Integrated Report 2023

Ekopak

Ekopak Sustainable Water

Together towards
a sustainable future.

About this report

Declaration of the Board of Directors

It is our distinct pleasure to present the second integrated annual report for Ekopak. Last year'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 on 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 several feedback points (accessible through scanning the QR codes). They represent a low-threshold way for our stakeholders to express their views and provide input.

This report has been produced by stress-testing our value creation model. The key risks and opportunities for value creation have been identified based on consultation with the company's stakeholders and have been incorporated into a materiality matrix. This matrix contains the material issues that could have an impact (positive or negative) on Ekopak's value creation model. Based on this materiality assessment, the strategy is determined to prevent and mitigate risks on the one hand and exploit opportunities on the other. Short-, medium- and long-term objectives are also derived from this assessment. During implementation, the strategy is validated through continuous feedback from stakeholders.

The itinerary of this journey is mapped out around well-defined waypoints – the Key Performance Indicators (KPIs) that we defined in 2022. Today, we measure our performance and report our progress in full transparency, in order to demonstrate to what extent we are staying on course on our journey. While monitoring the KPIs we set in the past, we are further expanding our KPI dashboard to take a more holistic approach. At the moment, we are still in the process of defining our targets.

This integrated report covers all legal entities of Ekopak that are included in the group's consolidation circle. As GWE has only been consolidated since September 2023, the relevant data and figures of GWE are still reported separately in this report. They will be integrated in the next integrated report. 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. It also serves as a Communication on Progress within the framework of UN Global Compact. This year, elements of the Corporate Sustainability Standard were also integrated for the first time. This will prepare us to meet our reporting obligation for 2025. The financial report, included in this integrated report, has been audited by PwC, Ekopak's statutory auditor.

Based on the above actions, this report was compiled, validated for completeness and approved by the Board of Directors. 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 judgment about 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 2023 Integrated Report on 20 March 2024.

Pieter Bourgeois, Valerie Dejaeghere,
Els De Keukelaere, Tim De Maet,
Kristina Loguinova, Pieter Loose,
Regine Slagmulder, Nathalie van Den Haute

Table of contents

1 Introduction

1.1 Interview with the CEO

Integrating, collaborating, innovating and growing at the same time.

CEO Pieter Loose does not have much time to look back. Still, he incorporates the lessons from the past into his vision of the future: don't be slowed down but try to go even faster. Also: do not be scared off but dare to take even the biggest steps. Relying confidently on the results achieved in 2023, this sets the tone for 2024.

In our conversation last year, you mentioned that the company needed to grow even faster and become significantly larger to make the Ekopak dream come true, so that society could continue to have sufficient drinking water. With today's knowledge, those were prophetic words....

Indeed. I assume that you refer to the integration of GWE into our group. But, please allow me first to remind you of the overall strategy of Ekopak. We are a responsible & sustainable supplier of mission-critical industrial process water, and our main goal is to ensure 100% water circularity in the industry, contributing significantly to the continuous availability of drinking water for society. To achieve this, we have crafted a strategy focused on providing mobile, decentralised production units and wastewater treatment plants. Part of this strategy is our commitment to the innovation of our installations. By focusing on innovation, we aim to stay at the forefront of technological advancements. Ekopak increasingly focuses on digital water management, with state-of-the-art monitoring systems, operational cloud based software for operating the installations, and with in-house data analytics (including AI). We also have deepened our professional relationship with universities, and we have focused on how we could benefit as a group from the technologic know-how of H_2O Production, the French company that was acquired in 2022. Both examples illustrate how innovation can be spurred through collaboration.

Innovation and collaboration are two of the three main pillars of our strategy, while the third pillar is awareness. Informed by feedback from the stress tests, further elaborated in this report, we are constantly alert to identify opportunities where all strategic pillars converge. Several opportunities emerged in 2023, of which the integration of GWE indeed had the biggest impact.

From that strategic perspective the acquisition of GWE seems an obvious decision. But did you expect to make such a bold move in early 2023?

Honestly, at the beginning of 2023, I had no idea that we would integrate Global Water & Energy (GWE) in the group later that year, which pretty much doubled the size of our group overnight. Sometimes things can move fast, and one must dare to recognise unexpected situations as opportunities. That is what I did when the possibility began to emerge that Ekopak and GWE could join forces. I took some time to recover from that surprising insight, but soon I had my team investigate the feasibility of such a big operation. Then I shared my plan with the Board of Directors. Soon the directors realised that this was not a wild dream, but a considered step to accomplish Ekopak's mission: to switch the industry completely to circular water use, so that there will always be enough drinking water available in the world. Another argument: this operation would also allow us to sensitise a vastly larger group of people around the importance of circular water use.

After a thorough examination of the plan, the Board sounded, "We do it. Go ahead! Move fast, now!"

