



Ekopak

1st Half 2021 Report

Regulated information. This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014.

FIRST HALF 2021 RESULTS

Strategic transition to Water-as-a-Service (WaaS) business model gets off to a flying start

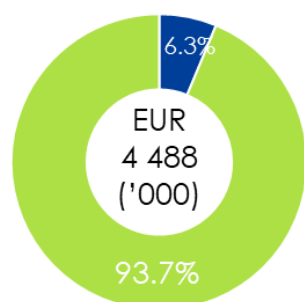
Tielt (Belgium), 27 September 2021 – 07:30 a.m. CET – Today, Ekopak (EKOP:xbru) published the results for the six-months period ended 30 June 2021.

Highlights of the First Half 2021

- Successful Initial Public Offering (31 March 2021) yields EUR 56.6 million gross proceeds, enabling Ekopak to fund its growth strategy and to roll out its WaaS business model
- 25.4% increase in WaaS business revenue, underscoring the key strategy to strengthen the WaaS pipeline as the basis for steady growth in annual revenue, earnings and cash flow
 - Optimizing the product mix: WaaS business represents 6.3% of Revenue but contributes 28.8% to Ekopak's combined EBITDA for both business segments in the First Half of 2021
 - EUR 0.3 million of revenues from signed WaaS contracts in 1H2021 translate into at least EUR 1 million of secured¹ revenues for FY2021 and over 2.5 million secured¹ revenues for FY 2022. This is already over 25% higher than anticipated at the time of the IPO.
 - Increase in Property, plant and equipment is a good indicator of the near-term prospects for the WaaS business. EUR 5.3 million of this increase refers to assets constructed for WaaS contracts that will generate additional revenue once the implementation is finalised. The production more than doubled compared to the same period last year.
- EBITDA of combined WaaS/non-WaaS business represents 15.4% margin on EUR 4.5 million Revenue. One-off expenses of EUR 0.6 million related to the IPO lead to an Operating Income of EUR -0.3 million and a Net Result of EUR -0.4 million.
- Acquisition of iSERV (21 April 2021), integrated as the Water Treatment service provider for both Ekopak's non-WaaS customers as well as for its WaaS operations.
- A non-WaaS contract signed with Vynova (2 June 2021) to build and install a demineralisation plant at Vynova's Tessenderlo site.

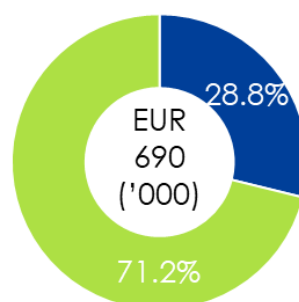
¹ In general, there are contractually agreed minimum monthly fees over the term of the contract, but, generally, the agreement also stipulates the conditions upon which a contract can be terminated

Revenue 1H2021
WaaS and non-WaaS segments



■ WaaS ■ non-WaaS

EBITDA 1H2021
WaaS and non-WaaS segments



■ WaaS ■ non-WaaS

Management Report – Executive Summary

	In 000 €		1H2021/ 1H2020	As a % of revenue	
	1H2021	1H2020		1H2021	1H2020
Revenue					
WaaS segment	281	224	+25.4%		
non-WaaS segment	4 207	5 124	-17.9%		
<i>Total segments</i>	4 488	5 348	-16.1%		
EBITDA					
WaaS segment	199	157	+26.8%	70.8%	70.1%
non-WaaS segment	491	218	+125.2%	11.7%	4.3%
<i>Total segments</i>	690	375	+84.0%	15.4%	7.0%
Operating profit					
<i>Total segments</i>	311	76		6.9%	1.4%
Unallocated	-614	-			
<i>Total consolidated</i>	-303	76			

- WaaS: Water as a Service

The CEO's perspective

Pieter Loose, CEO Ekopak, comments: "The First Half of 2021 was a pivotal period for Ekopak. While the WaaS business model was gradually gaining awareness at the start of the year, the IPO created increased visibility for WaaS, thus accelerating the market acceptance of this innovative concept. The 25.4% increase in WaaS-business revenue in the first six months of 2021 compared to the same period in 2020 is really impressive. Several customers who were negotiating a non-WaaS agreement with Ekopak have

opted in the end to conclude a WaaS-contract, which explains the decrease in the non-WaaS business revenue as well as in Ekopak's overall revenue for the period. However, the strong dynamic of Ekopak's business in general, and of its WaaS business in particular, are positively reflected in our EBITDA-performance. I am encouraged by Ekopak's performance over the past period and look forward to the future with confidence and ambition".

