Integrated Report 2022

Ekopak

Ekopak Sustainable Water

Together towards a sustainable future.

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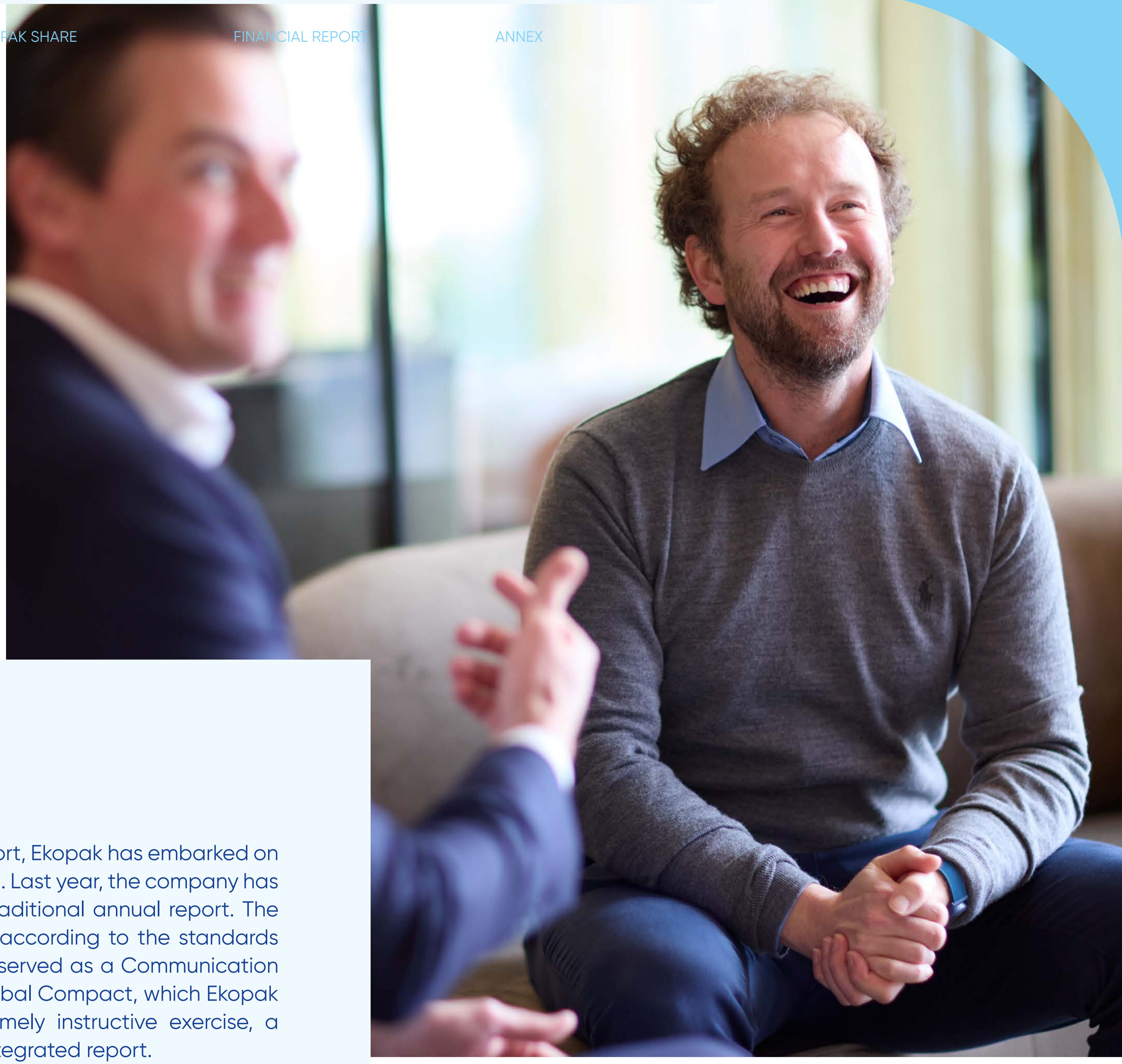
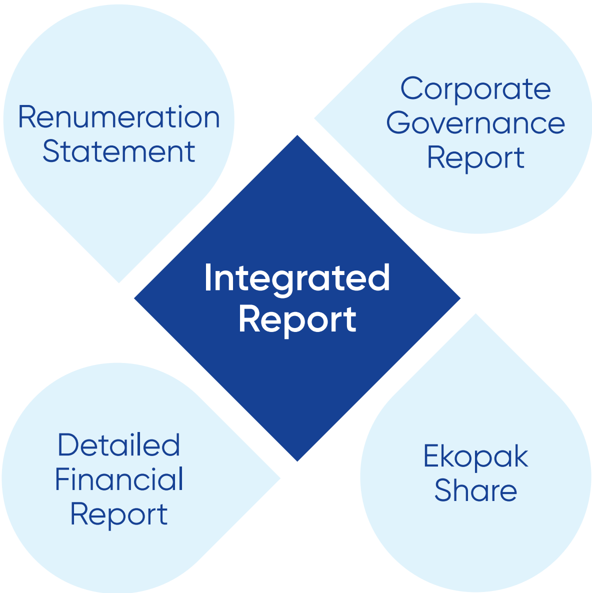
1 Introduction

Declaration of the board of directors



1.1 Integrated reporting: Embarking on a journey

With this first issue of our annual integrated report, Ekopak has embarked on a long journey that has been carefully prepared. Last year, the company has published a sustainability report along to a traditional annual report. The 2021 sustainability report has been prepared according to the standards of the Global Reporting Initiative (GRI). It also served as a Communication on Progress within the framework of the UN Global Compact, which Ekopak joined in 2020. That proved to be an extremely instructive exercise, a stepping stone to the next level: a genuinely integrated report.



Ekopak's decision to evolve to Integrated Reporting (IR) reflects the compelling holistic view of how we create and sustain value – both financially, environmentally and socially.

Integrated reporting is not a journey that we embark in isolation; it is a process in which we invite all stakeholders to be involved: customers, employees, suppliers, authorities, investors and society at large... To this end, we have included throughout this report a number of feedback points (accessible through scanning the QR-codes). They represent a low-threshold way for our stakeholders to express their views and provide input.

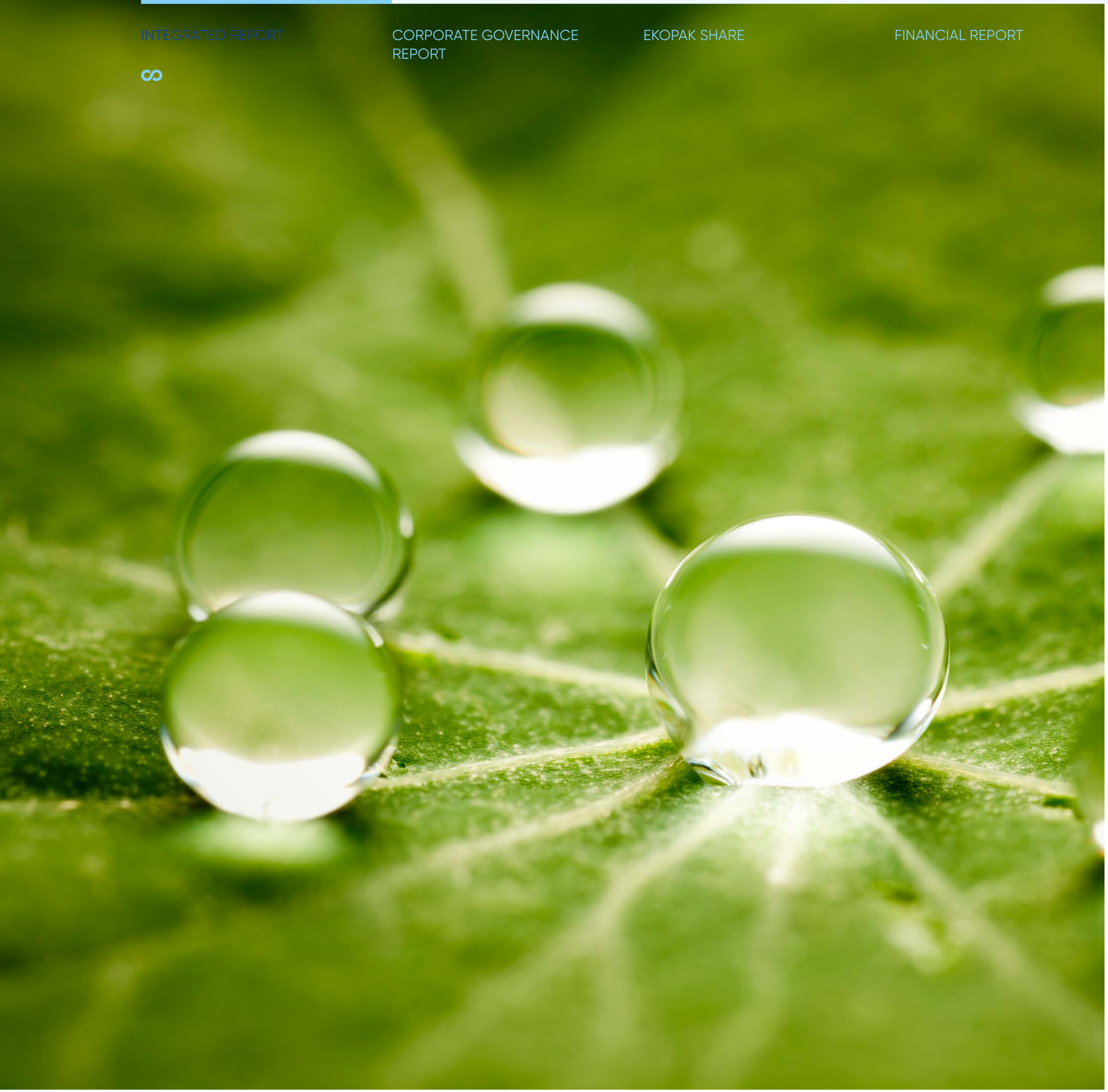
The itinerary of this journey is mapped out around well-defined waypoints – the Key Performance Indicators (KPIs) that we have defined last year. Today, we measure our performance and report our progress in full transparency, in order to demonstrate to which extent we are staying on course on our journey.

This integrated report covers all legal entities of Ekopak that are included in the group's consolidation circle. In order to comply with all legal and customary reporting requirements, we have included specific sections as annexes to this report: the financial report (including the consolidated statements and corresponding notes), the corporate governance statement (including the remuneration statement) as well as a section on the Ekopak share performance.

With regards to the integrity of this integrated report we have involved Encon, an independent agency specialised in sustainability strategy, to advise us in order to ensure compliance of the core report with the framework of the International Integrated Reporting Council (IIRC), the Global Reporting Initiative (GRI) framework as well as with EU taxonomy. The financial report, included in this integrated report, has been audited by PwC, Ekopak's statutory auditor. We confirm this integrated report accurately reflects Ekopak's strategic commitments for the short (less than one year), medium (one to three years) and long-term (more than three years). We applied our judgement with regard to the disclosure of Ekopak's strategic plans and ensured that these disclosures do not put the company at a competitive disadvantage.

Based on the report of the Audit Committee Report, the Board approved the 2022 Integrated Report on 20 March 2023.

Pieter Bourgeois, Pieter Loose, Els De Keukelaere
Tim De Maet, Regine Slagmulder,
Kristina Loguinova & Kurt Trenson



Share your thoughts

Tell us what you think about our first Integrated Report by scanning this QR Code. Any questions about this report? Don't hesitate to reach out to us at legal@ekopak.be

Interview with the CEO

1.2 To fulfill Ekopak's mission, we must grow even faster

In a world full of change, Pieter Loose, CEO, looks back with satisfaction, as Ekopak achieved its ambitious goals & targets in 2022, so the company started 2023 with confidence.

> "My dream is to switch the industry completely to circular water use."
>
> Pieter Loose – CEO

This is the second annual report since Ekopak went public in March 2021, and you're already opting to release it as an integrated report, just like the big listed companies. How important is that to you?

For me, integrated reporting is not the most important thing. What really matters is integrated business operations. The economic dimension of business is obviously important, but everything we do with Ekopak also involves environmental, social, societal and ethical dimensions. For me, this has never been different. My personal ambition goes beyond just being profitable. I want to make the biggest possible difference, not only for myself, but also for my team, for society and for the world we live in. Some people call me a dreamer. I take that as a compliment. I am a dreamer and I want to do everything possible to realize my dreams. With Ekopak, my dream is to switch the industry completely to circular water use, so that no more drinking water is taken away from those who need it, so that there will always be enough drinking water available for society. That is the "water brand" of Ekopak. At the same time, I want to lead my organization, my employees, society and the world to ever better levels.

That does indeed sound ... dreamy. Especially for a CEO. How about this?

What is the difference between a dream and a mission? It just depends on which terminology you use. The strength of the underlying methodology is that it translates a dream into a strategy, which is based on a number of pillars, which in turn must be "translated" into concrete actions, plans,... Attention is paid to financial capital, but equally to production capital, intellectual capital, human capital, natural capital and the capital of social values and relationships. And it goes even further: annual stress tests, key performance indicators,... Then as a CEO you can no longer float with your head in the clouds, but you are put with both feet on the ground....

Key performance indicators? That sounds like reporting, doesn't it?

Indeed it does. A company that assumes a responsibility must also be accountable. A company that assumes purely financial responsibility only has to report on it to investors and financiers. A company like Ekopak that assumes a broader social responsibility finds it normal to be accountable to all stakeholders. By the way, I don't see that as a burden nor as a one-way street. By reporting openly and transparently on our performance, we invite all stakeholders and interested parties to provide feedback and suggestions. This keeps us on our toes and, if we are lucky, it also generates new ideas and insights.

New insights? Such as?

Like the insight that we need to grow faster and get significantly bigger to realize the Ekopak dream so that society can continue to have sufficient drinking water. Ecology and growth do not need to clash. (laughs). Ekopak is growing fast, but it actually needs to grow much faster. We must also dare to think beyond our home market. We must not only dare to strengthen our organization to cope with this growth, but we must also look for collaborations. These two insights largely determined my agenda as CEO in 2022.

How did you align Ekopak's organization with that growth strategy?

Despite the scarcity in the labor market, we were able to double our workforce. During the recruitment process, I noticed how important our DNA is for future employees: how valuable they find it to be able to contribute to a circular water supply, how challenging they find it to work in an environment where they can develop themselves to the fullest, how nice they find it to be part of a team where everyone is valued regardless of origin, age, and so on... In addition, plans for new premises are ready. It will offer sufficient space, because our current buildings are too small. The new building will be energy neutral or even energy positive. Investing in buildings is one thing, but we have also invested heavily in processes and structures, in Finance, HR, IT and many other areas. Everyone at Ekopak is convinced that enthusiasm alone will not get us there. We need to build solid foundations in our organization today in order to face tomorrow's challenges with confidence.

Is Ekopak ready to take the step abroad?

Yes, although we realize that we cannot take five steps at once. We started small in France, but in the meantime the organization there has already expanded and the revenue increased eightfold. The acquisition of the French company H_20 Production has further strengthened our presence on the French market. As a result, we have even better access to the business networks. This will undoubtedly still result in great projects. Moreover, H_20 Production's technological know-how offers great opportunities for Ekopak. We are going to write another fascinating Ekopak story in France.

Growing faster through collaboration... What should we imagine?

Our stakeholders include governments and drinking water companies. They realize the threat that at some point there will be insufficient drinking water to supply everyone on the grid: Day Zero. In all prevention plans, the strategy of disconnecting large industrial users of water from the drinking water network is quickly adopted. Ekopak can give them a helping hand. With the same objective in mind, cooperation is an obvious option. This is how Waterkracht saw the light, our joint venture that will supply circular water to companies in the port of Antwerp from 2025. It will convert wastewater from Antwerp households into process water for industry. During the development of the Waterkracht concept, we met companies that are willing to disconnect from the drinking water network, but do not have enough water of their own for full circular use. So Circeaulair was born, also a joint venture in which Ekopak participates. In fact, the Circeaulair concept can easily be applied in many other cities and can very quickly take on a huge dimension. This really could be a mega leap, which Ekopak could not achieve alone, and certainly not within such a short time span. This illustrates the power of cooperation!

With Waterkracht and Circeaular, you also attracted the attention of the media, all of whom suddenly wanted to interview you. Didn't that time come at the expense of your duties as CEO?

It's not my dream to become a media figure. But through the media, I can reach companies and raise awareness about switching to circular water use. Moreover, questions from potential customers flood in after every interview. So from both an ecological and economic perspective, the time I invest in raising awareness is very well spent.

Doesn't it all become a bit too much for you?

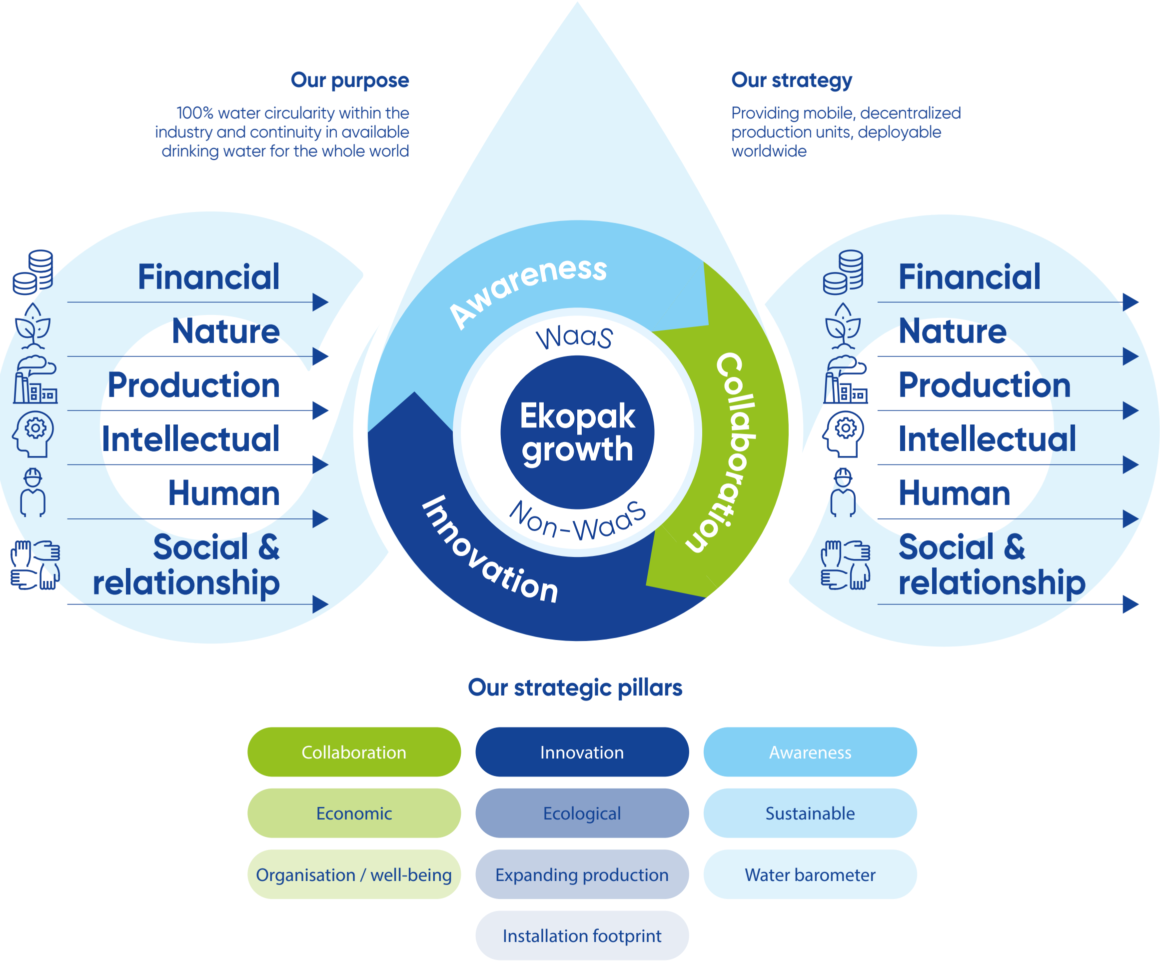
The time when, as CEO of an SME, I could be personally involved in all aspects of the business is indeed over. That is precisely why we have started laying solid foundations on which we can further develop our organization. This concerns buildings, installations, systems and processes, but above all, people. Despite the difficult conditions on the labor market, Ekopak is able to attract skilled and motivated people.

A nice conclusion?

In closing, I would like to express my gratitude to all stakeholders - and especially all employees - for their commitment and dedication. With them by my side, I look to the future with confidence.

1.3 How to read this report

An integrated report aims to provide a holistic view of the company. Therefore its format differs significantly from a traditional annual report.
At the core of an integrated report is the value creation model, which serves as the backbone for this document and determines its structure.
As integrated reporting implies a holistic approach, all components of the value creation model are interlinked. Consequently, the structure of this report is by definition non-linear, and differs significantly from that of a traditional annual report.
The infographic of the value creation model helps readers keep an overview and navigate through this report.
This infographic should be read from left to right. On the left are the six capitals - the resources - that Ekopak deploys to achieve its goal: achieving 100% water circularity within the industry and ensuring continuity in available drinking water worldwide.



Those capitals are deployed in Ekopak's business process, both in its WaaS and non-Waas operations (in the centre of the infographic). The strategy is focused on growth, which Ekopak aims to achieve by providing decentralised water production units that can be deployed globally. This growth strategy rests on three pillars (listed at the bottom of the graphic): collaboration, innovation and awareness. One pillar reinforces the other. Awareness creates greater demand. To meet this increasing demand, Ekopak needs to develop new concepts and models - i.e. innovate. To actually introduce those innovations, Ekopak needs to engage various partners - i.e. work together (collaboration). Cooperation with numerous partners allows a larger target group to be sensitised ,... and so on continuously. In doing so, Ekopak also focuses on three dimensions: economic, ecological and sustainable (the Ekopak EED, see chapter 5.2 Pillars for value creation). Through continuous efforts at strategic and operational level, Ekopak aims to create added value for each of the six capitals deployed. This is shown in the right-hand side of the infographic.

The underlying methodology includes an annual stress test, the results of which are also included in the integrated report, along with performance against the key performance indicators that have been identified in this context. Annual testing starts with stakeholder engagement, resulting in the identification of risks and opportunities for Ekopak's value creation. All risks and opportunities are plotted in a materiality matrix, from which priorities emerge, i.e. the material issues that can have a significant positive or negative impact on Ekopak's value creation model.

On the basis of this materiality assessment, strategies are developed to avoid the risks and exploit the opportunities, each time determining which objectives Ekopak wants to achieve by which time.

During the implementation of the strategy, continuous feedback is provided to validate the strategy. The underlying methodology for the value creation model thus includes specific vocabulary and terminology, which are briefly explained below. The interrelationships between the components of the value model are visualised in this report by icons. The following list briefly explains the specific terminology and identifies the corresponding icons.

- Stakeholders are the individuals and parties with whom we engage and who are involved in identifying risks and opportunities that may affect the company's value creation.
- Materialities refer to themes to mitigate risks in value creation and maximise opportunities.
- Capitals are the different types of value created by the company.
- Strategic pillars are the actions Ekopak will take to address materialities

As already mentioned, the value creation model is stress-tested every year. Stakeholder engagement results in the identification of key risks and opportunities to the company's value creation model, which are prioritised in a **materiality matrix**. Based on the materiality assessment, strategies are developed to mitigate risks and maximise opportunities in the short, medium and long term. Year by year, progress is measured against the relevant key performance indicators. This entire process and its results are included in the integrated report.

The board of directors oversees the process and validates whether the report is complete and presents a balanced and fair picture of the company's performance. Thanks to this process, clear KPI's can be determined. These are monitored by management and carried throughout the full organisation.

Share your thoughts

1.4 2022 Timeline of our growth

January

Ekopak announces the Waterkracht project.
Together with water-link, PMV and Aquafin, we will process the wastewater of Antwerp households into cooling water for companies in the Port of Antwerp. As from 2025, a new cooling water plant to be built will recycle 20 billion litres of water on an annual basis. Ekopak will build and operate this plant. This project will make a significant contribution to the WaaS revenue as from 2025.

January

Sponsorship Quick-Step Alphavinyl team.
From 2022 to 2024, Ekopak will be one of the official 'co-title' shirt sponsors of the Quick-step Alphavinyl professional cycling team. With this sponsorship we aim to build our brand, not only in our Belgian home market but also abroad . This partnership also helps us to create awareness about the importance of water.

February

Announcement of building plan for new premises Deinze.
As a consequence of our increasing growth, we are investing in new premises in Deinze, near Ghent. Ekopak will construct the new building on a plot of approximately 2.1 ha. The building will be a tangible illustration of Ekopak's vision of sustainability and includes everything to be completely self-sufficient in terms of energy and water consumption. The premises will be commissioned in Q3 2024.

March

1st anniversary on Euronext.
March 31 marked exactly 1 year since Ekopak CEO Pieter Loose rang the bell on Euronext Brussels. The IPO is crucial for Ekopak's future growth.

June

Concession NextGen District Antwerp.
Ekopak acquires a concession for a plot on the NextGen district in Antwerp to build the water plant of the future. The new water treatment plant will provide surrounding companies with high-quality, sustainable process water.

September

Acquisition H2O Production. Ekopak acquires the French company H2O Production in Pithiviers, France. This company brings 20 years of experience in different technologies for the production of demineralized water. This acquisition further strengthens our knowledge and portfolio in France.

October

Our team is growing. We celebrate having passed the 100 employee mark with our organisations in Belgium and France.

November

Trends Impact Award. The Waterkracht project wins a Trends Impact Award in the Circular Economy category, in recognition of Ekopak's entire value creation model. Trends is the leading economic weekly in Belgium.

December

Participation Belgian Economic Mission. Ekopak participates in the Belgian Economic Mission to Japan, led by Princess Astrid. In this way, Ekopak wants to further internationalize its products and services and also raise awareness about water scarcity in other countries. Following the successful project at Takeda in Belgium, we took the opportunity to visit their Japanese head-quarters to discuss future collaborations.

December

The 'Circeaulair' project kicks off. Together with Aquafin and EPICo², we are further promoting the reuse of wastewater for industry. In this specific project, the effluent (or treated wastewater) coming from Aquafin's sewage treatment plant (WWTP) will be converted by Ekopak into process water for the industry. If all goes according to plan, this project will contribute to WaaS revenue as of 2024. Circeaulair receives a grant from the Flemish Government of 2.6 million euros within the frame-work of the "Blue Deal Circular Water reuse effluent from sewage treatment plants."

2 Our company

2.1 Ekopak in a nutshell

In the future, companies will have to rely on their own production and reuse of water, especially at peak consumption times and when water companies are unable to meet their demand. Here is where Ekopak's water treatment solutions come in. We turn water consumers into water producers. Ekopak focuses on innovative technology for water recycling. Our solutions offer industrial customers the opportunity to significantly reduce their water consumption from the mains water network in a sustainable, dependable, and cost-effective way. We guarantee our customers an uninterrupted water supply. Our goal: disconnecting the industry from the drinking water network and pursuing 100% circular water use.

Our business model can be split up into 2 segments: WaaS & Non-WaaS

WaaS®

2018 marks the start of our WaaS business model (Water-as-a-Service). With WaaS, we offer a carefree service from A-to-Z. We build custom made installations that provide water of optimal quality, produced in a sustainable way. The client does not have the burden of monitoring and maintaining the installation, and of the associated labour costs, etc. Through a 10-year leasing formula, the client only pays for litres of water actually consumed, with a predefined minimum.

Our containerised solutions allow for fast deployment across the globe. Through our online monitoring system, our engineers are able to monitor the installation 24/7 and intervene 'on the fly' if so required.

Non-WaaS

- **One off installations** Besides WaaS, Ekopak also offers customised one-off water treatment installations for sale. Here, the customer owns the installation and is responsible for its maintenance. However, the customer can still call on Ekopak's services for regular technical checks and maintenance work.
- **Services** our services include the maintenance of one-off installations. Additionally, customers can also call on Ekopak for other services such as water analysis, treatment of cooling or boiler water, disinfection, chemical services, corrosion control, etc.
- **Consumables** 'Consumables' refer to the sale of chemicals and spare parts.

Overview products

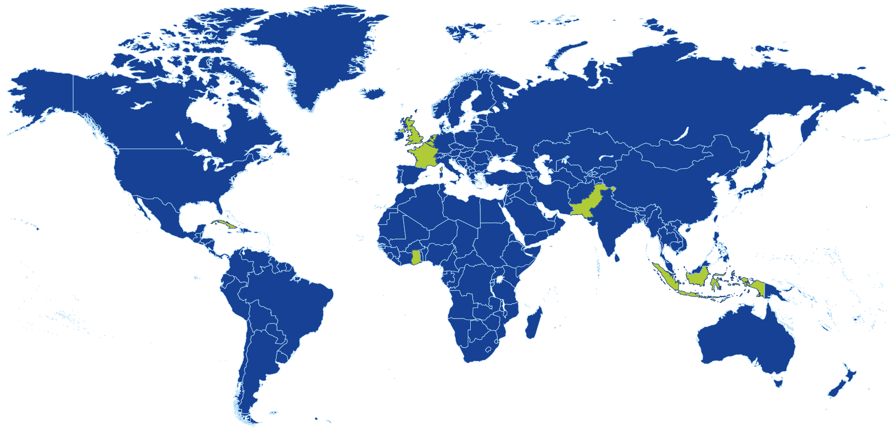
- 49% One-off
- 26% Services
- 11% Consumables
- 14% WaaS

- 40% One-off
- 33% Services
- 16% Consumables
- 11% WaaS

*Non-WaaS comprises the sale of one-off installations, services and consumables.