When you talked about "abroad" last year, it was still mainly about France. Today, Ekopak is active in Southeast Asia and North America. Could you have imagined that?
Deep down, I knew we would go international with Ekopak, but at that time I didn't think it would happen so soon. I know better than anyone else the sustained efforts it took to grow in our Belgian home market and become the company that we are today. We had an impressive 54% organic growth in 2023. I also realise that we cannot achieve the same position on the French market overnight, although we continue to make very good progress there. Logically, I also realised that it would take several years for Ekopak to develop Southeast Asia and North America completely on its own. But, thanks to GWE's well-developed organisation in those markets, that step was much easier for Ekopak to take. After all, our GWE colleagues have already done all the pioneering work!

> **"Sometimes things can move fast, and one must dare to recognise unexpected situations as opportunities."**
>
> Pieter Loose – CEO

On a pro forma consolidated annual basis, Ekopak & GWE will have group sales of EUR 55 - 58 million, while Ekopak's group sales in 2022 were still EUR 18 million. Can Ekopak handle such a large integration?
Most certainly, there is no doubt about that. Operationally, GWE is already fully integrated now. That is because GWE already was a fully integrated organisation on its own when it joined Ekopak. That made everything so much easier. It would be much harder to operationally integrate a group that is only half the size of GWE when it is made up of loose separate businesses. GWE's streamlined organisation is precisely one of its strengths.

I notice you mention operational integration twice. What other kind of integration is there?
Strategic integration! And that can be viewed in two ways.

First, the fact that Ekopak took such a bold step and that the integration of GWE went smoothly indicates that our core strategy is fully embedded in our organisation and is deeply rooted in the minds of all our employees.

Second, the arrival of GWE provides an exceptional complementarity. GWE is largely active outside Europe, while Ekopak has mainly put itself on the map in Western Europe. In terms of expertise, GWE is strong in the field of wastewater treatment, while Ekopak is hugely skilled in the field of circular water use. In simple words, Ekopak and GWE do not have exactly the same activities, but they complement each other in a perfect way. Our vision is not just to utilise the strengths of both in parallel, but to integrate them - by way of innovation - into new, all-encompassing business models. The best of both worlds. This is where the power of continuous innovation lies at Ekopak.

Can you explain that strategic integration a little more concretely?
Ekopak focuses on water treatment to enable circular water use. GWE is traditionally strong in water purification, so that water can and may be discharged after use in accordance with the strictest standards. But is there any reason why a company that now has a water treatment plant should not be able to reuse some of that water in its production process instead of discharging it? In the whole world, there are not many companies that can offer such a combination. Today, Ekopak can. For many – if not all – of our customers, the availability of industrial process water is critical in fulfilling their mission. With our enhanced capabilities, we present ourselves to our customers as the best-in-class provider of mission-critical process water.

Yet another question: is there any reason why the Water-as-a-Service business model could not be extended to water treatment?

And the answer to that question is...?
The answer is that there is no reason at all - we can make both ideas come true. It fits perfectly with one of our strategic pillars: innovation. And we are not wasting our time. Three months after integrating GWE into the group, we thought the time was right to extend the WaaS model to Asia as well through the creation of WaaS Asia, a new joint venture.

A joint venture… why not build your own organisation?

Our mission implies that we are open to collaboration; another strategic pillar of Ekopak. If we want the industry to fully switch to circular water use, we have to realise that we cannot do it alone. The need for cooperation is even greater because of the speed of global warming. Collaboration allows us to take on bigger projects, together we can deliver them faster and therefore also better accomplish our mission. By the way, this is not our first joint venture. Circeaulair is another joint venture, focusing on our home market, in which the treated wastewater (effluent) coming from Aquafin's wastewater treatment plant (WWTP), is converted by Ekopak into process water for industrial purposes. WaaS Asia is a joint venture with a different geographical scope. However, there is a common theme: Stakeholder Engagement. We want to be in dialogue with all stakeholders on a regular basis. In the annual stress tests, we gather insights from all stake-holders to identify risks and opportunities. Sometimes it turns out that collaboration with key stakeholders enables Ekopak to better pursue specific opportunities. This may then result in the creation of a joint venture.

Collaboration, strategic integration and growth… that's a lot of things at once, isn't it?

Indeed, and as mentioned above, we also continue to innovate our installations and raise awareness among the industry…

A big task, but Ekopak is perfectly capable of doing it. From the very beginning, Ekopak has followed an integrated vision, which does not only focus on the economic-financial aspect, but pays equal attention to sustainability, social aspects, and the way we lead and manage our company. In other words: ESG. This means that we are fully aware of the importance to have all employees and stakeholders on the same page and on board with our strategy. By the way, in 2022 and 2023, we already significantly strengthened our organisation to meet the challenges of the future, and to optimally implement our strategy. In terms of mission, vision, values, and ESG, the GWE organisation is also fully united. There is a higher, common goal. In all sections of our group, there is great energy and drive from every employee to contribute to this. The 'vibe' is clearly present. Moreover, today we have a much larger group of experienced and motivated employees than, say, a year ago, to implement our strategy. Working together, integrating and growing… a tough job? Perhaps, but I am convinced that together we will manage it.