EUR 56.6 million IPO proceeds to fund growth strategy and to roll out WaaS

On 31 March, 2021 Ekopak has successfully completed the private placement of over 3.5 million new shares, complemented by issuing over 473 thousand new shares in the Over-Allotment Option on 8 April 2021 – resulting in a combined yield of EUR 56.6 million proceeds (Also see Note 13 of the IFRS Interim Condensed Consolidated Financial Statements).

As stated in the prospectus for the IPO, Ekopak intends to appropriate these funds to support its strategic growth objectives and the roll-out of its WaaS business, to fund working capital requirements for its non-WaaS solutions, and to pursue potential M&A opportunities (Prospectus, Section 6.5).

Strategic rebalancing between WaaS and non-WaaS businesses

As highlighted in the IPO prospectus, a key strategy for Ekopak is to roll out the WaaS business, thus rebalancing the revenue mix between Ekopak's traditional non-WaaS business and the recently launched WaaS business. In the mid-term Ekopak aims to grow WaaS business to a point where it represents over half of Ekopak's revenue.

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 m³ of water supplied. Ekopak aims for an initial contract term of 10 years, with fixed €/m³ 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 secured¹ for the entire duration of the contract. Moreover, the WaaS business generates EBITDA-margins of at least 67%.

In the **non-WaaS business model**, Ekopak focuses on Designing and Building water purification installations at the customer's premises, with the options to also cover the related service 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 EBITDA-margins, depending on the mix between sales of consultancy services, investment goods, consumables,...

Impressive WaaS business performance

Ekopak's WaaS business witnessed a remarkable growth in the first six months ended 30 June 2021. Operating income grew by 25.4% on a comparable basis to EUR 0.3 million. Since revenue from WaaS contracts is only recognised as of the moment that the installation becomes operational, a substantial part is not yet included in the 1H2021 figures. On annualised basis (i.e. assuming that contracts are operational for 12 months in a given reporting year), the currently signed WaaS contracts represent a secured¹ annual turnover of over EUR 2.5 million.

The EBITDA from the WaaS business grew slightly faster than the operating income and amounts to EUR 0.2 million. This corresponds to an EBITDA-margin of 70.8% - slightly higher than the 67% margin projected in the IPO prospectus.

Solid non-WaaS business performance

While the revenue from Ekopak's non-WaaS business decreased 17.9% compared to the same period last year, the corresponding EBITDA more than doubled. The lower revenue is explained by Ekopak's strategy to rebalance the revenue mix, with a higher proportion of WaaS activities. Whereas Ekopak did not offer an alternative for the sales of investment goods approach in the past, customers now have this option. A considerable part of customers has ultimately opted for the WaaS concept in the reporting period ended 30 June 2021. However, it should be noted that the decrease in revenue of EUR 0.9 million is amply offset by the contracted lifetime revenue of the WaaS business that is additionally achieved in the first half of 2021.

The EBITDA of EUR 0.5 million for the non-WaaS business over the past period represents a margin of 11.7% of the corresponding revenue. The 11.7% margin reflects a favourable product mix within the non-WaaS business segment. In the reported period, the non-WaaS product mix was slightly skewed to sales of services and consumables, characterised by higher margins than for the sales of investments goods.

IPO: one-off negative impact on Net Result but positive effect on balance sheet

A significant part of the IPO-related costs (EUR 0.6 million) is recognised under IFRS in the Profit & Loss statement, which explains the negative Net Result of EUR -0.4 million for the reporting period.

The proceeds of the successful IPO lead to a significant strengthening of Equity on the balance sheet. Equity represents EUR 59.1 million on a balance sheet total of EUR 68.1 million.

Significant events after balance sheet date

On 23 August 2021, Ekopak has established up Ekopak France with the opening of two branches – in Rouen and Lyon – that will be fully operational in the fourth quarter of 2021. With this initiative Ekopak aims to meet the high demand for sustainable WaaS installations in France, the second largest economy in Europe. The establishment of Ekopak France is a logical and necessary step towards further European expansion.

On 1 September 2021, Ekopak announced to become one of the official co-title sponsors from 2022 onwards until and including 2024 of the professional cycling team Deceuninck – Quick-Step, also known as “The Wolfpack”. With this sponsorship – which is incurred in the regular marketing budget of Ekopak – the Company aims to raise pan-European awareness for its WaaS business.

