cash and cash equivalents

The credit risk from the cash and cash equivalents held at financial institutions is managed by placing cash at high-creditworthy financial institutions (KBC and BNP Paribas Fortis). The Company does not invest its excess cash in financial instruments other than cash equivalents. The Company's maximum exposure to credit risk is the carrying value of the cash and cash equivalents in the consolidated statement of financial position.

Operational risks

For the operational risks, we refer to the risk management section in this annual report.

24. Related party disclosures

This disclosure provides an overview of all transactions with related parties with Pilovan BV and Alychlo NV as shareholder and its representatives in key management.

Key management is employed through management agreements and payroll. In addition, the Company has a group insurance plan in favour of key management.

in 000€	*2021*	*2020*
Short-term employee benefits	553	349
Post-employment benefits	11	11
Total	**564**	**360**
Warrants granted	35.000	30.000
Warrants outstanding	35.000	30.000

The key management consist of 5 persons (including the CEO) as of 2021 (2020: 4).

Key management has been granted 35.000 warrants at December 31, 2021 (2020: 30.000). We refer to Note 16 for additional details.

The Company has a current account receivable on Pilovan which is fully owned by one of the shareholders and management member as well as a current account receivable on the management member in person. The current accounts together totals KEUR 9 and KEUR 11 as per December 31, 2021and 2020 respectively. The current account is interest bearing. Total interest income received from these related parties totals KEUR 1 at December 31, 2021 and 2020.

25. Events after the reporting period

The Company announced on the 27th of January 2022 its collaboration with PMV and Water-Link to convert the treated waste water from Antwerp households into cooling water for companies in the Port of Antwerp by 2025. The collaboration is named Waterkracht ('the power of water') and is a significant milestone in the transition to a sustainable port.

To realize this pioneering project, the collaborators entered into a preliminary agreement (Memorandum of Understanding) to establish a joint venture. The joint venture is named Waterkracht and is a leading example of public-private partnership. Ekopak owns a 51% share in the established joint venture.

Normally the water plant will be fully operational as of 2025.

The Company merged on the 1st of January 2022 the legal entities iServ BV and Water-as-a-Service NV into Ekopak NV.

Ekopak announced on February the 24st 2022 the investment in new business premises. Ekopak has reached an agreement to realize the new building on a plot of approx.. 2.1 ha on the De Prijkels site in Deinze. The investment is needed to support and accelerate Ekopak's future growth. Ekopak also wants to play a pioneering role in the field of sustainability.

26. Auditor fees

The fees for professional services provided by PwC in 2020 and 2021 were as follows:

in 000€	2021	2020
Audit fees	68	48
Contractual audit fees relating to 2018 and 2019	–	46
Fees of auditor related to specific services (mainly IPO and legal missions related)	222	6
Total	**290**	**100**

27. Interests in other entities

The group's principal subsidiaries at 31 December 2021 are set out below.

		Ownership interest held by the group	
		At December 31	
Name of entity	Country of incorporation	2021	2020
Ekopak NV	Belgium	100 %	100 %
Water-as-a-Service NV	Belgium	100 %	100 %
iServ BV	Belgium	100 %	0 %
Ekopak SAS	France	100 %	0 %

Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Changes in the group's subsidiaries compared to last year, relate to the in note 6 described acquisition of iServ BV as per 23 April 2021and the incorporation of Ekopak France as per 14 September 2021.

28. NON-GAAP Measures

Adjusted EBITDA is used in Note 5 Operating Segments as one of the bases of the Segments performance measurement. We calculate adjusted EBITDA as profit (loss) before tax plus financial expenses, minus financial income, plus expenses from claims and depreciation charges.

EBITDA is used in Note 5 Operating Segments as one of the bases of the Segments performance measurement. We calculate EBITDA as profit (loss) before tax plus financial expenses, minus financial income, plus depreciation charges.

Supplementary information

The financial statements of the parent company, Ekopak NV, are presented below in a condensed form.

The accounting principles used for the statutory annual accounts of Ekopak NV differ from the accounting principles used for the consolidated annual accounts: the statutory annual accounts follow the Belgian legal requirements, while the consolidated annual accounts follow the International Financial Reporting Standards. Only the consolidated annual financial statements as set forth in the preceding pages present a true and fair view of the financial position and performance of the Ekopak Group.

The management report of the Board of Directors to the Annual General Meeting of Shareholders and the annual accounts of Ekopak NV, as well as the Auditor's Report, will be filed with the National Bank of Belgium within the statutory periods. These documents are available upon request to Ekopak's Finance department (info@ekopak.be), and at our website: https://ekopaksustainablewater.com/investor-relations.