Overview countries

	2022	2021
Belgium	74%	80%
France	18%	4%
Other	8%	16%



Consolidated turnover

Numbers in Million €

Focus industries

- Pharmaceutical & cosmetic industry
- Chemical industry
- Food & beverage industry

Overview water savings

- City water savings in m^3 with our WaaS installations

2020

0.4 mio m^3

2021

3.3 mio m^3

2022

5.2 mio m^3

Total = 8.9 mio m^3

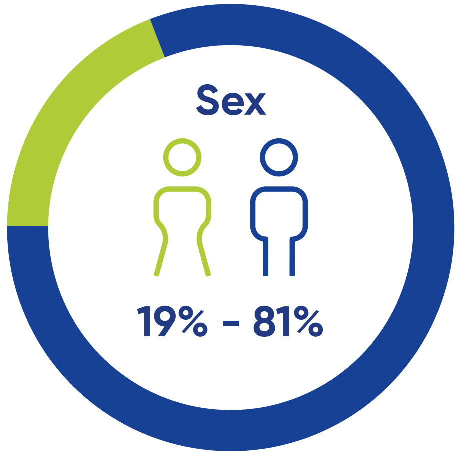
Overview organisation/ employees

	2021	2022
FTE	54,4	94,2
Headcount	63	121

83% Belgium
17% France

19% Belgium
9% France

81% Belgium
91% France

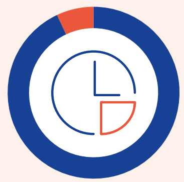


Permanent/ fixed term contract

99,73% - 0,27%

Breakdown per region & sex		Belgium	France
Permanent contracts		99,7%	100,0%
	M	80,6%	90,8%
	F	19,1%	9,2%
Fixed term contracts		0,3%	0,0%
	M	0,0%	0,0%
	F	0,3%	0,0%

Full time/ part-time contract



93% - 7%

Breakdown per region & sex		Belgium	France
Full time			
	M	78%	87%
	F	15%	9%
Part-time			
	M	3%	4%
	F	5%	0%

Overview collaborations

Collaboration

- Waterkracht → collaboration with water-link, PMV and Aquafin. As of 2025, we will save 20 billion liters drinking water per year through the Waterkracht project.
- Circeaulair → collaboration with EPICo² and Aquafin

Innovation

- Collaboration with Ghent University
- Collaboration with UCB

Raising awareness

- The technology Hive (group) → Collaboration with GF, Packo and EFC for commercial ends.

Purpose:

100% water circularity within the industry and continuity in available drinking water across the globe

Strategy:

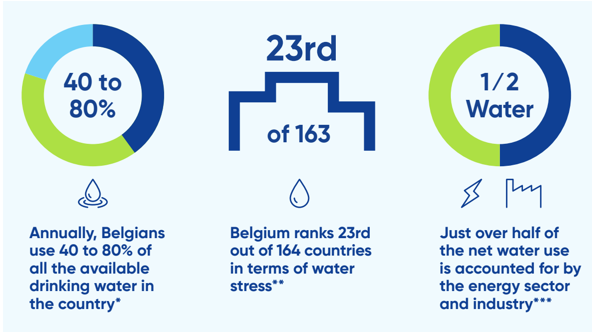
Providing mobile, decentralized production units, which can be deployed worldwide.

2.2 Social context

We are feeling the impact of climate change more and more every day. Water availability plays a crucial role in the future of our earth. While the demand for water continues to increase, water availability is decreasing.

According to the World Resources Institute, drought is already affecting up to 40 percent of the planet. In India, water demand is expected to exceed available water resources by up to 50 percent by 2030.

Ekopak's home market Belgium is no exception to this global trend. Research shows that Belgium is among the countries with the greatest water scarcity in the world. Every year Belgians consume as much as 40 to 80% of all available drinking water in the country. It places Belgium 23rd out of 164 countries surveyed. Just over half of the net water use is accounted for by the energy sector and industry. The latter thus has a much greater impact on water consumption than households or agriculture: industry needs the water for its production process or as an ingredient for its products.



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

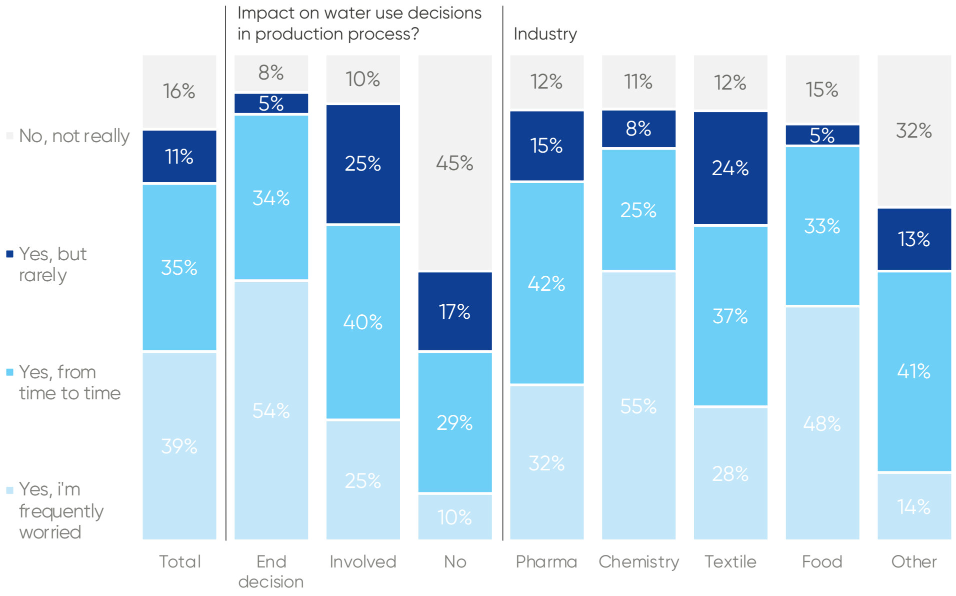
Ekopak aims to turn the tide by providing solutions that can have a positive impact on society as a whole. On the other hand, our business is also stronlgy influenced by external factors, which can provide us with opportunities but also create risks.

The impact of water stress on the industry

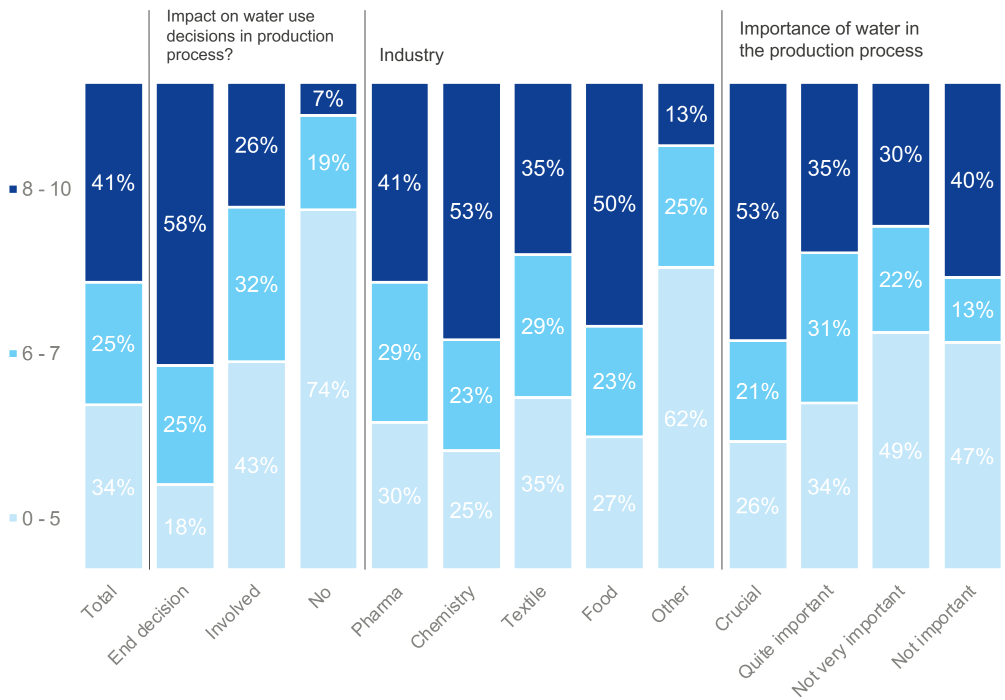
Water is crucial in the production process of several companies. An interrupted water supply can lead to production stops resulting in financial losses. Therefore, it is important for businesses to have a constant water supply of good quality and produced in a sustainable manner. Day zero is fast approaching, but companies still lack a sense-of-urgency when it comes to water stress. In December 2022, we conducted a survey to measure the awareness of water issues among employees at water-intensive companies . The figures on the next pages result from the water barometer described in more detail in chapter 4. Stress test.

Share your thoughts

Do you ever worry about the amount of water your business consumes?



How likely do you estimate that your company will face a scarcity of water for production (requiring partial or total cessation of production) in the coming years? (0 = very small | 10 = very large)

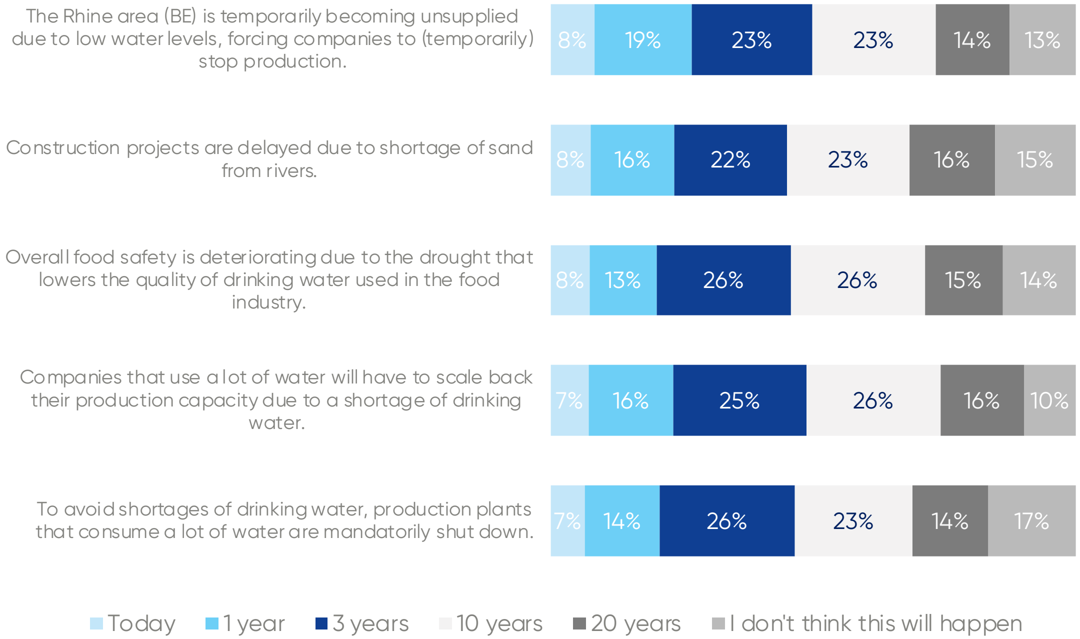


- Employees who are not immediately involved in production process of a company, lack a sense-of-urgency when it comes to water. 62% of employees report that they are rarely or never concerned about water stress.

59% do not see Day Zero coming.

Day Zero: the point that there will be insufficient drinking water to supply to everyone

In what time frame do you think the statements below could become a reality?

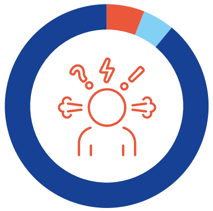


More than 90% thinks that water scarcity, which is already a reality today, will only occur in the future. More than 10% even think those issues - which are already happening - will never occur.

It is clear that more awareness needs to be created with regards to this topic. If we continue to work on raising awareness among the industry, this will ensure many opportunities for Ekopak in the future.

Blue deal and compliance

The Blue Deal is a plan launched by the Flemish government (BE) in the summer of 2020 in the fight against water scarcity and drought. The plan contains more than 70 actions and 400 projects. With the Blue Deal, Flanders is moving towards less hardening, more humidification and maximum circular water use. As such, the Blue Deal represents a great opportunity for Ekopak. But we should not lose sight of the Green Deal either. As the main focus of the Green Deal is on CO2 and the related energy consumption, we must remain alert to the fact that the energy consumption of our installations remains under control.



- Low risk of burnout
- Average risk of burnout
- High risk of burnout

Resilience of our e-team

The accumulation of crises is straining workers' resilience, making burnout increasingly common. Overall, 13.4% of Belgian employees are on the brink of burnout. That's a whopping 61.4% more than in 2018-2019 (8.3%), just before the corona crisis. (source: Securex & KU Leuven).

We carried out the same measurement at Ekopak and see that we are doing better. Only 6% have a high risk of burnout while 90% show a low risk. Still, we take these numbers very seriously and will further monitor this risk in the future. These figures come from the well-being survey described in more detail in chapter 4. Stress test.

War for talent

65% of Belgian employers are struggling to find staff, according to a new European survey of 4,371 companies conducted by HR service provider SD Worx in 2022. In 2022, Ekopak has recruited 58 new employees, who stated that our corporate purpose in particular is a big plus in the war for talent.

R&D – Innovations

Innovation is important when it comes to renewable water use. One of the key aspects is digitalization. At Ekopak, we keep innovating our products and installations. By digitizing our installations, we can collect data and remotely monitor the performance of our units 24/7. This allows us to detect failures in time and do preventive maintenance, measure our water flow, the ecological footprint of the installation, etc.

In addition we carry out many pilot tests with our mobile R&D installations. The main goals are to reduce the use of consumables and to test new materials e.g. a new type of membrane. These tests are often done in collaboration with third parties such as Ghent University. In 2023, we will continue to work on digitalisation and expand our pilot tests.

2.3 Value chain

Clients

Ekopak can only achieve its mission thanks to its customers. We aim for an excellent customer journey from start to finish. In order to improve this journey, we are currently working on setting up formal procedures and policies. In these policies, Ekopak wants to put forward the values and standards it stands for. Everyone we work with day in and day out, including our customers, acts with integrity according to our values. Alongside our policies, we are also bringing more structure to our business processes.

In 2022, we achieved ISO 9001:2015 certification for Ekopak France. In 2023, we will be working towards obtaining this certificate for Ekopak Belgium. The most importance aspects for our clients are the continuity and quality of the water that they use. At Ekopak, we are working hard on digitalisation and automation. We have, for example, created a new tool that streamlines and documents our urgency interventions. We can solve defects in the installation quickly so that our clients remain reassured.

Part of the customer journey is about evaluation. Last year, we have started working on a customer survey to evaluate the partnership between Ekopak and the customer. This is still a work in progress that we will further elaborate in the near future. Receiving feedback about our strengths and weaknesses, greatly helps us to improve our services and products. It is not a secret that our customers are also suffering from the high costs resulting from the energy crisis. However, because of the added value that we offer, we manage to charge a correct price.

Suppliers

Our suppliers' products and/or services are crucial for delivering a quality end product. The better our relationship with our supplier is, the more efficient the cooperation and the stronger our joint products and services become. Ekopak operates in a new, innovative and fast-growing market. It is important that our suppliers grow with us. As technologies evolve so quickly, we need suppliers who are on the same page. Just as for our customers, we will also establish procedures and policies for our suppliers. Our suppliers should share the same DNA as Ekopak and act in accordance with our values and standards.

Supply issues must have been one of the biggest challenges faced by our suppliers in 2022. While certain raw materials are typically widely available, some of them have become scarce in the past year. Any disruption in the supply chain might harm Ekopak's operations. (see Corporate Governance report).

Due to the energy crisis, prices for raw material are also rising. This also affects the prices of materials. The prices charged by our suppliers have increased by at least 10% over the last year. There have been several price increases throughout the year and we expect prices to increase further. For more information about Risk management, see chapter 5. Our strategy.

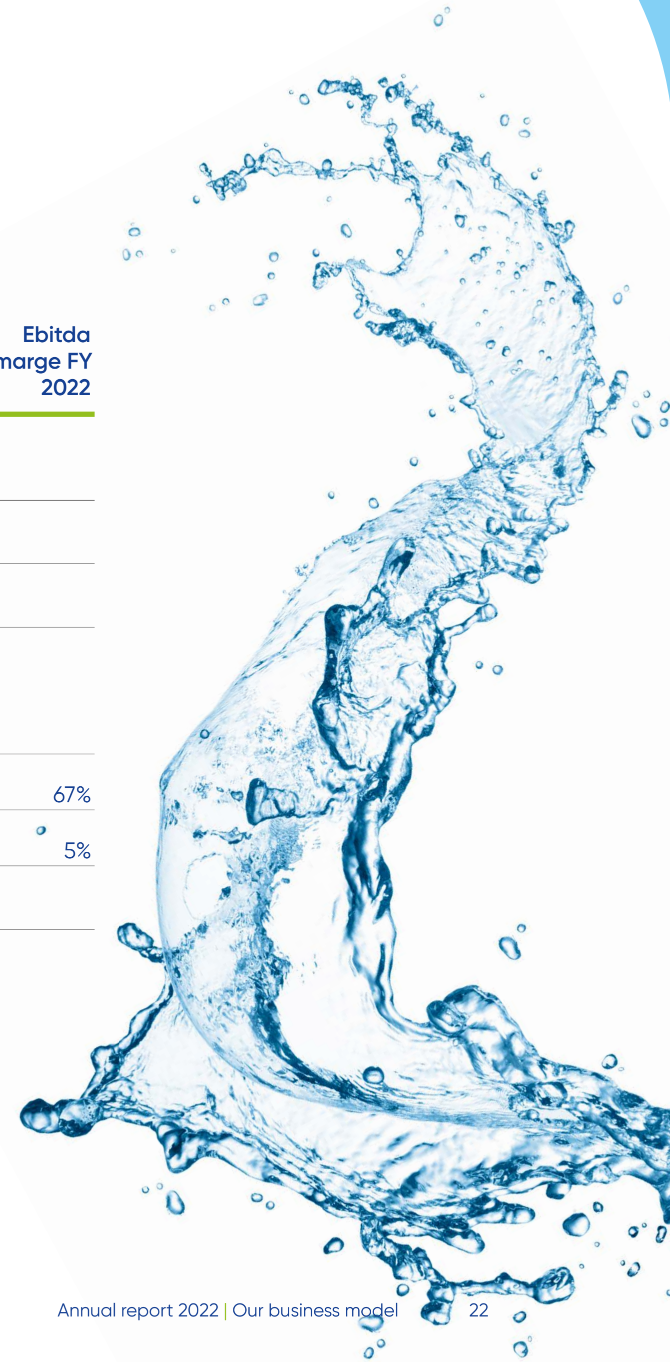
3 Our business model

3.1 Management Report 2022

Business highlights 2022

- All 2022 revenue targets have been met
- Revenue in France increased eightfold, partly related to the acquisition of H2O Production (included in the consolidation scope as of 1 September 2022)
- EBITDA margins remain stable thanks to pricing power. The pressure from general price increases and inflation is neutralised: Waas 67% (67% in 1H2022), non-Waas 5% (2% in 1H2022)
- Strong cash position of EUR 32.5 million
- The organisation has been strengthened to accommodate future growth
- Preparations for the Waterkracht joint venture and NextGen plant in the Antwerp Port are on track to become operational as of 2025. As from then, the drinking water system will become more robust due to the production of 20 billion liters of circular water annually
- Circeaulair project is undergoing a rapid development and forecasts an annual offtake of 25 billion litres of circular water from 2024 onwards

In EUR thousands	Full Year 2022	Full Year 2021	2022/ 2021	Ebitda marge FY 2022
Revenue				
WaaS segment	€ 2,517	€ 1,205	109%	
non-WaaS segment	€ 15,193	€ 10,046	51%	
Total	€ 17,710	€ 11,251	57%	
EBITDA				
WaaS segment	€ 1,682	€ 839	100%	67%
non-WaaS segment	€ 700	€ 906	-23%	5%
Corporate segment	€ -2,841	€ -1,403	102%	
Total	€ -459	€ 342	-234%	



The CEO's perspective

Pieter Loose, CEO Ekopak, comments: "2022 has been an intense but rewarding year for Ekopak. We have been extremely active on several domains at a time.
Within our WaaS-division, we have dedicated a lot of efforts to the Waterkracht project and the NextGen plant in the Port of Antwerp. Both projects will be fully operational by 2025. We even outperformed ourselves with the Circeaular project, which only emerged in mid-2022 but is now on track to contribute to Ekopak's operations starting in 2024. The formal creation of joint ventures for both the Waterkracht and Circeaulair projects is imminent. Notwithstanding the focus of our resources on these projects for the future, the WaaS team also managed to achieve 109% revenue growth in 2022.

In parallel, Ekopak has also built an **unparalleled pipeline** for its non-WaaS operations, which are still only partially recognized in the 2022 figures, in line with the completion rate of the installations involved.

On top of that, Ekopak has worked hard on its internationalisation strategy. Following the establishment of Ekopak France, we have further strengthened our position in the French market, including the acquisition of H2O Production.

WaaS segment: revenue more than doubled, solid 67% EBITDA-margin
Ekopak's WaaS business witnessed another **impressive performance** in 2022. Segment revenue more than doubled (+109%) in comparison with 2021 and now reaches EUR 2.5 million. WaaS revenue now represents 14% of total revenue, compared to 11% in 2021.

The triple digit revenue growth 2022/2021 did not affect the **robust EBITDA-margin**, which was maintained at 67% - the level envisaged in the medium-term plan. This is yet another confirmation of the structural attractiveness of this business model, as well as an illustration of Ekopak's resilience to cope with difficult market conditions, including general inflation.

Non-WaaS segment: 51% YoY revenue growth
As already demonstrated in previous reporting periods, Ekopak's strategic transition from non-WaaS to WaaS can involve business growth in both segments at the same time. This is rigorously reconfirmed in 2022, with a **solid 51% YoY revenue growth.**

The underlying figures for the non-WaaS segment support its **structural potential to grow both revenue and profits.** While in the 1st Half of 2022, short-term profitability was temporarily impacted by upfront development costs, the EBITDA margin was already restored from 2% (1H2022) to 7% in 2H2022.

International expansion continues.
Ekopak's internationalisation strategy is an **important factor** in its corporate purpose to make a significant contribution to achieving 100% water circularity within the industry and ensuring the continuity of available drinking water across the globe.

At this stage of the internationalisation strategy, **the focus is on France,** which is a strategically important water market. Since the establishment of Ekopak France in 2021, the French organisation is moving forward at a rapid pace as illustrated by the assignment for a major non-WaaS-project for SNCF at the Charles de Gaulle airport.

Building a strong organisation to accommodate future growth
Ekopak continues to build a strong organisation that is capable of seizing great business opportunities in the **fast evolving water market.**

In February 2022, Ekopak announced its plans to construct a **new corporate building** on an industrial park in Deinze (Belgium), easily accessible along the E17 motorway. Financing for this project is secured through a bank loan, construction is scheduled to start in 2Q2023 and commissioning is expected in the 2nd half of 2024.

Ekopak is pleased to note that the company is capable of **attracting and retaining talented people.** The total average number of full-time equivalents (FTE) grew from 54.4 for 2021 to of 94,2 FTE for 2022.

With the R&D On Tour project, Ekopak has further strengthened its **marketing capabilities.** With this project, Ekopak places trial installations at the premises of potential customers, enabling them a 'live experience' of the potential impact. Initially, the R&D On Tour included one mobile installation, but due to sustained demand there are now 3 mobile water purification units involved, while the waiting list of interested potential customers remains considerable.

Ekopak was able to **adjust sales prices** for services and consumables in line with the price increases for several important raw and auxiliary materials.

In addition to strengthening its internal capabilities, Ekopak strengthened its organisation through the acquisition of well-targeted companies. Following Ekopak's first acquisition (of iSERV) in February 2021, the company concluded the **acquisition of the French company H2O Production** on September 16, 2022.

Ekopak also continued to develop its **ESG objectives** in 2022, enabling Ekopak to start measuring its progress in this area as of 2023. Since Ekopak joined the UN Global Compact initiative, enormous progress has been made in this area.

The above-mentioned efforts for building a strong organisation are reflected in the EBITDA of the Corporate segment, as well as in the total for the group. The corporate cost amounted to EUR 1.4 million in the 1st Half of 2022 and EUR 1.4 million in the 2nd Half of 2022.

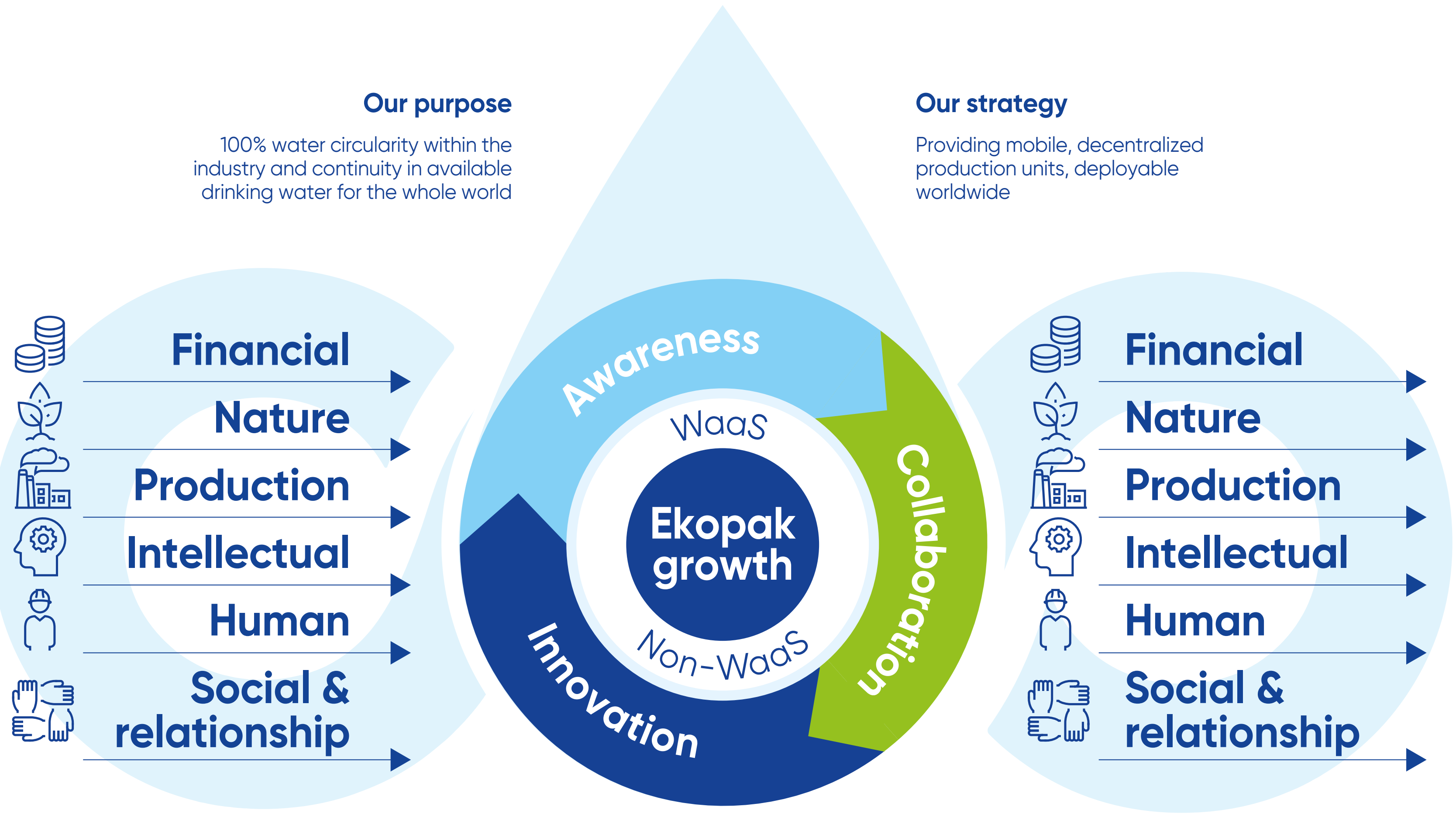
This leads to an operating result for 2022 of EUR -2.3 million while the net result amounts to EUR -2.0 million.

Strong balance sheet reflects growth trajectory in 2022
The balance sheet total increased by 20%, from EUR 67.4 million to EUR 80.9 million. The increase of various balance sheet items represent a reflection of Ekopak's impressive growth trajectory in 2022.

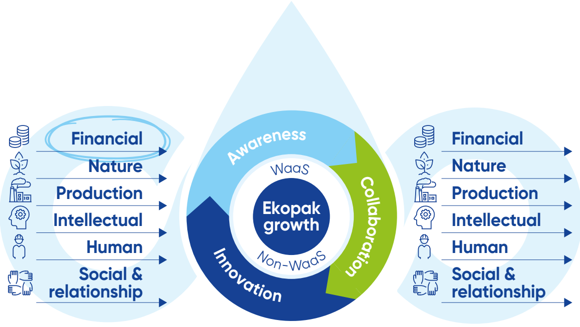
Despite substantial investments to support future growth, Ekopak secured a **strong equity position** as per 31 December 2022 of EUR 56.7 million (70% of the balance sheet total), compared to EUR 58.6 million on 31 December 2021. This illustrates that **Ekopak's cash resources are well managed,** considering the evolution that the company has witnessed in 2022 and the investments that have been made to prepare for future growth.

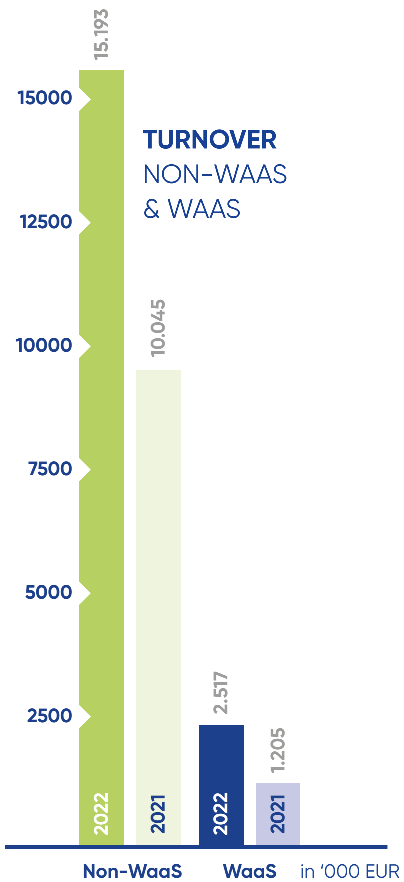
For more information, see Financial report.

3.2 Value creation model 2022 in numbers



Financial


Financial
Nature
Production
Intellectual
Human
Social & relationship
Awareness
WaaS
Ekopak growth
Non-WaaS
Collaboration
Innovation
Financial
Nature
Production
Intellectual
Human
Social & relationship


TURNOVER
NON-WAAS
& WAAS
15000
12500
10000
7500
5000
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2022
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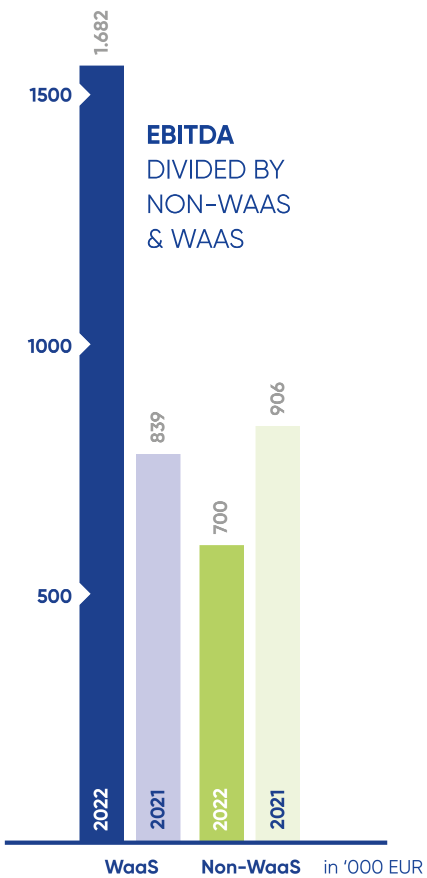
Non-WaaS
WaaS
in '000 EUR


EBITDA
DIVIDED BY
NON-WAAS
& WAAS
1500
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1.682
839
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906
2022
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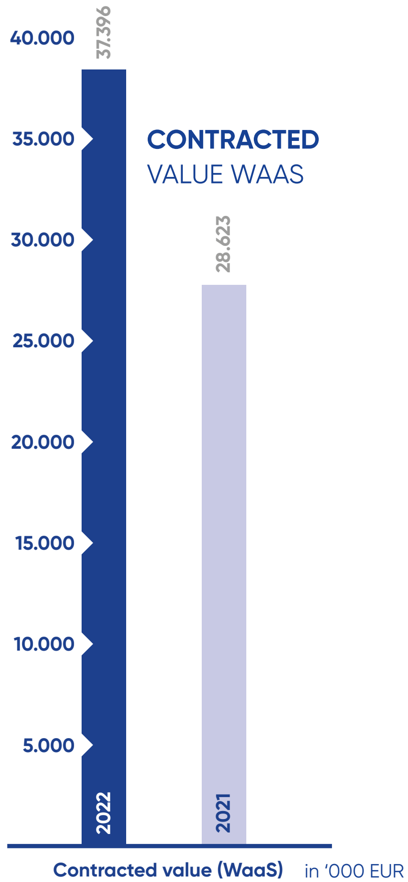
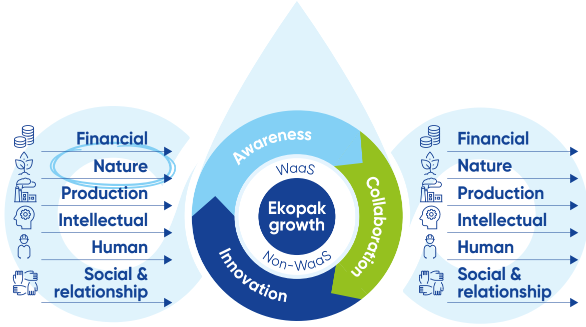
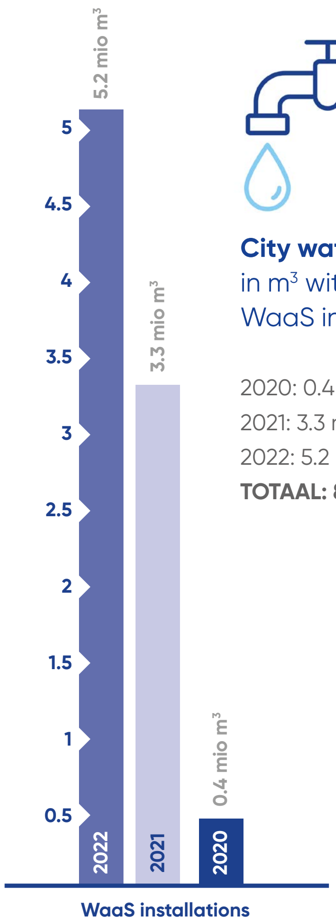
in '000 EUR


CONTRACTED
VALUE WAAS
40.000
35.000
30.000
25.000
20.000
15.000
10.000
5.000
37.396
28.623
2022
2021
Contracted value (WaaS)
in '000 EUR



Nature



City water savings
in m³ with our WaaS installations

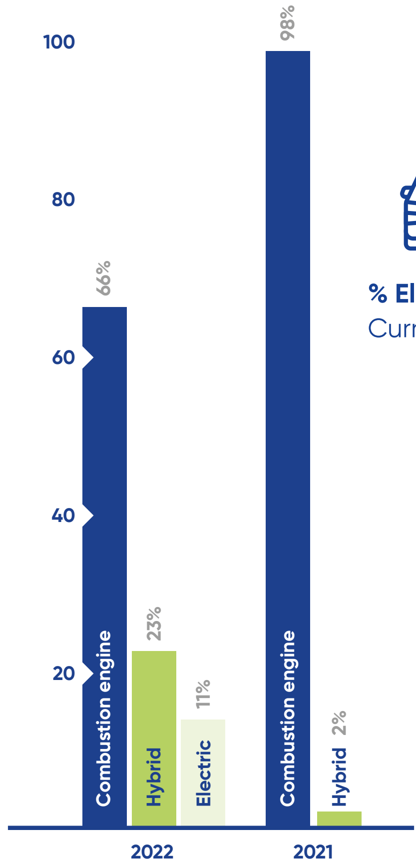
2020: 0.4 mio m³
2021: 3.3 mio m³
2022: 5.2 mio m³
TOTAAL: 8.9 mio m³

Footprint installations
(waste, energy and chemicals)

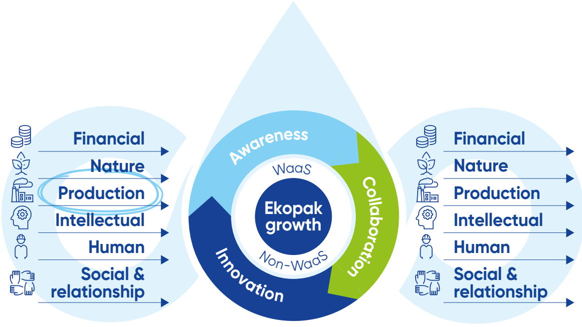
Baseline is performed in 2022. First reporting on evolution will be based on comparison 2022 vs 2023.

Safe water use
Current result

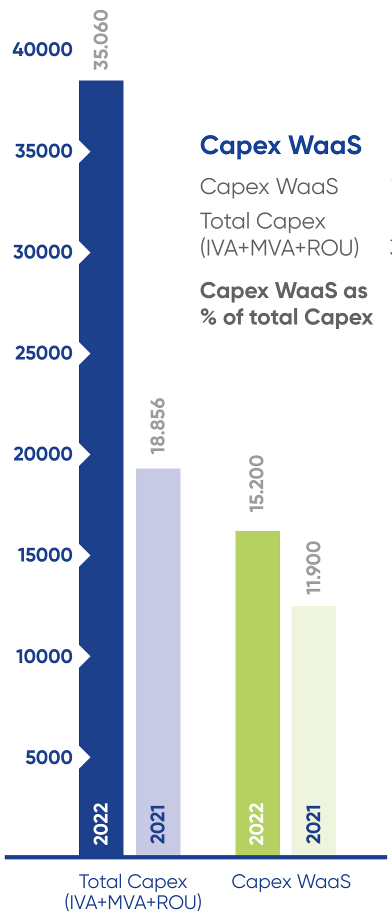
86% of the installations uses less than 5% + Average usage of drinking water < 3%



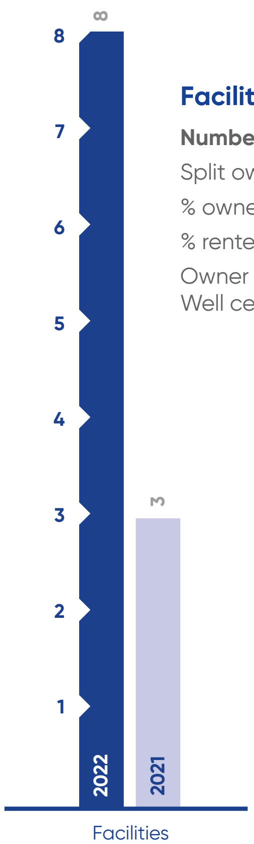
% Electric cars
Current result



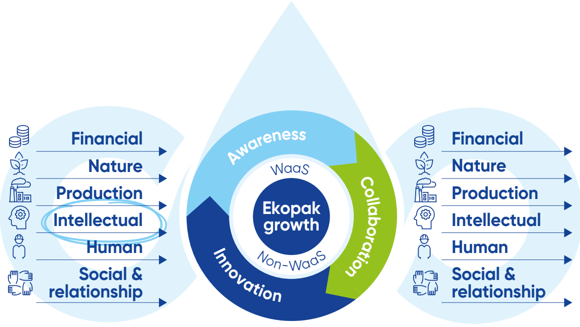
Production



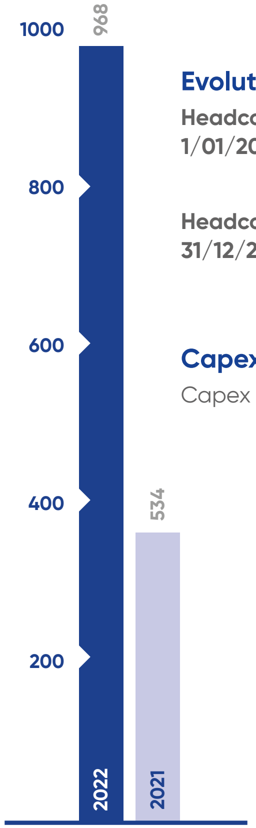
Capex WaaS	2022	2021
Capex WaaS	15.200	11.900
Total Capex (IVA+MVA+ROU)	35.060	18.856
Capex WaaS as % of total Capex	**43%**	**63%**



Facilities	2022	2021
Number of Facilities	**8**	**3**
Split owned versus rented		
% owned	25%	33%
% rented	75%	67%
Owner % Breeam/ Well certified	0%	0%



Intellectual



CAPEX R&D LABS

Evolution R&D-team – FTE

Headcount 1/01/2022: 3

Headcount 31/12/2022: 5

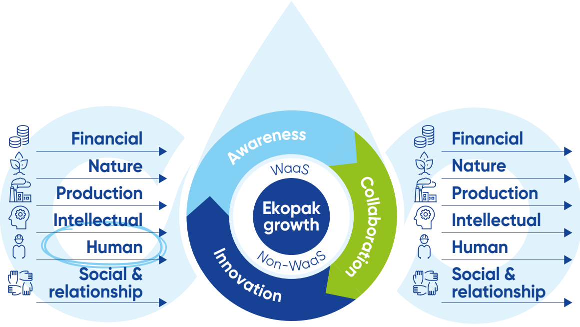
Capex R&D labs	2022	2021
Capex R&D Labs	968	534

Human

Management:
33% women - 67% men

Board of Directors:
43% women - 57% men

7 members



Well-being employees

eNPS-score: -3,5 First measurement in 2022, we will see the first evolution in upcoming years.

European average in 2019: -9,6

Overview organisation/ employees

	2021	2022
FTE	54,4	94,2
Headcount	63	121

83% Belgium
17% France

Sex

19% Belgium
9% France
81% Belgium
91% France

19% - 81%

60+

There are 3 Sixies employed at Ekopak.
Sixies are 60+ people who are retired but still motivated to work partially and share their knowledge.

Permanent/ fixed term contract

99,73% - 0,27%

Breakdown per region & sex		Belgium	France
Permanent contracts		99,7%	100,0%
	M	80,6%	90,8%
	F	19,1%	9,2%
Fixed term contracts		0,3%	0,0%
	M	0,0%	0,0%
	F	0,3%	0,0%

Average Training hours/employee

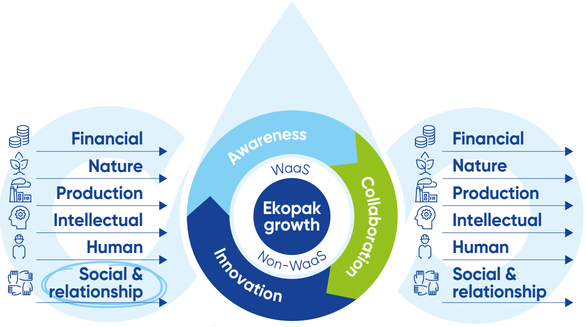
Current result:

	FTE's 2022	Average hours /employee
All	94,19	27,21
Male	76,65	30,24
Female	17,54	14,61

79% of our staff is covered by the collective agreement **CAO90.**


FilmTec™ Membranes
ETRENT
Waas
Wate-a-aService
water-as-a-service.be

Social & relationship

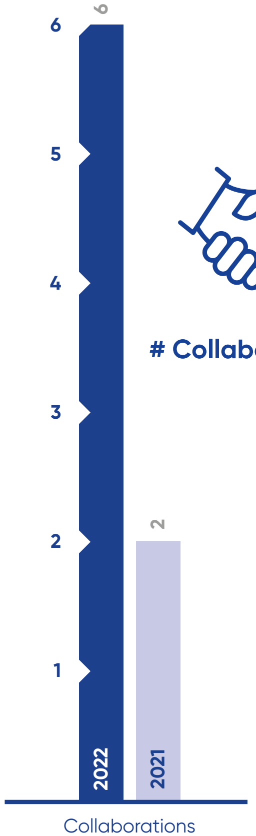


Raising awareness

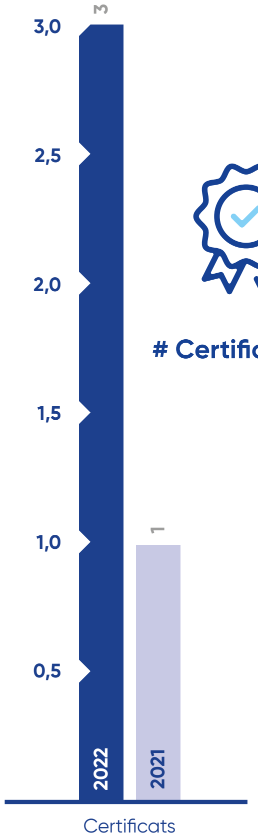
Waterbarometer – active engagement: 49%

First measurement in 2022, evolution to be seen in the upcoming years.

Collaborations



Certificats



Save water
Give water

Save water, give water partnerships

17% of our WaaS clients

Stress test

Our value creation model is stress-tested every year. Ekopak can't operate without its stakeholders. They help us identify our priorities, key risks and opportunities. These are then prioritised in a materiality matrix. In this chapter, we will take a closer look at our stakeholders, the materiality assessment and our short, medium and long term risks and opportunities.

4.1 It's all about the stakeholders

Talking to our stakeholders broadens our horizon, they bring us valuable information about the risks and opportunities in our business model.

1 Clients	2 Employees	3 Suppliers	4 Owners and investors	5 Communities
Big clients • Food • Chemistry • Pharmaceuticals • Clients in countries prone to corruption	• Employees • Subcontractors	• Main suppliers • Construction materials • Chemistry • Containers • Pumps • Membranes • Transporters • IT security • Legal support	• Pilovan & alychlo shareholders Board of directors banks	Legal frameworks • EU green/blue deal • GRI • IR • Eu taxonomy • Government/Municipal/Province • Green funds Certificaten • Breeam • VCA • ISO • Memberships • UN GP Collaborations • Schools/universities • Water.org
Clients of the client	External employees • Interim • Trainees/students External services	Suppliers of semi-finished products Transport purchasing	Management team	NGO's Competitors Environmentalists
Client: employees Family of the client	Transportation (sales) Family of employees	Car dealership Insurance company	Financiële associaties	Neighbors

We have identified our stakeholders in the visuals. All the stakeholders we have identified are important. The ones with green underlining show the stakeholders which we actively include in our stress test. Going into next year, we keep these stakeholders constant and consolidate the results. We list the concerns of our stakeholders on the next pages.

Employees

Our employees carry the organization. At Ekopak, we have an open culture. Critical concerns of our employees can directly be reported to their coach, manager or to the confidant of the company. In 2022, we are pleased to announce that there we no critical concerns reported.

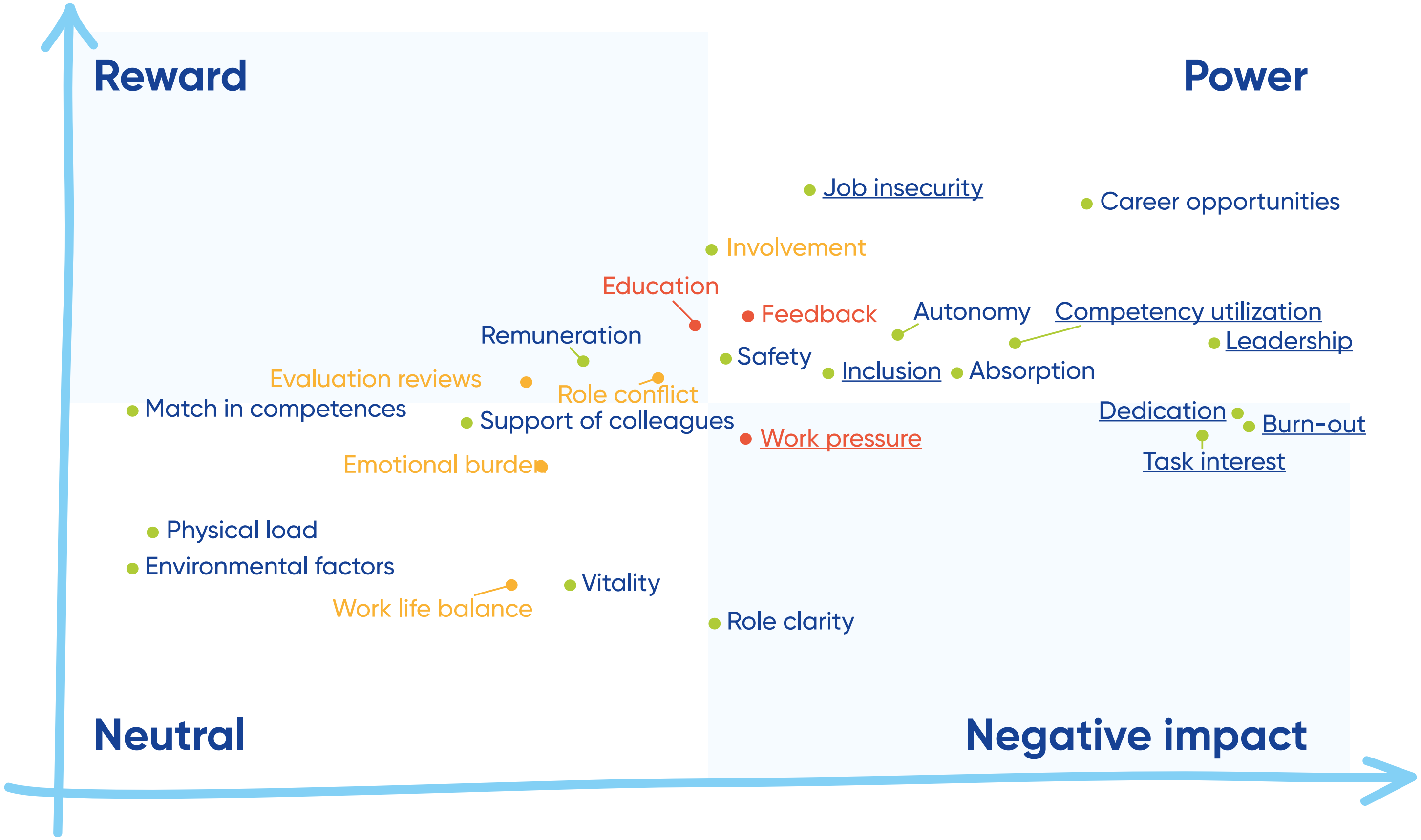
However, as we are in a fast growing company, we have to be vigilant and strive to keep the team spirit high. This is not always easy to monitor. Therefore **we conducted a wellbeing survey in 2022 to measure the eNPS* score of our team.**

We focused on 3 main drivers:

- Identification to company DNA
- Job satisfaction
- Personal satisfaction

** An eNPS (employee Net Promoter Score) is a measure of your employees' employee experience. The calculated score ranges between -100 and 100 to determine how large the group of ambassadors in your organization is and how loyal your employees are.*

The visual below describes the results of our wellbeing survey more in detail along with the action points to be taken in order to further improve the mental health of our staff.



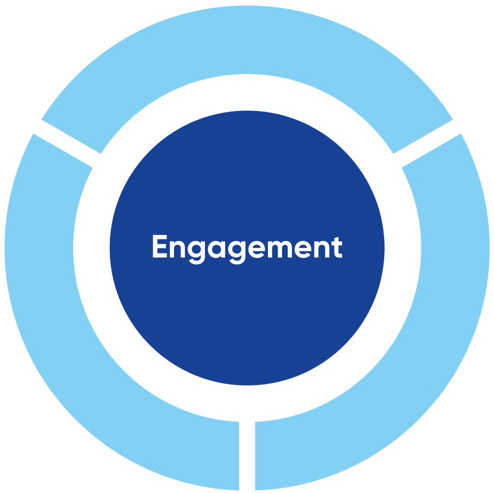
Ekopak well-being survey

- **Target audience:** *103 employees of whom 88 completed the survey in full.*
- **Goal:** *Positive eNPS score by 2025. Between 2025 & 2030 eNPS remains stable*
- **Period:** *every 2 year (2022 – 2024 - …)*
- **Result:** *eNPS = -3*
  - *Blue = positive score*
  - *Red & orange = negative score.*
  - *Underligned = significant influence on eNPS*
- **Action points:** *(See 5.2.2. Collaboration)*
  - *Ekopak is a fast growing company. There is an accelerated need for structure, processes and policies.*
  - *Our on-going work in this area will also reduce the workload. If all tasks are better streamlined and less ad hoc, the pressure on employees will also decrease.*
  - *Moreover, we are also working in 2023 on an Integrated learning and development plan with KPIs for each job level*
  - *Enhance the common DNA. Employees individually already feel very connected to Ekopak's DNA but do not yet feel that their colleagues also share this DNA. By focusing more on this We-Story, the collective DNA match will become even clearer.*

Clients

Market Survey – Water barometer

- ***Target audience:*** *534 employees of water-intensive companies*
- ***Questionnaire:*** *Measure the engagement to actively participate in initiatives to reduce their company's water consumption.*
- ***Goal:*** *Our goal is to exceed the tipping point of 80% and reach an engagement of 85%. Once 81% of employees take an active stance on water policy, the support base is sufficiently large to take action as a company.*
- ***Period:*** *every 2 years (2023 – 2025 - ...)*
- ***Drivers engagement:*** *We examined the factors underlying this commitment according to the self-determination theory. The Self-determination theory was developed by Deci and Ryan. They hypothesized that people's intrinsic motivation depends on the fulfilment of 3 natural basic needs: competence, autonomy and connectedness.*
- ***Result:*** *engagement = 49% → Just over half of the targeted audience do not have a proactive attitude regarding water.*



1 Connection — Sense of urgency

How high do you rate the urgency of the risks posed by improper use of water?

Personal | Professional

2 Autonomy — Sense of impact

To what extent do you feel you have an impact on these risks?

Personal | Professional

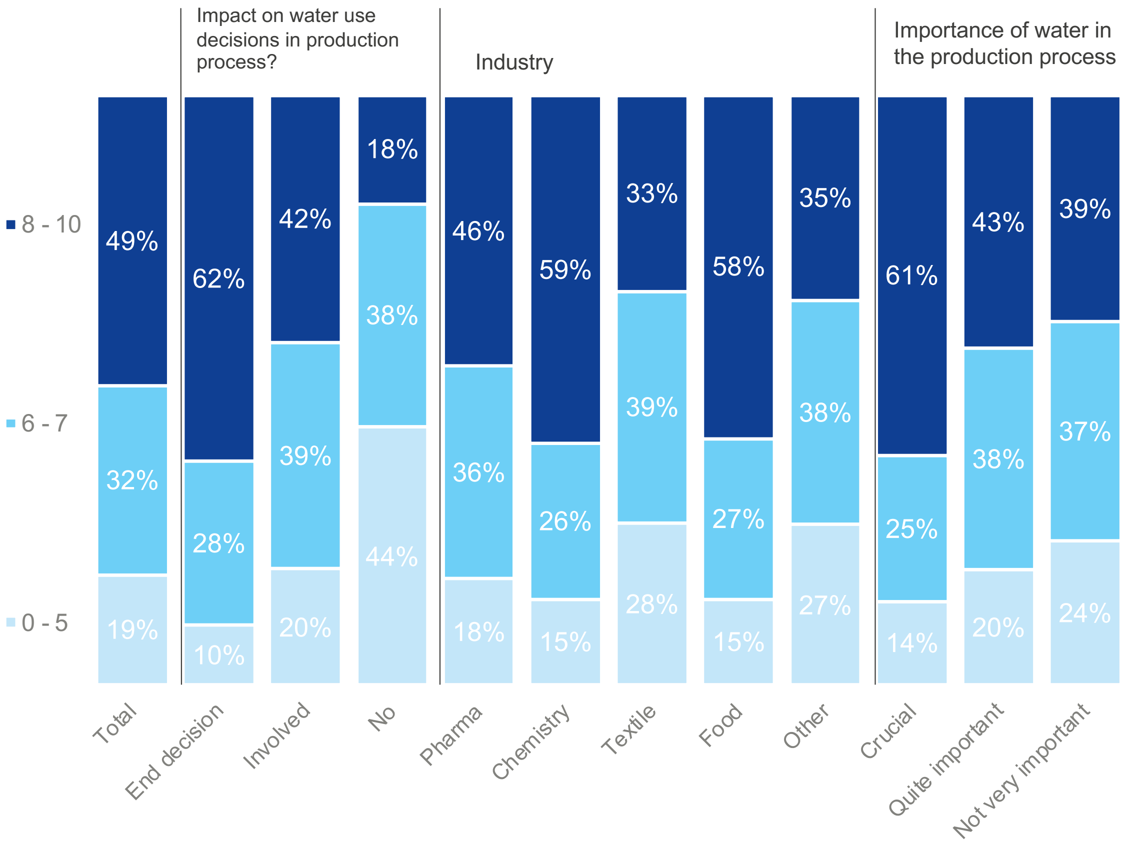
3 Competence — Sense of knowledge

Do you have sufficient knowledge about what proper use of water means?

Personal | Professional

- **Interesting sectors:**
  - *Employee engagement in chemicals and food is already quite high. Employees in the pharmaceutical and textile sectors have lower engagement.*
- **Drivers to increase this commitment are:**
  - *Urgency: Employees misjudge the urgency of Day Zero on a professional level.*
  - *Sense of knowledge: Employees who are aware of their water use at home bring that awareness to work.*
- **Action:** *Ekopak will create more awareness in the industry. We will work on strengthening the sense-of-urgency and improving the knowledge by setting up marketing campaigns.*

To what extent would you like to participate in initiatives to reduce your company's water consumption? (0 = Not at all | 10 = Definitely)



Communities

- **UN Global Compact** – participation since 19-04-2021.
  The UN Global Compact is a call for companies around the world to align their ESG strategy with 10 principles in the areas of human rights, labour, environment and anti-corruption. It provides a framework that helps us communicate clearly and transparently about our commitment, our goals and results.

- **VCA** – since June 2015 – label extended in 2021 (until 2024)
  Ekopak is a VCA-certified company, where safety and environment are top priority. We act consciously to reduce the risk of injuries, occupational accidents, incapacitation and the negative impact on the environment.

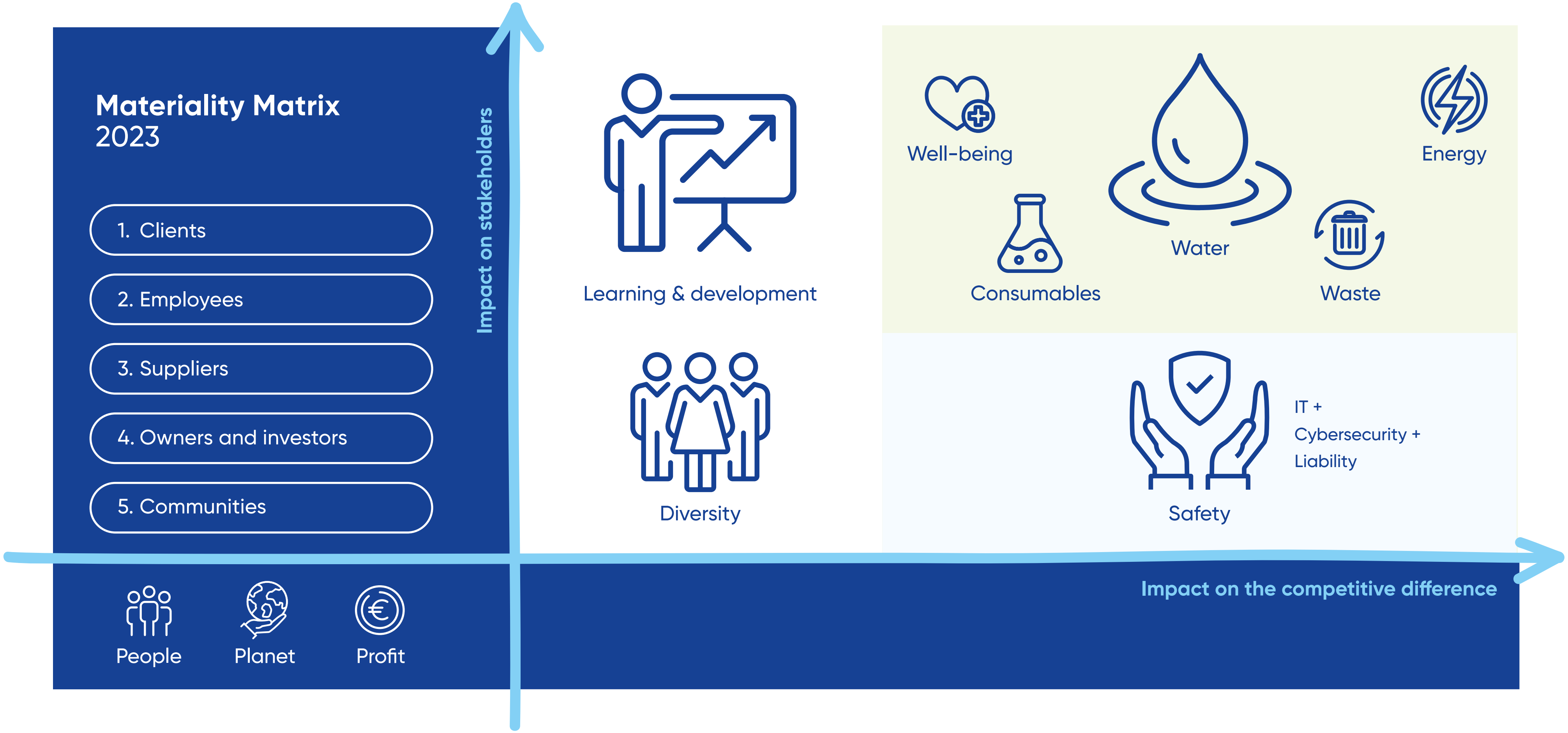
- **VCA petrochemicals** – label since June 2022 (until 2025)
  Given our growing number of clients in the petrochemical sector, it was decided to extend the VCA certification to VCA-Petrochemicals. VCA-P focuses on the direct control of Safety, Health and Environment (HSE). The purpose of the VCA-P certificate is to demonstrate that we meet the highest level of criteria in the HSE Checklist for Contractors.

- **ISO 9001:2015** – ISO 9001 is a norm that sets requirements for an organization's quality management system. We now have procedures for different departments that can be implemented by our staff. Ekopak has achieved this label for Ekopak France in December 2022. The ambition is to get the label for Ekopak Belgium in 2023.

UN GLOBAL COMPACT
WE SUPPORT

4.2 Double materiality

In 2021, we created our first materiality matrix combining the risks and opportunities that we learned through our stakeholders. In this matrix it becomes clear which materialities are important for Ekopak's development and growth. We learn how to further improve our impact on society and our business. This materiality matrix forms the basis of our strategic pillars. At the top right are the materialities that have the biggest impact on both our business and our stakeholders, and thus form the basis for our sustainable strategy. The other materialities might not be a priority but are nonetheless monitored.



4.3 Material priorities

DAY ZERO

Day Zero is coming, the time when water-intensive industries will have to shut down their operations.

Water

Water is at the core of our operations and remains incredibly important. Day Zero is coming, the time when water-intensive industries will have to shut down their operations. Ironically, it is precisely this industry that is driving Day Zero. That is why we feel it is our responsibility to raise awareness among this industry. Because if we can increase the sense-of-urgency, the demand for our products will automatically follow. And to that growing demand we have our answer ready. By working together, companies can form their own eco-system in which the waste water from one company- can become process water for another - provided the right treatment installations are in place. We therefore remain committed, on the one hand, to partnerships such as Waterkracht and Circeaulair. On the other hand, we continue to innovate our plants so that the quality and continuity of water are always guaranteed.

Well-being

Ekopak is a fast growing company and this is also reflected in the results of the well-being survey. We have motivated and engaged employees but they occasionally lack the framework with the necessary processes, policies and task delineation. We already focused on this last year but will continue to work on this in the future, building on the insights we gained from achieving the ISO standard and from the well-being survey.

Energy/Waste/Consumables

Water remains our main focus. But linked to our water treatment, we also have an impact on some other important materialities. Our installations consume energy, and to make purification possible we have to use chemicals and create waste. For us, however, it is important that our impact is positive without negative consequences in other areas. Therefore, our R&D team will continue to actively work on reducing energy consumption at the installations. It will monitor and test new technologies to enable purification without chemicals and waste.

Share your thoughts

5 Our strategy

5.1 Staying on course with our strategy in a changing world

Our corporate goal is to achieve 100% water circulation within industry and thus substantially contribute to the continuous availability of drinking water for society as a whole. To this end, we have developed our strategy to provide mobile, decentralised production units that can be deployed globally. This is a growth strategy based on three strategic pillars: collaboration, innovation and raising awareness.

The course was carefully set, the strategy equally meticulously mapped out. When implementing a strategy, it is good practice to check at regular intervals the extent to which the conditions under which we are working have changed since we have embarked. We therefore conduct an annual stress test, identify materialities and determine whether - and how - we need to make adjustments. We identify key opportunities and risks and analyse how they may affect our operations.

The risk management process and evaluation of risk management are described in more detail in the Corporate Governance Statement (annexed to this integrated report). A similar approach as for risks is followed with regard to opportunities. The outcome of this exercise is summarised below.

Opportunities

Awareness of water scarcity
In recent years, the media reported extensively on the impact of climate change around the world. While one region faced abundant rain and floods, another faced water scarcity, low groundwater levels and drought. We did not only learn this through the media; we were increasingly confronted with it ourselves. This resulted in increasing awareness, both among companies and individuals, that drinking water needs to be used wisely. Companies that use process water are investigating whether they can disconnect from the drinking water network and switch to circular water use. Ekopak can meet that demand.

Government measures related to water management
Governments and policymakers are also becoming aware of the rapidly growing water issue. They elaborate laws and measures to encourage industry and citizens to discourage inappropriate water use and promote circular water use. Often they also develop large-scale plans to accelerate the intended behavioural change through incentive programmes, support measures and subsidies. In Flanders - Ekopak's home market- the Blue Deal is a striking illustration of this approach. Similar master plans also exist in other countries, in which Ekopak can play a significant role.

The power of employer branding
When companies invest in sustainability, it affects their reputation, not only with customers, but also with potential employees. In today's labour market, this is a non-negligible factor in any employer branding strategy. This is also why more and more companies are developing investment programmes and activities for circular water use. As a result, the market in which Ekopak operates is in a strong growth phase and the company is able to surf the wave.

Risks

Each risk factor is described in more detail in the Corporate Governance Statement (annexed to this report), they are simply listed here.

Opportunities & Risk Overview

Opportunities	Materiality item	Strategic pillars	Evolution of the likelihood of occurrence	Evolution of the impact
Awareness of water scarcity	Water	Collaboration/Economical Awareness/Sustainability	↑	↑
Government measures related to water management	Water	Collaboration/Economical Innovation/Ecological Awareness/Sustainability	↑	↑
The 'hydropower' of employer branding	Water	Collaboration/Economical Innovation/Ecological Awareness/Sustainability	↑	↑

	Risk factors	Trend: Likelihood of occurrence	Impact	Materiality item	Strategic Pillars
1	Risk of Unavailability of Raw Materials	↑	=	Water	Collaboration/Economical Innovation/Ecological
2	Risk of price increases of Raw Materials	=	=	Water	Collaboration/Economical Innovation/Ecological
3	IT	↓	=	Water	Collaboration/Economical Innovation/Ecological
4	Cyber Security Risk	↓	↑	Water	Collaboration/Economical Innovation/Ecological
5	Credit risk	↑	↑	Water	Collaboration/Economical
6	Protection of Know-How	=	↓	Water	Collaboration/Economical Awareness/Sustainability
7	Human Capital Risk	↑	↑	Well-being	Collaboration/Economical Awareness/Sustainability
8	Litigation risk	=	=	Water	Collaboration/Economical Innovation/Ecological Awareness/Sustainability
9	Operational Risk	=	↓	Water	Collaboration/Economical Innovation/Ecological

Note: As part of our risk assessment, we have mapped all top risks from the materiality assessment, which are included in the table aside. There are two unmapped materials topics: (1) the risk related to Global climate change and related legislation, and (2) the risk related to the Ukraine War. These two risk factors are not included in this table, but are described in the Corporate Governance statement (annexed to this integrated report). Both unmapped risks are impacting risk 1, 2 and 9 in the table above.

5.2 Pillars for value creation

In order to demonstrate how Ekopak creates value, we have committed to the pillars mentioned below.

For each of these pillars, a number of key performance indicators (KPIs) have been identified. The majority of these KPIs are linked to well-defined SMART targets: Specific, Measurable, Achievable, Relevant, and Time-Bound. These targets put the results already achieved into perspective. For a limited number of recently added KPIs, the process of setting smart targets is still on-going.

Moreover, our pillars are linked to both the **"Ekopak-oath"** and our **sustainability pillars.**

- The Ekopak-oath is a vow that any newcomer in the company has to pledge in support of the pillars: Economic, Ecologic, Sustainable. In Dutch language, this is: Economisch, Ecologisch, Duurzaam – abbreviated to EED (and "eed" is the Dutch word for oath).
- Our sustainability pillars were put in place in 2022 but as we have now evolved from a sustainability report to an integrated report, they are replaced by the new integrated pillars.

5.2.1 Innovation (Ecological)

We continue to think creatively about ways to transform water consumers into water producers.

Nature

Saved drinking water

- SMART TARGET: Save 50 million m³ drinking water by 2030 with our WaaS installations
- CURRENT RESULT:
  - 2020: 431,618 m³
  - 2021: 3.294.764 m³
  - 2022: 5.196.645 m³

Footprint installations:

- SMART TARGET: Achieve a 10% lower footprint of our installations by 2030: energy & consumables
- CURRENT RESULT: Baseline measurement in 2022. First reporting on evolution will be based on comparison 2022 vs 2023.

Safe water use

- SMART TARGET: 90% of Ekopak's sources use less than 5% drinking water per liter of treated by 2030
- CURRENT RESULT: 86% of the installations uses less than 5% + Average usage of drinking water < 3%

Intellectual

R&D

R&D FTE'S EN CAPEX R&D LABS

- CURRENT RESULT:

R&D FTE's

Headcount 1/01/2022: 3

Headcount 31/12/2022: 5

	2022	2021
Capex R&D Labs	968	534

	FTE's 2022	average hours/ employee
all	94,19	27,21
Male	76,65	30,24
Female	17,54	14,61

Ambition for 2023

Footprint installation – R&D team

The baseline measurement with regards to the footprint of the installations was performed in 2022. In 2023, we will publish the first results of this measurement. Our aim is to decrease the footprint year over year.

Our R&D team will continue to work on the digitisation and optimisation of our installations and the reduction of energy & consumable use.

Expand production

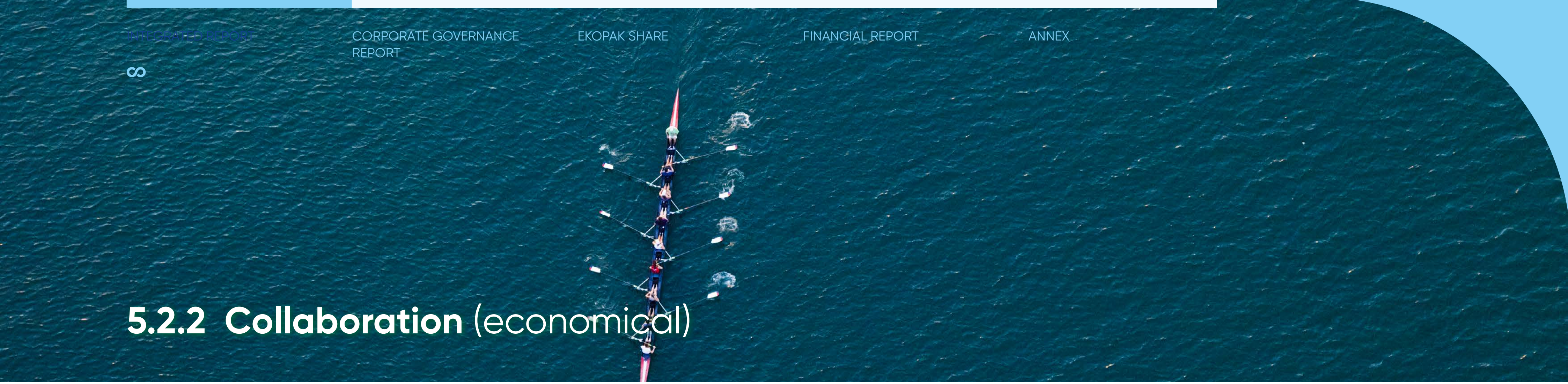
To manage our future growth, we will start the construction of our new production facility in 2023. If everything goes according to plan, we will move our production unit and warehouse to our new campus by the fourth quarter of 2023.

WaaS

Ekopak's commitment to cumulative drinking water savings through collaborations and innovation remains at the core of its business. We will continue to expand our WaaS business model in 2023, which now also includes the Waterkracht and Circeaulair projects.

Policies

Suppliers play an important role in the innovation of our products and services. In 2023, we will develop our supplier policy. This policy maps our values, norms, procedures and preferred suppliers.



5.2.2 Collaboration (economical)

To make the industry's water use fully renewable, we need a strong structure internally that can keep up with growth, and we need to establish external partnerships between companies. We also want to do our part for the wider society.

Human

Well-being E-team

- SMART TARGET: Positive eNPS score by 2025. Between 2025 & 2030 the eNPS remains stable.
- CURRENT RESULT: eNPS: -3

FTE's E-Team

- CURRENT RESULT: FTE's 2022

All	94,19
Male	76,65
Female	17,54

Social & relationship

Save water, give water

- SMART TARGET: 80% of our WaaS clients contribute to the "Save water, Give water" program by 2030
- CURRENT RESULT: 17%

Save water, Give water

At Ekopak we think it is important to create impact beyond our value chain. We already help our customers save many millions of litres of water, but together with Water.org we take it one step further. Through our 'Save water, give water'- programme, we help people gain access to drinking water in regions facing severe shortages. The 'Save water, give water'-program is a lever for Ekopak to further raise awareness among its own customers about the impact of climate change. Find out more about 'Save Water, Give Water'.

Intellectual

Capex WaaS

- CURRENT RESULT:

	2022	2021
Capex WaaS	15.200	11.900
Total Capex (IVA+MVA+ROU)	35.060	18.856
Capex WaaS as % of total Capex	43%	63%

Financial

Turnover and EBITDA WaaS and Non-WaaS

- CURRENT RESULT:

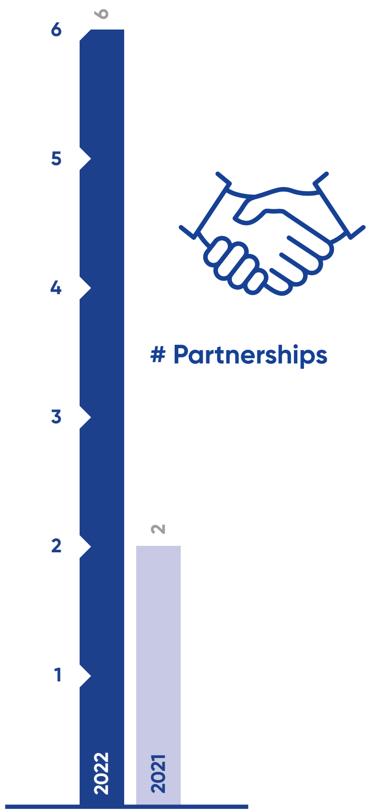
Turnover	2022	2021
Non-Waas	15.193	10.045
WaaS	2.517	1.205

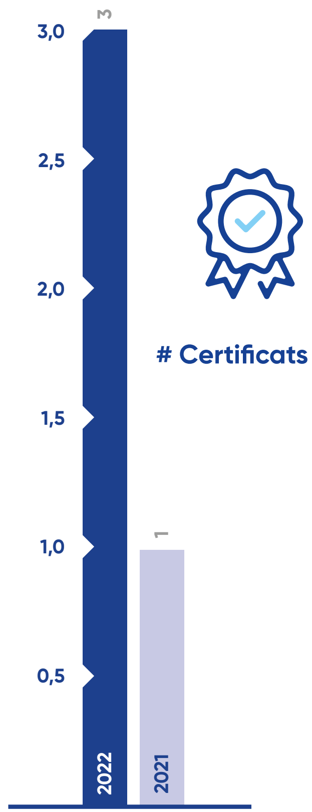
EBITDA	2022	2021
Non-WaaS	700	906
WaaS	1.682	839

Social & relationship

Partnerships and certificates

- CURRENT RESULT:





Ambition for 2023

Organisation

Setting up a structure, processes and policies. Over the past year, the organisation has been strengthened and a blueprint for the future was drawn up. In the coming year, the policies will be finalised and the corresponding processes will come into effect.

Well-being employees

Ekopak is a fast growing company. There is an accelerated need for new structures, processes and policies. See chapter 4. Stress test for the action points resulting from the findings of the well-being survey.

Health & safety

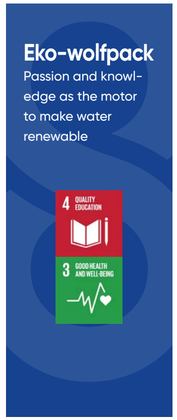
We continue to focus on the health and safety of our staff. Each year, we organize a 'Health & Safety day' for our staff with several workshops, trainings, etc.

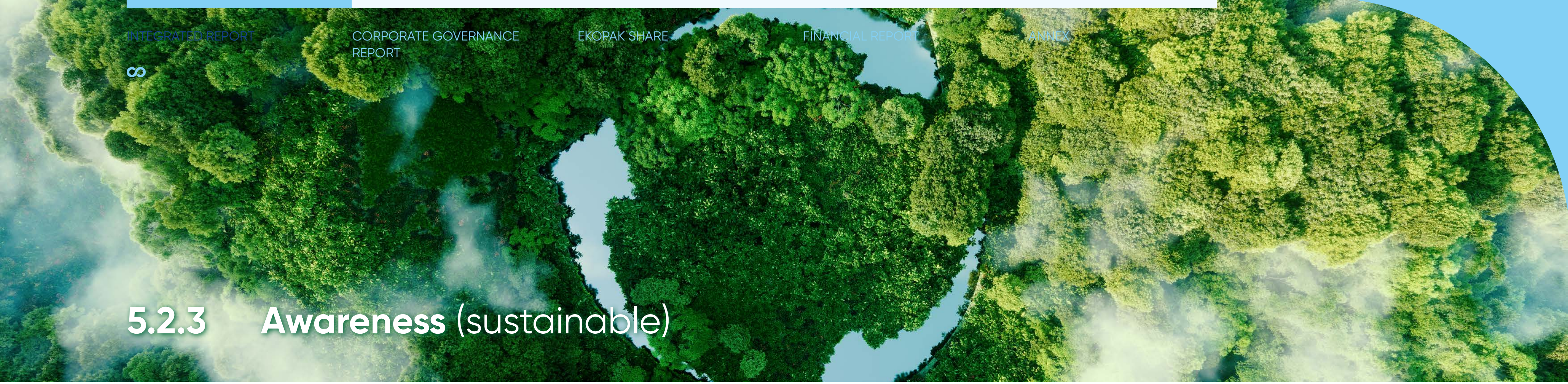
Policies

Our clients and suppliers help us in achieving our mission of disconnecting the industry of the drinking water network. In 2023, we will develop our client and supplier policy. These policies map our values, norms, procedures and preferred suppliers/clients.

Turnover and ebitda

Ekopak's ambitions for 2023 in terms of sales and Ebitda are shown in chapter 6. What the future holds for Ekopak. Essentially, 2023 revenue is forecast between EUR 25 million and EUR 28 million and positive Ebitda for 2023.





5.2.3 Awareness (sustainable)

Social & relationship

By better educating companies about the risks of unaware handling of water and increasing their sense-of-urgency, we will not only have a positive impact on society but also increase our customer base.

We want to cross the tipping point

The moment where there is no more room for a dissenting voice that underestimates or even denies the sense-of-urgency for renewable water. This tipping point is 80%. From as the moment 80% of a company's employees have an intention to do something about water use at their company, those with an opposing vote will no longer have support.

Raising Awareness

- SMART TARGET: Exceed the tipping point of 80% in engagement, so target is redefined and set at 85%
- CURRENT RESULT: 49%

Ambition for 2023

Raising awareness in the industry

Ekopak will create more awareness in the industry. We will work on strengthening the sense-of-urgency and improving the knowledge through setting up marketing campaigns.

(see chapter 4. Stress test)

Stakeholders

Our stakeholders help spread the message of Ekopak and raise awareness. This is of great importance.

5.2.4 Responsible asset management

Nature

While it remains important for us to "walk the talk" and demonstrate that we integrate sustainability in the core of our organization, responsible asset management is not one of the strategic pillars for value creation. However, we will continue to focus on this pillar:

Building

- SMART TARGET: Gain at least 1 sustainability certificate in new building
- CURRENT RESULT: Ekopak new building with BREEAM én WELL certificate

Carfleet

- SMART TARGET: 100% electric car fleet by 2025
- CURRENT RESULT
  - Electric: 14%
  - Hybride: 17%

Mobility:

- SMART TARGET: 30% will commute with public transport, on foot or by bike by 2030
- CURRENT RESULT: Start in 2023

6 What the future holds for Ekopak...

In this chapter, we want to dive deeper into our accomplishments and our perspectives. We talk with different profiles in the organization to see what, according to them, the future holds for Ekopak.

Business Outlook

Projected 2023 Total Revenue: EUR 25-28 million
2023 revenue is forecast between EUR 25 million and EUR 28 million. This estimate is based on the well-stocked prospect pipeline for the non-WaaS operations, and compelling indicators for the WaaS operations.

- All WaaS contracts concluded on 31 December 2022, represent a culminated future turnover (non-discounted) of EUR 37 million – significantly higher than the corresponding amount of EUR 29 million on 31 December 2021.
- The amount of EUR 6.5 million for assets under construction refer to signed WaaS contracts that are scheduled to become operational in 2023.
- Mainly in the second half of 2022, Ekopak was able to conclude a significant number of large non-WaaS contracts, which, according to the completion rate of the associated installations, are only partly recognised in the 2022 figures and will be further recognised in 2023.
- The revenue contribution by Ekopak France is expected to grow further In 2023. In 2023, the revenue of H2O Production (annual stand-alone revenue of over EUR 2.5 million) will be included in Ekopak's consolidation cycle for a full year.

Positive EBITDA in 2023
Ekopak's performance in the 2nd Half of 2022 provides confidence that a positive EBITDA will be achieved in 2023.

- The underlying EBITDA margins for both WaaS and non-WaaS operations remain robust.
- Ekopak is virtually insensitive to inflation. Being more of an engineering firm rather than an industrial company, it has very limited exposure to rising energy prices. Moreover, the energy cost of WaaS installations is borne by the customer. At the same time, Ekopak was able to adjust sales prices for services and consumables in line with the price increases for a number of important raw and auxiliary materials.
- No significant increases in corporate costs are expected, as the foundations for systems and procedures are largely in place. The full-year 2022 corporate cost of EUR 2.8 million will be largely maintained in 2023.

Ekopak is on track to take major steps forward in 2024, 2025 and beyond
For the Circeaulair project, an annual offtake of 25 billion litres of circular water is forecasted. This project is poised to contribute to Ekopak's revenue from 2024 onwards.
The Waterkracht project and NextGen plant in the Antwerp Port are scheduled to become fully operational by 2025. As from then, the drinking water system will become more robust due to the production of 20 billion liters of circular water annually.
The formal creation of the joint ventures for both the Waterkracht and Circeaulair projects is imminent, and will be announced in the coming months.
Pieter Loose adds: "As the impact of Circeaular and Waterkracht is not yet reflected at all in the forecasts of the sell-side analysts covering Ekopak, we will provide guidance shortly after the formalisation of the joint ventures."

6.1 WaaS & non-WaaS

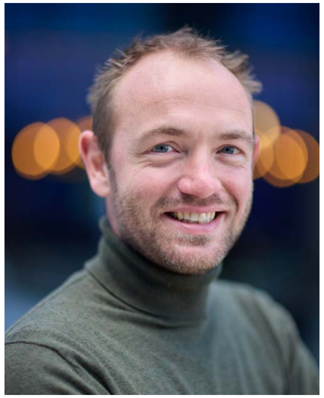
As our WaaS segment keeps growing, digitalisation is becoming increasingly important for our operations. Our WaaS installations were already being monitored 24/7 for some time, but we are now starting to analyse the measurement results more and more accurately using specific algorithms and AI. For instance, the focus is increasingly on predictive maintenance, where we plan interventions before they become truly critical. Together with our Digital Transformation Manager, we are making our Maintenance Platform increasingly performant. Digitisation and the use of artificial intelligence (AI) allow us to collect a huge amount of data about our facilities. Armed with this data and insights, our R&D team can conduct highly targeted pilot tests to develop innovative ways to achieve our smart-targets.

One of our targets is to reduce the ecological footprint of our installations with regards to chemicals and energy. In 2022, we have started with the baseline measurements. We are excited to measure this evolution and to communicate later on about this.

The long dry summer of 2022 has made companies increasingly aware of the need to switch to circular water use. This obviously presents great opportunities for Ekopak. However, this also creates challenges for Ekopak. Prolonged drought affects the quality of water for processing to circular use. This means our engineers were challenged even more to keep the installations in optimal conditions.

The biggest challenge we faced in 2022 was the limited availability of materials and chemicals. Delivery times grew much longer than before. We shifted gears quickly and built up sufficient reserves to ensure the continuity.

Our goal is to recycle 50 million m^3 drinking water with our WaaS installations. Once up and running, Waterkracht & Circeaulair will give a great boost to this number. Our WaaS segment continues to grow with new projects, so let's see what the future brings but I'm assured we will achieve this target (laughs).



"Our goal is to recycle 50 million m^3 drinking water with our WaaS installations. Once up and running, Waterkracht & Circeaulair will give a great boost to this number."

Tim De Maet – COO

> **Telling our story and raising awareness is still very necessary.**
>
> Melissa Vanhoecke – Marketing Manager

6.2 Building the Ekopak brand and raising awareness

Our listing on the stock exchange and our sponsorship of the well-known cycling team Soudal Quick-Step have given a huge boost to Ekopak's brand awareness and reputation. Our involvement in the Waterkracht and Circeaulair projects also puts Ekopak in the spotlight.

Telling our story and raising awareness is also still very necessary. Based on the results of the survey we conducted, it is clear that people and businesses often do not yet have the 'sense of urgency'. We were a bit surprised, 62% of employees report that they are rarely or never concerned with water stress. Employees misjudge the urgency and lack a sense of knowledge. We do see that the awareness is more present with decision makers. (See chapter 4. Stress test)

It is clear that we need to raise more awareness, even in water-intensive companies. As a result, we will work on strengthening the sense-of-urgency and improving the knowledge by setting up marketing campaigns. We will also continue to bring the need for sustainable water use to the attention of everyone.

6.3 Working together to achieve our goals

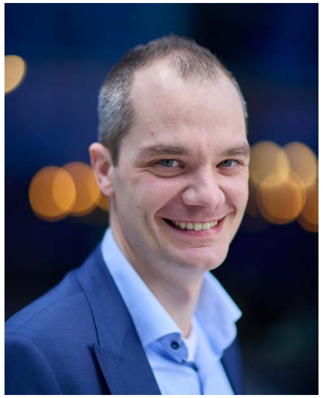
If we want companies to switch to circular water and make a big impact, it is important that private and public companies work together. In January, we launched the project Waterkracht. Together with water-link, PMV and Aquafin, we will process Antwerp households' wastewater into cooling water for companies in the Port of Antwerp. As from 2025, a new cooling water plant to be built will recycle 20 billion liters of water on an annual basis.