Business Outlook Full Year 2021

With the strengthened balance sheet following the successful IPO, Ekopak is well positioned to fund its growth strategy and to further roll out its WaaS business.

For the full year 2021, the WaaS revenue will more than double compared to prior year. The non-WaaS revenue will show a double digit growth.

About Ekopak

Ekopak is an Environmental, Social and Governance (ESG)-driven off-grid water solution company. The Company's solutions allow industrial customers to reduce their water consumption, in a sustainable, reliable and cost-effective manner. Ekopak focuses on optimizing customer water use through containerized water purification units that transform off-grid water sources such as rain-, surface- and/or wastewater into cleaner water that can be used and reused in the customer's industrial processes. By allowing water to be cleaned and reused, Ekopak's systems turn water consumers into water producers.

Ekopak is headquartered in Tielt, Belgium, and has operations in Belgium, Luxemburg, the Netherlands, France, the United Kingdom and a number of other countries.

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

More information on Ekopak: www.ekopaksustainablewater.com

Management certification

This statement is made in order to comply with the European transparency regulation enforced by the Belgian Royal Decree of November 14, 2007 and in effect as of 2008.

“The Board of Directors of Ekopak NV, represented by the management companies² of Mr. Pieter Bourgeois, Chairman of the Board of Directors, Mr. Pieter Loose, CEO, and Mrs. Els De Keukelaere, CFO, jointly certify that, to the best of their knowledge, the consolidated financial statements included in the report and based on the relevant accounting standards, fairly present in all material respects the financial condition and results of Ekopak NV, including its consolidated subsidiaries. Based on our knowledge, the report includes all information that is required to be included in such document and does not omit to state all necessary material facts.”

Disclaimer

This document may contain forward-looking statements. Such statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Ekopak is providing the information in this document as of this date and does not undertake any obligation to update any forward-looking statements contained in this document in light of new information, future events or otherwise. Ekopak disclaims any liability for statements made or published by third parties and does not undertake any obligation to correct inaccurate data, information, conclusions or opinions published by third parties in relation to this or any other document issued by Ekopak.

² Mr. Pieter Bourgeois is permanent representative of Crescemus BV; Mr. Pieter Loose is permanent representative of Pilovan BV and Mrs. Els De Keukelaere is permanent representative of EDK Management BV.

EKOPAK NV

IFRS Interim Condensed Consolidated Financial Statements

June 30, 2021

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	
		2021	2020
Revenue	5	4.488	5.348
Other operating income		154	203
Operating income		4.642	5.551
Purchases of materials	7	-2.094	-3.743
Services and other goods	7	-1.400	-424
Employee benefit expense	7	-1.024	-899
Depreciation charges		-379	-299
Other operating charges		-48	-110
Operating profit		-303	76
Financial expenses		-78	-71
Financial income		3	2
(Loss)/profit before taxes		-378	7
Income taxes	8	15	-42
Net (loss)/profit for the year *		-363	-35
Earnings per share attributable to the owners of the parent			
Basic	14	-0,03	0,00
Diluted	14	-0,03	0,00

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

The accompanying notes on pages 10 to 32 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	
		2021	2020
Net (loss)/profit for the year		-363	-35
Other comprehensive (loss)/income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations, net of tax	15	9	-
Other comprehensive (loss)/income, net of tax		9	-
Total comprehensive (loss)/income for the year, net of tax *		-354	-35

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

The accompanying notes on pages 10 to 32 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 2021	At December 31 2020
Assets			
Non-current assets			
Goodwill	6	953	-
Intangible assets	9	168	90
Property, plant and equipment	10	10.521	4.948
Deferred tax assets	8	907	142
Other financial assets		9	-
Total non-current assets		12.558	5.181
Current assets			
Contract assets	11	1.460	562
Inventories		1.525	1.057
Trade receivables	11	2.464	3.299
Other current assets	11	652	488
Cash and cash equivalents	12	49.426	1.300
Total current assets		55.527	6.706
Total assets		68.085	11.887