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of Ekopak NV for the year ended 31 December 2021 gives a true and fair view of the financial position and results of the company in accordance with all legal and regulatory dispositions.

1. Balance sheet after appropriation

in 000€	2021	2020
Fixed assets	**9.700**	**5.005**
Intangible fixed assets	172	90
Tangible fixed assets	4.532	4.164
Financial assets	4.996	751
Current assets	**56.406**	**6.293**
Amounts receivable after more than one year	0	0
Inventory	8.849	2.099
Amounts receivable within one year	15.140	3.534
Investments (own shares)	0	0
Cash and cash equivalents	32.246	629
Deferred charges and accrued income	171	30
Total assets	**66.106**	**11.297**
Capital and reserves	**58.118**	**4.894**
Capital	6.671	0
Share premium	55.116	0
Restricted reserve	0	5.162
Reserves	53	53
Accumulated profits	-3.722	-321
Investment grants	0	0
Provisions	**248**	**320**
Provisions for liabilities and charges	248	320
Creditors	**7.739**	**6.084**
Amounts payable after more than one year	2.245	2.750
Amounts payable within one year	5.487	3.333
Total liabilities	**66.106**	**11.297**

The increase in intangible fixed assets is related to investments in software. The software relates to capitalized standard software purchased or licensed from third parties and the cloud platform used for monitoring of the service activities. The other intangible assets are mainly consisting of an electronic 3D design components library for which external expenses of technical designers have been capitalized.

The increase in tangible fixed assets is mainly related to the capitalization of rental containers (0,5 million euro).

Financial assets increased due to investments in iServ BV (1,2 million euro) and in Ekopak France SAS (3 million euro).

The increase in inventory is mainly related to work in progress (5,9 million euro).

Amounts receivable within one year increased due to the intercompany current accounts of Water-as-a-service NV (1 million euro) and iServ BV (6 million euro). Trade receivables increased due to an outstanding position of 5,1 million euro related to the sales of water process installations to Water-as-a-Service NV.

The increase in cash and cash equivalents is the result of the capital increase. Ekopak NV raised by means of an IPO net 54,3 million euro. The increase is partly compensated by the acquisition of iServ (1,2 million euro), formation of Ekopak France SAS (3 million euro), financing of iServ BV (6 million euro) and by prefinancing the construction of water process installations.

Equity increased as a result of the IPO with 56,6 million euro. Equity was impacted with the loss of the year amounting to 3,4 million euro of which 3,7 million euro relate to the cost directly linked with the IPO.

Amounts payable within one year increased as a consequence of the growth in the Water-as-a-Service business as well as the increase in personnel. An important other payable is the increase in VAT due (0,6 million euro) which is the result of the sales of water process installations to Water-as-a-service NV.

2. Income statement

in 000€	2021	2020
Operating income	19.623	10.877
Operating costs	-19.276	-11.304
Financial result	-3.740	-112
Income taxes	-7	-5
Transfer to untaxed reserves	0	0
Profit/(loss) for the year	**-3.401**	**-544**

Ekopak NV's operating income in 2021 increased with 80% to 19,6 million euro. This is related to the accelerated transition towards the Water-as-a-service business which resulted in a strong increase in sold WaaS projects.

The operating costs increased with 8 million euro and consists of the increase in cost of goods sold for an amount of 6,3 million euro. This is the result of the growth and transition towards the WaaS business. The services and other goods increased with 0,8 million euro whereas the personnel costs increased with 1,2 million euro. The increase in salaries is related to the expansion in FTE's, 46,3 in 2021 compared to 32,3 in 2020.

3. Proposed appropriation of Ekopak NV result

in 000€	2021	2020
Profit/(loss) for the year for appropriation	-3.401	-544
Profit brought forward	-321	223
Profit to be appropriated	**-3.722**	**-321**
Transfer from other reserves	0	0
Profit to be carried forward	-3.722	-321
Gross dividends	0	0
Total	**-3.722**	**-321**

The loss of the financial year is carried forward towards 2022.

Statutory auditor's report

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF EKOPAK NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Ekopak NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d. 4 December 2020, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Company's consolidated accounts for 2 consecutive years.