You exude that enormous drive… but can everyone in the organisation keep up that fast pace?

We realise that we are blessed with our team, and we put the happiness of all our employees first. We want to give our employees plenty of opportunities to develop themselves, sometimes surpass themselves, but always pay attention to their mental well-being and a healthy balance between life and work. In the early years of Ekopak, this came naturally, but as we grow, we need to build systems and structures to achieve this. Building upon the findings of the 2022 wellbeing survey, we started drafting policies, guidelines and structures. Throughout 2023, we maintained regular, daily communication with our employees to stay attuned to their needs. The upcoming 2024 wellbeing survey is intended to provide more detailed insights, facilitating ongoing enhancements in this area. To conclude, I would like to explicitly thank all stakeholders, and especially all employees for their commitment and dedication. With them by my side, I face the future with confidence.

1.2 How to read this report

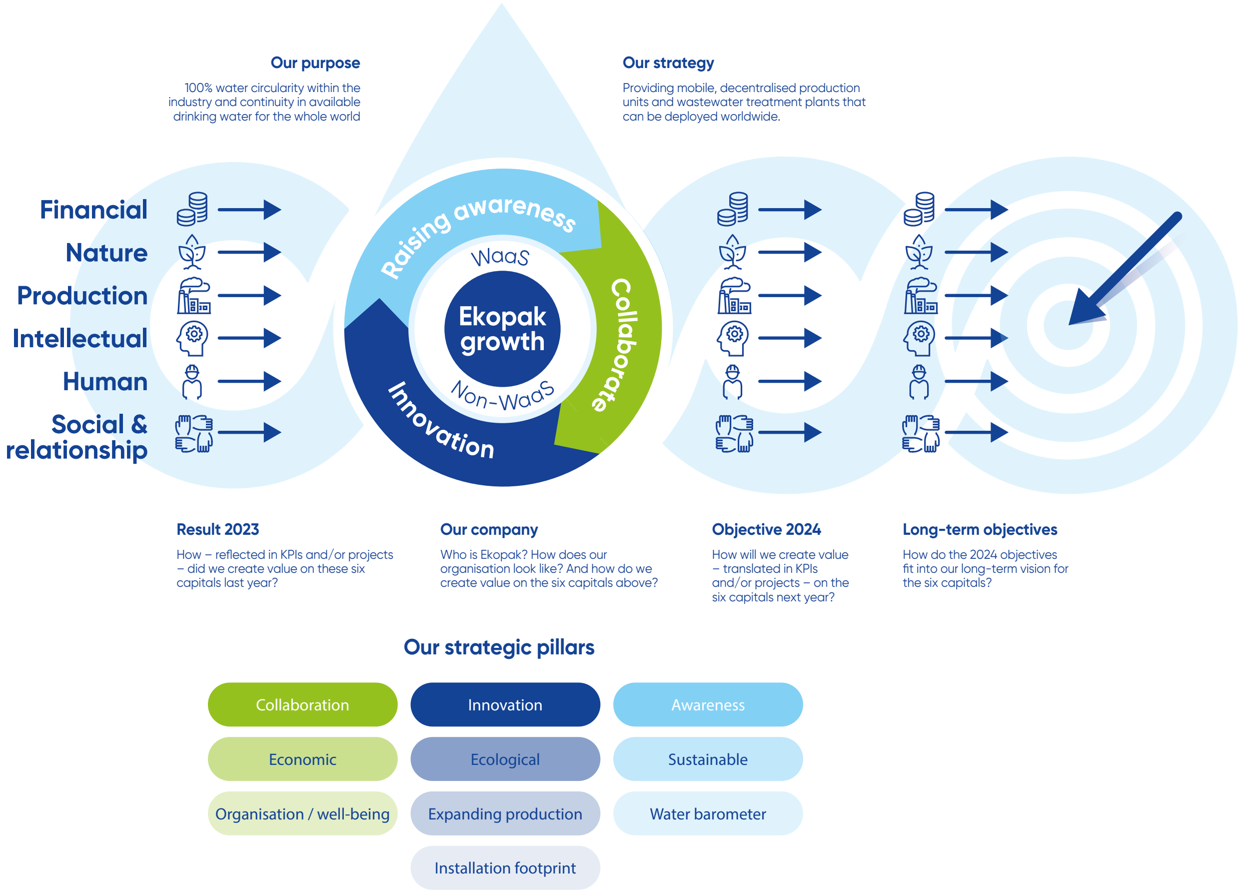
An integrated report aims to provide a holistic view of the company. Therefore its format differs significantly from a traditional annual report. At the core of an integrated report is the value creation model, which serves as the backbone for this document and determines its structure.

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.

The infographic should be read from left to right. On the left are the six capitals - the resources - that Ekopak deploys to achieve its goal ('Our purpose'): achieving 100% water circularity within the industry and ensuring continuity in available drinking water worldwide.

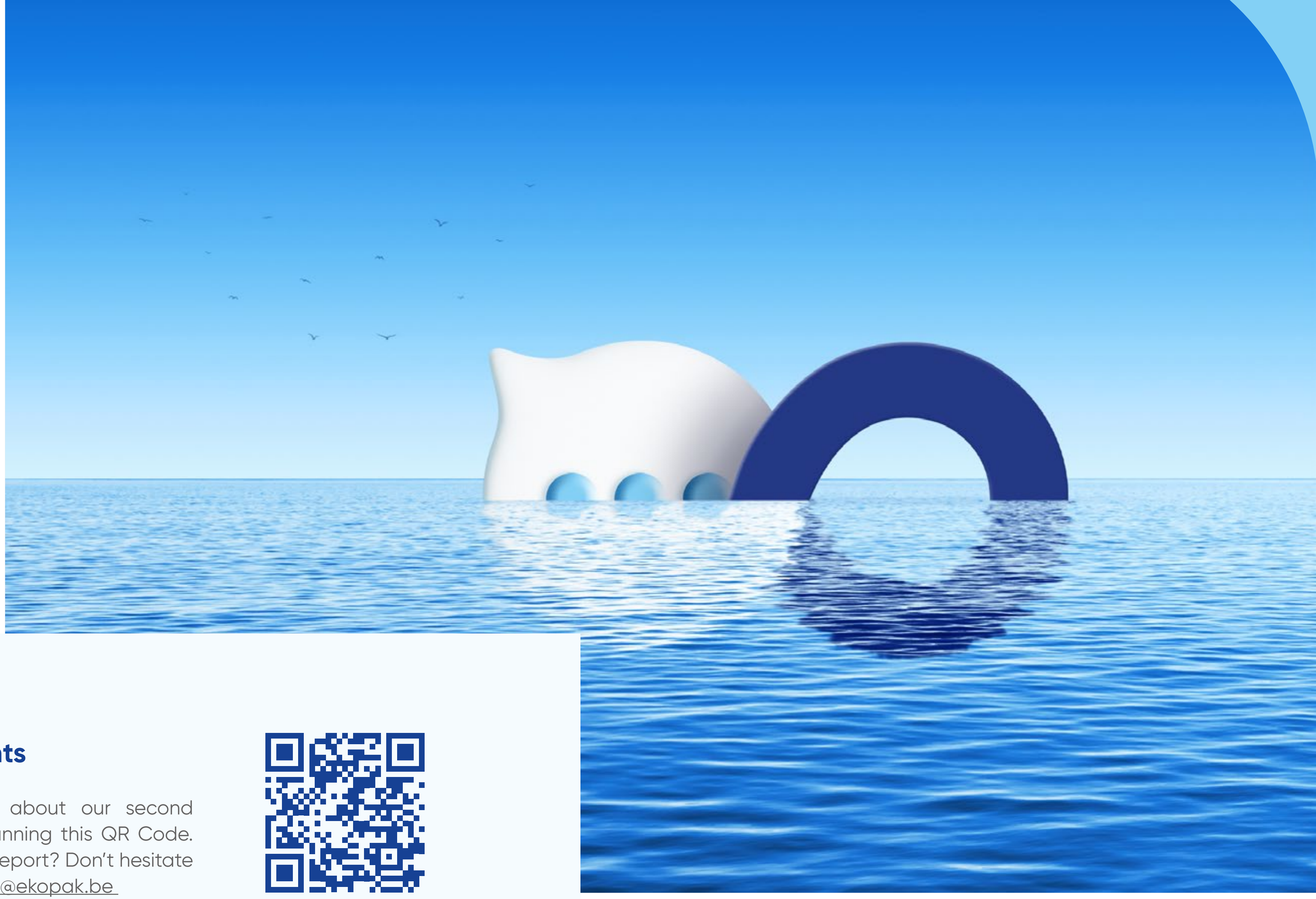
Those capitals are deployed in Ekopak's business process, both in its WaaS and non-Waas operations (in the centre of the infographic). The strategy is focused on growth, which Ekopak aims to achieve by providing decentralised water production units and wastewater treatment plants. This growth strategy 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 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 2.1 Ekopak in a nutshell).

Through continuous efforts at strategic and operational levels, Ekopak aims to create added value for each of the six capitals deployed in the short term and long term. This is shown on the right-hand side of the infographic.



Share your thoughts

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

1.3 Timeline of our growth

January

New year, new cycling season
Ekopak is again the proud shirt sponsor of the cycling team Soudal Quick-Step and the women's team AG Insurance Soudal (both nicknamed "the Wolfpack"). With this sponsorship, we aim to build brand awareness across the globe. This partnership also helps us to create awareness about the importance of water.
Sport is an important aspect at Ekopak and is highly encouraged to our E-team (that is how we nickname the Ekopak workforce). In 2023, we have obtained the Sportlabel from Sport Vlaanderen.

February

Purchase order from NX Filtration
Ekopak will provide a water treatment installation for NX Filtration's new plant in Hengelo, the Netherlands. NX Filtration is a global provider of pioneering direct nanofiltration (dNF) membrane technology for pure water. This new partnership is an important step in realising Ekopak's long-term ambitions in the non-WaaS segment.

July

Ekopak France is growing with its first major WaaS project
Ekopak France wins its first major WaaS project with TotalEnergies in Grandpuits, France. Ekopak will relieve the client of all its water recycling needs for a contract period of 15 years. In addition, several other large projects in France have been signed, putting Ekopak France well on the map.

August

Start construction of new HQ in Deinze, Belgium
The structural works of the new headquarters started. The building will illustrate Ekopak's vision of sustainability. Consequently, it will be completely self-sufficient in terms of water and energy usage. This building will support our future growth. We plan to welcome you into our new building early 2025.

September

Acquisition Global Water & Energy
Ekopak acquires Global Water & Energy (GWE), a private company with headquarters in Bruges Belgium, and branches in Europe, Southeast Asia, and North America. The company is an expert in solutions for industrial wastewater treatment, water reuse, and green energy production. Ekopak is now a full solution partner and global player in water reuse. This partnership enables Ekopak and GWE to meet the industry's needs and pursue our goal of going towards 100% circular water use. As a consequence, Ekopak is now positioned a responsible and sustainable supplier of mission-critical industrial process water for its customers worldwide.

November

Opening of ultra-pure process water production plant at Vynova
Flemish Minister Demir officially opens the new state-of-the-art demineralised water plant at chemical company Vynova in Tessenderlo, Belgium. The new plant will no longer consume groundwater. Through this installation based on membrane technology, we can reduce Vynova's ecological footprint and contribute to the realisation of the company's sustainability goals.

November

Ambassador for Business West Flanders
Ekopak has been chosen as the very first Ambassador for Business West Flanders, organised by the Belgian regional newspaper 'Krant van West-Vlaanderen'. This is a recognition for the dedication and hard work of each individual within our organisation.

December

Creation of WaaS Asia
Ekopak continues to build on international expansion and launches WaaS Asia through the creation of a new joint venture. Water-as-a-Service Asia was founded in collaboration with Vyncke NV and Mr. Saku Rantanen. WaaS Asia aims to meet the rising demand for sustainable water reuse solutions in Southeast Asia and India.

2 Our company

"We want to pursue 100% circular water use by disconnecting the industry from the drinking water network"

Pieter Loose – CEO

2.1 Ekopak in a nutshell

What we do

Ekopak offers a specialised range of industrial water treatment and wastewater treatment solutions. We recycle and revalue water. Ekopak wants to be an innovative product leader and focuses on innovative technology for water recycling. Our 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. By focusing on circular water in industrial processes, we guarantee our customers an uninterrupted water supply. Our approach is threefold: Reuse, Reduce, Revalue. We enable companies to reuse water, we make it possible for them to save water and we innovate to revalue water. Ekopak is a responsible and sustainable supplier of mission-critical industrial process water to its customers worldwide.

How we do it

Ekopak's business model can be split into 2 segments: WaaS & Non-WaaS

WaaS

Ekopak Sustainable Water

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 and wastewater 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.

Our strategic pillars

We aim to achieve our purpose and continue to grow through the following strategic pillars: Collaboration, Innovation, and Awareness. Awareness creates greater demand. To meet this increasing demand, Ekopak needs to innovate by developing new concepts and models. To introduce those innovations, we need to engage various partners and collaborate.

Collaboration

By building the appropriate network and partnering with strategic partners Ekopak can have a greater impact. Collaborations with our customers, partners, and other external organisations are crucial if we want to achieve our goal of pursuing 100% circular water use.

Innovation

To ensure the quality and continuity of water in our installations, the R&D team of Ekopak works on several innovation projects. We continue to innovate our installations to have maximum efficiency and a minimal ecological footprint.

Awareness

Industry and governments are not always aware of the potential in terms of water renewability yet. Ekopak wants to play a pioneering role and wants to inform those companies and other parties as much as possible. Our staff also plays an important role in building awareness. They are our ambassadors who represent our mission.

The DNA of the E-team

The DNA of Ekopak is what defines us as a company. Our DNA is not determined by a piece of paper in some drawer but is deeply rooted in our employees, suppliers, and customers. Our Ekopak oath is a vow that any newcomer in the company has to pledge. Our vow contains the following pillars: Economic, Ecologic, and Sustainable. In Dutch, this is: Economisch, Ecologisch, Duurzaam – abbreviated to EED (and "eed" is the Dutch word for oath).

Economic

We are constantly looking for methods to increase the deployability of water and ensure that water from the decentralised source meets the right quality and continuity standards. We seek out ways to keep business operations economically viable.

Ecological

We actively care for the planet and its limited resources. We are always on the lookout for the recovery of the balance between an individual company and its water use by offering the best available solution.

Sustainable

We encourage everyone to always map out the long-term strategy. Although water-saving technologies certainly have an effect in the short term, in the long term it is necessary to use the right water sources for the right applications so our water use becomes economically sustainable.

2.2 Key figures

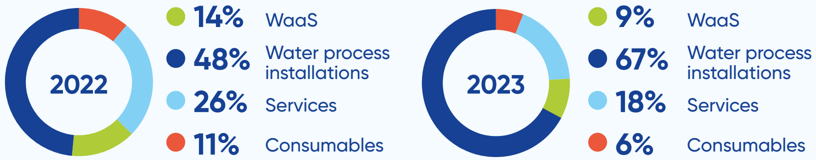
Purpose:

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

Strategy:

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

Overview products



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

Consolidated turnover

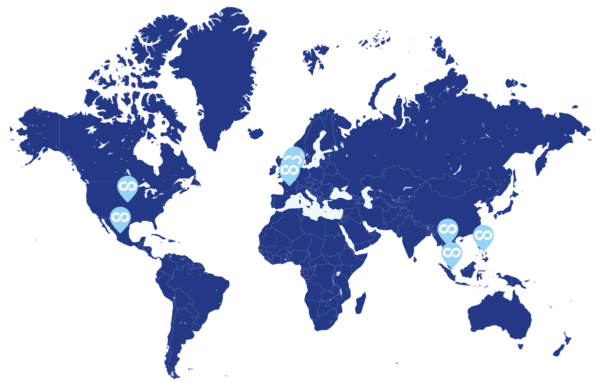
Numbers in Million €

Organic growth equals 54%

Overview countries

In €000

	2022	2023
Belgium	13.094	10.723
APAC	16	355
Africa	20	853
America	0	4.940
Rest of Europe	4.580	19.161
Total revenue by geography	17.710	36.033



Focus industries

- Pharmaceutical & cosmetic industry
- Chemical industry
- Food & beverage industry
- Pulp and paper industry

Overview water savings

- City water savings in m³ with our WaaS installations

2020	2021	2022*	2023
0.4 mio m³	3.3 mio m³	2.8 mio m³	2.8 mio m³

Total = 9.3 mio m³

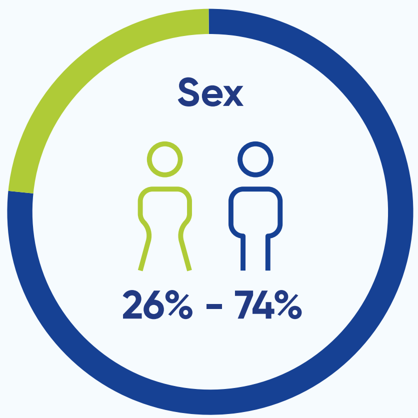
*m³ revised for 2022 in order to ensure comparability. Revision due to a commercial settlement with a WaaS customer. The WaaS asset is allocated to other projects.

Overview organisation/ employees

	2021 excl.GWE	2022 excl.GWE	2023 excl.GWE	2023 incl.GWE
FTE	54,4	94,2	136,3	168,5
Headcount	63	121	142	241

Due to the acquisition of GWE as at 14 September 2023, 1 headcount equals 0,29 FTE's.

Ekopak Group



2.3 Social context

Global warming is expected to increase the number of water-stressed areas and heighten water stress in already affected regions. For every 1°C (1.8°F) increase in the global average temperature, UN experts project a 20 percent drop in renewable water resources. Not only climate change is putting a huge strain on our water supplies but also population growth and urbanisation. According to the World Resources Institute, 25% of the global population faces extremely high water stress.

25%

Did you know

that 25% of the global population faces extremely high water stress?

Ekopak's business is strongly influenced by external factors such as social and political developments. This can provide us with opportunities but also create risks (see corporate governance report).

Impact of water stress on the industry

The industry relies heavily on water, it is a mission critical element. Many production processes require a large amount of water for washing and cleaning their product at the end of production. 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 sustainably. Next to that, governments play an important role as well. They can disconnect large water consumers in times of drought, which can strongly influence their production processes and business as a whole.

Impact of the industry on water stress

The industrial sector accounts for 19% of global fresh-water withdrawals. However, this varies from region with industrial withdrawal from about 5% in Africa and up to 57% in Europe.* It is clear to say that industry, energy, and agriculture have a big impact on water stress.

57%

Did you know

about 57 % of all water withdrawal in Europe comes from the industrial sector

Awareness within the industry

In 2022, we conducted a water survey (Waterbarometer) in the Belgian market. Results from this survey showed us that companies still lack a sense of urgency when it comes to water stress (cfr. Integrated report 2022). Day zero is fast approaching, there is no time to waste, companies need to act now and start looking for alternatives.

Resilience of our E-team

The accumulation of crises is straining workers' resilience, making burnout increasingly common. On average, a quarter of all employees report experiencing burnout symptoms, according to a McKinsey Health Institute survey (2022) of nearly 15,000 workers across 15 countries. The mental health of our employees is of the utmost importance. To monitor the resilience of our team, we will again perform an employee well-being survey in 2024. The results of our previous well-being survey can be found in our integrated report 2022.

**UN World Water Development Report 2022, Unesco.org*

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. With the acquisition of Global Water & Energy, we have doubled our workforce but are also looking to hire additional people across the globe. Some job positions are difficult to fill but we do experience that our company's purpose is a big plus in the war for talent.

65%

Did you know

65% of Belgian employers are struggling to find staff

Tunnel vision

Water should not be considered in isolation; as a company, our influence and footprint extends to various domains. With the escalating emphasis on a holistic approach to sustainability, our customers will become increasingly stringent on the broad sustainability story. It is crucial for us to stay attuned to sustainability from a comprehensive standpoint. In our pursuit to recycle and revalue water, we must be vigilant to avoid generating negative impacts on other materialities.

Governance

In the context of ESG, transparency and completeness are becoming increasingly important for companies. We are increasingly challenged and are getting more and more questions in terms of governance. In 2023 we therefore worked hard on documenting how we implement several policies such as a diversity policy, client policy, supplier policy, human rights policy, etc (see also addendum "Corporate Governance Report").

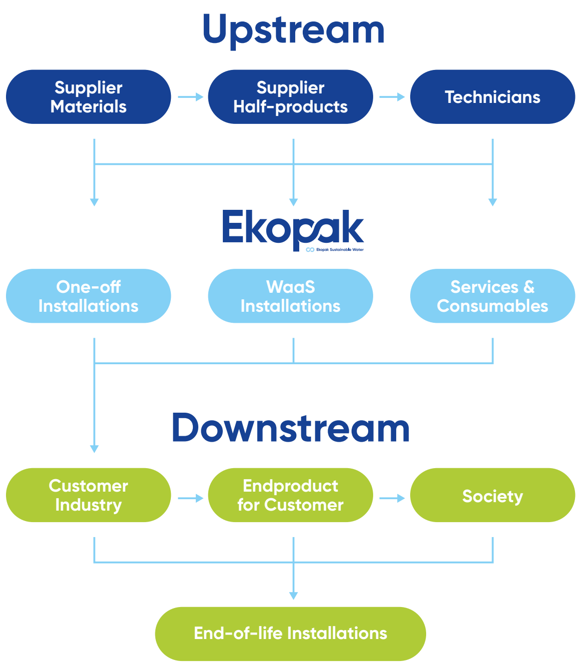
Compliance

Legislators impose more and more regulations on companies in terms of water management, discharge standards, etc. The Blue Deal in Belgium, Plan Eau in France, and the EU Green Deal for example offer great opportunities for Ekopak. However, we must not lose sight of the impact of our installations on the environment. We aim to improve our ecological footprint and have clear targets in that respect (see chapter 3.2 Value Creation model in numbers).

Share your thoughts

2.4 Value chain

In this chapter, we describe in more detail the value chain of Ekopak. How do we fit in here, who are our suppliers, who are our customers? And in what way do these chains have an impact on society?



Suppliers of materials & suppliers of half-products
Based on the sales contract which has been agreed upon with each client, we purchase the raw materials, spare parts, and chemicals required for the installation. Where do we purchase them? How has the price of these materials evolved? What about the delivery time of these products? Which materials have become scarcer? Etc.

Technicians
Sometimes we hire technicians to support us if we do not have the person with the appropriate skills in-house or if we do not have enough staff for this.

One-off installations
All of our installations are produced in the Ekopak headquarters in Belgium. The wastewater treatment plants are produced on the customer site. Ekopak offers customised one-off water and wastewater treatment installations for sale, with supporting services on demand. (see chapter 2.1 Ekopak in a nutshell).