The accompanying notes on pages 10 to 32 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

in 000€	Notes	At June 30 2021	At December 31 2020
Equity			
Share capital	13	6.671	-
Share premium	13	55.116	-
Restricted reserve - share capital	13	-	5.162
Other reserves	13	-2.207	12
Accumulated (loss)/profit		-522	-159
Equity attributable to the owners of the parent		59.058	5.015
Total equity		59.058	5.015
Liabilities			
Non-current liabilities			
Borrowings		2.478	2.625
Lease liabilities		338	326
Deferred tax liabilities	9	26	-
Provisions	15	410	400
Total non-current liabilities		3.252	3.351
Current liabilities			
Borrowings		486	473
Lease liabilities		418	236
Trade and other payables	16	4.643	2.449
Tax payables		165	328
Other current liabilities	16	63	35
Total current liabilities		5.775	3.521
Total liabilities		9.027	6.872
Total equity and liabilities		68.085	11.887

The accompanying notes on pages 10 to 32 form an integral part of these IFRS Condensed Consolidated Financial Statements.

Interim condensed 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, 2021	-	-	5.162	12	-159	5.015	5.015
Net profit	-	-	-	-	-363	-363	-363
Other comprehensive income	-	-	-	9	-	9	9
Total comprehensive income	-	-	-	9	-363	-354	-354
Capital increase	1.820	54.805	-	-	-	56.625	56.625
Share issue costs net of tax	-	-	-	-2.258	-	-2.258	-2.258
Share based payment expense	-	-	-	30	-	30	30
Transfers within equity	4.851	311	-5.162	-	-	-	-
At June 30, 2021	6.671	55.116	-	-2.207	-522	59.058	59.058

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 loss	-	-	-	-	-35	-35	-35
Total comprehensive (loss)/profit	-	-	-	-	-35	-35	-35
At June 30, 2020	-	-	5.162	23	-102	5.083	5.083

The accompanying notes on pages 10 to 32 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	
		2021	2020
Operating activities			
Net (loss)/profit		-363	-35
<i>Non-cash and operational adjustments</i>			
Depreciation of property, plant & equipment and ROU assets		350	285
Amortization of intangible assets		29	14
Gain/(loss) on disposal of property, plant & equipment		4	-2
Increase in provisions	15	22	55
Impairments on receivables		0	12
Interest and other finance income		-3	-3
Interest and other finance expense		78	71
Deferred tax expense / (income)	8	-17	32
Tax expense	8	2	10
Equity settled share based payment expense	7, 13	29	0
IFRS 16 - gain on early termination of lease		-4	-4
Movements in working capital			
Decrease/(Increase) in trade and other receivables	11	859	884
Increase in inventories		-156	-1.018
(decrease)/increase in trade and other payables	16	1.548	-1.135
Use of provisions	15	0	-85
Increase in contract assets		-760	-5
Income tax received/(paid)	8	-40	3
Interests paid		-62	-58
Net cash flow (used in)/from operating activities		1.516	-979
Investing activities			
Purchase of property, plant and equipment		-5.438	-235
Purchase of intangible assets		-24	-22
Proceeds from the sale of property, plant and equipment		18	5
Acquisition subsidiaries net of cash	6	-1.063	0
Net cash flow used in investing activities		-6.507	-252
Financing activities			
Proceeds from borrowings		0	112
Repayment of borrowings		-490	-445
Repayment of leases		-111	-78
Receipts from capital increase	13	56.625	0
Paid share issue costs	13	-2.893	0
Other financial expense, net		-14	-12
Net cash flow (used in)/from financing activities		53.117	-423
Net cash flow		48.126	-1.654
Cash and cash equivalents at beginning of year	12	1.300	4.237
Cash & cash equivalents at end of period	12	49.426	2.583

The accompanying notes on pages 10 to 32 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 17.

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, 2021 were authorised for issue in accordance with a resolution of the directors on September 23, 2021.

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* and as adopted by the European Union and interpretations issued by the IFRS interpretation committee applicable to companies reporting under IFRS. The Group 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 Group 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.

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021.

The Group 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 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

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 Group’s annual consolidated financial statements as at 31 December 2020.

3. New and revised standards not yet adopted

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

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Work Accounts as current or non-current (applicable for annual periods beginning on or after January 1, 2023, but not yet approved in the European Union)
- Amendments to IAS 16 Property, Plant and Equipment: received for use (applicable for annual periods beginning on or after January 1, 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Compensation (applicable for years beginning January 1, 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual procedure 2018–2020 (applicable for financial years from January 1, 2022)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Statement of Practice 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after January 1, 2023 but not yet endorsed in the European Union)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after January 1, 2023 but not yet adopted in the European Union)
- Amendments to IFRS 16 Leases – Covid-19 related rental concessions after June 30, 2021 (applicable for financial years after April 1, 2021, but not yet approved in the European Union)
- Amendments to IAS 12 Income Taxes - Deferred Taxes related to assets and liabilities arising from the same transaction

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 Company 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 Group's annual consolidated statements for the year ended 31 December 2020.