1. Report on the consolidated accounts

1.1. Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of KEUR 67.423 and a loss for the year of KEUR 700.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

1.2. Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

1.3. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated accounts of the current period. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

2. Valuation of contract assets

2.1. Description of the Key Audit Matter

Reference is made to note 2: Significant accounting policies: 4.2 Revenue recognised over time and Note 14: Contract assets. Contract assets amounted to KEUR 1.773 at 31 December 2021.

We focused on revenue recognition of construction contracts and its related contract assets because the Group generates a substantial part of its revenue from projects which qualify as construction contracts under IFRS. The recognition of revenue and the estimation of the outcome of fixed price construction contracts is complex and requires significant management judgement, in particular with respect to the allocation of the cost incurred to the correct projects and the cost to complete the contracts (margin that will be realised) as well to the assessment of the stage of completion of the project (progress over time). For these reasons, we identified the contract assets from these construction contracts as most significant during our audit.

2.2. How our Audit addressed the Key Audit Matter

Our testing on contract assets included procedures to gain an understanding of the related process and controls as well as substantive test procedures related to the recording of the contract assets, the related revenues and the determination of the stage of completion of the contracts. Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies. We also included an evaluation of the significant judgements made by management based on the examination of the related project documentation and the discussion on the status of projects under construction with finance and technical staff of the Group for specific individual transactions/projects.

In addition, in order to evaluate the reliability of management's estimates, we reconciled the total price to the signed contracts and tested a sample of purchase invoices and timesheets to verify if these were allocated to the correct projects. Furthermore, we reconciled and recalculated the proportional part of the production overhead cost allocated to the different projects. We also performed testing over unexpected journal entries posted to revenue to identify potential unusual or irregular items that could influence contract assets and the related revenue recognition.

We found management's judgements in respect of the contract assets to be consistent and in line with our expectations.

3. Valuation of construction in progress (DBFMO)

3.1. Description of the Key Audit Matter

Reference is made to Note 2: Significant accounting policies: 2.3.9 Property, plant and equipment and Note 11: Property, plant and equipment. The construction in progress amounted to KEUR 5.281 at 31 December 2021 and is completely related to the DBFMO – Design Build Finance Maintain Operate assets under construction (also referred to as WAAS "Water-as-a-service").

Considering the magnitude of the total costs capitalised as construction in progress (costs of materials, direct labour costs and part of the production overheads) and considering the capitalization of costs requires a significant effort in allocating the costs to the correct project and setting the allocation keys we identified the construction in progress as most significant during our audit.

3.2. How our Audit addressed the Key Audit Matter

Our testing on the construction in progress assets included procedures to gain an understanding of the related process and controls as well as substantive test procedures related to the recording of the construction in progress and the related capitalised costs. Our audit procedures included considering the appropriateness of the Group's accounting policies. We also included an evaluation of the significant judgements made by management based on the examination of the project documentation and the discussion on the progress of the projects under construction with finance and technical staff of the Group for specific individual projects.

In addition, in order to evaluate the reliability of the capitalised cost, we tested a sample of purchase invoices and timesheets to verify if these were allocated to the correct project. Furthermore, we reconciled and recalculated the proportional part of the production overhead allocated to the different projects. We also performed testing over unusual large journal entries impacting construction in progress.

We found no material errors from our testing.

3.3. Responsibilities of the board of directors for the preparation of the consolidated accounts

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

3.4. Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts 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 level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 override of internal control;
- Obtain 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts 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 statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee 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.

We also provide the audit committee 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 safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts 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.

4. Other legal and regulatory requirements

4.1. Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts.

4.2. Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts and to report on these matters.

4.3. Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

4.4. Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

4.5. European Uniform Electronic Format (ESEF)

We have also verified, in accordance with the draft standard on the verification of the compliance of the financial statements with the European Uniform Electronic Format (hereinafter "ESEF"), the compliance of the ESEF format with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter "digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient appropriate evidence to conclude that the format and marking language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work we have performed, we believe that the format of and marking of information in the digital consolidated financial statements included in the annual financial report of Ekopak NV per 31 December 2021 comply in all material respects with the ESEF requirements under the Delegated Regulation.

Other statements

This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 8 April 2022

The statutory auditor

PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV

Represented by

Peter Opsomer

Réviseur d'Entreprises / Bedrijfsrevisor

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL - Financial Assurance Services
Maatschappelijke zetel/Siège social: Culliganlaan 5, B-1831 Diegem
Vestigingseenheid/Unité d'établissement: Sluisweg 1 bus 8, B-9000 Gent
T: +32 (0)9 268 82 11, F: +32 (0)9 268 82 99, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB /
BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB