

PRESS RELEASE – REGULATED INFORMATION

Ekopak makes a strategic quantum leap from a solid, high-growth base

Ekopak acquires industry peer Global Water & Energy (GWE), transforming the group into a genuine global company, and looks back on a strong first half of the year.

Tielt (Belgium), 14 September 2023 – 8h45 CEST

Ekopak (EKOP:xbru), an ESG-driven company specializing in decentralized, circular water solutions, announces the acquisition of Global Water & Energy (GWE), a privately held company headquartered in Bruges, Belgium, with subsidiaries in Europe, Southeast Asia and North America. The company specializes in solutions for industrial wastewater treatment, water reuse and green energy production. At this occasion, Ekopak also publishes limited unaudited figures for the six-month period ended 30 June 2023. Publication of the full 2023 Half Year Report is scheduled for 25 September 2023.

Key elements of the GWE-deal

- Ekopak acquires 100% of the shares of the GWE Group, which from now on will be included in Ekopak's consolidation scope.
- The transaction will be financed partly with equity and partly with long-term funding.
- This acquisition provides exceptional geographic, cross-sector and technological complementarity. With this acquisition Ekopak becomes a full-solution partner in the field of water reuse.
- Transforming Ekopak from a BeNeFra-company to a global player in a fast growing global water market.
- For 2023, Ekopak expects a group turnover (incl. GWE turnover as of today) of EUR 35-38 million (2022 group turnover: EUR 18 million). On a pro-forma consolidated annualized basis Ekopak & GWE will have a group turnover of EUR 55 – 58 million.
- Both companies will continue to operate under their own names, but will approach the market jointly when appropriate.

Highlights 1H2023

- WaaS segment (Water-as-a-Service): continued acceleration of revenue growth (+23% versus 1H2022) combined with a stable and solid EBITDA margin (67%).
- Non-WaaS segment: the robust revenue growth (+104% versus 1H2022) and the 12% EBITDA margin confirm the structural potential of this segment, along the WaaS segment.
- Continued strong performance of Ekopak France. Revenue in France amounts to EUR 2.4m, more than quadrupling from 1H2022.

- WaaS/non-WaaS revenue growth, combined with the stable level of Corporate costs (EUR 1.4m), result in positive Group EBITDA of EUR 1.1m (8%) compared to EUR -0.5m in 1H2022.

Business Outlook

- Confirmation of the stand-alone group turnover for 2023 of EUR 25-28 million.
- The prospect of positive EBITDA in 2023 for Ekopak thanks to a strong pipeline remains in place and applies even more to the new group after integration of GWE.
- Circeaulair, Ekopak's partnership with Aquafin and EPICo2, continues to make good progress to be operational from 2025.
- Ekopak is confident of making a significant contribution to solving the problem of water scarcity in the medium term, and with the integration of GWE, this contribution will become even more significant.

GWE: unique complementarity

Pieter Loose, CEO Ekopak: "The sector offers enormous opportunities, but it is evolving rapidly. Responding in a timely manner requires broad expertise and a certain scale. Together, we can play a leading role in the current wave of consolidation within the sector. There is an unseen complementarity between GWE and Ekopak. In terms of expertise, GWE's strength lies in wastewater treatment, while Ekopak is enormously skilled in the field of circular water use. We notice more and more that our customers are looking for both solutions. We also complement each other perfectly geographically: GWE is mainly active on the international market, largely outside Europe, while Ekopak has mainly put itself on the map in Western Europe. The integration of both companies offers us a unique opportunity, at the most opportune moment in the evolution of the sector. The time is now! We go for it!"

Uli Ombregt, CEO Global Water & Energy: "Both Ekopak and GWE have large branches of international companies as customers. The successes we achieve at these sites prompt those groups to implement similar solutions in other locations around the world. Our cooperation puts us at the forefront for this. The opportunities are endless... For example, GWE has many major customers in the brewing and food sectors, while Ekopak has a foothold in many multinationals in the chemical and pharmaceutical sectors. From now on we can pool our expertise and offer joint solutions for all these companies, in all these industrial sectors. GWE's DNA and corporate culture fit perfectly with those of Ekopak. In terms of teamwork, it will definitely be a flying start."

GWE, a hidden gem

GWE offers high-quality water treatment and wastewater treatment technologies adapted to each customer's specific situation. Jean-Pierre Ombregt, a pioneer in modern anaerobic wastewater treatment and active in that sector since 1972, founded Global Water & Energy in 1991. Over the years, GWE has developed an extensive network of qualified local partners in more than 20 countries and currently operates worldwide through regional offices in Belgium, the Netherlands, the Philippines, Thailand and the US. Although water treatment is still GWE's main business, the group is also active in water reuse, biogas valorization, odor control and biomass energy. GWE has a loyal customer base of reputable international companies from diverse sectors such as beer and beverage, food, pulp and paper, waste treatment and energy, distilleries and biofuels. In 2022, GWE's team consisted of about 120 employees and achieved an EBITDA of EUR 6 million on a consolidated turnover of around EUR 30 million.

More info: <https://www.globalwe.com>

Condensed management report 1H2023

In 000 € (non-audited figures)	In 000 €		1H2023/ 1H2022	As a % of revenue	
	1st Half 2023	1st Half 2022		1H2023	1H2022
Revenue					
WaaS segment	1 510	1 225	+ 23%		
Non-WaaS segment	12 744	6 248	+ 104%		
<i>Total</i>	<i>14 254</i>	<i>7 473</i>	<i>+ 91%</i>		
EBITDA					
WaaS segment	1 014	822	+23%	67%	67%
Non-WaaS segment	1 497	111	+1249%	12%	2%
Corporate segment	-1 408	-1 402	0%	-10% *	-19% *
<i>Total</i>	<i>1 103</i>	<i>-469</i>		<i>8%</i>	<i>-6%</i>

(*) EBITDA Corporate segment as a percentage of Total Revenue

For more information we refer to upcoming HY financial press release of 25 September 2023

The CEO's perspective

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

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

In recent periods, we have focused on expanding the organization so that it is armed to meet the challenges of the future. This entailed certain expenses, which weighed on the group's profitability for some time. Today, we have an organization with a strong backbone, capable of supporting and guiding existing activities as well as building projects for the future. This has been achieved in the past six months along with a strict control of corporate costs. Consequently, the objective of generating a positive EBITDA for the full year 2023 has already been amply achieved.

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

Geographical expansion: priority on structural revenue growth on the French market

In the first half of 2023, revenue generated outside the Belux home market represents 18% of the group's total revenue which is almost entirely due to Ekopak France (EUR 2.4 million). Besides a new WaaS project at TotalEnergies in Grandpuits (FR), Ekopak France scored a non-WaaS project for a battery plant in northern France, which will contribute to the group's results as early as H2 2023.

The integration of GWE will immediately lead to further internationalization. More detailed information on this will be provided at a later date.

Outlook: reaffirmation of stand-alone revenue forecast and positive EBITDA

The results achieved by the entire group in the first half of 2023 provide confidence to reaffirm the ambition of achieving group revenue of EUR 25-28 million in 2023, without taking into account the further positive impact of the GWE integration.

The figures for the first half of 2023 also reaffirm the outlook of generating positive EBITDA for the full year 2023, while GWE will also contribute to additional EBITDA growth in 2023. Ekopak has again demonstrated its ability to keep costs and margins under control in a volatile economic and political environment. In the medium term, the integration of GWE will lead to additional synergies, which will also translate into a favorable evolution of EBITDA at group level.

Even after the integration of GWE, without a capital increase, Ekopak will continue to have a solid balance sheet. The acquisition of GWE will be financed 1/3 by own funds and 2/3 by external financing in the form of bank loans, to which the balance sheet provides the necessary room.

With the increasing success of the WaaS and non-WaaS projects, as well as with the Circeaulair projects and the integration of GWE, Ekopak is increasing its contribution to

solving the problem of water scarcity in the medium term. The company not only aims to contribute to a sustainable economy through its products and services, but also applies ESG principles to its own operation and pursues the highest sustainability.

Financial calendar

25 September 2023 (8.00 am CEST) – Publication of the full 2023 Half Year Report

About Ekopak

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

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

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

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

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