5. Operating segments

For management purposes, the Company is organized 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 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 contract. 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, 2021.

in 000€	NON-WAAS	WAAS	TOTAL SEGMENTS	UN-ALLOCATED	TOTAL CONSO-LIDATED
Revenue	4.207	281	4.488	-	4.488
Other operating income	154	-	154	-	154
Purchases of materials	-2.077	-17	-2.094	-	-2.094
Services and other goods	-803	-12	-815	-585	-1.400
Employee benefit expense	-945	-50	-995	-29	-1.024
Other operating charges	-34	-3	-37	-	-37
Adjusted EBITDA	502	199	701	-614	87
Expenses from claims	-11	-	-11	-	-11
EBITDA	491	199	690	-614	76
Depreciation charges	-256	-123	-379	-	-379
Operating profit	235	76	311	-614	-303
Financial expenses	-	-	-	-78	-78
Financial income	-	-	-	3	3
Profit (loss) before tax	235	76	311	-689	-378
Segment assets	60.764	7.321	68.085	-	68.085
Segment liabilities	7.818	1.209	9.027	-	9.027

The unallocated expenses included in the lines Services and Other goods and Employee benefit expense relate to IPO costs that have been expensed. Expenses from claims are included in the Other operating charges in the consolidated income statement.

The following table summarizes the segment reporting for the year ending June 30, 2020.

in 000€	NON-WAAS	WAAS	TOTAL
Revenue	5.124	224	5.348
Other operating income	203	-	203
Purchases of materials	-3.730	-13	-3.743
Services and other goods	-416	-8	-424
Employee benefit expense	-853	-46	-899
Other operating charges	-62	-	-62
Adjusted EBITDA	266	157	423
Expenses from claims	-48	-	-48
EBITDA	218	157	375
Depreciation charges	-211	-88	-299
Operating profit	7	69	76
Financial expenses	-71	-	-71
Financial income	2	-	2
Profit (loss) before tax	-62	69	7
Segment assets	10.172	1.715	11.887
Segment liabilities	5.457	1.415	6.872

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

in 000€	2021	2020
Consumables	977	1.075
Services	1.392	1.285
DBFMO (WAAS)	281	224
Water process installations	1.838	2.764
Total revenue by product type	4.488	5.348

Revenue of mainly all products and services is satisfied over 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	3.333	4.942
France	74	145
Netherlands	226	110
United Kingdom	14	5
Luxembourg	762	7
Other countries	79	139
Total revenue by geography	4.488	5.348

The activities of the Group 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. The shift from the Non-Waas model to the WAAS model may impact comparison of revenue between periods due to the different revenue recognition scheme for both models.

All non-current assets are located in the country of domicile, Belgium.

6. Business combinations

The Group acquired on 23 April 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 quick customer service.

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

The provisional 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	589
Cash and cash equivalents	167
Financial debt	-548
Other assets and liabilities	-405
Total identified assets and liabilities	277
Goodwill	953
Fair value compensation	1.230

The provisional 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 32 relates to the step-up of inventory. The deferred tax liability recognized resulting from the provisional fair value adjustments amounts to KEUR 28. The fair value adjustments are provisional taking into account the nature of the adjustments and to allow management to validate and finalize the assumptions applied by 31 December 2021.

The transaction resulted in the recognition of goodwill for an amount of KEUR 953, 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 1.049 and the contribution to net result would have been KEUR -66.

The increase in the headcount resulting from the acquisition is 12, in full time equivalents the increase is 3,4 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	-401	-898
Other purchases	-1.693	-2.845
Total purchases of materials	-2.094	-3.743
Rent charges	-44	-11
Repair and maintenance	-71	-36
Utilities	-14	-10
Fuel	-50	-34
Small materials	-57	-18
Postage and website costs	-66	-26
Professional fees	-654	-46
Insurance fees	-66	-25
Transport related expenses	-19	-11
Fees for outsourcing engineering and interim personnel	-35	-18
Management fees	-210	-144
Other services	-114	-45
Total Services and other goods	-1.400	-424

The purchase of equipment materials relate to the materials purchased for the building of the water process installations. Other purchases are related to outsourced production capacity.

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 FTE's. Additionally insurance fees comprise a new D&O policy.

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

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

Other services mainly comprise marketing, IT and communication expenses.

7.2. Employee benefits expenses

in 000€	2021	2020
Gross Salaries	-589	-640
Social Security charges	-253	-157
Group Insurance	-42	-33
Other Insurance	-11	-8
Share based payment cost	-29	-
Other payroll charges	-100	-61
Total employee benefit expenses	-1.024	-899

The employee benefit expenses include KEUR 29 IPO related costs.

Total number of FTE's as per June 30th 2021 amount to 42,3 compared to 29,64 as per June 30th 2020. The gross salaries in 2021 were decreased with the labour cost amounting to KEUR 540. These costs are capitalized in the context of the production of WaaS installations.

8. Income and deferred taxes

The major components of income tax expense are:

in 000€	2021	2020
Consolidated statement of profit or loss		
<i>Current income tax:</i>		
Estimated tax liability for the year	2	10
<i>Deferred income tax:</i>		
Relating to origination and reversal of temporary differences	-10	300
Relating to tax loss carried forward	-760	-268
of which has been recorded directly in equity (other reserves)	753	-
Income tax expense / (income) reported in the consolidated statement of profit or loss	-15	42
Consolidated statement of other comprehensive income		
<i>Deferred tax related to items recognised in OCI during the year:</i>		
Tax expense / (income) on actuarial gains and losses	-3	-
Deferred tax charged to OCI	-3	-

The domestic tax rate is 25%. The Company has a total of KEUR 3.491 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. An amount of KEUR 753, related to the tax effect of the share issue costs, has been directly deducted from other reserves.

The net result is impacted by IPO related costs for KEUR 614 that have been expensed as disclosed in the note on operating segments on the one hand and by the tax effect of KEUR 753 related the IPO costs directly deducted from other reserves within equity.

9. Intangible assets

The intangible assets as per June 30, 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 which is disclosed in note 6. The customer list is depreciated straight line over 2,5 years.

10. Property, Plant and Equipment

The property, plant and equipment increased with KEUR 5.573 compared to December 31, 2020.

An amount of KEUR 5.299 of the increase 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%. As per June 30, 2021 the same three WAAS installations have a completion status of on average 95% and two of them have been completed after reporting date. Two additional projects for rent containers under WAAS were added compared to year-end.

An amount of KEUR 390 relates to the business combination of iServ disclosed in note 6.

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, 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 sales model and DBMO but which are not billed.

The contract assets amount to KEUR 1.460 and KEUR 562 as per June 30, 2021 and December 31, 2020 respectively. 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 145 relates to the acquisition of iServ.

Trade and other receivables

Trade and other receivables include the following:

	At June 30	At December 31
in 000€	2021	2020
Trade receivables	2.464	3.299
Doubtful debt allowance	5	4
Receivable on vendor - packaging guarantee	48	39
VAT receivable	488	149
Current account - related party	7	7
Deferred charges	60	279
Other current assets	49	14
Total trade receivables and other current assets	3.116	3.787

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 between 30 to 90 days.

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.

12. Cash and cash equivalents

The cash and cash equivalents can be presented as follows:

	At June 30	At December 31
in 000€	2021	2020
Cash at banks and on hand	49.426	900
Saving accounts	-	400
Cash and cash equivalents	49.426	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 amount of EUR 49.4 million is 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.

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

	At June 30
in 000€	2020
Cash at banks and on hand	182
Saving accounts	2.401
Cash and cash equivalents	2.583

13. 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 June 30, 2021:

	Total number of ordinary shares (in '000 shares)	Total share capital in €000	Total share premium in €000	Restricted reserves in €000	Par value per ordinary share (per share)
Outstanding at January 1, 2020	10.780	-	-	5.162	0,0
Outstanding on December 31, 2020	10.780	-	-	5.162	0,0
Outstanding at January 1, 2021	10.780	-	-	5.162	0,0
Change legal form - transfer restricted reserves to share capital	-	4.851	311	-5.162	-
Capital increase in cash - public offering and private placement	4.044	1.820	54.805	-	0,45
Outstanding on June 30, 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 of which KEUR 2.893 have been paid.

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:

in 000€	At June 30	At December 31
	2021	2020
Restricted reserve - legal reserve	6	6
Other reserves	-2.181	47
Other comprehensive income:		
Actuarial gains (losses) on defined benefit plans	-32	-41
Total reserves	-2.207	12

The negative other reserves is for EUR 2.3 million explained by the portion of the 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. The average fair value of the warrants amount to €3,24.

None of the warrants have vested, forfeited or are currently exercisable.

The share-based payment expense recognized per June 30, 2021 for these warrants is KEUR 30.

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 30.000 diluted potentially ordinary shares of the ESOP Warrants.

As per June 30, 2020 there were no dilutive potentially ordinary shares. As per December 31, 2020 the warrants were anti-dilutive. As such the basic earnings per share equaled the diluted earnings per share per June 30, 2020 and per December 31, 2020.

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 attributable to ordinary equity holders of the parent for basic earnings and diluted earnings per share	-363	-35
Weighted average number of ordinary shares for basic earnings per share	12.646	10.780
Weighted average number of ordinary shares for diluted earnings per share	12.676	10.780

15. Provisions and defined benefit obligations

Provisions include the following:

in 000€	At June 30 2021	At December 31 2020
Provision Legal Claim from customers	-331	-320
Net defined benefit liability	-79	-80
Total provisions and defined benefit obligations	-410	-400

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

in 000€	2021	2020
At January 1	-320	-348
Additions	-11	-46
Use	-	85
At June 30	-331	-309

The increase/(decrease) in provisions of KEUR 22 (2020: KEUR 55) in the consolidated statement of cash flows includes the additions from the table above for the amount of KEUR 11 (2020: KEUR 46) and KEUR 11 (2020: KEUR 9) 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, 2020 are set out below:

in 000€	2020
At January 1	-348
Additions	-57
Use	85
At December 31	-320

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 2021	At December 31 2020
Net defined benefit liability at the beginning of the year	80	48
Defined benefit cost included in profit & loss	36	66
Total remeasurement included in other comprehensive income	-12	15
Employer contributions	-25	-49
Net defined benefit liability at the end of the year	79	80

The remeasurements included in other comprehensive income result from the increase in discount rate compared to December 31, 2020. The discount rate amounts is 1,20% at June 30, 2021 (1,00% at December 31, 2020).

16. Short term liabilities

The short term liabilities are the following:

in 000€	At June 30 2021	At December 31 2020
Trade and other payables		
Trade payables	-4.326	-2.229
Payroll-related liabilities	-317	-220
Total trade and other payables	-4.643	-2.449
Other current liabilities		
Contract liability - prepayments	-	-
Payable toward customer for packaging guarantee	-46	-35
Other	-17	-
Total other current liabilities	-63	-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.

17. Related party disclosures

This disclosure provides an overview of all transactions with related parties with the Pilovan BV as ultimate benefit owner, Alychlo NV as shareholder and 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€	2021	2020
Short-term employee benefits	290	349
Post-employment benefits	6	11
Total	296	360
Warrants granted	30.000	30.000
Warrants outstanding	30.000	30.000

The key management consists of 4 persons (including the CEO) as of 2020. As part of the private placement a bonus of KEUR 15 was granted to key management and partly deducted from equity as part of the share issue costs. Further information on the private placement is disclosed in note 13.

Key management has been granted 30.000 warrants at December 30, 2020.

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 25.

Other related party transactions

The Company has a current account receivable on SportHotel Ten Hotond and Pilovan which is fully owned by one of the shareholders and management member. The current account totals KEUR 7 as per June 30, 2021 (KEUR 7 as per December 31, 2020). The current account is interest bearing. Total interest income received from this related party totals KEUR 0,1 at June 30, 2021 and KEUR 0,1 at June 30, 2020.

18. Events after the reporting period

Ekopak has set up Ekopak France, confirming its international expansion plans with the opening of two branches in France. The site in Rouen will be responsible for rolling out the Ekopak and WaaS projects in northern France around the industrial cities of Lille, Paris, Metz, Rennes and Nantes. The Lyon branch will be responsible for central and southern France.

Through this investment, Ekopak aims to meet the high demand for sustainable WaaS installations in the second largest economy in Europe. The establishment of Ekopak France is a logical and necessary step towards further European expansion. Both sites will be fully operational in the fourth quarter of 2021.

19. 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 IPO, 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.



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