

Publication

First Half 2023 Results

Ekopak
∞ Ekopak Sustainable Water

Together towards
a sustainable future.

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RESULTS FIRST HALFYEAR 2023

Ekopak achieves strong first half and raises its medium-term target

- **Double-digit sales growth combined with costs well under control ensures positive EBITDA of first half continues for full-year 2023**
- **Upward revision of medium-term target: EUR 140 million in sales in 2028**

Tielt (Belgium), 25 September 2023 – 8.00 am CEST

Today, Ekopak (EKOP:xbru) publishes its IFRS interim condensed consolidated financial statements for the six-month period ended June 30, 2023.

Key elements 1H2023

- WaaS segment (Water-as-a-Service): continued acceleration of revenue growth (+23% vs. 1H2022) with a stable, solid EBITDA margin (67%).
- Non-WaaS segment: robust revenue growth (+104% vs. 1H2022) and 12% EBITDA margin confirm the structural potential of this segment alongside the WaaS segment.
- Continued strong performance of Ekopak France. Sales in France reached EUR 2,4 million, more than quadrupling compared to 1H2022.
- WaaS/non-WaaS revenue growth and stable level of Corporate costs (EUR 1,4 million) result in positive Group EBITDA of EUR 1,1 million (8%) compared to EUR -0,5 million in 1H2022.

Significant event after balance sheet date June 30, 2023

- Ekopak acquires industry peer Global Water & Energy (GWE) transforming Ekopak into a group that operates on a global level. (See press release dated September 14, 2023: <https://ekopaksustainablewater.com/press-news/ekopak-acquires-industry-peer-global-water-energy/>).
- Thanks to an exceptional geographical, intersectoral and technological complementarity, Ekopak closes the circle in water recycling.
- As a 'welcome gift', GWE brings recently scored projects at Heineken France and Danone Florida.

Outlook 2023

- As a result of the acquisition of GWE, a group revenue of EUR 35-38 million is forecasted in 2023 (2022 group revenue: EUR 18 million). On a pro forma, consolidated annual basis, Ekopak & GWE are expected to achieve a group revenue of EUR 55-58 million.

- The net cash position¹ as of June 30, 2023 is EUR 12.5 million and as a result of the acquisition of GWE this evolves on a pro forma basis to a net debt position of approximately EUR 21.5 million. This relatively limited position indicates that there is no need for an additional capital round.
- Prospect of an EBITDA of EUR 3-5 million in 2023.
- The Circeaulair I joint venture has been established and in addition to the binding legal agreements with Aquafin and EPICo², there is good commercial traction for this driving force in the WaaS segment.
- Ekopak is confident of making a significant contribution to solving the water scarcity in the medium term, and with the integration of GWE, this contribution will become even more significant.

Medium-term prospects (2028)

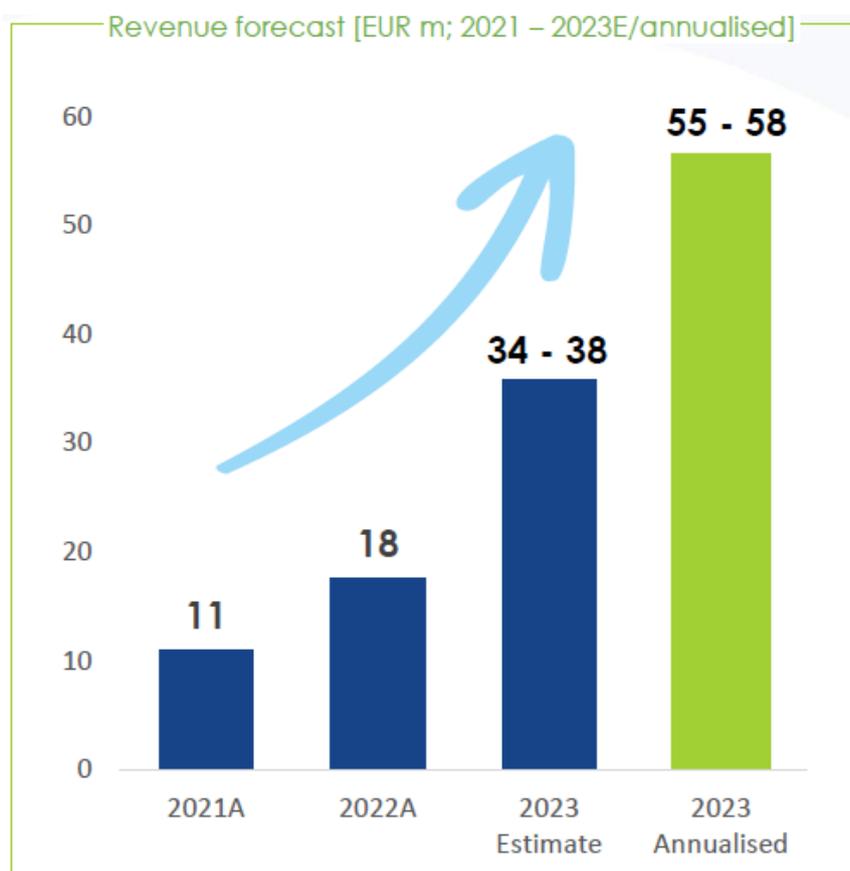
- EUR 140 million revenues of which 25-30% WaaS and 70-75% non-WaaS due to different mix after GWE integration.
- EUR 35 - 42 million EBITDA at group level.

¹ Cash minus short-term and long-term financial debt

Management report 1H2023 – Executive summary

In 000 € (non audited numbers)	In 000 €		1H2023/ 1H2022	AI % of Revenue	
	1 st half 2023	1 st half 2022		1H2023	1H2022
Revenue					
WaaS-segment	1 510	1 225	+ 23%		
non-WaaS-segment	12 744	6 248	+ 104%		
<i>Total</i>	14 254	7 473	+ 91%		
EBITDA					
WaaS-segment	1 014	822	+23%	67%	67%
Non-WaaS-segment	1 497	111	+1. 249%	12%	2%
Corporate segment	-1 408	-1 402	0%	-10% *	-19% *
<i>Total</i>	1 103	-469		8%	-6%

(*) EBITDA Corporate segment as a percentage of Revenue



The CEO's perspective

Pieter Loose, CEO Ekopak, comments: "I am extremely satisfied with the achievements of the entire Ekopak team in the first six months of 2023. Personally, I put a lot of attention, time and energy into the strategic projects for the future, specifically the agreement with GWE and the launch of the Circeular projects. The group's impressive performance, both in the WaaS and non-WaaS segments, shows that Ekopak has a motivated and talented team that fully identifies with the group's vision and ambition. This is heartening and it also builds confidence for the future, which will offer endless opportunities.

By leveraging our own strengths, we almost doubled group revenues for the first six months of 2023 compared to the same period last year. The mix between WaaS and non-WaaS may vary from period to period. What is important, is the fact that the WaaS segment continues to show double-digit growth and perpetuates its inherently attractive EBITDA margin. The incredible growth acceleration of the non-WaaS business and the steady and sustainable recovery of the associated EBITDA margin are a wonderful illustration of our expertise and competitive position.

In recent periods, we have focused on expanding the organization so that it is armed to meet the challenges of the future. This entailed certain expenses, which weighed on the group's profitability for some time. Today, we have an organization with a strong backbone, capable of supporting and guiding existing activities as well as building projects for the future. This was demonstrated in the past six months by also successfully completing the acquisition of GWE together with strict control of corporate costs. This combination enables us to achieve the target of full-year 2023 EBITDA of EUR 3-5 million.

It is very satisfying to build our business while integrating sustainability into our operations and also enabling other companies to operate more sustainably. I am confident that we can make a significant contribution to solving the issue of water scarcity while also achieving our financial goals."

WaaS segment: 23% revenue growth (1H2023/1H2022) with an EBITDA margin of 67%

Ekopak's WaaS business posted another record in the first half of 2023 with sales of EUR 1,5 million (+23% compared to 1H2022). The sales of the WaaS business in the first half even exceeded the total annual sales of two years ago (FY2021: EUR 1,2 million). The continued success of the WaaS model in the domestic market also opens up prospects for other markets.

In early July 2023, for example, Ekopak France could proudly announce that it had won its first major WaaS project in France: a sustainable water project at a TotalEnergies production site in Grandpuits.

It should also be mentioned that revenues from WaaS contracts are only recognized from the moment the plant becomes operational and thus a significant portion is not yet included in the figures for the first half of 2023. The WaaS contracts already signed

but not yet operational represent secured² annual revenues³ of more than EUR 1,3 million.

Also for the most recent period, the WaaS business was able to generate an EBITDA margin of 67%. This level of profitability is in line with the medium-term target for this segment and is yet another confirmation of the structural attractiveness of this business model.

Non-WaaS segment: revenue doubled (1H2023/1H2022) with attractive margin

As demonstrated in several previous reporting periods, Ekopak strategic transition from non-WaaS to WaaS can be accompanied by business growth in both segments simultaneously. This is once again confirmed in the first half of 2023, with impressive revenue growth of 104% compared to the first half of 2022. Compared to the second half of 2022, sales are also significantly higher in this period (+42%). The strong performance of the non-WaaS segment reflects in part the contribution of Ekopak France (including H2O Production), which has traditionally had a stronger focus on non-WaaS activities, but where the WaaS model will become more and more prevalent (see above).

The revenue doubling in the non-WaaS segment could be combined with a substantial improvement in the EBITDA margin. From 2% in the first half of 2022 to 7% in the second half last year, to 12% in the most recent reporting period. This illustrates both the solid fundamentals under the non-WaaS business and the discipline around cost control and efficiency of the Ekopak team.

Geographical expansion: strong acceleration

In the first half of 2023, revenue generated outside the Belux home market represents 18% of the group's total revenue which is almost entirely due to Ekopak France (EUR 2,4 million). Besides a new WaaS project at TotalEnergies in Grandpuits (FR), Ekopak France scored a non-WaaS project for a battery plant in northern France, which will contribute to the group's results as early as H2 2023.

The integration of GWE will immediately lead to a stronger internationalization. Recently, nice projects were gained at Heineken France and Danone US.

Circeaulair and NextGen projects bring promising future vision closer

At the beginning of December 2022, Ekopak entered a partnership that supplies companies and business parks with circular water using a new concept. This is a collaboration between Ekopak, Aquafin and the infrastructure fund EPICo², with the project name Circeaulair®. Circeaulair aims for an annual intake of 25 billion liters of circular water, the equivalent of the water consumption of 640 000 people.

Circeaulair is off to a strong start. Ypres, Zelzate and Oudenaarde are the first cities to launch Circeaulair. Thanks to Circeaulair, companies or business parks can significantly

² Generally, minimum monthly fees are agreed upon over the life of the contract, but the agreement also specifies the conditions under which a contract can be terminated.

³ Assuming that the contracts are operational for 12 months in a given fiscal year.

contribute to circular water use and thus reduce their ecological and water footprint. If all goes according to plan, the first declining businesses will be able to use the sustainable water starting January 2025.

The progress Circeaulair is making, and the enthusiasm and expertise that characterize this partnership, were part of the basis for the decision to also assign Ekopak's project in the NextGen district of the Port of Antwerp to Circeaulair. The preparation for the operational start-up of Waterkracht has been completed. The negotiations on legally binding contracts are currently ongoing.

An organization with a strong backbone and stable corporate costs

Ekopak continues to build a strong organization capable of capturing major business opportunities in the rapidly growing water market. The water treatment market is developing rapidly and Ekopak believes that there is no time to lose to strengthen its market position, which requires a strong organization that is well equipped to manage the company's medium- and long-term growth, both in terms of revenues and profitability. This implies investments at the group level to support operations. These include investments in people, but also in IT, finance, HR, logistics, business development, marketing, compliance and innovation. Thanks to the integration of GWE, Ekopak has the necessary scale to better bear the related corporate costs.

Meanwhile, construction works have also started for the new company building along the E17 in Deinze, for which commissioning is scheduled for the second half of 2024.

While Ekopak has paid close attention to its operations, the company continues to measure and monitor its own ESG targets. Since joining the UN Global Compact initiative, Ekopak has also made tremendous progress in this area.

Notwithstanding the ambitious corporate support targets, Ekopak was able to keep corporate costs in the first half of 2023 (EUR 1,4 million) at the same level as in the previous two half-year periods.

This strict cost control is translated in the past reporting period into a positive EBITDA of EUR 1,1 million.

Strong balance sheet situation with 68% solvency ratio and more than EUR 26 million in cash on hand

The balance sheet total experienced a consistent increase: from EUR 67,4 million at December 31, 2021 to EUR 72,0 million at June 30, 2022, over EUR 80,9 million at December 31, 2022 to EUR 83,3 million at June 30, 2023. This average increase of 7%, or an increase of 24% since December 31, 2021, reflects the impressive growth trajectory that Ekopak has already achieved.

Despite significant investments to support future growth, Ekopak has a strong equity position of EUR 56,5 million at June 30, 2023. This represents 68% of total assets, up from 70% at December 31, 2022: a first illustration of Ekopak's prudent financial management in the past growth trajectory.

Total liabilities amount to EUR 26,8 million at June 30, 2023, compared to EUR 24,2 million at December 31, 2022. This increase is mainly related to loans to finance WaaS installations, pilot projects- and rental containers. Given the planned growth and the likelihood of further interest rate increases in the coming period, by mid-2022 Ekopak had made the strategic decision to finance current projects with loans and maintain its cash position in view of major investment projects, such as the integration of GWE, which is funded for 2/3 through external financing in the form of long term bank loans.

In the same context, it is important to note on the asset side of the balance sheet that Ekopak still has a solid amount of cash and cash equivalents worth EUR 26,3 million at June 30, 2023. Even after the integration of GWE, which is 1/3 financed by own cash resources, Ekopak's cash position still offers sufficient room for potential business opportunities and growth. The net cash position⁴ as of June 30, 2023 is EUR 12,5 million and as a result of the acquisition of GWE evolves on a pro forma basis into a net debt position of about EUR 21,5 million. This relatively limited position indicates that there is no need for an additional capital round. The equity component needed for the WaaS implementation proved to be lower than initially projected during the IPO.

Cash and cash equivalents evolved from EUR 32,6 million at December 31, 2022 to EUR 26,3 million, but this is offset by a strong increase in property, plant and equipment and contract assets. Property, plant and equipment increased from EUR 25,3 million as of December 31, 2022 to EUR 27,6 million, mainly related to water treatment plants for the WaaS business and the increase in Right of Use assets. The contract assets relate to water treatment plants for non-WaaS projects in their current degree of completion and increase from EUR 4,0 million as of December 31, 2022 to EUR 9,0 million: reflecting the performing performance in the non-WaaS segment.

The evolution of other asset items (inventories, trade receivables and payables,...) largely reflects the growth rate of operating activities.

Outlook 2023: increase in stand-alone revenue forecast and positive EBITDA of EUR 3-5 million

The results achieved by the entire group in the first half of 2023 provide confidence to reaffirm the ambition of achieving group sales of EUR 25-28 million in 2023, without taking into account the further positive impact of the GWE integration. The GWE results will be included in the consolidation scope as of September 14, 2023, raising the 2023 expected group sales to EUR 35-38 million.⁵

For 2023, Ekopak Group expects to achieve EBITDA of EUR 3-5 million (including the GWE results as of 14 September 2023).

Ekopak once again proved that it keeps costs and margins under control in a volatile economic and political environment. In the medium term, the integration of GWE will lead to additional synergies, which will also translate into a favorable evolution of EBITDA at group level.

⁴ Cash minus short-term and long-term financial debt

⁵ For fiscal year 2022, GWE achieved revenue of EUR 30 million and EBITDA of EUR 6 million.

Even after the integration of GWE, without a capital increase, Ekopak will continue to have a solid balance sheet. The acquisition of GWE involves an evolution of the net cash position from EUR 12,5 million as of June 30, 2022 to a net debt position of some EUR 21,5 million (on a pro forma basis). This relatively limited position indicates that there is no need for an additional capital round: both the cash position and Ekopak's borrowing capacity still offer sufficient room for potential business opportunities that may arise.

With the increasing success of the WaaS and non-WaaS projects, as well as with projects such as Circeaulair and the integration of GWE, Ekopak is increasing its contribution to solving the water scarcity in the medium term. The company not only wants to contribute to a sustainable economy through its products and services, but also applies ESG principles to its own operation and pursues the highest sustainability.

Medium-term prospects (2028)

With the integration of Global Water & Energy (GWE), Ekopak is making a strategic quantum leap from a solid, high-growth base. As a result of this major integration, the Group now operates at a global level. This exceptional geographical, intersectoral and technological complementarity also enables Ekopak to raise its medium-term ambitions (by 2028).

By 2028, Ekopak aims to realize EUR 140 million in revenues, of which 25-30% in the WaaS segment and 70-75% in the non-WaaS segment. This projected revenue spread between the two segments is driven by the fact that the vast majority of the GWE business will be included in the non-WaaS segment.

Based on the current favorable evolution of the stand-alone EBITDA margin at group level, and taking into account GWE's EBITDA contribution, Ekopak is estimated to achieve group-level EBITDA of EUR 35-42 million by 2028. This estimate also reflects the new mix between WaaS and non-WaaS as a result of the GWE integration.

This estimate is based on the visible short term pipeline and on current contracts ; new larger scale projects could further influence the estimate positively.

Financial calendar

- 25 March 2024 (8.00 am CET) – Publication Full Year 2023

About Ekopak

Ekopak is an ESG-driven company that markets circular water solutions. Ekopak's solutions offer industrial customers the opportunity to significantly reduce their water consumption from the water mains network in a sustainable, dependable, and cost-effective manner and to treat their wastewater. Ekopak also enables its customers to disconnect from the regular water network and initiate circular water use. To this end, Ekopak focuses on optimizing water consumption with container water treatment units that convert off-grid water sources, such as rainwater, surface water, and/or waste water into purer water that can be used and reused in the customer's industrial processes.

From its offices in Tielt and Bruges, Belgium, Ekopak operates in Belgium, Luxembourg, the Netherlands, France, the UK and a number of other countries. Since the integration of Global Water & Energy (GWE) in September 2023, the group is operating globally, including in countries such as the Netherlands, the Philippines, Thailand, Singapore and the US.

All Ekopak shares are listed on Euronext Brussels (ticker EKOP).

For more information about Ekopak go to www.ekopaksustainablewater.com

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EKOPAK NV

IFRS Interim Condensed Consolidated Financial Statements

June 30, 2023

IFRS Interim Condensed Consolidated Financial Statements

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Interim condensed consolidated statement of profit or loss

in 000€	Notes	For the six months ended 30 June	
		2023	2022
Revenue	5	14.254	7.473
Other operating income		1.059	177
Operating income		15.313	7.650
Purchases of materials	7	-7.064	-3.351
Services and other goods	7	-2.827	-2.191
Employee benefit expense	7	-4.261	-2.531
Depreciation charges		-1.396	-712
Other operating charges		-58	-46
Operating profit		-293	-1.181
Financial expenses		-287	-107
Financial income		82	26
(Loss)/profit before taxes		-498	-1.262
Income taxes	8	290	237
Net (loss)/profit for the year *		-208	-1.025
Earnings per share attributable to the owners of the parent			
Basic	14	-0,01	-0,07
Diluted	14	-0,01	-0,07

* The net (loss)/profit for the year is fully attributable to the owners of the parent

The accompanying notes on pages 10 to 28 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Interim condensed consolidated statement of comprehensive income

in 000€	Notes	For the six months ended 30 June	
		2023	2022
Net (loss)/profit for the half-year		-208	-1.025
Other comprehensive (loss)/income			
Other comprehensive (loss)/income, net of tax		-	-
Total comprehensive (loss)/income for the year, net of tax *		-208	-1.025

* The total comprehensive (loss)/income for the year is fully attributable to the owners of the parent

The accompanying notes on pages 10 to 28 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Interim condensed consolidated statement of financial position

in 000€	Notes	At June 30	At December 31
		2023	2022
Assets			
Non-current assets			
Goodwill		2.135	2.135
Intangible assets	9	4.508	4.592
Property, plant and equipment	10	27.594	25.349
Deferred tax assets	8	1.963	1.547
Investments accounted for using the equity method	22	5	–
Other financial assets		84	99
Total non-current assets		36.289	33.722
Current assets			
Contract assets	11	9.044	4.016
Inventories		5.106	4.837
Trade receivables	11	5.116	4.951
Other current assets	11	1.423	865
Cash and cash equivalents	12	26.301	32.508
Total current assets		46.990	47.177
Total assets		83.279	80.899

The accompanying notes on pages 10 to 28 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

in 000€	Notes	At June 30 2023	At December 31 * 2022
Equity			
Share capital	13	6.671	6.671
Share premium	13	55.116	55.116
Other reserves	13	-2.266	-2.274
Accumulated (loss)/profit		-3.053	-2.845
Equity attributable to the owners of the parent		56.468	56.668
Total equity		56.468	56.668
Liabilities			
Non-current liabilities			
Borrowings	15	11.687	10.785
Lease liabilities	15	1.713	999
Deferred tax liabilities		1.166	1.244
Provisions	17	559	539
Total non-current liabilities		15.125	13.567
Current liabilities			
Borrowings	15	2.107	1.926
Lease liabilities	15	783	522
Trade and other payables *	18	7.595	7.199
Tax payables		502	242
Contract liabilities	11	143	231
Other current liabilities *	18	556	544
Total current liabilities		11.686	10.664
Total liabilities		26.811	24.231
Total equity and liabilities		83.279	80.899

The accompanying notes on pages 10 to 28 form an integral part of these IFRS Condensed Consolidated Financial Statements.

* We note that the trade and other payables and other current liabilities have been restated in the comparative figures to have a more consistent presentation. An amount of KEUR 403 relating to deferred income and accrued charges has been reclassified from other current liabilities to trade and other payables. We refer to note 18 for details.

Interim condensed consolidated statement of changes in equity

in 000€	Share capital	Share premium	Other reserves	Accumulated (loss)/profit	Total equity attributable to the owners of the parent	Total equity
At January 1, 2023	6.671	55.116	-2.274	-2.845	56.668	56.668
Net profit / (loss)	-	-	-	-208	-208	-208
Total comprehensive profit / (loss)	-	-	-	-208	-208	-208
Share based payment expense	-	-	8	-	8	8
At June 30, 2023	6.671	55.116	-2.266	-3.053	56.468	56.468

in 000€	Share capital	Share premium	Other reserves	Accumulated (loss)/profit	Total equity attributable to the owners of the parent	Total equity
At January 1, 2022	6.671	55.116	-2.345	-859	58.583	58.583
Net loss	-	-	-	-1.025	-1.025	-1.025
Total comprehensive profit / (loss)	-	-	-	-1.025	-1.025	-1.025
Share based payment expense	-	-	18	-	18	18
At June 30, 2022	6.671	55.116	-2.327	-1.884	57.576	57.576

The accompanying notes on pages 10 to 28 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Interim condensed consolidated statement of cash flows

in 000€	Notes	For the six months ended 30 June	
		2023	2022
Operating activities			
Net (loss)/profit		-208	-1.025
<i>Non-cash and operational adjustments</i>			
Depreciation of property, plant & equipment and ROU assets		1.165	665
Amortization of intangible assets		237	48
Gain/(loss) on disposal of property, plant & equipment		-6	-6
Increase/(decrease) in provisions	16	20	42
Impairments on receivables		-6	-
Interest and other finance income		-82	-26
Interest and other finance expense		287	107
Deferred tax expense / (income)	8	-495	-243
Tax expense	8	205	5
Equity settled share based payment expense	7, 13	8	18
Other		-	2
Movements in working capital			
Decrease/(Increase) in trade and other receivables	11	-811	511
Decrease/(Increase) in inventories		-269	-1.408
(Decrease)/increase in trade and other payables	17	472	1.019
(Increase)/decrease in contract assets	11	-5.028	-2.546
(Decrease)/increase in contract liabilities		-88	-
(Increase)/decrease in cash guarantees		14	-22
Increase/(decrease) in deferred revenue		-	-3
Income tax received/(paid)	8	-8	-
Interests paid		-255	-86
Interests received	7	77	-
Net cash flow (used in)/from operating activities		-4.772	-2.948

Investing activities			
Purchase of property, plant and equipment		-2.071	-3.055
Purchase of intangible assets		-153	-108
Proceeds from the sale of property, plant and equipment		7	8
Receipt of asset related government grants		95	-
Acquisition investments accounted for using the equity method		-5	-
Net cash flow used in investing activities		-2.127	-3.155
Financing activities			
Proceeds from borrowings	15	2.074	4.748
Repayment of borrowings	15	-991	-303
Repayment of leases	15	-364	-161
Other financial expense, net		-27	5
Net cash flow (used in)/from financing activities		692	4.288
Net cash flow		-6.207	-1.815
Cash and cash equivalents at beginning of year	12	32.508	42.100
Cash & cash equivalents at end of period	12	26.301	40.285

The accompanying notes on pages 10 to 28 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Notes to the IFRS Consolidated Financial Statements

1. Corporate information

Ekopak NV (further referred to „Ekopak“ or „the Company“) is a public 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 and operating process industrial water installations. Ekopak is active primarily in Europe.

Information on other related party relationships of the Company is provided in Note 19.

The IFRS Interim Condensed Consolidated Financial Statements (further referred as „the interim condensed consolidated financial statements“) of Ekopak NV for the six months ended 30 June, 2023 were authorised for issue in accordance with a resolution of the directors on September 6, 2023.

2. Significant accounting policies

2.1. Basis of preparation

The interim consolidated financial statements of the Company have been prepared in accordance with the requirements of IAS 34 - *Interim Financial Reporting* as adopted by the European Union and interpretations issued by the IFRS interpretation committee applicable to companies reporting under IFRS. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

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

The consolidated financial statements have not been subject to audit or review.

2.2. New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023 and the addition of joint ventures in the principles of consolidation.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The following amendments apply for the first time in 2023, but do not have a material impact on the interim condensed consolidated financial statements of the Company:

- Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 – Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 – Income taxes: Deferred tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU)

2.2.1. Principles of consolidation

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. We refer to note 4.1 for the significant judgements on the Company's classification of its joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the company's share of the post-acquisition profits or losses of the investee in profit or loss, and the company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its associates and joint ventures are eliminated to the extent of the company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company. The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.3.11 of the annual report.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Company's annual consolidated financial statements as at 31 December 2022.

3. New and revised standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 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.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's interim condensed 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 group insurance plan.

The Company based its assumptions and estimates on parameters available on the moment of preparation of the consolidated financial statements. 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.

The areas that involved a higher degree of judgement or complexity are consistent with those disclosed in the Company's annual consolidated statements for the year ended 31 December 2022, except for the judgements relating to the new established joint arrangement described below.

4.1. Significant judgement – Classification of joint arrangements with more than 50% ownership

The Company has a joint arrangement, called Circeaulair I, as described in note 22.

The joint venture agreements in relation to the Circeaulair partnership contain 3 phases.

Phase 1 runs from the incorporation date until the financial close of the underlying projects. During this phase all decisions require unanimous consent from all parties for all relevant activities.

Phase 2 runs from financial close until the last final acceptance of the underlying projects. During this phase there is an extended list of reserved matters defined that are more than protective rights where consensus from the board of directors is necessary to take decisions.

Phase 3 runs as from the first day following the last final acceptance of the underlying projects. During this phase there is a limited list of reserved matters, rather protective rights, where consensus from the board of directors is necessary to take decisions. As from this phase 3, Ekopak NV has a call option, meaning that Ekopak NV has the right, not the obligation, to acquire a share that gives the right to appoint an additional director from the JV partner.

The Company has determined that currently in Phase 1, it does not control Circeaulair I even though it owns 51% of the shares, but it determined to have joint control based upon the following elements in favor of joint control:

- Each shareholder has two directors in the board of directors, none of them have a casting vote;
- Decisions are taken with unanimous consent from all parties for all relevant activities, there is no casting vote in case of deadlock;
- The joint venture has foreseen in a conflict of interest procedure with respect to the supplier agreement of Ekopak, whereby the decision on modification or termination of the contract is taken by the board of directors of Circeaulair without Ekopak joining the decision making; and
- Circeaulair I is constructed as a separate vehicle in the legal form of a BV. The two partners have rights to the net assets of the arrangement. This entity is therefore classified as a joint venture and the Company recognises its interest in the joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28, Investments in associates and joint ventures as described in note 2.2.1.

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. H₂O Production was included in the Non-WaaS model as of September 1, 2022.
- Water-As-A-Service (“WaaS”) model (which include the DBFMO contract 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 organizational 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 following table summarizes the segment reporting six months ending June 30, 2023.

in 000€	NON-WaaS	WaaS	TOTAL SEGMENTS	CORP-ORATE	TOTAL CONSO-LIDATED
Revenue	12.744	1.510	14.254	–	14.254
Other operating income	298	761	1.059	–	1.059
Purchases of materials	-6.727	-337	-7.064	–	-7.064
Services and other goods	-1.449	-313	-1.762	-1.065	-2.827
Employee benefit expense	-3.316	-602	-3.918	-343	-4.261
Other operating charges	-42	-5	-47	–	-47
Adjusted EBITDA	1.508	1.014	2.522	-1.408	1.114
Expenses from claims	-11	–	-11	–	-11
EBITDA	1.497	1.014	2.511	-1.408	1.103
Depreciation charges	-967	-429	-1.396	–	-1.396
Operating profit	530	585	1.115	-1.408	-293
Financial expenses	–	-85	-85	-202	-287
Financial income	–	–	–	82	82
Profit (loss) before tax	530	500	1.030	-1.528	-498
Segment assets	68.279	15.000	83.279	–	83.279
Segment liabilities	21.500	5.311	26.811	–	26.811

The following table summarizes the segment reporting for the year ending June 30, 2022.

in 000€	NON-WaaS	WaaS	TOTAL	CORP-ORATE	TOTAL CONSO-LIDATED
Revenue	6.248	1.225	7.473	–	7.473
Other operating income	177	–	177	–	177
Purchases of materials	-3.197	-154	-3.351	–	-3.351
Services and other goods	-979	-15	-994	-1.197	-2.191
Employee benefit expense	-2.097	-229	-2.326	-205	-2.531
Other operating charges	-39	-5	-44	–	-44
Adjusted EBITDA	113	822	935	-1.402	-467
Expenses from claims	-2	–	-2	–	-2
EBITDA	111	822	933	-1.402	-469
Depreciation charges	-419	-293	-712	–	-712
Operating profit	-308	529	221	-1.402	-1.181
Financial expenses	-5	-21	-26	-81	-107
Financial income	–	–	–	26	26
Profit (loss) before tax	-313	508	195	-1.457	-1.262
Segment assets	59.598	12.372	71.970	–	71.970
Segment liabilities	8.690	5.704	14.394	–	14.394

The column 'Corporate' included in the line items 'Services and Other goods' and 'Employee benefit expense' relate to group charges. Within the 'Services and Other goods' the corporate expenses are mainly related to marketing, management fees, IT related costs and consultants. The corporate expenses within 'Employee benefit expense' consists of salary costs of management and other employees who work at Corporate level.

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

in 000€	2023	2022
Consumables	1.123	1.032
Services	3.123	1.519
WaaS revenue	1.510	1.225
One off sales of water process installations	8.498	3.697
Total revenue by product type	14.254	7.473

Revenue of mainly all products and services is satisfied over time for the WaaS revenue and services performed under a service contract. Revenue of one off sales of water process installations is recognized over time based on the actual progress and expected margin at the end of the reporting period. 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€	2023	2022
Belgium	11.622	6.725
France	2.447	534
Netherlands	–	54
Other countries	185	160
Total revenue by geography	14.254	7.473

The activities of the Company are not subject to seasonality resulting in significantly higher or lower turnover in the second half of the year compared to the first half of the year.

Most non-current assets are located in the country of domicile, Belgium. A total of KEUR 7.488 non-current assets are located in France.

The Company has no customers which revenue present more than 10% of total revenues of one of the segments in the year 2023. The Company had one customer which revenue present 24% (KEUR 1.525) of total revenues of the Non-WaaS segment in the first half of 2022.

6. Business combinations

H₂O Production

The Company acquired on September 16, 2022 100% of the shares in **Covalente SAS, H₂O Production SAS and SCI du Cèdre Bleu**. Covalente is the holding company of the operational entity H₂O Production and SCI du Cèdre Bleu is a real estate company. H₂O Production is an expert in various technologies for the production of demineralized water. The acquisition creates opportunities to further strengthen the Ekopak portfolio in the French market.

The enterprise value of Covalente, H₂O Production and SCI du Cèdre Bleu, in the transaction amounts to KEUR 5.911.

The identification and valuation of the fair value of the assets and liabilities of Covalente, H₂O Production and SCI du Cèdre Bleu are presented below:

in 000€	Fair value
Non-current assets	5.673
Working capital	460
Cash and cash equivalents	255
Financial debt	-517
Other assets and liabilities	-1.321
Total identified assets and liabilities	4.550
Goodwill	1.099
Fair value compensation	5.649
Contingent consideration	475
Consideration paid in cash	5.174

The fair value adjustments relate to

- intangible assets for the recognition of
 - the customer list for an amount of KEUR 4.229,

- the order backlog for an amount of KEUR 30 and
- the reversal of the pre-acquisition intangibles for an amount of KEUR 170.
- buildings for an amount of KEUR 911
- inventory step-up for KEUR 212
- the deferred tax liability recognized resulting from the fair value adjustments amounts to KEUR 1.303.

The transaction resulted in the recognition of goodwill for an amount of KEUR 1.099, which mainly represent the expected synergies with other group entities. The goodwill is non-deductible for tax purposes.

The contingent consideration is based on EBITDA thresholds and payable in September 2023. If the combined EBITDA for the period between September 1, 2022 and August 31, 2023 under French GAAP for Covalente, H₂O Production and SCI du Cèdre Bleu is between KEUR 925 and KEUR 1.000, the earn-out will amount to KEUR 250. For an EBITDA between KEUR 1.000 and 1.300, the earn-out is in the amount of KEUR 500. If the EBITDA is equal to or higher than KEUR 1.300, an earn-out of KEUR 750 is payable. The fair value of the earn-out is calculated as the probability weighted amount of the estimated EBITDA based on the budget. The highest probability is given to the scenario where the EBITDA is between KEUR 1.000 and KEUR 1.300. As the earn-out is payable within one year from the acquisition date, there is no impact of discounting.

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

Consideration paid in cash	5.174
Cash acquired	-255
Acquisition of subsidiaries, net of cash	4.919

The business combination was not included in the results of the first half of 2022, since the acquisition date was September 16, 2022. The contribution of the business combination to revenue during the first half of 2023 amounts to KEUR 1.649. The contribution to net result during the same reporting period amounts to a profit of KEUR 240. The contribution to net result before impact from the purchase price allocation is a profit of KEUR 473.

7. Income and expenses

7.1. Purchases, services and other goods

in 000€	2023	2022
Purchase of materials	-5.777	-2.615
Other purchases	-1.287	-736
Total purchases of materials	-7.064	-3.351
Fleet charges	-359	-225
Housing	-232	-159
Fees for recruitment and interim personnel	-140	-245
IT charges	-165	-167
Office charges	-93	-79
Professional fees	-1.099	-575
Sales and promotion charges	-678	-622
Small material charges	-61	-119
Total Services and other goods	-2.827	-2.191

The purchase of equipment materials relates to the materials purchased for the building of the water process installations as well as the purchase of consumables. The other purchases are related to outsourced production capacity.

We note that the comparative figures of half year 2022 services and other goods have been reclassified to include a more consistent presentation.

The fleet charges mainly include fuel and rental charges and increased as a result of increasing FTEs. The housing increased due to the increasing number of offices in Belgium and France and as a result of the acquisition of H₂O Production.

The professional fees include the fees paid to auditors and accountants, lawyers, consultants, management and Board members of the Company. In 2023 the professional fees increased because of the growth of the company and the preliminary stages of new projects, requiring external expertise in different fields.

Sales and promotion charges increased because of the acquisition of H₂O Production.

7.2. Employee benefits expenses

in 000€	2023	2022
Gross Salaries	-3.202	-1.866
Social Security charges	-629	-359
Group Insurance	-104	-85
Share based payment cost	-7	-18
Other Insurance	-45	-25
Other payroll charges	-274	-179
Total employee benefit expenses	-4.261	-2.531

Total number of FTE's as per June 30th 2023 amount to 128,3 compared to 82,3 as per June 30th 2022 which explains the overall increase of employee benefit expenses and increase in other operating income due to the benefits in kind recuperation. The gross salaries and social security charges in 2023 were decreased with the capitalized labour cost amounting to KEUR 923 (2022: KEUR 567). These costs are capitalized in the context of the production of pilot, rental and WaaS installations.

We note that the comparative figures of half year 2022 gross salaries and social security charges have been reclassified to include a more consistent presentation.

8. Income and deferred taxes

The major components of income tax expense are:

in 000€	2023	2022
Consolidated statement of profit or loss		
<i>Current income tax:</i>		
Estimated tax liability for the year	174	5
Paid taxes	31	-
<i>Deferred income tax:</i>		
Relating to origination and reversal of temporary differences	-85	-16
Relating to tax loss carried forward	-410	-226
Income tax expense / (income) reported in the consolidated statement of profit or loss	-290	-237
Consolidated statement of other comprehensive income		
Deferred tax charged to OCI	-	-

The domestic tax rate is 25%. The Company has a total of KEUR 6.828 (2022: KEUR 4.698) tax loss carryforwards for which a deferred tax asset 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 and are not related to structural losses. Those losses are related to IPO related costs deducted in the fiscal result of FY 2021 and losses due to the important growth in the structure of the Company.

9. Intangible assets

The intangible assets as per June 30, 2023 consist of intangible assets under construction, software, other intangible assets and customer list. The intangible assets under construction relate for KEUR 806 to the Circeaulair project. An amount of KEUR 806 was received as capital grant on the Circeaulair project and has been deducted from the asset.

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 parties of technical designers have been capitalized.

The customer list results from the business combination of iServ during 2021 and of H₂O Production in 2022. The customer lists are depreciated straight line respectively over 2,5 years (iServ) and 13 years (H₂O Production).

The decrease in the intangible assets compared to December 31, 2022 mainly results from the depreciations for the period on the intangible assets.

10. Property, Plant and Equipment

The property, plant and equipment increased with KEUR 2.245 compared to December 31, 2022.

As per June 30, 2023 WaaS and Pilot installations under construction increased for a net amount of KEUR 888. Besides the Company invested KEUR 184 for the building of its new business premises on the De Prijkels site in Deinze included in the assets under construction. An amount of KEUR 1.287 relates to the increased vehicle right of use assets.

The other movements in property, plant and equipment relate to smaller investments and desinvestments mainly in machinery and equipment, vehicles and right-of-use assets.

11. Contract assets, contract liabilities and 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 9.044, net of prepayments (KEUR 7.051) as per June 30, 2023 and KEUR 4.016, net of prepayments (KEUR 8.362) as per December 31, 2022 respectively. The contract assets are related to several open projects. The increase of KEUR 5.028 is due to an increase in the number of the open projects at reporting date compared to December 31, 2022 as well as the completion status of the projects.

Contract liabilities

Contract liabilities amount to KEUR 143 and relate to one off water process installations contracted by Ekopak France for which prepayments of KEUR 212 are received and KEUR 69 work in progress is recognized.

Trade and other receivables

Trade and other receivables include the following:

	At June 30	At December 31
in 000€	2023	2022
Trade receivables	5.116	4.951
Receivable on vendor - packaging guarantee	84	74
VAT receivable	60	398
Deferred charges	338	215
Other current assets	941	178
Total trade receivables and other current assets	6.539	5.816

The Company applied the IFRS 9 simplified approach to measure 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 rating. 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.

The increase in the other current assets mainly relates to the increased receivables (KEUR 622) towards the joint venture for the Circeaulair project and a receivable of withholding taxes (KEUR 144).

12. Cash and cash equivalents

The cash and cash equivalents can be presented as follows:

in 000€	At June 30	At December 31
	2023	2022
Cash at banks and on hand	12.051	24.508
Term accounts	14.250	8.000
Cash and cash equivalents	26.301	32.508

Cash and cash equivalent consists mainly of cash at banks and cash on saving accounts with an original maturity less than 3 months.

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

Reconciliation of the cash and cash equivalents for purposes of the cash flow statement:

in 000€	At June 30
	2022
Cash at banks and on hand	40.285
Cash and cash equivalents	40.285

13. Equity

The Company has issued ordinary shares with no nominal value. There were no share transactions during the period between December 31, 2022 and June 30, 2023:

	Total number of ordinary shares (in '000 shares)	Total share capital in €000	Total share premium in €000	Par value per ordinary share (per share)
Outstanding at January 1, 2022	14.824	6.671	55.116	0,45
Outstanding on December 31, 2022	14.824	6.671	55.116	0,45
Outstanding at January 1, 2023	14.824	6.671	55.116	0,45
Outstanding on June 30, 2023	14.824	6.671	55.116	0,45

The other reserves consist of the following:

in 000€	At June 30	At December 31
	2023	2022
Restricted reserve - legal reserve	6	6
Other reserves	-2.213	-2.213
Share based payment reserves	104	96
Other comprehensive income:		
Actuarial gains (losses) on defined benefit plans	-163	-163
Total reserves	-2.266	-2.274

The negative other reserves is for EUR 2.3 million explained by the portion of the 2021 IPO costs (net of tax) which was recorded directly through equity.

13.1. 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. On December 16, 2021, the Company has approved and issued an additional 5.000 warrants. The warrants have been granted free of charge. The weighted average fair value of the warrants amount to € 3,21. The weighted average remaining contractual life is 2,64 years.

20.000 warrants from the plan of December 30, 2020 and 1.666 warrants from the plan of December 16, 2021 have vested, none of the warrants have forfeited or currently exercisable.

The share-based payment expense recognized per June 30, 2023 for these warrants is KEUR 8 (June 30, 2022: KEUR 18).

14. 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 2023 and 2022 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 equaled the diluted earnings per share per June 30, 2023 and per June 20, 2022.

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

in 000€, except per share data in '000	2023	2022
Net profit attributable to ordinary equity holders of the parent for basic earnings and diluted earnings per share	-208	-1.025
Weighted average number of ordinary shares for basic and diluted earnings per share	14.825	14.825

15. Borrowings and lease liabilities

The movement of the borrowings and lease liabilities is presented in the table below:

	At June 30	At December 31
in 000€	2023	2022
At January 1	14.232	3.429
Proceeds from loans and borrowings	2.074	10.321
New loans and borrowings through business combinations	–	517
Repayment of loans and borrowings	-991	-884
New leases (non-cash)	1.287	1.286
Repayment of leases	-364	-441
Early termination of leases (non-cash)	52	4
Total borrowings and leasings	16.290	14.232
of which:		
Current borrowings	2.107	1.926
Non-current borrowings	11.687	10.785
Current lease liabilities	783	522
Non-current lease liabilities	1.713	999

The borrowings have a maturity date between 4 and 8 years. The increase in borrowings results from the increased number of financed process water installations.

Borrowings increased due to the proceeds from borrowings of KEUR 2.074 and is related to the financing of existing WaaS installations during the first half of 2023.

The increase in lease liabilities compared December 31, 2022 mainly results from additional vehicle right of use assets.

For reconciliation with the cash flow statement per June 30, 2022, the movements are presented below:

	At June 30
in 000€	2022
At January 1	3.429
Proceeds from loans and borrowings	4.748
Repayment of loans and borrowings	-303
New leases (non-cash)	224
Repayment of leases	-161
Total borrowings and leasings	7.936
of which:	
Current borrowings	1.043
Non-current borrowings	6.155
Current lease liabilities	318
Non-current lease liabilities	420

16. Fair value

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

	Carrying value	
	At June 30	At December 31 *
in 000€	2023	2022
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	5.116	4.951
Other current receivables	84	74
Cash & cash equivalents	26.301	32.508
Total debt instruments	31.501	37.533
Financial liabilities measured at amortized cost		
Borrowings	13.794	12.711
Lease liabilities	2.496	1.521
Trade payables *	6.222	6.046
Other current liabilities *	81	69
Total financial liabilities measured at amortized cost	22.593	20.347
Financial liabilities measured at fair value		
Contingent consideration	475	475
Total financial liability measured at fair value	475	475
Total non-current	13.400	10.785
Total current	9.668	10.037

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

	Fair value	
	At June 30	At December 31 *
in 000€	2023	2022
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	5.116	4.951
Other current receivables	84	74
Cash & cash equivalents	26.301	32.508
Total debt instruments	31.501	37.533
Financial liabilities measured at amortized cost		
Borrowings	12.892	12.201
Lease liabilities	2.496	1.521
Trade payables *	6.222	6.046
Other current liabilities *	81	69
Total financial liabilities measured at amortized cost	21.691	19.837
Financial liabilities measured at fair value		
Contingent consideration	475	475
Total financial liability measured at fair value	475	475
Total non-current	12.633	9.387
Total current	9.533	10.925

* We refer to note 18 for more information.

17. Provisions and defined benefit obligations

Provisions include the following:

	At June 30	At December 31
	2023	2022
in 000€		
Provision Legal Claim from customers	-262	-251
Net defined benefit liability	-297	-288
Total provisions and defined benefit obligations	-559	-539

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

in 000€	2023	2022
At January 1	-251	-248
Additions	-11	-2
At June 30	-262	-250

The increase/(decrease) in provisions of KEUR 20 (2022: KEUR 42) in the consolidated statement of cash flows includes the additions from the table above for the amount of KEUR 11 (2022: KEUR 2) and KEUR 9 (2022: KEUR 40) included as costs in the statement of profit and loss relating to the defined benefit liability provision. The increase in provisions for legal claims for an amount of KEUR 11 mainly refers to interests on the base claim.

Movements for reconciliation to December 31, 2022 are set out below:

in 000€	2022
At January 1	-248
Additions	-3
At December 31	-251

Defined benefit obligations

Defined benefit obligations relate to group insurance schemes for management and employees that classify as defined benefit plan due to the minimum guaranteed return of 1,75% to which the plans are subject.

The net defined benefit liability is as follows:

in €000	At June 30 2023	At December 31 2022
Net defined benefit liability at the beginning of the year	288	294
Defined benefit cost included in profit & loss	9	186
Total remeasurement included in other comprehensive income	-	-47
Employer contributions	-	-145
Net defined benefit liability at the end of the year	297	288

18. Short term liabilities

The short term liabilities are the following:

in 000€	At June 30 2023	At December 31 * 2022
Trade and other payables		
Trade payables	-5.655	-5.643
Payroll-related liabilities	-1.373	-1.153
Deferred income and accrued charges *	-567	-403
Total trade and other payables *	-7.595	-7.199
Other current liabilities		
Payable towards customer for packaging guarantees	-81	-69
Contingent consideration	-475	-475
Total other current liabilities *	-556	-544

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.

* We note that the trade and other payables and other current liabilities have been restated in the comparative figures to have a more consistent presentation. An amount of KEUR 403 relating to deferred income and accrued charges has been reclassified from other current liabilities to trade and other payables.

19. 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 remuneration

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

in 000€	For the six months ended 30 June	
	2023	2022
Short-term employee benefits	814	433
Post-employment benefits	8	8
Total	822	441
Warrants granted	0	0
Warrants outstanding	35.000	35.000

The key management consists of 8 persons (including the CEO).

Key management has been granted 35.000 warrants at June 30, 2023 (35.000 at June 30, 2022)

Board of directors remuneration

The directors are remunerated for the performance of their duties. The total amount of directors' fees included in the operating expenses amounts to KEUR 39.

Transactions with joint ventures

The Company has no transactions with the joint venture Circeaulair I as per June 30, 2023.

Other related party transactions

The Company has a current account receivable on one of the shareholders, director and member of key management. The current account amounts to KEUR 4 as per June 30, 2023 (KEUR 0 as per December 31, 2022). The current account is interest bearing. Total interest income received from this related party totals KEUR 0,1 at June 30, 2023 and KEUR 0,4 at June 30, 2022.

20. Events after the reporting period

Ekopak France operations

As per July the 5th Ekopak France announced to have been entered into a first major WaaS contract with TotalEnergies. Via the Water-as-a-Service model, Ekopak will relieve the customer of their water use needs for a contract period of 15 years. The installation will be commissioned in 2024.

In addition, the Ekopak France team scored a one-off project (non-WaaS) for a battery plant in the north of France. Ekopak will provide this newly built plant with a complete process water installation.

Acquisition of Global Water & Energy (GWE)

Ekopak NV acquired Global Water & Energy (GWE), a privately held company headquartered in Bruges, Belgium, with subsidiaries in Europe, Southeast Asia, North and South America. The company is specialized in solutions for industrial wastewater treatment, water reuse and green energy production.

21. Interests in other entities

The Company's principal subsidiaries are set out below.

Name of entity	Country of incorporation	Ownership interest held by the group	
		At June 30	At December 31
		2023	2022
Ekopak NV	Belgium	100%	100%
Ekopak SAS	France	100%	100%
H ₂ O Production	France	100%	100%
Covalente	France	100%	100%
SCI du Cèdre Bleu	France	100%	100%

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.

22. Joint arrangements

Ekopak NV has a 51% interest in a joint arrangement called Circeaulair I BV, established on June 5, 2023.

Name of entity	Country of incorporation	Ownership interest held by the group	
		At June 30	At December 31
		2023	2022
Circeaulair I BV	Belgium	51%	0%

The joint arrangement was set up to provide companies and business parks with circular water. The effluent coming from Aquafin's waste water treatment plant, is converted into process water for industrial purposes, through a water treatment installation installed by Ekopak and transported through a new pipeline network directly to the company or business park.

We refer to note 4 for the description of the significant judgements in relation to the classification of the joint arrangement. The nature of the relationship is a joint venture measured using the equity method.

The principal place of business of the joint arrangement is Belgium.

Ekopak NV has signed an agreement on 5 June 2023 as supplier of the water process installation with the joint venture Circeaulair I. In this agreement Ekopak NV has the following commitments towards the joint ventures:

- Carry out all design and construction works according the specifications within the timing provided in the agreement
- Repair all defects or damage resulting from the design and construction works until final acceptance

- Perform the services and keep the production project available and operational during the maintenance in consideration for a maintenance fee

The table below provides the reconciliation to the carrying amount of the joint venture:

in €	At June 30
Net assets	10.002
Group's share in %	51%
Group's share in EUR	5.101
Carrying amount of interest in joint venture	5.101

The carrying amount as per June 30 is equal to the initial investment in the joint venture, since the joint venture was just established.

23. 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.

in 000€	For the six months ended 30 June	
	2023	2022
Operating profit	-293	-1.181
Depreciation charges	-1.396	-712
Total EBITDA	1.103	-469
Expenses for claims	-11	-2
Adjusted EBITDA	1.114	-467