Waterkracht gave us the inspiration for another new project named Circeaulair (see chapter 1.4 Timeline of our growth) The focus also lies on the reuse of effluent (treated wastewater). With Circeaulair, each company can make use of circular water, enabling them to arm themselves for the future.

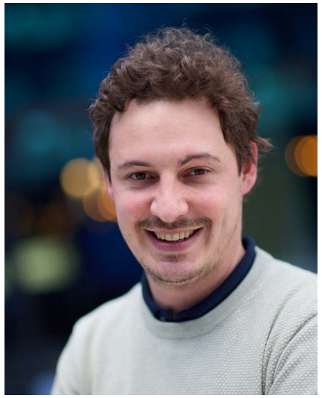
If we want to achieve our goals, partnerships are crucial. Projects like Waterkracht & Circeaulair can be implemented all around the world. In 2023, we will identify even more regions where these projects can take off. There is a lot of potential in France in terms of water recycling as well. Therefore Ekopak France is also putting a big focus on centralized and decentralized water recycling.

Save water, Give water
In Africa, the lack of infrastructure leads to a lack of central supply of clean water. The need for safe water there remains particularly high. Therefore, in 2021 the project "Save water, Give water" was initiated by Ekopak to support Water.org. With "Save water, Give water", we invite our WaaS customers to also donate to Water.org and change a life with safe water on behalf of each employee of the customer company. In 2023, we will continue getting our WaaS customers excited about this concept.

Clients, employees, suppliers, the government, competitors, … All of our stakeholders should have their nose pointed in the same direction when it comes to water reuse. Climate change is real, if we all work together, we can do something about it.



> **"If we want companies to switch to circular water and make a big impact, it is important that private and public companies work together"**
>
> **Niels D'Haese – CCO**



"Through innovation, we reduce the ecological footprint of our installations and become even more sustainable"

Joost Van Der Spurt – CTO

6.4 Innovation is key

It are busy times for our R&D team, which has almost doubled in size over the last year. Next to blissful projects such as Waterkracht and Circeaulair, we have also increased the number of pilot tests. We launched a pilot at UCB's campus in Braine to demonstrate the feasibility for UCB's water recycling strategy.

We also collaborated with a spin-off of Ghent University. This collaboration focused on making our installations more sustainable and reduce the chemical consumption during the cleaning of UF membranes. We implemented filtration techniques that are new on the market. Within months, our tests have led to a successful full-scale plant. The research will be continued in 2023 due to its success.

As Tim De Maet already mentioned, digitisation and the use of artificial intelligence (AI) allow us to collect a huge amount of data about our facilities. This helps us to really target our pilot tests and brings us valuable information. Through innovation, we reduce the ecological footprint of our installations and become even more sustainable.

The main ambition is to ultimately arrive at 'The factory of the future' in which reuse, reduce and revalue are key in every aspect.

6.5 Building a solid foundation

I joined Ekopak in full growth this year. My job title says it clearly; "People & Culture". These are two elements that are crucial for HR and for an organization such as Ekopak.

> In 2022, we have doubled in size, so creating a tight team and keeping the team spirit high is always a challenge.
>
> Lieve Delrue –
> HR Director People & Culture

In my first weeks, I mainly listened to numerous employees. This revealed an urgent need for structure so that they know what their responsibilities are and within which framework they operate. Because of the rapid growth, the executive management no longer needs to be continuously involved "in" the organization, but mainly "with" the organization, focusing on the vision and defining the strategy.

In 2022, we have doubled in size, so creating a tight team and keeping the team spirit high is always a challenge. We therefore conducted the first Ekopak wellbeing survey to measure the eNPS score. The focus lied on 3 pillars; identification to the company DNA, job satisfaction and personal satisfaction.

One of the results was that there is a need for structure, processes and policies. In 2023, all tasks will be better streamlined. Moreover, we are also working on an Integrated learning and development plan with KPIs for each job level. (see chapter 4. Stress test)

As Pieter mentioned in the introduction of this report, we still find suitable profiles despite the scarcity in the labor market. During the onboarding of a new staff member, Ekopak's mission and DNA should be immediately clear. To formalize our values and standards, we are currently writing down the "Employee policy". This represents the basis of our culture. By communicating this transparently, we ensure that everyone knows very well what our DNA is and how they should carry it out. A Code of Conduct has also been created and validated.

In the near future, we will create more uniformity between our offices in Belgium and France. We will focus on recruiting and work on competency profiles for each position. And of course, we will strive towards the personal development of each staff member.

We believe strongly we can realize all these goals in the different domains.

Corporate Governance Report

Declaration regarding the information given in the Integrated Annual Report 2022

The undersigned declare that :

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

Pieter Loose, CEO
Els De Keukealere, CFO

1 Shareholder structure

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

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

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

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

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

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

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

2 Annual Shareholders Meeting

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

In 2022, the Annual Shareholder Meeting took place on 10 May 2022.

The upcoming Annual Shareholder Meeting is scheduled for 9 May 2023. Further information will be published on Ekopak's investor relations website: https://ekopaksustainablewater.com/investor-relations/

3 Board of directors

The Board of Directors of Ekopak includes 7 members. The agenda of the Annual Shareholders Meeting of 9 May 2023 includes voting on the appointment of 1 additional member of the Board of Directors, and 1 new member in replacement of a previously appointed member of the Board of Directors.

The Board of Directors include 7 members, of whom :

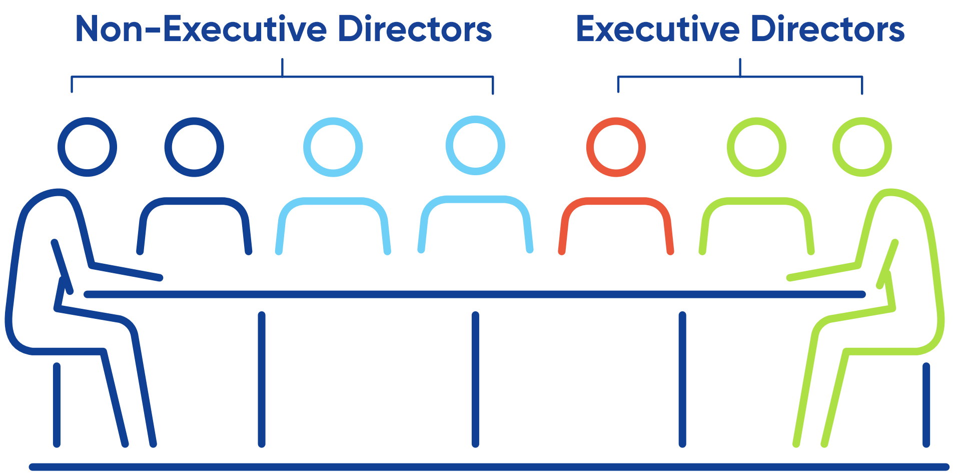
- 3 executive and 4 non-executive directors
- 2 independent directors, 2 directors associated with the reference shareholder Alychlo, and 3 directors from the executive committee

The Board of Directors is chaired by Pieter Bourgeois.

The members of Ekopak's Board of Directors are the management corporations with the following permanent representatives (mentioned in alphabetical order of their family names). The names followed by an asterisk refer to the permanent representatives of the management companies who actually hold the position of director.

Ekopak's Board of Directors
Includes 7 members:

- **Independent directors**
- **Directors associated with Alychlo**
- **Directors from the executive committee**
- **Directors associated with Pilovan**



Board of directors

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

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

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

Ben Jansen*, (end mandate on 22 December 2022, to be replaced by Kurt Trenson at the ASM of 9 May 2023, the latter was co-opted by the Board of Directors dd. 22 December 2022), chief strategy officer at Alychlo NV since 2021. Master commercial engineering (KULeuven). Over 20 years of experience in various (marketing and sales) management roles at Unilever and as CCO at DPG Media (and its predecessors Medialaan and De Persgroep). Belgian nationality.

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

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

Regine Slagmulder*, Professor in accounting & control at Vlerick Business School and visiting professor at INSEAD. Master in electronic engineering and in management sciences (UGent), PhD in management (Vlerick Business School), certified director (INSEAD IDP-C). Previously, she was a professor at INSEAD (France & Singapore) and Tilburg University (The Netherlands), and also worked for McKinsey & Company's strategy practice. Belgian nationality.

Kurt Trenson*, (mandate since 22 December 2022, through co-optation by the Board of Directors, to be confirmed at ASM of 9 May 2023), chief financial officer at Alychlo NV since April 2022. Master in Applied Economics Sciences, MBA in International Management. After his studies, he worked for 22 years in various senior positions at KBC Bank. Belgian nationality.

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

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

(1) Executive director (E) or non-executive director (N)

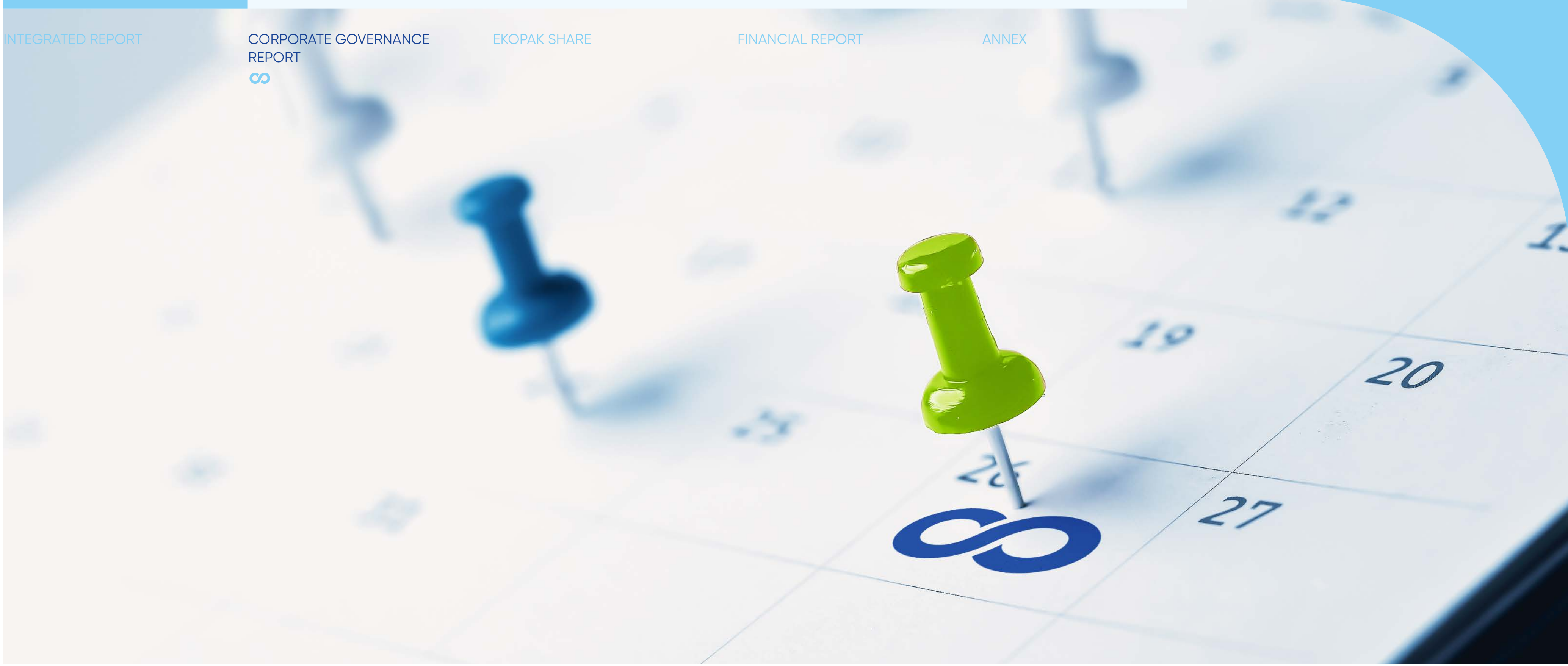
(2) Independent director (I), representing a reference shareholder (S) or as member of the executive committee (E)

(3) Member of the Audit committee (A) and/or the Remuneration and nomination committee (R) – presidency is indicated with an asterisk (*)

(4) ASM: Annual Shareholders Meeting

3.2. Assignments

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



3.3. Activity report

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

In 2022, the Board of Directors held 6 meetings, of which 4 with physical participation and 2 online ("ad hoc") meetings. The meeting participation rate was on average 97% for the quarterly physical participation meetings and on average 93% for the "ad hoc" board meetings.

At these meetings, the Board of Directors discussed and evaluated operational and financial performance of the company, as well as strategic issues and opportunities, including (potential) mergers and acquisitions and expansion projects. In 2022, considerable attention has been paid to the expansion of the activities of Ekopak in France with an acquisition of a French company, H2O Production, on the one hand. On the other hand, the Board of Directors also dedicated considerable efforts to the improvement of the corporate governance structure, including the board composition and the approval of a Remuneration Policy. Other important topics included the HR structure and the integration of the sustainability theme into Ekopak's strategy and operations.

The conflict of interest regulation had not to be applied in 2022.

4 Committees of the Board of Directors

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

4.1. Audit committee

Set up in accordance with Article 7:99 of the Belgian Code of Companies and Associations, and with provisions 4.10-16 of the Belgian 2020 Corporate Governance Code

Members: Regine Slagmulder (chair), Pieter Bourgeois and Kristina Loguinova

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

In 2022, the Audit Committee convened 3 times – i.e. one meeting below the frequency recommended in the Corporate Governance Charter, which can be explained by the high frequency of contacts between the Audit Committee members throughout the second quarter of 2022, which led to the conclusion that a formal meeting in that period was unnecessary.

In its meeting of 21 March 2022, the Audit Committee has dealt with the finance section of the 2021 Annual Report, the Statutory Auditor's report on the accounting year 2021 to the ASM, the approval of the remuneration for the Statutory Auditor, and the information on risk management to be included in the 2021 Annual Report.

The financial report over the 6 months' period ending 30 June 2022 was the main topic of the Audit Committee's meeting of 15 September 2022, along with the audit planning, risk assessment and update of the corresponding dashboard.

On 22 December 2022, the Audit Committee meeting focused on: a financial update, the purchase price allocation for the acquisition of the French company H20 Production, the accounting principles to be applied for the joint-ventures in formation (Waterkracht and Circeaulair), the activity report of the Statutory Auditor, a status update on internal control and an updated risk assessment.

All members of the Audit Committee have participated in all meetings mentioned above. The conflict of interest regulation had not to be applied in 2022.

4.2. Remuneration & nomination committee

Set up in accordance with Article 7:100 of the Belgian Code of Companies and Associations and with provisions 4.17-23 of the Belgian 2020 Corporate Governance Code.

Members: Ben Jansen (chair, until 22 December 2022), Kurt Trenson (chair, as of 22 December 2022), Regine Slagmulder and Kristina Loguinova.

In principle, the Remuneration & nomination committee convenes on a bi-annual basis. The meeting frequency may be increased when deemed appropriate or necessary for the business.

In 2022, the Remuneration and Nomination Committee convened 4 times and all members participated in every meeting.

The main topics at these meetings were: the evaluation of the remuneration policy, the development of a process for the annual evaluation of management (and staff), the development of a framework for variable remuneration based on Sustainability Key Performance Indicators, the composition of the Board of Directors and the provision of support to the CEO for the composition of the Executive Management Committee (EMC) and related to the contracts with the EMC members.

The conflict of interest regulation had not to be applied in 2022.

5 Executive Management Committee

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

Composition

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

Franky Cosaert*, (through his management company Cospil BV), Chief Executive Officer Ekopak France since November 2022. He has more than 25 years of national and international experience in the energy- and water sector as General Manager Gaz de France Belux, Senior Vice President Marketing&Sales Europe at Engie, President LNG China at Engie and 7 years CEO at water-link. Belgian nationality.

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

Lieve Delrue*, HR Director since May 2022 (member of the EMC since January 2023). Master in Psychology, option Industrial & Organisational Psychology (KU Leuven, Leuven University). Previous experience in international HR roles within the water industry and European companies, including Waterleau Group, SKF Belgium and Panasonic Energy Europe. Belgian nationality.

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

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

Patrick Parfondry*, (through his management company iPure BV), site head H2O Production since the acquisition in 2022. Master industrial engineering chemistry with a specialization in environmental biotechnology (HEPL, Liège). Former founder of the company iServ BV acquired by Ekopak NV in 2021. Over 27 years of experience in the water solutions industry, including Degrémont (SUEZ) and Veolia Water. Belgian nationality.

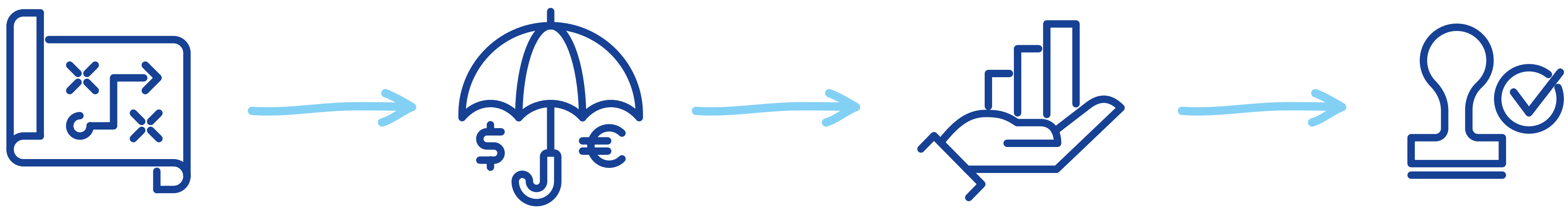
Joost Van Der Spurt, Chief Technology Officer (CTO) since 2014. Master in Chemical Engineering from the University of Leuven. Eight years of experience in the water industry, focusing on process management, research and development, as well as automation. Belgian nationality.

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

*Appointed to the Executive Management Committee of Ekopak effective January 1, 2023.

6 Risk Management

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



6.1. Risk Management process

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

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

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

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

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

6.2. 2022 Risk Management review

The risk factors identified in 2021 have been re-evaluated in the course of 2022. The review confirmed the majority of risk factors already identified. The main updates included the decision to consider the IT risk and the Cyber Security risk as two distinct risk factors, as their likelihood and impact differ considerably, and the inclusion of the Climate Change and the Ukraine War as two additional risk factors. Furthermore, the 2022 risk review process led to an increase/decrease of the risk degree for a number of risk factors, involving an update of the corresponding prevention and mitigation plans.

Risk of Unavailability of Raw Materials. Ekopak's containerized water purification systems require specific raw materials to operate. While these raw materials are typically broadly available, some of them have become scarce in the past year. Any interruption in the supply chain may have a negative impact on Ekopak's operations.

Mitigating factors. Ekopak mitigates this risk factor by implementing a diversified procurement approach, involving a broad range of suppliers in order to minimise dependency. Also, Ekopak has implemented a balanced inventory policy which includes the option to temporarily build up stock levels, anticipating potential supply shortages.

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence

EVOLUTION OF the impact

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence

EVOLUTION OF the impact

Risk of Price Increases of Raw Materials. Along with the risk of supply chain interruptions and stock breaks, the scarcity of specific raw materials leads to price hikes, which negatively affect Ekopak's business when they would occur. Ekopak mitigates this risk factor by including this potential factor in each contract negotiation, both a clients and suppliers, and by closely monitoring how the agreement is applied in reality.

Mitigating factors. Ekopak mitigates this risk factor by including fixed prices in each contract negotiation, whenever feasible, and by closely monitoring that these clauses are respected. Towards its customers, Ekopak ensures its capability to increase sales prices in order to offset price increase of raw materials and consumables. With respect to the installations built for our customers, offers are based on the most recent purchase prices and are only valid for a short period in order mitigate the risk of unfavourable material price increases. In parallel, Ekopak is strengthening its negotiation position and expanding its purchase department.

IT Risk. Ekopak's operations highly depend on the proper functioning of its IT systems, whether they are running on on-site hardware or 'in the cloud'. While any disruption of these IT systems for technical reasons would have a negative impact on the company's operations, Ekopak believes that this risk is well under control.

Mitigating factors. Ekopak mitigates this risk factor by the installation of the necessary IT security systems and procedures.

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence ↓

EVOLUTION OF the impact =

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence ↓

EVOLUTION OF the impact ↑

Cyber Security Risk. Ekopak's operations highly depend on the proper functioning of its IT systems, whether they are running on on-site hardware or 'in the cloud'. Any disruption of these IT systems because of hacking or other ways of cyberattacks, would have a major negative impact on Ekopak's operations.

Mitigating factors. Ekopak mitigates this risk factor by creating vigilance and awareness among its staff together with the necessary IT security measures taken (including a 2-authenticator system). Ekopak has also subscribed a cybersecurity policy.

Credit risk. If one or more key customers would fail to meet its payment obligations towards Ekopak, this would have a major impact on Ekopak's financial situation. Invoices related to the investment goods of non-WaaS project refer to significant amounts. While the invoice amounts for WaaS-projects are relative lower, they, too, would have a material adverse impact on Ekopak's mid- and long-term financial situation.

Mitigating factors. Ekopak has developed a sound process for credit collection, including monitoring of receivables with reminders letter (4 levels) and monthly reporting of overdue outstanding receivables to CEO and COO. Installations abroad either require upfront payment or a letter of credit. Given the risk assessment of management, no credit insurance was undersigned.

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence ↑

EVOLUTION OF the impact ↑

Protection of Know-How. Ekopak's know-how and technology are not protected by patents or design registrations. Failure to adequately protect know-how could allow clients and, by extension, competitors to copy or reverse-engineer (the functioning of) Ekopak's water purification solutions. Ekopak carefully selects the most appropriate technology for each specific installation, but is not contractually bound by any specific technology and can adopt new technologies as they come available.

Mitigating factors. The application of technology is extremely "installation-specific", thus limiting the risk for duplication.

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence =

EVOLUTION OF the impact ↓

Related materiality item: Well-being

EVOLUTION OF the likelihood of occurrence ↑

EVOLUTION OF the impact ↑

Human Capital Risk. Ekopak might fail to retain existing key management, R&D and/or engineering staff, and/or might fail to attract and train new highly-qualified personnel, which could have a material adverse effect on Ekopak's business. If key staff would leave the company for a competitor, this would result in a 'brain drain' that would also have a material adverse effect on the company's operations. Ekopak is an attractive employer, mainly based on its reputation as a recently listed growth-driven company and on its ESG-commitment. Although Ekopak experiences that the recruitment process takes more time in the current labour market, the company remains able to fill all vacancies and maintain a high retention rate.

Mitigating factors. Both Ekopak's corporate purpose and its reputation as a publicly listed company ensure the company's attractiveness on the labour market. Ekopak also maintains good relations with universities, training centres and related initiatives

Litigation Risk. Ekopak's operations are subject to stringent environmental, health and safety laws and regulations, which could expose the Company to environmental liability and significant increase compliance costs and litigation. Underperformance of Ekopak's systems installed at the client's site, for whatever reasons – whether or not under the control of Ekopak, may also lead to litigation, thus negatively affecting the company's situation.

Mitigating factors. Ekopak's strategic transition towards the WaaS business model mitigates this risk, which is -albeit limited in number- mainly related to non-WaaS installations. Ekopak's litigation history only consists of 2 cases dating from 2014 or before, related to non-WaaS installations with inadequate maintenance by the respective customers.

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence =

EVOLUTION OF the impact =

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence

EVOLUTION OF the impact

Operational Risk. If material failure would occur at Ekopak's installations at the client's site, this may involve significant repair costs as well as compensation payments and litigation costs, which could have a material negative effect on the company's financial situation.

Mitigating factors. Ekopak is mitigating the operational risk by ensuring adequate stock levels to avoid ruptures in crucial material components. Installations are monitored 24/7 leading to a prompt response from our recently expanded service team in case of an operational breakdown.

(*) As part of our risk assessment, we have mapped all top risks from the materiality assessment. The unmapped materials topics are preceded by an asterisk in the overview above along with the related description.

Related materiality item: Energy – Waste – Chemicals

Risk related to Global climate change and related legislation (*). While the visible impact of climate change leads to a higher awareness for Ekopak's solutions, the climate transition and the environmental footprint in general holds a series of risks for Ekopak. The inability to meet (future) environmental legislation to limit CO2 emissions and increase energy and material efficiency could lead to regulatory fines (such as a carbon tax). While Ekopak promotes circular water use, the company must in the foreseeable future also reduce the use of energy and consumables in its water treatment facilities, as specified in the EU Sustainable Activities Taxonomy (EU Regulation 2020/852). Should Ekopak fail to do so, it would have a negative impact on its reputation, especially with ESG investment funds. Failure to address environmental concerns could negatively impact Ekopak's reputation with customers and investors, thus leading to loss in sales or even shareholder value. Physical climate change risks include impacts of extreme weather events on production facilities and/or equipment and disruptions in the supply chain due to these events.

Mitigating factors. Ekopak is mitigating this risk by the initiation of Integrated Reporting. This methodology involves regular Stakeholder Engagement, annual Stress Tests and monitoring of related Performance Indicators. This approach leads to an increased awareness, thus triggering Ekopak to anticipate such risks in an optimal way. This is well illustrated by Ekopak's plan for its new corporate campus, which aims to be carbon neutral. Other illustrations of this approach are Ekopak's decision to electrify its fleet and its continuous efforts to reduce the footprint of its water treatement installations its water treatment installations.

Risk related to the Ukraine War (*). Even though Ekopak has no operations in Ukraine and Russia and is not directly impacted, the Company is exposed to the secondary effects of this situation, including the increasing interest rates, cost infla-tion, potential interruptions in the supply chain etc.

Mitigating factors. Ekopak refers in this respect to the mitigation plans for the Risk of Unavailability of Raw Materials and the Risk of Price Increases for Raw Materials (cf. before)

Related materiality item: Water

7 Corporate Governance Statement 2022

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

Corporate Governance Charter – Articles of Association – Dealing Code

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

- **Corporate Governance Charter**
- **Articles of Association**
- **Dealing Code**

Compliance statement to the Belgian 2020 Corporate Governance Code

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

- **Provision 2.19:** the powers of the members of the Executive Management other than the CEO are determined by the CEO rather than by the Board of Directors. This deviation is explained by the fact that the members of the Executive Management Committee perform their functions under the leadership of the CEO, to whom the day-to-day management and additional well-defined powers were delegated by the Board of Directors.

- **Provision 3.4:** the Board of Directors only include 2 independent directors. This deviation is explained by the small size of the current Board of Directors. At the IPO of March 2021, Ekopak announced its intention to appoint a third independent director. On 17 January 2023, Ekopak proposed to appoint an additional member to the Board of Directors who meets the independency criteria. This appointment is subject to confirmation by the AGM of 9 May 2023.

- **Provision 4.14:** no independent internal audit function has been established. This deviation is explained by the current size of the Company. The Audit Committee will yearly assess the need for the creation of an independent internal audit function and, where appropriate, will call upon external persons to conduct specific internal audit assignments and will inform the Board of Directors of their outcome.

- **Provision 7.6:** the non-executive members of the Board of Directors do not receive part of their remuneration in the form of Ekopak shares. This deviation is explained by the fact that the interests of the non-executive members of the Board of Directors are currently considered to be sufficiently oriented to the creation of long-term value for the Company. However, Ekopak may review this provision in the future in order to align its corporate governance with the provisions of the Belgian 2020 Corporate Governance Code.

- **Provision 7.9:** no minimum threshold of Ekopak shares to be held by the members of the Executive Management Committee has yet been set. This deviation is explained by the fact that the interests of the members of the Executive Management Committee are currently considered to be sufficiently oriented to the creation of long-term value for the Company, also considering the fact that some of them hold ESOP warrants, the value of which is based on the value of the Ekopak shares. Therefore, setting a minimum threshold of Ekopak shares to be held by them is not deemed necessary. However, the Issuer intends to review this in the future in order to align its corporate governance with the provisions of Belgian 2020 Corporate Governance Code.

- **Provision 7.12:** The Board of Directors endeavors to insert a 'clawback provision' in contracts of employment with executives to the extent permissible by the law governing such contract.

8 Remuneration statement

8.1. Remuneration policy

By law of 28 April 2020, specific rules have been introduced in Belgian company law, implementing the EU Directive 2017/828 as regards the encouragement of long-term shareholder engagement. In 2021, the Remuneration and Nomination Committee developed the framework for a coherent remuneration policy for Ekopak. The remuneration policy was approved by to the Annual Shareholder Meeting of May 2022.

8.2. Remuneration report 2022

This report covers the 2022 remuneration of the members of the Board of Directors, of the Chief Executive Officer (CEO) and of the other members of the Executive Management Committee. Please note that the remuneration of Lieve Delrue is not included in Part C, as her membership of the Executive Management Committee was effective only as of 1 January 2023.

A. 2022 Remuneration of the board members
Until the Annual Shareholders Meeting (AGM) of 10 May 2022, no distinction was made between executive and non-executive with regard to their remuneration as members of the Board of Directors. At the AGM of 10 May 2022, it was decided that executive directors should no longer be granted a remuneration for their board mandate, in addition to their remuneration as member of the Excecutive Management Team. As a consequence of this new policy measure, the executive directors EDK Management BV and Pilovan BV have only been granted a board remuneration for the first quarter of 2022. Tim De Maet, executive director was not granted any remuneration for his mandate in the board of directors, but he was granted 10,000 warrants. No other members of the board hold warrants.

The 2022 base remuneration was set at €15,000 per director and €25,000 for the chairman of the board – identical as in 2021. For 2022, just as for 2021, no additional remuneration was provided for a mandate in any of the board committees.

The actual board remuneration for 2022 is reflected in the table below.

Crescemus BV (Chairman)	€25,000
EDK Management BV	€3,750
BVJS BV	€15,000
Kristina Loguinova	€15,000
Pilovan BV	€3,750
Regine Slagmulder BV	€15,000
Total board remuneration 2022	**€77,500**

B. 2022 Remuneration of the Chief Executive Officer (CEO)
In addition to the remuneration of Pilovan BV for his board mandate in the first quarter of 2022, Pilovan BV was also granted the following remuneration in 2022 in his capacity as CEO.

Base remuneration	€201,082	71%
Variable compensation	€83,502	29%
Total CEO remuneration 2022	**€284 584**	**100%**

C. 2022 Remuneration of the Executive Management Committee, excluding the CEO
The 2022 remuneration of the Executive Management Committee is detailed on the right, but excludes the remuneration of the CEO as this has been detailed in the table on the left. The remuneration for members of the Executive Management Committee who also hold a mandate in the board comes on top of their board remuneration for the first quarter of 2022. The amounts included in the table hereunder refer to the remuneration of EDK Management BV, Tim De Maet, Joost Van Der Spurt, Annie-Mie Veermeer and Niels D'Haese. The remuneration of Lieve Delrue is not included because her membership of the Executive Management Committee became effective 1 January 2023. Niels D'Haese was granted 5,000 warrants, Tim De Maet was granted 10,000 warrants, Joost Van Der Spurt was granted 10,000 warrants and Anne-Mie Veermeer was granted 10,000 warrants. No warrants have been granted to Lieve Delrue. Beside them, no other member of the Executive Committee holds any warrants. For more information regarding a.o. price and date of exercise, we refer the IFRS Financial Statements.

Base remuneration	522,703.06	77%
Bonus	45,337.50	7%
other compensation components (company car and fuel card, laptop, phone, luncheon voucher etc.);	98,569.56	14%
Hospitalization insurance	2,171.73	0%
Group insurance	14,101.20	2%
Total 2022 remuneration	**€682,883.05**	**100%**

In 2022, Ekopak has continued to reward the members of the Executive Committee in accordance with its existing practice.

As Ekopak is quoted since 31 March 2021, the remuneration policy was approved by the General Shareholders' meeting on 10 May 2022.

Evolution of remuneration and company performance

As requested by GRI, Ekopak reports the pay ratio of the highest FTE CEO compensation versus the Median for all full time employees in its legal entity Ekopak NV. The 2022 pay ratio is 5,5 compared to 5,1 in 2021. The change in this ratio equals 2.

Diversity policy

Considering Ekopak's current business size, Ekopak is exempted to adopt and publish a Diversity policy at this stage. Ekopak values workforce diversity and strives to act with respect of diversity at all times. A formal policy will be developed in the future.

Anti-fraud measures

Considering Ekopak's current business size, Ekopak is exempted to adopt and publish formal anti-fraud measures. At present, Ekopak conducts audits at regular intervals, with the purpose to deter fraud and to detect it in a timely manner. A formal set of anti-fraud measures will be developed in the future, in addition to the Dealing Code, which is already in place

https://ekopaksustainablewater.com/investor-relations/corporate-governance/corporate-governance/

Summary statement

In thousands of euro	2021	2022
Remuneration of Board members		
Total annual remuneration	75	78
Year-on-year difference (%)		4%
Number of Board members	7	7
Remuneration of CEO		
Total annual remuneration of CEO (EUR)	252	285
Year-on-year difference (%)		13%
Remuneration of executive management		
Total annual remuneration (EUR)	506	683
Year-on-year difference (%)		35%
Number of Executive Management members	5	6
Ekopak Group Performance		
Net sales (EUR)	11.251	17.710
Year-on-year difference (%)		57%
EBITDA (EUR)	342	-459
Year-on-year difference (%)		-234%
Average remuneration per FTE employee		
Average employee cost per FTE (*)	65	84
Year-on-year difference (%)		28%

* Gross employee costs before capitalization

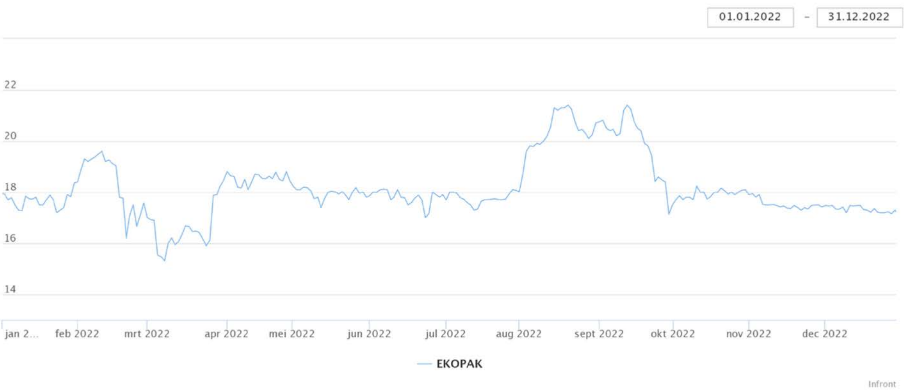
Information about the Ekopak share

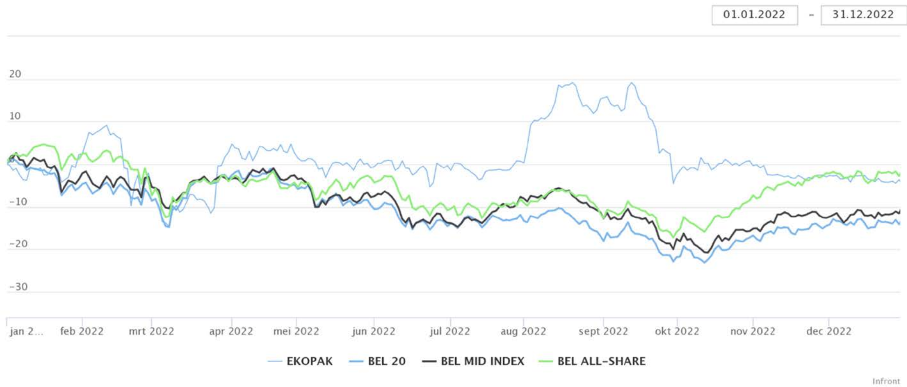
Since 31 March 2021, the Ekopak shares are listed on Euronext Brussels (ticker EKOP). The Final Placement Price at initial listing (31 March 2021) was €14.00.

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

Share price	2021	2022
Highest closing price (date):	€19.00 (6 Apr.)	€21.40 (19 Aug.)
Lowest closing price (date):	€15.00 (31 Mar.)	€15.32 (8 Mar.)
Average closing price:	€17.36	€18.14
Closing price at year-end:	€17.96 (31 Dec.)	€17.30 (30 Dec.)
Highest intraday price (date):	€22.80 (7 Apr.)	€21.80 (22 Aug.)
Lowest intraday price (date):	€14.70 (31 Mar.)	€15.94 (8 Mar.)

Share transactions	2021	2022
Total number of trades	20,128	14,221
Total number of shares traded	2,142,601	1,295,199
Average number of shares per transaction	106	91
Daily average number of shares traded	10,932	8,250
Highest daily number of shares traded (date)	235,768 (7 Apr.)	2,299 (14 Mar.)
Lowest daily number of shares traded (date)	482 (21 Oct.)	190 (21 Dec.)
Share velocity	0.14	0.87
Free Float Share velocity	0.65	0.39
Total volume (in EUR) traded	€37,957,061	€23,463,236
Market Capitalisation at year-end	€266,250,570 (31 Dec.)	€256,466,307 (30 Dec.)





Financial Report 2022

Ekopak

Ekopak Sustainable Water

Together towards a sustainable future.

FINANCIAL REPORT 2022

IFRS Consolidated Financial Statements

1. Consolidated statement of profit or loss

		for the year ending December 31	
in 000€	**Notes**	**2022**	**2021**
Revenue	5	17.710	11.251
Other operating income	5	1.135	310
Operating income		**18.845**	**11.561**
Purchases of materials	7	-8.921	-5.243
Services and other goods	7	-4.555	-3.167
Employee benefit expense	7	-5.660	-2.777
Depreciation charges	9, 11, 12	-1.835	-953
Other operating charges	7	-168	-32
Operating profit / (loss)		**-2.294**	**-611**
Financial expenses	7	-277	-166
Financial income	7	50	29
Loss before taxes		**-2.521**	**-748**
Income taxes	8	535	48
Net loss for the year *		**-1.986**	**-700**
Earnings per share attributable to the owners of the parent			
Basic	18	-0,13	-0,05
Diluted	18	-0,13	-0,05

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

The accompanying notes on pages 8 to 55 form an integral part of these IFRS Consolidated Financial Statements.

2. Consolidated statement of comprehensive income

in 000€	Notes	2022	2021
		for the year ending December 31	
Net loss for the year		**-1.986**	**-700**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations, net of tax	19	35	-157
Other comprehensive income, net of tax		**35**	**-157**
Total comprehensive loss for the year, net of tax *		**-1.951**	**-857**

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

The accompanying notes on pages 8 to 55 form an integral part of these IFRS Consolidated Financial Statements.

3. Consolidated statement of financial position

		At December 31	
in 000€	**Notes**	**2022**	**2021**
Assets			
Non-current assets			
Goodwill	9	2.135	1.035
Intangible assets	10	4.592	245
Property, plant and equipment	11, 12	25.349	14.842
Deferred tax assets	8	1.547	1.023
Other financial assets		99	16
Total non-current assets		**33.722**	**17.161**
Current assets			
Contract assets	15	4.016	1.733
Inventories	13	4.837	2.152
Trade receivables	14	4.951	2.981
Other current assets	14	865	1.296
Cash and cash equivalents	16	32.508	42.100
Total current assets		**47.177**	**50.262**
Total assets		**80.899**	**67.423**

The accompanying notes on pages 8 to 55 form an integral part of these IFRS Consolidated Financial Statements.

in 000€	Notes	At December 31 2022	2021
Equity			
Share capital	17	6.671	6.671
Share premium	17	55.116	55.116
Other reserves	17	-2.274	-2.345
Accumulated (loss)/profit		-2.845	-859
Equity attributable to the owners of the parent		**56.668**	**58.583**
Total equity		**56.668**	**58.583**
Liabilities			
Non-current liabilities			
Borrowings	21	10.785	2.232
Lease liabilities	12, 21	999	393
Deferred tax liabilities	8	1.244	19
Provisions	19	539	542
Total non-current liabilities		**13.567**	**3.186**
Current liabilities			
Borrowings	21	1.926	522
Lease liabilities	12, 21	522	282
Trade and other payables	22	6.796	3.828
Tax payables	8	242	963
Contract liabilities	15	231	–
Other current liabilities	22	947	59
Total current liabilities		**10.664**	**5.654**
Total liabilities		**24.231**	**8.840**
Total equity and liabilities		**80.899**	**67.423**

The accompanying notes on pages 8 to 55 form an integral part of these IFRS Financial Statements.

4. 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, 2021	**–**	**–**	**12**	**-159**	**5.015**	**5.015**
Net profit	–	–	–	-700	-700	-700
Other comprehensive loss	–	–	-157	–	-157	-157
Total comprehensive (loss)/profit	**–**	**–**	**-157**	**-700**	**-857**	**-857**
Capital increase	1.820	54.805	–	–	56.625	56.625
Share issue costs net of tax	–	–	-2.259	–	-2.259	-2.259
Share based payment expense	–	–	59	–	59	59
Transfers within equity	4.851	311	–	–	–	–
At December 31, 2021	**6.671**	**55.116**	**-2.345**	**-859**	**58.583**	**58.583**

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	–	–	–	-1.986	-1.986	-1.986
Other comprehensive income	–	–	35	–	35	35
Total comprehensive income	**–**	**–**	**35**	**-1.986**	**-1.951**	**-1.951**
Share based payment expense	–	–	36	–	36	36
At December 31, 2022	**6.671**	**55.116**	**-2.274**	**-2.845**	**56.668**	**56.668**

The accompanying notes on pages 8 to 55 form an integral part of these IFRS Consolidated Financial Statements.

5. Consolidated statement of cash flows

		For year ending December 31	
in 000€	**Notes**	**2022**	**2021**
Operating activities			
Net (loss)/profit		**-1.986**	**-700**
Non-cash and operational adjustments			
Depreciation of property, plant & equipment and ROU assets	11, 12	1.616	875
Amortization of intangible assets	10	248	78
(Gain)/loss on disposal of property, plant & equipment	11	-11	24
Increase/(decrease) in provisions	19	44	-68
Impairments on receivables	7	22	39
Interest and other finance income	7	-50	-29
Interest and other finance expense	7	277	166
Deferred tax expense	8	-613	-58
Tax expense	8	78	10
Equity settled share based payment expense	17.1	36	60
IFRS 16 - gain on early termination of lease	12	-3	-13
Net cash flow (used in)/from operating activities before working capital movements		**-342**	**384**
Movements in working capital			
Decrease/(Increase) in trade and other receivables	14	-1.046	-448
Increase in inventories	13	-2.086	-893
(Decrease)/increase in trade and other payables	22	2.142	1.652
(Increase)/decrease in contract assets	15	-2.283	-1.033
Increase/(decrease) in cash guarantees		-65	-15
Increase/(decrease) in deferred revenue		–	103
Income tax received/(paid)	8	12	-44
Interests paid	7	-212	-121
Interests received	7	1	1
Net cash flow (used in)/from operating activities		**-3.879**	**-414**
Investing activities			
Purchase of property, plant and equipment	11	-9.459	-10.220
Purchase of intangible assets	10	-824	-150
Proceeds from the sale of property, plant and equipment	11	22	41
Receipt of asset related government grants		489	–
Acquisition of subsidiary, less the acquired cash	6	-4.919	-1.063
Net cash flow used in investing activities		**-14.691**	**-11.392**

Financing activities			
Proceeds from borrowings	21	10.321	143
Repayment of borrowings	21	-884	-842
Repayment of leases	12, 21	-441	-290
Receipts from capital increase	17	–	56.625
Share issue costs		–	-3.013
Other financial expense, net		-18	-17
Net cash flow (used in)/from financing activities		**8.978**	**52.606**
Net cash flow		**-9.592**	**40.800**
Cash and cash equivalents at beginning of year	16	42.100	1.300
Cash & cash equivalents at end of year	**16**	**32.508**	**42.100**

The accompanying notes on pages 8 to 55 form an integral part of these IFRS Consolidated Financial Statements.

Notes to the IFRS Consolidated Financial Statements

1. Corporate information

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

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

Information on other related party relationships of the Company is provided in note 25.

The IFRS Consolidated Financial Statements (further referred as „the consolidated financial statements“) of Ekopak NV for the year ended December 31, 2022 were authorised for issue in accordance with a resolution of the directors on March 20, 2023.

2. Significant accounting policies

2.1. Basis of preparation

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

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

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

- the Company has a solid liquidity position with a cash position of KEUR 32.508.
- there are no impairment indicators since the Company expects a further growth in revenue and improvement in operating results in the future.

2.2. Principles of consolidation

2.2.1. Subsidiaries

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

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

The subsidiary Water-as-a-Service NV was established as per July 16, 2020. The subsidiary had an extended financial year, ending on December 31, 2021. For consolidation purposes, the subsidiary has been closed on December 31, 2020 and on December 31, 2021. The subsidiary was merged into Ekopak NV as per January 1, 2022.

The subsidiary iServ BV was acquired through a business combination on April 23, 2021, we refer to note 6 for more information. For consolidation purposes, the figures of iServ BV are included as of April 30, 2021. The impact of the difference between moment of completion of the acquisition (April 23) and the moment of inclusion of the figures of iServ (April 30) is considered immaterial with respect to the Consolidated Financial Statements. The subsidiary was merged into Ekopak NV as per January 1, 2022.

The subsidiaries Covalente, H_2O Production and SCI-du Cèdre Bleu were acquired through a business combination on September 16, 2022, we refer to note 6 for more information. For consolidation purposes, the figures are included as of September 1, 2022. The impact of the difference between moment of completion of the acquisition (September 16) and the moment of inclusion of the figures (September 1) is considered immaterial with respect to the Consolidated Financial Statements.

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

2.3. Summary of significant accounting policies

2.3.1. Foreign currency translation

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

Foreign currency transactions

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

2.3.2. Segment reporting

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

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

2.3.3. Revenue

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

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

Sale of consumables

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

Services

Service contracts have one single performance obligation which is the service of process water and desinfection installations. Revenue is recognized over time, being a rato of the services performed. The sale of spare parts is also reported as service turnover with recognition at a point in time, i.e. when the control over the products is transferred to the customer.

One off sales of process water and disinfection installations

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

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

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

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

Design, Build, Finance, Maintain and Operate installations – DBFMO - WaaS
Contracts under this type of revenue typically consist of a single separate performance obligation, being the operating of the installation as the customer does not control the water process installation during the non-cancellable term of the contract (10 up to 15 years).

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

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

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

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

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

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

Significant financing component

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

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

Contract balances

Contract assets

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

Contract liabilities

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

Costs to fulfill a contract

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

2.3.4. Financing costs

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

2.3.5. Other financial income and expenses

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

2.3.6. Income tax

Current income tax

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

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

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

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

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

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

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

2.3.7.Intangible assets other than goodwill

Intangible assets comprise primarily software, design components of containers used for the water process installations, customer lists resulting from business combinations and the direct development costs related to the innovating project Circeaulair.

During the development phase of these projects the development costs are accounted for under intangible assets under construction. The development phase is defined as the point at which the project is considered economically and technically feasible and there is a certainty that the project will be executed. We refer to note 10 for more information.

In case of Circeaulair the development costs are 100% neutralized by a government grant as per reporting date. We refer to accounting policy 2.3.12 for more information on the accounting for government grants.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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

- Software & cloud platform related assets: 3 to 5 years
- Customer lists: 10 years
- Design components: 3 years.

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

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

2.3.8.Goodwill

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

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

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

2.3.9.Property, plant and equipment

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

A master agreement exists with several financial institutions which allows the financing of operational WaaS installations through a sale and leaseback transaction. Although legal ownership of these assets has been transferred to the financial institution, these assets are presented in Property, Plant and Equipment as the performance obligation to recognize the transaction as a sale is not satisfied.

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

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

Depreciation and useful life

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

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

Derecognition

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

2.3.10. Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.3.11. Impairments of assets

Non-financial assets and goodwill are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

2.3.12. Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to the acquisition of tangible or intangible assets are deducted from the asset and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.3.13. Inventories

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

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

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

2.3.14. Financial assets

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

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

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

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

Impairment of financial assets

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

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

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

Derecognition

A financial asset is primarily derecognized when

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

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

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

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

2.3.15. Financial liabilities

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

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

Derecognition

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

2.3.16. Offsetting of financial instruments

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

2.3.17. Provisions

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

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

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

Onerous contracts

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

2.3.18. Employee benefits

Pension commitments

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

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

Under Belgian law, defined contribution pension plans are subject to minimum guaranteed rates of return which are based on an average of 10-year government bond yields with a minimum of 1,75% and a maximum of 3,75% (currently, equal to 1,75%) for all contributions. Because of these minimum guaranteed rates of return, those pension plans are considered as a defined benefit plan under IFRS. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

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

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

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

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

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

The Company also has an active French pension plan resulting from the acquisition of H_2O Production which is a defined contribution plan.

Short-term obligations

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

Share-based payments

Share-based compensation benefits are provided to employees via an employee stock ownership plan (ESOP). Information relating to these plans is set out in note 17. The plans are equity-settled plans as they will be settled by issuing new shares of the Company and there is no obligation for the Company to deliver cash or another financial asset.

The fair value of warrants granted under the ESOP plan is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted. The ESOP plan only has a service performance vesting conditions which are further detailed in note 17.

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

2.3.19. Equity

Ordinary shares are classified as equity.

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

2.3.20. Dividends

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

2.3.21. Fair value measurements

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

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

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

3. New and revised standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The following amendments to standards are mandatory for the first time for the financial year beginning 1 January 2022 and have been endorsed by the European Union:

- **Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (effective 1 January 2022).** The package of amendments includes narrow-scope amendments to three Standards as well as the Board's Annual Improvements, which are changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in the Standards.
    - Amendments to IFRS 3 Business Combinations update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
    - Amendments to IAS 16 Property, Plant and Equipment prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
    - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets specify which costs a company includes when assessing whether a contract will be loss-making.

- Annual Improvements 2018-2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

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

The above amendments to the standards do not have a material impact on the entity.

The following new standard and amendments have been issued, are not mandatory for the first time for the financial year beginning 1 January 2022 but have been endorsed by the European Union:

- **IFRS 17 'Insurance contracts' (effective 1 January 2023)**. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. On 17 March 2020, IASB decided to defer pop effective date to annual reporting periods beginning on or after 1 January 2023. The endorsement includes the amendments issued by the Board in June 2020, which are aimed at helping companies implement the Standard and making it easier for them to explain their financial performance.

  The EU regulation provides an optional exemption from applying the annual cohort requirement that relates to the timing of the recognition of the profit in the contract, the contractual service margin, in profit or loss. Entities making use of the exemption are not applying IFRSs as issued by the IASB and need to disclose the fact.

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023).** The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The IAS 1 amendment requires companies to disclose their material accounting policy information rather than their significant accounting policies. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. To support this amendment, the Board also amended IFRS Practice Statement 2, 'Making Materiality Judgements', to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

- **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023).** The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted (subject to any local endorsement process).

- **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023**). The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The main change in the amendments is an exemption from the initial recognition exemption of IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

- **Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective 1 January 2023)**. The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2022 and have not been endorsed by the European Union:

- **Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 01/01/2024)**, affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:
    - Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
    - Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
    - Clarify how conditions with which an entity must comply within 12 months after the reporting period, such as covenants, affect the corresponding liability's classification.

- **Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024)**. The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all the lease payments are variable lease payments that do not depend on an index or rate. They state that, in subsequently measuring the lease liability, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains. Any gains and losses relating to the full or partial termination of a lease continue to be recognised when they occur as these relate to the right of use terminated and not the right of use retained.

The following standard is mandatory since the financial year beginning 1 January 2016 (however not yet subjected to EU endorsement). The European Commission has decided not to launch the endorsement process of this interim standard but to wait for the final standard:

IFRS 14, 'Regulatory deferral accounts' (effective 1 January 2016). It concerns an interim standard on the accounting for certain balances that arise from rate–regulated activities. IFRS 14 is only applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The interim standard also provides guidance on selecting and changing accounting policies (on first–time adoption or subsequently) and on presentation and disclosure.

4. Significant accounting judgments, estimates and assumptions

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

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

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

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

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

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

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

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

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

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

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

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

4.3. Defined benefit plan

The Company has two active group insurance plans with minimum guaranteed return which is based on an average of 10-year government bond yields with a minimum of 1,75% and a maximum of 3,75% (currently, equal to 1,75%) for all contributions which are accounted for as a defined benefit plan. The Company makes use of an expert in performing the actuarial calculations using the project unit credit method. The actuarial calculation requires significant estimate with regards to the discount rate, inflation rate, salary increases and withdrawal rate. In making those estimates, management together with the expert make use of objective sources and historical information. More information on the estimate is provided in note 19.

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

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

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

The Company has KEUR 5.935 of tax losses carried forward. These losses do not expire and are not related to structural losses, but relating to IPO related costs deducted in the fiscal result and the losses due to the important growth in the structure of the group to be followed by future revenues. The Company has recognized deferred tax assets over tax losses carried forward for a total amount of KEUR 1.482. The Company has determined it can recognize deferred tax assets on the tax losses carried forward, since the Company expects an increase in revenue and operating profit resulting from the increasing importance of the DBFMO business model in the near future and as such is convinced that the tax losses carried forward will be recovered in the near future.

5. Operating segments

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

- Non-WaaS model (which include the traditional sales, recurring services, consumables and short-term rental sales): the contracts with the customer are to design and build a process water installation, ownership and control over the process water installation is transferred to customer. iServ was included in the Non-WaaS model as of April 23, 2021. H_2O Production is included in the Non-WaaS model as of September 1, 2022.

- Water-As-A-Service ("WaaS") model (which include the DBFMO contracts and the operating sales of the DBMO contracts): the contract with the customer is in substance the delivery, during the contractual period, of a guaranteed minimum volume of water which meet the contractual quality requirements under the DBFMO contracts. Under the DBMO contracts, eventually, at the discretion of the customer, a cancellable operating agreement is signed between the Company and the customer to maintain and operate the process water installation.

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

The following table summarizes the segment reporting for the year ending December 31, 2022.

in 000€	NON-WAAS	WAAS	TOTAL SEGMENTS	CORP-ORATE	TOTAL CONSO-LIDATED
Revenue	15.193	2.517	17.710	–	17.710
Other operating income	579	556	1.135	–	1.135
Purchases of materials	-8.601	-320	-8.921	–	-8.921
Services and other goods	-1.889	-368	-2.257	-2.298	-4.555
Employee benefit expense	-4.419	-698	-5.117	-543	-5.660
Other operating charges, net, without expenses from claims	-160	-5	-165	–	-165
Adjusted EBITDA	**703**	**1.682**	**2.385**	**-2.841**	**-456**
Expenses from claims	-3	–	-3	–	-3
EBITDA	**700**	**1.682**	**2.382**	**-2.841**	**-459**
Depreciation charges	-1.182	-653	-1.835	–	-1.835
Operating profit / (loss)	**-482**	**1.029**	**547**	**-2.841**	**-2.294**
Financial expenses	–	-94	-94	-183	-277
Financial income	–	–	–	50	50
Profit (loss) before tax	**-482**	**935**	**453**	**-2.974**	**-2.521**
Segment assets	66.437	14.462	80.899	–	80.899
Segment liabilities	18.337	5.894	24.231	–	24.231

Since 2022 the WaaS segment contains the project start-up expenses of the projects Circeaulair and Waterkracht amounting respectively to KEUR 435 and KEUR 121. KEUR 222 is included in the employee benefit expenses and KEUR 332 is included in the Services and other goods.

The project start-up expenses are 100% offset with an equal amount recorded within other operating income (for Circeaulair a government grant and an invoice to be issued for Waterkracht).

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

in 000€	NON-WAAS	WAAS	TOTAL SEGMENTS	CORPORATE	TOTAL CONSO-LIDATED
Revenue	10.046	1.205	11.251	–	11.251
Other operating income	310	–	310	–	310
Purchases of materials	-5.082	-161	-5.243	–	-5.243
Services and other goods	-1.751	-42	-1.793	-1.374	-3.167
Employee benefit expense	-2.588	-160	-2.748	-29	-2.777
Other operating charges, net, without expenses from claims	-101	-3	-104	–	-104
Adjusted EBITDA	**834**	**839**	**1.673**	**-1.403**	**270**
Expenses from claims	72	–	72	–	72
EBITDA	**906**	**839**	**1.745**	**-1.403**	**342**
Depreciation charges	-667	-286	-953	–	-953
Operating profit / (loss)	**239**	**553**	**792**	**-1.403**	**-611**
Financial expenses	–	–	–	-166	-166
Financial income	–	–	–	29	29
Profit (loss) before tax	**239**	**553**	**792**	**-1.540**	**-748**
Segment assets	56.037	11.386	67.423	–	67.423
Segment liabilities	7.735	1.105	8.840	–	8.840

The column 'Corporate' included in the line item 'Services and other goods' relate to group charges amounting to mainly KEUR 437 and IPO related costs including professional fees amounting to KEUR 572 and management fees amounting to KEUR 13.

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

in 000€	2022	2021
Consumables	2.024	1.856
Services	4.627	3.740
WaaS revenue	2.517	1.205
One off sales of water process installations	8.542	4.449
Total revenue by product type	**17.710**	**11.251**

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:

ANNEX
FINANCIAL REPORT
EKOPAK SHARE
CORPORATE GOVERNANCE REPORT
INTEGRATED REPORT

in 000€	2022	2021
Belgium	13.094	9.012
France	3.205	403
Other countries	1.411	1.837
Total revenue by geography	**17.710**	**11.251**

Most non-current assets are located in the country of domicile, Belgium. A total of KEUR 7.246 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 2022. The Company had one customer which revenue present 17% (KEUR 1.525) of total revenues of the „Non-WaaS" segment in the year 2021.

6. Business combinations

H_2O Production

The Group acquired on September 16, 2022 100% of the shares in **Covalente SAS, H_2O Production SAS and SCI du Cèdre Bleu**. Covalente is the holding company of the operational entity H_2O Production and SCI du Cèdre Bleu is a real estate company. H_2O 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, H_2O Production and SCI du Cèdre Bleu , in the transaction amounts to KEUR 5.911.

The provisional identification and valuation of the fair value of the assets and liabilities of Covalente, H_2O 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 provisional 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.

If the acquisition would have taken place on January 1, 2022, the contribution to revenue would have been KEUR 3.057 and the contribution to net result would have been a loss of KEUR 170. The contribution to net result before impact from the purchase price allocation would have been a profit of KEUR 288. Since acquisition date, the contribution to revenue was KEUR 1.047 and the contribution to net result was KEUR -7 (before Fair Value adjustment : KEUR 194).

The increase in the headcount resulting from the acquisition is 12, in full time equivalents the increase is 3,79 as the employees are included since 16 September 2022.

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, H_2O 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**

iServ

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

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

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

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

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

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

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

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

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

7. Income and expenses

7.1. Purchases, services and other goods

in 000€	2022	2021
Purchase of materials	-7.021	-4.142
Other purchases	-1.900	-1.101
Total purchases of materials	**-8.921**	**-5.243**
Fleet charges	-660	-270
Housing	-182	-133
Fees for recruitment and interim personnel	-553	-377
IT charges	-333	-152
Office charges	-128	-155
Professional fees	-1.461	-1.615
Sales and promotion charges	-1.085	-299
Small material charges	-153	-166
Total Services and other goods	**-4.555**	**-3.167**

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 2021 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. Refer also to the increased fees for recruitment and interim personnel charges.

The housing increased due to the increasing number of offices in Belgium and France.

The professional fees include the fees paid to the accountants, lawyer, design agencies, recruitment agencies, other service providers to the Company and management fees. Management fees include the directors remunerations and fees for management active through a management company. In 2021 the professional fees contained the one-off IPO related costs for an amount of KEUR 572. In 2022 the professional fees increased because of ISO certification and the roll out of the ESG strategy.

Sales and promotion charges increased because of sponsoring costs for the Soudal-Quick Step cycling team.

7.2. Employee benefits expenses

in 000€	2022	2021
Gross Salaries	-4.288	-1.944
Social Security charges	-735	-364
Group Insurance	-177	-75
Share based payment costs	-36	-60
Other Insurance	-66	-27
Other payroll charges	-358	-307
Total employee benefit expenses	**-5.660**	**-2.777**

The Company had an average of 94,2 FTE during 2022 (54,4 FTE during 2021) 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 in 2022 were decreased with the capitalized labour cost amounting to 2.210 KEUR (2021: KEUR 782). These costs are capitalized in the context of the production of WaaS installations.

7.3. Other operating charges

in 000€	2022	2021
Non deductible taxes & contributions	-75	-24
Traffic loads	-23	-11
(Reversal of) write-offs on receivables	–	-39
Claims (settlement & provisions, net)	–	72
Loss on receivables	-55	–
Other operating charges	-15	-29
Total other operating charges	**-168**	**-32**

7.4. Financial expenses and income

in 000€	2022	2021
Interest charges - borrowings	-186	-107
Interest charges - lease liabilities	-26	-14
Bank charges	-52	-42
Other financial expenses	-13	-3
Financial expenses	**-277**	**-166**
Exchange differences	4	–
Payment discounts and differences	45	28
Interest income	1	1
Financial income	**50**	**29**
Net financial result	**-227**	**-137**

8. Income and deferred taxes

The major components of income tax expense are:

	for the year ending 31st December	
in 000€	**2022**	**2021**
Consolidated statement of profit or loss		
Current income tax:		
Estimated tax liability for the year	78	10
Deferred income tax:		
Relating to origination and reversal of temporary differences	-77	29
Relating to tax loss carried forward	-536	-840
of which has been recorded directly in equity (other reserves)	–	753
Income tax expense reported in the consolidated statement of profit or loss	**-535**	**-48**
Consolidated statement of other comprehensive income		
Deferred tax related to items recognized in OCI during the year:		
Tax expense/(income) on actuarial gains and losses	12	-52
Deferred tax charged to OCI	**12**	**-52**

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

in 000€	**2022**	**2021**
Profit/(Loss) before tax	**-2.521**	**-748**
Tax expense/(income) at the statutory tax rate of 25%	-630	-187
Disallowed expenses	86	69
Minimum tax	–	9
Untaxed income	-6	–
Tax losses for which no DTA is recognized	11	–
Prepaid share issue costs	–	52
Other	4	9
Income tax expense	**-535**	**-48**

The domestic tax rate is 25% for both 2022 and 2021.

The deferred taxes are explained as follows:

		Consolidated statement of financial position		Consolidated statement of profit or loss & OCI	Acquisition of subsidiary
		At December 31		For the year-ending December 31	
in 000€	**Notes**	**2022**	**2021**	**2022**	**2022**
Tax losses		1.482	946	536	–
Pension liabilities		72	73	-1	–
Leases		11	14	-3	–
Offsetting of deferred tax		-18	-10	-8	–
Total deferred tax assets		**1.547**	**1.023**	**524**	**–**
Property, plant & equipment		-234	-10	3	-227
Intangible assets		-996	-15	41	-1.022
Inventory valuation		-32	-4	25	-53
Offsetting of deferred tax		18	10	8	–
Total deferred tax liabilities		**-1.244**	**-19**	**77**	**-1.302**
Net deferred tax asset		**303**	**1.004**		
Total deferred tax (expense)/income in P&L				**613**	
Total deferred tax (expense)/income in OCI				**-12**	**–**
Total deferred tax (expense)/income in other reserves				**–**	**–**

The Company has a total of KEUR 5.935 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 and are not related to structural losses. The losses are related to IPO related costs deducted in the fiscal result and to the important growth in the structure of the group to be followed by future revenues.

9. Goodwill

The changes in the carrying value of goodwill at December 31, 2022 and 2021 can be presented as follows:

	Goodwill
Acquisition value	
At 1st January 2021	**-**
Business combinations	1.035
At December 31, 2021	**1.035**
Business combinations	**1.100**
At 31st December 2022	**2.135**
Amortization	
At December 31, 2021	**-**
At December 31, 2022	**-**
Net carrying value	
At December 31, 2020	-
At December 31, 2021	1.035
At December 31, 2022	**2.135**

The group distinguishes two cash generating units (CGUs): WaaS and Non-WaaS. The goodwill at December 31, 2022 relates to the acquisitions of iServ BV that has been allocated to the CGU WaaS (KEUR 1.035) and to the acquisition of Covalente, H_2O Production and SCI du Cèdre Bleu that has been allocated to the CGU Non-Waas (KEUR 1.100).

As per December 31, 2022 and 2021 the Group performed an impairment analysis on the WaaS goodwill based upon a discounted cash flow method that contains cash flows for the following four years and a residual value as of year five. The value retrieved from the valuation model is for 99% related to the terminal value. The estimates in the valuation method are based on experience from the past, existing agreements and forecast looking information of existing customers and partners, supplemented where relevant with market evolutions.

The assumptions used in the model are the pre-tax discount rate (pre-tax WACC) of 12,5% (2021: 11,4%), a perpetual growth rate of 2% (2021: 2%) and EBITDA as a percentage of sales varying between 60% and 67% (2021: 69%).

The headroom is more than three times the carrying value of the CGU. The headroom remains between two and three times the carrying value of the CGU in the scenario of increasing the pre-tax WACC to 13,5%. In the scenarios of decreasing the perpetual growth rate to 0% or decreasing the EBITDA to 10%, the headroom remains more than two times the carrying value of the CGU.

The recoverable amount of the Non-WaaS goodwill resulting from the Covalente, H_2O Production and SCI du Cèdre Bleu acquisition on September 16, 2022 is based on the fair value less costs of disposal. The fair value is based on the at arm's length market transaction for the acquisition as the fair value would not be materially different at the reporting date compared to the acquisition date.

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

10. Intangible assets

The intangible assets as per December 31, 2022 consist of intangible assets under construction, software, other intangible assets and customer list.

The intangible assets under construction relate for KEUR 488 to the Circeaulair project. An amount of KEUR 488 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 expenses of technical designers have been capitalized.

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

The total net increase in intangibles resulting from the business combination of H_2O Production amounts to KEUR 4.259 (2021: iServ BV KEUR 84) and is presented in the line item non-current assets as disclosed in note 6.

The changes in the carrying value of the intangible assets at December 31, 2022 and 2021 can be presented as follows:

in 000€	Intangible assets under construction	Customer list	Software	Other intangible assets	Total
Acquisition value					
At January 1, 2021	**–**	**–**	**120**	**38**	**158**
Additions	–	–	150	–	150
Business combinations	–	81	7	–	88
Disposals	–	–	-23	–	-23
At December 31, 2021	**–**	**81**	**254**	**38**	**373**
Additions	488	–	336	–	824
Government grant	(488)	–	–	–	-488
Business combinations	–	4.258	9	–	4.267
Disposals	–	–	-2	–	-2
At 31st December 2022	**–**	**4.339**	**597**	**38**	**4.974**
Amortization					
At January 1, 2021	**–**	**–**	**-42**	**-26**	**-68**
Additions	–	-22	-44	-12	-78
Business combinations	–	–	-4	–	-4
Disposals	–	–	22	–	22
At December 31, 2021	**–**	**-22**	**-68**	**-38**	**-128**
Additions	–	-166	-82	–	-248
Business combinations	–	–	-8	–	-8
Disposals	–	–	2	–	2
At December 31, 2022	**–**	**-188**	**-156**	**-38**	**-382**
Net carrying value					
At January 1, 2021	–	–	78	12	90
At December 31, 2021	–	59	186	–	245
At December 31, 2022	–	**4.151**	**441**	–	**4.592**

11. Property, Plant and Equipment

The land and buildings relate to the owned properties of Ekopak that are used as production and administrative facilities. The additions during 2022 mainly relate to the investment of KEUR 3.310 in land for the building of its new business premises on the De Prijkels site in Deinze and KEUR 789 is included in the assets under construction related to this building.

As per December 31, 2022 WAAS and Pilot installations under construction increased for a net amount of KEUR 1.216. A total amount of KEUR 3.019 relates to WaaS and Pilot installations which have been transferred to machinery and equipment as these were completed during 2022. Optimizing of operational installations led to an increase of KEUR 391 as per December 31, 2022. Furthermore KEUR 75 relates to the acquisition of new installations for demineralised water.

In 2022, several WaaS-installations entered into a sale and leaseback transaction with a financial institution. The carrying value of these financed WaaS installations amounts to KEUR 4,816 as per December 2022. Legal ownership of these assets is transferred to the financial institution. Ekopak has a repurchase option.

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

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

The land and building has a mortgage in favour of a bank for a total amount of KEUR 55 and mortgage mandates for a total amount of KEUR 1.925. There are no other restrictions or pledges on the property, plant and equipment. We refer to note 21 for further information on the pledges and guarantees.

The total net increase in property, plant and equipment resulting from the business combination of H_2O Production amounts to KEUR 1.385 (2021: iServ BV KEUR 390) and is presented in the line item non-current assets as disclosed in note 6.

The changes in the carrying value of the property, plant and equipment at December 31, 2022 and 2021 can be presented as follows:

	Land and buildings	DBFMO Installations	Machinery and Equipment	Office furniture and equipment	Vehicles	Right-of-use assets	Construction in progress buildings	Construction in progress - DBFMO	Total
Acquisition value (in 000€)									
At 1st January 2021	**2.415**	**1.557**	**1.225**	**105**	**112**	**912**	**-**	**480**	**6.806**
Additions *	32	30	216	71	313	241	-	9.557	10.461
Business combinations	-	-	134	25	159	194	-	95	607
Disposals	-	-47	-8	-3	-107	-263	-	-	-428
Transfers	-	5.076	-209	-	-	-18	-	-4.849	-
At December 31, 2021	**2.447**	**6.616**	**1.358**	**198**	**477**	**1.066**	**-**	**5.283**	**17.446**
Additions *	3.388	414	480	50	80	1.286	812	4.235	10.745
Business combinations	1.657	369	157	20	7	-	-	-	2.210
Disposals	-	-	-18	-3	-82	-205	-	-	-308
Lease modifications	-	-	-	-	-	-6	-	-	-6
Transfers	115	3.019	-107	-8	-	-	-	-3.019	-
At December 31, 2022	**7.607**	**10.418**	**1.870**	**257**	**482**	**2.141**	**812**	**6.499**	**30.086**
Depreciation (in 000€)									
At 1st January 2021	**-742**	**-108**	**-470**	**-73**	**-37**	**-429**	**-**	**-**	**-1.858**
Additions	-141	-286	-105	-21	-43	-279	-	-	-875
Business combinations	-	-	-37	-21	-159	-	-	-	-217
Disposals	-	23	7	3	68	244	-	-	345
Transfers	-	-144	126	-	-	18	-	-	-
At December 31, 2021	**-883**	**-515**	**-479**	**-112**	**-171**	**-445**	**-**	**-**	**-2.605**
Additions	-184	-672	-209	-33	-91	-427	-	-	-1.616
Business combinations	-325	-333	-141	-19	-7	-	-	-	-825
Disposals	-	-	17	4	72	205	-	-	298
Lease modifications	-	-	-	-	-	9	-	-	9
At December 31, 2022	**-1.434**	**-1.520**	**-772**	**-158**	**-197**	**-657**	**-**	**-**	**-4.739**

	Land and buildings	DBFMO Installations	Machinery and Equipment	Office furniture and equipment	Vehicles	Right-of-use assets	Construction in progress buildings	Construction in progress - DBFMO	Total
Net book value									
At January 1, 2021	1.673	1.449	755	32	75	483	-	480	4.947
At December 31, 2021	1.564	6.102	879	86	306	621	-	5.283	14.842
At December 31, 2022	6.173	8.899	1.098	99	285	1.484	812	6.499	25.349

* The additions include an amount of KEUR 86 (2021: KEUR 88) depreciations of other assets activated as part of the cost of DBFMO installations and construction in progress.

12. Leases

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

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

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

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

	At December 31	
in 000€	**2022**	**2021**
Right-of-use assets		
Land and buildings	391	206
Vehicles	1.093	415
Total right-of-use assets	**1.484**	**621**
Lease liabilities		
Current	522	282
Non-current	999	393
Total lease liabilities	**1.521**	**675**

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

in 000€	Land and buildings	Machinery and equipment	Vehicles	Total
Acquisition value				
At January 1, 2021	**–**	**18**	**894**	**912**
Additions	146	–	95	241
Business combinations	113	–	81	194
Disposals	–	–	-263	-263
Transfers	–	-18	–	-18
At December 31, 2021	**259**	**–**	**807**	**1.066**
Additions	344	–	942	1.286
Lease modifications	7	–	-13	-6
Disposals	–	–	-205	-205
At December 31, 2022	**610**	**–**	**1.531**	**2.141**
Depreciation				
At January 1, 2021	**–**	**-18**	**-410**	**-428**
Depreciation charge for the year	-53	–	-226	-279
Disposals	–	–	245	245
Transfers	–	18	–	18
At December 31, 2021	**-53**	**–**	**-392**	**-445**
Depreciation charge for the year	-166	–	-251	-417
Disposals	–	–	205	205
At December 31, 2022	**-219**	**–**	**-438**	**-657**
Net book value				
At January 1, 2021	–	-1	484	484
At December 31, 2021	206	–	415	621
At December 31, 2022	391	–	1.093	1.484

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

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

in 000€	**Lease Liability**
At January 1, 2021	**562**
Additions	241
Business combinations	194
Early termination	-32
Payments	-290
At December 31, 2021	**675**
At January 1st 2022	**675**
Additions	1.286
Lease modifications	1
Payments	-441
At December 31, 2022	**1.521**

The following amounts are recognized in the consolidated income statement:

in 000€	**2022**	**2021**
Depreciation expense of right-of-use assets	-417	-279
Interest expense on lease liabilities	-23	-9
Gain on disposal of IFRS16 assets	3	13
Expense relating to short-term leases and low-value assets	-268	-126
Total amount recognized in the consolidated income statement	**-705**	**-401**

Cash-flows relating to leases are presented as follows:

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

13. Inventory

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

	At December 31	
in 000€	**2022**	**2021**
Consumables	171	68
Spare parts	4.666	2.021
Total inventories	**4.837**	**2.089**

14. Trade and other receivables

Trade and other receivables

Trade and other receivables include the following:

	At December 31	
in 000€	**2022**	**2021**
Trade receivables	4.951	2.981
Receivable on vendor - packaging guarantee	74	45
VAT receivable	398	1.011
Deferred charges	205	170
Other current assets	178	45
Total trade receivables and other current assets	**5.806**	**4.252**

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

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

The increase in the other current assets relate to a government grant to be received for which the conditions have been fulfilled in relation to the Circeaulair project for an amount of KEUR 157.

15. Contract assets and contract liabilities

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 4.016, net of prepayments (KEUR 8.362), and KEUR 1.733 as per December 31, 2022 and 2021. 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, 2021 as well as the completion status of the projects.

Contract liabilities

Contract liabilities relate to prepayments of KEUR 231 for one off water process installations contracted by Ekopak France.

16. Cash and cash equivalents

The cash and cash equivalents can be presented as follows:

	At December 31	
in 000€	**2022**	**2021**
Cash at banks and on hand	24.508	42.100
Term accounts	8.000	–
Cash and cash equivalents	**32.508**	**42.100**

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

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

17. Equity

The Company has issued ordinary shares with no nominal value. The following share transactions have taken place during the period between December 31, 2021 and December 31, 2022:

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

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

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

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

The other reserves consist of the following:

	At December 31	
in 000€	**2022**	**2021**
Restricted reserve - legal reserve	6	6
Other reserves	-2.213	-2.213
Share based payment reserve	96	60
Other comprehensive income:		
Actuarial gains (losses) on defined benefit plans	-163	-198
Total other reserves	**-2.274**	**-2.345**

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

17.1. Share-based payments

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

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

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

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

The outstanding warrants as per December 31, 2022 is presented in the table below:

	2022	2021
Outstanding at January 1	35.000	30.000
Granted	–	5.000
Forfeited / Cancelled	–	–
Outstanding at December 31	**35.000**	**35.000**
Exercisable at December 31	–	–

None of the warrants have forfeited or are currently exercisable. 21.666 warrants have vested. The weighted average fair value of the warrants amount to € 3,21. The weighted average remaining contractual life is 3,14 years.

The fair value of the warrants are presented below per warrant plan based on a Black-Scholes Merton valuation model with the following assumptions:

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

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

The share-based payment expense per December 31, 2022 and 2021 is as follows:

in 000€	2022	2021
Expense arising from equity-settled share-based payment transactions	36	60
Total expense arising from share-based payment transactions	**36**	**60**

18. Earnings per share

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

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

in 000€, except per share data in '000	2022	2021
Net profit / (loss) attributable to ordinary equity holders of the parent for basic earnings and diluted earnings per share	-1.986	-700
Weighted average number of ordinary shares for basic and diluted earnings per share	14.825	13.828

19. Provisions and defined benefit obligations

Provisions include the following:

in 000€	At December 31 2022	2021
Provision legal claim from customers	-251	-248
Net defined benefit liability	-288	-294
Total provisions and defined benefit obligations	**-539**	**-542**

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

in 000€	2022	2021
At January 1	-248	-320
Additions	-3	-26
Reversals	–	98
At December 31	**-251**	**-248**

The increase in provisions for KEUR 44 in the consolidated statement of cash flows includes the additions from the table above for the amount of KEUR 3 and KEUR 41 from the increase in defined benefit liability for the amount included in the statement of profit and loss.

Provisions for legal claims from customers

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

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

The claim has not yet been settled as per year-end 2022 and is currently in expertise for the court. The Company does not expect a judgment before 2024. Ekopak lost in first instance during 2018, but filed an appeal. Yearly interests are accrued on the claim.

Contingent liabilities and unrecognized contractual commitments

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

Defined benefit obligations

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

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

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

The employer contribution are subject to a minimum guaranteed return which is based on an average of 10-year government bond yields with a minimum of 1,75% and a maximum of 3,75% (currently, equal to 1,75%) for all contributions which lead to the Company insurance schemes to be classified as a defined benefit plan.

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

	At December 31	
	2022	2021
Number of active members	85	43
Number of inactive members	9	7
Average age	37	37

The net defined benefit liability is as follows:

	At December 31	
in €000	**2022**	**2021**
Net defined benefit liability at the beginning of the year	**294**	**80**
Defined benefit cost included in profit & loss	186	68
Total remeasurement included in other comprehensive income	-47	209
Employer contributions	-145	-64
Net defined benefit liability at the end of the year	**288**	**294**

The decrease in the net defined benefit liability compared to last year, mainly results from the increase on the discount rate used from 0,85% to 3,80%.

The gross defined benefit liability is as follows:

	At December 31	
in €000	**2022**	**2021**
Defined benefit liability at the beginning of the year	**468**	**189**
Current service cost	184	67
Interest cost	4	2
Benefit payments	-7	-4
Taxes on contributions	-17	-7
Insurance premiums on risk coverages	-9	-5
Actuarial loss/(gain) on DBO due to change in financial assumptions	-437	173
Actuarial loss on DBO due to change in demographic assumptions	125	–
Actuarial loss (gain) on DBO due to experience adjustments	245	51
Defined benefit liability at the end of the year	**556**	**468**

The fair value of the plan assets is as follows:

	At December 31	
in €000	**2022**	**2021**
Fair value of plan assets at the beginning of the period	**174**	**110**
Interest income	2	1
Employer contributions	145	64
Benefit payments	-7	-4
Taxes on contributions	-17	-7
Insurance premiums on risk coverages	-9	-5
Changes in return of plan assets	-20	15
Fair value of plan assets at the end of the period	**268**	**174**

All plan assets are invested in an insurance contract (branch 23 product).

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

	At December 31	
	2022	**2021**
Discount rate	3,80 %	0,85 %
Duration of liabilities (years)	24	25
Inflation rate	2,20 %	1,80 %
Salary increase (excluding inflation)	3,30 %	3,00 %
Withdrawal rate (annual)	3,20 %	2,50 %

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

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

	At December 31	
in €000	**2022**	**2021**
Increase of 0,50% (2021: 0,25%) in the discount rate	-66	-33
Decrease of 0,50% (2021: 0,25%) in the discount rate	77	35
Increase of 0,50% (2021: 0,25%) in the inflation rate	41	17
Decrease of 0,50% (2021: 0,25%) in the inflation rate	-37	-17

The expected employer contributions for the year 2023 amounts to KEUR 242.

20. Fair value

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

	Carrying value	
	At December 31	
in 000€	**2022**	**2021**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	4.951	2.981
Other current receivables	74	45
Cash & cash equivalents	32.508	42.100
Total debt instruments	**37.533**	**45.126**
Financial liabilities measured at amortized cost		
Borrowings	12.711	2.754
Lease liabilities	1.521	675
Trade payables	5.643	3.828
Other current liabilities	472	55
Total financial liabilities measured at amortized cost	**20.347**	**7.312**
Financial liabilities measured at fair value		
Contingent consideration	475	–
Total financial liability measured at fair value	**475**	–
Total non-current	10.785	2.232
Total current	10.037	5.080

We refer to note 6 business combinations for more information on the contingent consideration. It relates to the earn-out payable accounted at fair value regarding the business combination of H_2O Production. The contingent consideration is classified as a level 3 in the fair value hierarchy and remeasured trough profit and loss at each reporting period.

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

	Fair value	
	At December 31	
in 000€	**2022**	**2021**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	4.951	2.981
Other current receivables	74	45
Cash & cash equivalents	32.508	42.100
Total debt instruments	**37.533**	**45.126**
Financial liabilities measured at amortized cost		
Borrowings	12.201	2.779
Lease liabilities	1.521	675
Trade payables	5.643	3.828
Other current liabilities	472	55
Total financial liabilities measured at amortized cost	**19.837**	**7.337**
Financial liabilities measured at fair value		
Contingent consideration	475	–
Total financial liability measured at fair value	**475**	–
Total non-current	9.387	2.254
Total current	10.925	5.083

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

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

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

21. Borrowing and lease liabilities

The short and long term liabilities include the following:

	At December 31	
in 000€	**2022**	**2021**
Leasing liabilities	1.521	675
Investment borrowings	6.747	1.500
Government loan	72	148
Investment borrowing for specific customer project	5.892	1.106
Total borrowings and lease liabilities	**14.232**	**3.429**
of which current	2.448	804
of which non-current	11.784	2.625

Total borrowings and lease liabilities	**14.232**	**3.429**
with a fixed interest rate	13.604	2.728
with an interest rate subject to a 5 yearly revision	628	701

The investment credits are collateralized by means of the following:

- Mortgage for the investment credit in relation to the building of KEUR 55.
- Proxy for a mortgage in relation to the building of KEUR 1.093.

The engaged but undrawn investment borrowings are collateralized by means of the following:

- Mortgage for the investment credit in relation to the future building at Deinze for an amount of KEUR 50 and KEUR 5 appurtenances.
- Proxy for a mortgage in relation to the future building at Deinze for an amount of KEUR 20.950 and KEUR 2.095 appurtenances.

The investment borrowings for specific customer projects (WaaS-installations) are collateralized by:

a pledge on all current and future receivables resulting from the agreement between Ekopak and the customer (for one loan limited to KEUR 1.500). The carrying value of these receivables per 31 December 2022 amounts to KEUR 334.

The Company is meeting all requirements of the loan covenants on its available credit facilities.

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

in 000€	**2022**	**2021**
At January 1	**3.429**	**3.660**
Proceeds from loans & borrowings	10.321	143
Repayment of loans & borrowings	-884	-842
New loans and borrowings through business combinations	517	355
New leases (non-cash)	1.286	241
New leases through business combinations	–	194
Repayment of leases	-441	-290
Early termination of leases (non-cash)	4	-32
At December 31	**14.232**	**3.429**

22. Short term liabilities

The short term liabilities are the following:

	At December 31	
in 000€	**2022**	**2021**
Trade and other payables		
Trade payables	-5.643	-3.433
Payroll-related liabilities	-1.153	-396
Total trade and other payables	**-6.796**	**-3.828**
Other current liabilities		
Payable towards customer for packaging guarantees	-69	-43
Deferred income	-309	–
Contingent consideration	-475	–
Other	-94	-16
Total other current liabilities	**-947**	**-59**

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.

The increase in other current liabilities is mainly due to the contingent consideration resulting from the acquisition of H_2O Production as described in note 6 Business combinations (KEUR 475) and deferred income (KEUR 309) relating to prepayments of service contracts.

23. Capital management

The primary objective of the Company's shareholders' capital management strategy is to ensure it maintains healthy capital ratios to support its business and maximize shareholder value. Capital is defined as the Company's shareholder's equity. The shareholder's equity totals KEUR 56.668 and KEUR 58.583 as per December 31, 2022 and 2021 respectively. The ratio shareholder's equity to the total liabilities and equity (solvability ratio) is 70% and 87% as per December 31, 2022 and 2021 respectively.

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

24. Financial risk management

Market risks

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

Interest rate risk

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

Foreign exchange risk

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

Liquidity risk

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

The range of contracted obligations is as follows:

in 000€	Less than 1 year	2 to 3 years	4-5 years	More than 5 years	Total
At December 31, 2022					
Borrowings	2.291	4.306	3.768	3.760	14.125
Lease liabilities	519	716	337	3	1.575
Trade payables and other payables	6.796	–	–	–	6.796
Other current liabilities	947	–	–	–	947
Total	**10.553**	**5.022**	**4.105**	**3.763**	**23.443**
At December 31, 2021					
Borrowings	572	958	815	609	2.954
Lease liabilities	291	379	19	–	689
Trade payables and other payables	3.828	–	–	–	3.828
Other current liabilities	59	–	–	–	59
Total	**4.750**	**1.337**	**834**	**609**	**7.530**

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

The Company is subject to the covenants described in note 21 on borrowing and lease liabilities.

Credit risk

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

Trade receivables and contract assets

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

The Company evaluates the concentration of risk with respect to trade receivables and contract assets regularly. The customer only works with customers active in the chemical, pharmaceutical and food industry with outstanding credit ratings. The Company has no customers which revenue present more than 10% of total revenues.

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

in 000€	Total	Non-due	Less than 30 days	31-60 days	>61 days
At December 31, 2022	4.951	3.749	812	211	179
At December 31, 2021	2.981	2.244	349	61	327

Cash and cash equivalents

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

Operational risks

For the operational risks, we refer to the risk management section included in the Corporate Governance addendum by the integrated annual report.

25. Related party disclosures

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

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

in 000€	2022	2021
Short-term employee benefits	961	553
Post-employment benefits	14	11
Total	**975**	**564**
Warrants granted	35.000	35.000
Warrants outstanding	35.000	35.000

The key management consist of 6 persons (including the CEO) as of 2022 (2021: 5).

Key management has been granted 35.000 warrants at December 31, 2022 (2021: 35.000). We refer to note 17 for additional details.

The Company has a current account receivable on Pilovan which is fully owned by one of the shareholders and management member as well as a current account receivable on the management member in person. The current accounts together totals KEUR 0 and KEUR 9 as per December 31, 2022 and 2021 respectively. The current account is interest bearing. Total interest income received from these related parties totals KEUR 1 at December 31, 2022 and 2021.

We refer to the remuneration report for more information with respect to remuneration of key management.

26. Events after the reporting period

There are no events after the reporting period.

27. Auditor fees

The fees for professional services provided by PwC in 2021 and 2022 were as follows:

in 000€	2022	2021
Audit fees	84	68
Fees of auditor related to specific services (mainly IPO and legal missions related)	–	222
Total	**84**	**290**

28. Interests in other entities

The group's principal subsidiaries at 31 December 2022 are set out below.

Name of entity	Country of incorporation	Ownership interest held by the group At December 31 2022	2021
Ekopak NV	Belgium	100 %	100 %
Water-as-a-Service NV	Belgium	0 %	100 %
iServ BV	Belgium	0 %	100 %
Ekopak SAS	France	100 %	100 %
H_2O Production	France	100 %	0 %
Covalente	France	100 %	0 %
SCI du Cèdre Bleu	France	100 %	0 %

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

Changes in the group's subsidiaries compared to last year, relate to the in note 6 described acquisition of Covalente, H_2O Production and SCI du Cèdre Bleu as per 16 September 2022 and the merger of iServ BV and Water-as-a-Service NV into Ekopak NV per January 1, 2022.

29. NON-GAAP Measures

Adjusted EBITDA is used in note 5 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 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.

30. ESEF

This PDF version is not ESEF (European Single Electronic Reporting Format) compliant. The ESEF package is available on our website and includes a readable XHTML version. This PDF is prepared for the ease of use, the ESEF package prevails in case of discrepancy with other formats.

Supplementary information

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

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

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

The statutory auditor's report is unqualified and certifies that the non-consolidated financial statements of Ekopak NV for the year ended 31 December 2022 give a true and fair view of the financial position and results of the company in accordance with all legal and regulatory dispositions.

1. Balance sheet after appropriation

in 000€	2022	2021
Fixed assets	**31.395**	**9.700**
Intangible fixed assets	1.278	172
Tangible fixed assets	22.648	4.532
Financial assets	7.468	4.996
Current assets	**43.807**	**56.406**
Inventory	8.307	8.849
Amounts receivable within one year	5.170	15.140
Cash and cash equivalents	30.162	32.246
Deferred charges and accrued income	169	171
Total assets	**75.203**	**66.106**
Capital and reserves	**55.490**	**58.118**
Capital	6.671	6.671
Share premium	55.116	55.116
Reserves	53	53
Accumulated profits	-6.350	-3.722
Provisions	**251**	**248**
Provisions for liabilities and charges	251	248
Creditors	**19.462**	**7.739**
Amounts payable after more than one year	10.486	2.245
Amounts payable within one year	8.463	5.487
Total liabilities	**75.203**	**66.106**

As per 1 January 2022, iServ BV and WaaS NV merged into Ekopak NV.

The increase in intangible fixed assets is mainly related to the recognition of the goodwill of iServ BV (0,8 million EUR) as well as the capitalization of software (0,2 million EUR)

The increase in tangible fixed assets is mainly related to the merger with WaaS NV(4,2 million EUR), investment for the new HQ at the Prijkels (4,1 million EUR), new WaaS installations (8,9 million EUR) and Pilot installations (1 million EUR) compensated by depreciations (1,4 million EUR).

Financial assets increased due to acquisition of H2O Group (4,4 million euro). The increase is partly offset by the reversal of the iServ BV (1,2 million EUR) and WaaS NV investment of (0,8 million EUR).

Amounts receivable decreased due to the merger with WaaS NV and iServ BV (7 million EUR). Trade receivables further decreased due to improved internal credit risk procedures.

The cash position of Ekopak NV decreased slightly.

Equity decreased with 2,6 million EUR as a result of the loss appropriation of 2022.

Amounts payable after more than one year increased as a consequence of the sale and lease back transactions incurred for WaaS-installations for a total amount of 4,4 million EUR. Furthermore Ekopak NV entered into a loan agreement for the acquisition of the H2O group of which 4,3 million EUR is included in the long term payables.

Amounts payable within one year increased with an amount of 3 million EUR. This is mainly related to the increase in short term borrowings consisting of 0,6 million EUR related to the sale and lease back transactions and 0,7 million EUR related to the acquisition of the H2O group. Other increase in short term payables relate trade payables for an amount of 1,8 million EUR and payroll related debts of 0,5 million EUR.

2. Income statement

in 000€	2022	2021
Operating income	22.319	19.623
Operating costs	-24.735	-19.276
Financial result	-201	-3.740
Income taxes	-12	-7
Profit/(loss) for the year	**-2.628**	**-3.401**

Ekopak NV's operating income in 2022 increased with 14% to 22,3 million euro. This is related to the overall growth of the Company and is mainly the consequence of the growth in one off sales of water installations.

The operating costs increased with 5,5 million euro and consists mainly of the increases in in selling and general administrative expenses (2,4 million EUR) and in employee benefit expenses (3,5 million EUR). The latter increase is a result of the surge in personnel (FTE increased from 46,3 in 2021 to 87,01). This growth in personnel enables Ekopak NV to be well prepared for the future.

3. Proposed appropriation of Ekopak NV result

in 000€	2022	2021
Profit/(loss) for the year for appropriation	-2.628	-3.401
Profit brought forward	-3.722	-321
Profit to be appropriated	**-6.350**	**-3.722**
Profit to be carried forward	-6.350	-3.722
Total	**-6.350**	**-3.722**

The loss of the financial year is carried forward towards 2023.

Statutory auditor's report

STATUTORY AUDITOR'S REPORT TO THE GENERAL SHAREHOLDERS' MEETING OF EKOPAK NV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

We have been appointed as statutory auditor by the general meeting d.d. 4 December 2020, following the proposal formulated by the board of directors. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2022. We have performed the statutory audit of the Group's consolidated accounts for 3 consecutive years.

1. Report on the consolidated accounts

1.1. Unqualified opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of EUR'000 80,899 and a loss for the year of EUR'000 1,986.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

1.2. Basis for unqualified opinion

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

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

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

1.3. Key audit matters

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

2. Valuation of contract assets

2.1. Description of the Key Audit Matter

Reference is made to note 2.3.3: Significant accounting policies on One off sales, 4.2 Revenue recognised over time and Note 15: Contract assets. Contract assets amounted to EUR'000 4,016 at 31 December 2022.

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

2.2. How our Audit addressed the Key Audit Matter

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

In addition, in order to evaluate the reliability of management's estimates, we reconciled the total price to the signed contracts and tested a sample of purchase invoices and timesheets to verify if these were allocated to the correct projects. We evaluated how lessons learned from the run-off in 2022 of projects open per 31 December 2021 were taken into account in the valuation of contract assets per 31 December 2022. Furthermore, we reconciled and recalculated the proportional part of the production overhead cost allocated to the different projects. We also performed testing over unexpected journal entries posted to revenue to identify potential unusual or irregular items that could influence contract assets and the related revenue recognition.

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

with our expectations.

3. Valuation of construction in progress (DBFMO)

3.1. Description of the Key Audit Matter

Reference is made to Note 2.3 Significant accounting policies: 2.3.9 Property, plant and equipment and Note 11: Property, plant and equipment. The construction in progress related to DBFMO amounted to EUR'000 6,499 at 31 December 2022 and is related to the DBFMO – Design Build Finance Maintain Operate assets under construction (also referred to as WaaS "Water-as-a-Service"). Considering the magnitude of the total costs capitalised as construction in progress (costs of materials, direct labour costs and part of the production overheads) and considering the capitalization of costs requires a significant effort in allocating the costs to the correct project and setting the allocation keys we identified the construction in progress as most significant during our audit.

3.2. How our Audit addressed the Key Audit Matter

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

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

We found no material errors from our testing.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

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

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

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

4. Other legal and regulatory requirements

4.1. Responsibilities of the board of directors

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

4.2. Statutory auditor's responsibilities

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

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

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

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

The non-financial information required by virtue of article 3:32, §2 of the Companies' and Associations' Code is included in the directors' report on the consolidated accounts. The Company has prepared the non-financial information, based on the framework of the International Integrated Reporting Council (IIRC), the Global Reporting Initiative (GRI) framework as well as with EU taxonomy. However, in accordance with article 3:80, §1, 5° of the Companies' and Associations' Code, we do not express an opinion as to whether the non-financial information has been prepared in accordance with framework of the International Integrated Reporting Council (IIRC), the Global Reporting Initiative (GRI) framework as well as with EU taxonomy as disclosed in the directors' report on the consolidated accounts.

4.4. Statement related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.

4.5. European Uniform Electronic Format (ESEF)

Since Ekopak does not prepare digital consolidated financial statements in English we are unable to express an opinion on these. However, we refer to our report on the consolidated financial statements for the year ended December 31, 2022 in Dutch. This contains our opinion on the official Dutch version of the digital consolidated financial statements of Ekopak which have been prepared in accordance with the ESEF requirements under the Delegated Regulation.

Other statements

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

Ghent, 6 April 2023

The statutory auditor

PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV

Represented by

Peter Opsomer

Réviseur d'Entreprises / Bedrijfsrevisor

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Compliance <IR> Framework

This report was prepared in accordance with the international Integrated Reporting <IR> Framework both in terms of structure and content.

Framework Principles	Our approach	Page reference
A. Strategic focus and future-oriented	Ekopak has integrated sustainability into its value creation model and linked clear KPIs to each of the six capitals. Based on the evolution of these KPIs, strategy is drawn up and priorities are set for future projects.	IR 3 Our business model (p22-32) IR 5 Our strategy (p41-51) IR 6 What the future holds for Ekopak (p52-58)
B. Coherence of information	The stakeholders are our parties we engage to identify risks and opportunities that may affect the company's value creation. Based on these risks and opportunities, we draw up a materiality matrix to prioritise them. These priorities are broken down into KPIs on one of the six capitals within Ekopak's value creation model. Finally, the evolution on these capitals forms the basis for determining the projects for the future.	IR 3 Our business model (p22-32) IR 4 Stress test (p33-40) IR 5 Our strategy (p41-51) IR 6 What the future holds for Ekopak (p52-58)
C. Stakeholder management	Stakeholders are used to take a Stress test on Ekopak's value creation model. By having them look at possible opportunities and risks for the future, we are alert to possible blind spots in their own organisations.	IR 4.1 It's all about the stakeholders (p33-38)
D. Materialities	The stakeholders determine the opportunities and risks that are important for Ekopak's value creation. Based on a materiality matrix, we prioritise those materialities that are most important to us and are included as additional KPIs within the value creation model.	IR 4.2 Double materiality (p39) IR 4.3 Material priorities (p40)
E. Conciseness	The value creation model is the complete summary of this report. By framing all content within this model, we ensure that the stakeholder gets all the information they need to make informed decisions.	IR 1.3 How to read this report (p9-10)
F. Reliability and completeness	All information is reviewed internally, approved by the board of directors and prepared externally by an independent party. This ensures that the report gives a true and balanced picture of reality.	IR 1.3 How to read this report (p9-10)
G. Consistency and comparability	This report is an evolution of the 2021 Sustainability Report. As we have evolved from separate reporting to integrated reporting, some KPIs have shifted, but we always indicate this shift transparently.	IR 1.3 How to read this report (p9-10) IR 5.2 Pillars for value creation (p44-45)

Content elements	Page reference
H. Organisational overview and external environment	IR 2 Our company (p13-16) IR 2.2 Social context (p17-20) IR 2.3 Value chain (p21)
I. Governance	Corporate Governance (p59-81)
J. Business model	IR 3 Our business model (p22-23)
K. Risks and opportunities	IR 5.1 Staying on course with our strategy in a changing world (p41-43)
L. Strategy and priorities	IR 5.2 Pillars for value creation (p44-45)
M. Performance	IR 3.2 Value creation model in numbers (p25-32)
N. Outlook	IR 5 Our strategy (p41-51) IR 6 What the future holds for Ekopak (p52-58)
O. Basis for preparation and presentation	IR 1.3 How to read this report (p9-10)
P. General reporting guidelines	IR 1.3 How to read this report (p9-10)

GRI content index

Ekopak has reported in accordance with the GRI Standards (update 2021) for the period 2021-2022. Below we provide a summary index of all GRI disclosures with which this report complies. It is our ambition to grow this index annually to report on all guidelines as soon as possible. All new initiatives that can be read in the report will contribute greatly to this.

GRI		Page reference
2-1	Organizational details	IR 2.1 Ekopak in a Nutshell (p13-16) G 1: Shareholder structure (p61)
2-2	Entities included in the organization's sustainability reporting	IR 1.1 Integrating reporting: embarking on a journey (p3-4)
2-3	Reporting period, frequency and contact point	IR 1.1 Integrating reporting: embarking on a journey (p3-4)
2-4	Restatements of information	IR 1.1 Integrating reporting: embarking on a journey (p3-4) G3: Board of directors (p63-64)
2-5	External assurance	IR 1.1 Integrating reporting: embarking on a journey (p3-4)
2-6	Activities, value chain and other business relationships	IR 2: Our company (p13-21)
2-7	Employees	IR 2.1 Overview organisation/employees (p15) IR 3.2 Value creation model in numbers - Human (p30)
2-8	Workers who are not employees	IR 2.1 Overview organisation/employees (p15) IR 3.2 Value creation model in numbers - Human (p30)
2-9	Governance structure and composition	G: corporate governance report (p59-81)
2-10	Nomination and selection of the highest governance body	G 3: Board of directors (p63-64)
2-11	Chair of the highest governance body	G 3: Board of directors (p63-64) G 5: Executive management committee (p69)
2-12	Role of the highest governance body in overseeing the management of impacts	IR 1.1 Integrating reporting: embarking on a journey (p3-4) IR 1.3 How to read this report (p9-10) G 6.2 Risk Management (p71-76)
2-13	Delegation of responsibility for managing impacts	IR 1.3 How to read this report (p9-10)
2-14	Role of the highest governance body in sustainability reporting	IR 1.3 How to read this report (p9-10) G 6.2 Risk Management (p71-76)

2-15	Conflicts of interest	G: corporate governance report (p59-81) G4.2: Remuneration & nomination committee (p68)
2-16	Communication of critical concerns	IR 4.1 It's all about the stakeholders (p33-38)
2-17	Collective knowledge of the highest governance body	IR 5.1 Staying on course with our strategy in a changing world (p41-43) G: corporate governance report (all)
2-18	Evaluation of the performance of the highest governance body	G4.2: Remuneration & nomination committee (p68)
2-19	Remuneration policies	G7: corporate governance statement 2022 (p77-78)
2-20	Process to determine remuneration	G7: corporate governance statement 2022 (p77-78)
2-21	Annual total compensation ratio	G7: corporate governance statement 2022 (p77-78)
2-22	Statement on sustainable development strategy	IR 1.2 Interview with the CEO (p6-8) IR 5 Our strategy (p41-51)
2-23	Policy commitments	IR 6 What the future holds for Ekopak (p52-58) G7: corporate governance statement 2022 (p77-78)
2-24	Embedding policy commitments	IR 6 What the future holds for Ekopak (p52-58)
2-25	Processes to remediate negative impacts	IR 4 Stress test (p33-40)
2-26	Mechanisms for seeking advice and raising concerns	IR 4.1 It's all about the stakeholders (p33-38) IR 5 Our strategy (p41-51)
2-27	Compliance with laws and regulations	Corporate governance report (p60)
2-28	Membership associations	IR 4.1 It's all about the stakeholders (p33-38) IR 2.1 Ekopak in a Nutshell (p 13-16)
2-29	Approach to stakeholder engagement	IR 4.1 It's all about the stakeholders (p33-38)
2-30	Collective bargaining agreements	IR 2.1 Overview organisation/employees (p15) IR 3.2 Value creation model in numbers - Human (p30)
3-1	Process to determine material topics	IR 4 Stress test (p33-40)
3-2	List of material topics	IR 4 Stress test (p33-40)

3-3	Management of material topics	IR 4 Stress test (p33-40) IR 5 Our strategy (p41-51)
201-1	Direct Economic Value Generated and distributed	IR 2 Our company (p13-21) IR 5 Our strategy (p41-51)
201-2	Financial implications and other risks and opportunities due to climate change	IR 2.2 Social context (p17-20) IR 5.1 Staying on course with our strategy in a changing world (p41-43)
201-3	Significant indirect economic impacts	IR 2.2 Social context (p17-20) IR 5.1 Staying on course with our strategy in a changing world (p41-43)
203-1	Infrastructure investments and services supported	IR 3 Our business model (p22-32)
302-5	Reductions in energy requirements of products and services	IR 5.2.1 Innovation (p45)
303-1	Interactions with water as a shared resource	IR 2.3 Value chain (p21) IR 5.2.1 Innovation - Nature (p45) IR 5 Our strategy (p41-51)
303-2	Management of water discharge related impacts	IR 5.2 Pillars for value creation (p44-51)
401-1	New employee hires and employee turnover	IR 3.2 Value creation model in numbers - Human (p30)
403-1	Occupational health and safety management system	IR 4.1 It's all about the stakeholders (p33-38)
403-4	Worker participation, consultation, and communication on occupational health and safety	IR 4.1 It's all about the stakeholders (p33-38)
403-5	Worker training on occupational health and safety	IR 5.2.2 Collaboration (p47-49)
404-1	Average hours of training per year per employee	IR 3.2 Value creation model in numbers - Human -Training (p30)
404-2	Programs for upgrading employee	IR 5.2.2 Collaboration (p47-49) IR 6.5 Building a solid foundation (p58)
413-1	Operations with local community engagement, impact assessments, and development programs	IR 5.2.2 Collaboration (p47-49)

UN Global compact index

This Sustainability Report also serves as a communication on progress (COP) for Ekopak within the framework of the UN Global Compact. The table refers to passages of text in which we provide information on our commitment to apply the Global Compact's ten principles.

Framework Principles	Our approach
Human rights Principle 1: Support and respect the protection of human rights Principle 2: No complicity in human rights abuses	IR 4.1 It's all about the stakeholders (p33-38) IR 6.5 Building a solid foundation (p58)
Labour Principle 3: Uphold the freedom of association Principle 4: Eliminate forced and compulsory labour Principle 5: Abolish child labour Principle 6: Eliminate discrimination	IR 4.1 It's all about the stakeholders (p33-38) IR 6.5 Building a solid foundation (p58) IR 5.2.2 Collaboration (p47-49)
Environment Principle 7: Support a precautionary approach to environmental challenges Principle 8: Promote greater environmental responsibility Principle 9: Encourage the diffusion of environmentally friendly technologies	IR 5 Our strategy (p41-51)
Anti-corruption Principle 10: Work against corruption	IR 4.1 It's all about the stakeholders (p33-38) IR 6.5 Building a solid foundation (p58)

EU TAXONOMY REPORTING

1. INTRODUCTION EU-TAXONOMY

In this chapter, we provide an overview of Ekopak's business activities that are assessed as sustainable according to the EU Taxonomy. In our report, it is made clear what share these activities represent within Ekopak.

The concept of sustainability is defined by the EU Taxonomy on the basis of six environmental objectives. For each of these six objectives, the EU Taxonomy defines per type of business activity what is considered sustainable.

Six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Based on Regulation (2020/852), an indication is given of which activities can be assessed within the EU Taxonomy. The WaaS and Non-WaaS activities qualify for all environmental objectives. The other two business activities, Services and Consumables, qualify for Objective 3 and Objective 5.

The first two environmental objectives from the EU Taxonomy Regulation are explained further in the Climate Delegated Act. The latter document sets out the criteria for the six environmental objectives and for each business activity that an activity must meet in accordance with the EU Taxonomy. Ekopak has applied these criteria to the business activities that qualify for these objectives, i.e.: the WaaS and Non-Waas activities.

As the EU Taxonomy is still in its infancy, objective criteria for inclusion according to the EU Taxonomy do not yet exist for every information. Sometimes assumptions still need to be made. Ekopak aims to communicate this transparently and thus provide a clear picture of how the company applies the EU Taxonomy. The assumptions made are shown as italicised text in the table below, preceded by ».

2. EU TAXONOMY FOR EKOPAK

Components of the framework	Our approach	Page reference
1. Reporting Scope	In order to be able to fully interpret reporting according to the EU Taxonomy, it is necessary to know how Ekopak is structured. In the text on the scope of this integrated report, it is also described which parts of Ekopak are covered by this reporting. Reporting according to the EU Taxonomy includes only part of the financial reporting, while the full financial figures are also included in this integrated report.	2. Our company 1.3 How to read this report 3.1 Value creation model 2022 in numbers
2. Identification of Taxonomy-Eligible activities	The business activity Services is eligible to contribute to environmental objective 3 "water and marine resources" while the business activity Consumables is eligible to contribute to environmental objective 4 "circular economy". Since WaaS and Non-WaaS activities qualify for all six environmental objectives, a distribution key was applied to avoid double counting. » *Since there are currently no guidelines available in the EU Taxonomy, the following allocation keys for WaaS- and non-WaaS activities were applied, based on the importance of the business activity and the interpretation of the articles from Regulation (EU 2020/852):* - *Environmental objective 1: 2.5%* - *Environmental objective 2: 2.5%* - *Environmental objective 3: 70%* - *Environmental objective 4: 15%* - *Environmental objective 5: 5%* - *Environmental objective 6: 5%*	

	Through these distribution keys, it can be further emphasised that Ekopak's activities mainly impact Environmental objective 3 and 4. Ekopak is eagerly awaiting the Environmental Delegated Act in which the criteria for the other four objectives will be specified. For Ekopak, the fourth Environmental objective "Circular Economy" mainly concerns transition activities. Today, Ekopak uses chemical products in its water purification installations. However, steps are being taken to move to chemically less polluting products or to technologies that require fewer chemicals.	5.2.1 Innovation
3. Identification of Taxonomy-aligned activities	In this section, Ekopak verified whether the business activities that qualify for the first two Environmental objectives, also meet the criteria of the EU Taxonomy. Ekopak's WaaS and Non-WaaS activities fall within the Climate Delegated Act, under "5. Distribution of water, waste and wastewater management and sanitation", according to NACE codes: E36.00 and F42.99. Because in the non-WaaS business segment the installations are sold to the customer, Ekopak no longer has access to the operational data of these installations once they have been delivered and installed. Consequently, Ekopak can only assess WaaS activities against the criteria of the EU Taxonomy. Non-WaaS activities are categorised as "eligible but not taxonomic activities".	
a. Technical screening criteria	<u>Screening Environmental objective 1:</u> This business activity meets three of the four technical screening criteria. Initial improvement steps were identified to meet all four criteria over time.	

	The energy consumption of WaaS activities has been reduced by more than 20% over the past three years, in line with the set criteria. However, the average energy consumption of these activities is still higher than the set minimum. Ekopak is committed to further improving the energy performance of these activities, in line with the EU Taxonomy. The leakage level of the WaaS business is 0%, but it should be clear that this refers only to the facilities owned by Ekopak, as explained below. » *Ekopak has no data on the leakage level of the distribution network, which is generally owned by the customer, but only to the WaaS installation that is connected to this distribution network. As soon as Ekopak owns a full distribution network, data related to leakage will be measured and reported. Today, Ekopak can only report that the leakage level of the connection between the WaaS plants and associated buffer tank is 0%.* Ekopak aims to continuously improve its performance in the most efficient way, thereby applying predetermined priorities. The highest priority is given to areas where the company can have the greatest impact, namely the WaaS activities in the other four environmental objectives. <u>Screening Environmental objective 2:</u> Based on the technical criteria as listed above, Ekopak can conclude that its WaaS activities are aligned with environmental objective 2. A risk analysis into the effects of climate change forms a significant part of these criteria. In this integrated report, Ekopak's analysis of risks and opportunities is discussed in detail. » *The criteria from Environmental objective 2 are not strictly delineated in an objective manner like those from objective 1. However, these criteria were assessed to the best of Ekopak's ability, as reflected in the aforementioned analysis of risks and opportunities.*	5.2.1 Innovation 5.1 Staying on course with our strategy in a changing world
b. DNSH Criteria ('Do No Significant Harm')	The DNSH criteria can be used to check whether a business activity has no negative impact on any of the environmental objectives. For this purpose, reference is often made to existing laws and regulations. Ekopak endeavours to comply with all legal provisions at all times. To formalise this principle, Ekopak is currently developing several policy documents in which the company provides assurances of compliance with legal and supra-legal frameworks.	6.5 Building a solid foundation

	» *In the absence of <u>numerical</u> DNSH criteria, Ekopak seeks to demonstrate that it meets these criteria through the policy documents it is currently developing.*	
c. Minimal Social Safeguards	The EU Taxonomy sets out Minimum Social Safeguards for companies to act in line with OECD guidelines, UN principles on business and human rights, ILO conventions and rights in the International Bill of Human Rights. Through the policy documents, which are under development, Ekopak can transparently communicate that the company makes decisions in line with national and European laws, which in turn are in line with the guidelines included in the EU Taxonomy. *In the absence of numerical criteria for he Minimal Social Safeguards, Ekopak seeks to demonstrate that it meets these criteria through the policy documents it is currently developing*	6.5 Building a solid foundation
4. Reporting templates	The reporting templates that are suggested in the EU taxonomy without obligation, have been adopted by Ekopak, thus ensuring that the company's reporting is fully compliant with EU directives.. Interpretation of results: <u>In the coming years, an increasing percentage of Ekopak's activities will be aligned with EU Taxonomy. As already mentioned, Ekopak has the greatest impact on the last four objectives, and has also committed to take improvement steps on the screening criteria from environmental objective 1 as well.</u>	Appendix A,B and C EU reporting templates Chapter EU Taxonomy 2.2

3. ANNEXES

3.1. Appendix A "EU reporting template Turnover KPI"

TURNOVER KPI In EUR '000

Economic Activities	Code	Absolute turnover	Proportion of turnover	Substantial Contribution Criteria: Climate change Mitigation	Substantial Contribution Criteria: Climate change adaptation	Substantial Contribution Criteria: Water and marine resource	Substantial Contribution Criteria: Circular Economy	Substantial Contribution Criteria: Pollution	Substantial Contribution Criteria: Biodiversity and ecosystem	DNSH criteria: Climate change Mitigation	DNSH criteria: Climate change adaptation	DNSH criteria: Water and marine resource	DNSH criteria: Circular Economy	DNSH criteria: Pollution	DNSH criteria: Biodiversity and ecosystem	Minimum Safeguards	Taxonomy aligned proportion of turn over year N	Taxonomy aligned proportion of turn over year N-1	Category Enabling Activities	Category Transition Activities
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
A. Taxonomy eligible activities																				
A.1. Taxonomy-aligned activities																				
WAAS		€ 62,93	0,36%	0	0,36%	0	0	0	0	N	N	N	N	N	N	J	0,36%	/	/	/
Turnover A1		**€ 62,93**	**0,36%**	0	**0,36%**	0	0	0	0	**N**	**N**	**N**	**N**	**N**	**N**	**J**	**0,36%**	%		
A.2. Taxonomy-Eligible, but not Taxonomy-aligned activities																				
WAAS		€ 2.454,08	13,86%																	
Non-WAAS One off installations		€ 8.590,00	48,50%																	
Services		€ 4.584,00	25,88%																	
Consumables		€ 2.019,00	11,40%																	
Turnover A2		**€ 17.647,08**	**99,64%**														**99,64%**	**/**		
Total turnover A1 + A2		**€ 17.710,00**	**100%**														**100,00%**	**/**		
B. Taxonomy-non-eligible Activities																				
Turnover B		€ 0,00	0%																	
Total Turnover A + B		€ 17.710,00	100%																	

3.2. Appendix B "EU reporting template CapEx KPI"

CAPEX KPI In EUR '000

Economic Activities	Code	Absolute CapEx	Proportion of CapEx	Substantial Contribution Criteria: Climate change Mitigation	Climate change adaptation	Water and marine resource	Circular Economy	Pollution	Biodiversity and ecosystem	DNSH criteria: Climate change Mitigation	Climate change adaptation	Water and marine resource	Circular Economy	Pollution	Biodiversity and ecosystem	Minimum Safeguards	Taxonomy aligned proportion of CapEx year N	Taxonomy aligned proportion of CapEx N-1	Category Enabling Activities	Category Transition Activities
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
A. Taxonomy eligible activities																				
A.1. Taxonomy-aligned activities																				
WAAS		€ 380,00	1,03%	0	1,03%	0	0	0	0	N	N	N	N	N	N	J	1,03%			
CapEx A1		**€ 380,00**	**1,03%**	0	**1,03%**	0	0	0	0	**N**	**N**	**N**	**N**	**N**	**N**	**J**	**1,03%**	/		
A.2. Taxonomy-Eligible, but not Taxonomy-aligned activities																				
WAAS		€ 14.820,00	40,13%																	
Non-WAAS One off installations																				
Services		€ 21.729,00	59,00%																	
Consumables																				
CapEx A2		**€ 36.549,00**	**98,97%**														**98,97%**	**/**		
Total CapEx A1 + A2		**€ 36.929,00**	**100%**														**100,00%**	**/**		
B. Taxonomy-non-eligible Activities																				
CapEx B		€ 0,00	0%																	
Total CapEx A + B		€ 36.929,00	100%																	

3.3. Appendix C "EU reporting template OpEx KPI"

OPEX KPI In EUR '000

Economische activiteiten	Code	Absolute OpEx	Proportion of OpEx	Substantial Contribution Criteria: Climate change Mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	DNSH criteria: Climate change Mitigation	Climate change adaptation	Water and marine resources	Circular Economy	Pollution	Biodiversity and ecosystems	Minimum Safeguards	Taxonomy aligned proportion of OpEx year N	Taxonomy aligned proportion of OpEx year N-1	Category Enabling Activities	Category Transition Activities
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
A. Taxonomy eligible activities																				
A.1. Taxonomy-aligned activities																				
WAAS		€ 24,48	0,13%	0	0,13%	0	0	0	0	N	N	N	N	N	N	J	0,13%	/		
OpEx A1		**€ 24,48**	**0,13%**	0	**0,13%**	0	0	0	0	**N**	**N**	**N**	**N**	**N**	**N**	**J**	**0,13%**	/		
A.2. Taxonomy-Eligible, but not Taxonomy-aligned activities																				
WAAS		€ 954,62	4,95%																	
Non-WAAS One off installations		€ 18.324,91	94,93%																	
Services																				
Consumables																				
OpEx A2		**€ 19.279,52**	**99,87%**														**99,87%**	/		
Total OpEx A1 + A2		**€ 19.304,00**	**100%**														**100,00%**	/		
B. Taxonomy-non-eligible Activities																				
OpEx B		€ 0,00	0%																	
Total OpEx A + B		€ 19.304,00	100%																	