WaaS installations
With our WaaS business model, we offer a carefree service from A-to-Z. The installation is entirely owned by Ekopak and Ekopak takes care of the maintenance. (see chapter 2.1 Ekopak in a nutshell).

Services & consumables
Customers can call on Ekopak for maintenance but also for other services such as water analysis, treatment of cooling or boiler water, disinfection, chemical services, corrosion control, biogas valorisation, etc. Consumables refer to the sale of chemicals and spare parts.

Customer industry
This is our customer where we provide the water treatment installation. Our customer uses its recycled water for its production processes or other purposes. Each customer is different and has specific requirements for their process water.

End product for consumer
Our industry customer delivers his finished product to the end customer.

Society
Water is valuable. By disconnecting the industry of the drinking water network, we create a positive impact on society. Because less drinking water will be used for industrial purposes, we put less stress on our natural resources.

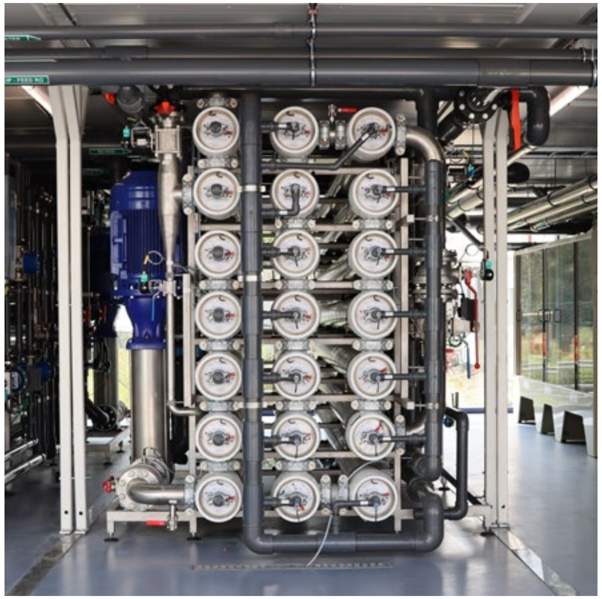
End-of-life installations
Our value chain stops at the end-of-life of our installations. We take a close look at how we can close the chain, whether parts can be reused, how we recycle the installation, etc.

3 Our business model

3.1 Management Report 2023

Key elements for 2023

- FY2023 revenue of EUR 36.0 million (+103%): impressive 54% organic growth and recognition of 3.5 months revenue of GWE
- Based on the current signed contracts for non-WaaS projects, EUR 31 million of revenue has not yet been recognised in the 2023 Results, because the related projects were not fully completed by 31 December 2023
- Solid Adjusted EBITDA[1] margin of 10% representing EUR 3.6 million
- All forecast targets are met (both stand-alone targets and those revised upwards after the acquisition of GWE)
- WaaS segment (Water-as-a-Service): impressive 32% YoY revenue growth with a stable, attractive Adjusted EBITDA-margin of 65%
- Non-WaaS segment: successful integration of GWE contributed to fivefold increase of the Adjusted EBITDA, representing a solid 12% margin (vs. 5% in 2022)
- Despite doubling in size Ekopak has managed to contain corporate charges, and to optimize Working Capital, resulting in and Operating Cash Flow of EUR 0.6 million.
- Over 35% of total revenue[2] for 2023 is generated outside Europe, underlining Ekopak's global reach.
- Ekopak's cutting-edge water production and purification solutions effectively address the need for support from large chemical and food manufacturers to achieve their sustainability goals (e.g. Vynova, TotalEnergies, Heineken, Danone, etc.)
- Tangible progress in pursuing sustainability/ESG-targets



[1]*Adjusted EBITDA = EBITDA corrected for those costs that the company considers not in the ordinary course of business.*
Adjusted EBITDA = EBITDA increased with expenses from claims, restructuring and acquisitions.

[2]*On a pro forma basis, assuming GWE was included in the consolidation circle since 1 January 2023*

in EUR thousands	1H2023	1H2022	1H2023/ 1H2022	2H2023	2H2022	2H2023/ 2H2022	Full year 2023	Full year 2022	2023/ 2022	EBITDA margin FY 2023
Revenue										
WaaS	€ 1.510	€ 1.225	23%	€ 1.806	€ 1.292	40%	€ 3.316	€ 2.517	32%	
Non-WaaS	€ 12.744	€ 6.248	104%	€ 19.973	€ 8.945	123%	€ 32.717	€ 15.193	115%	
Total	€ 14.254	€ 7.473	91%	€ 21.779	€ 10.237	113%	€ 36.033	€ 17.710	103%	
Adjusted EBITDA										
WaaS	€ 1.014	€ 822	23%	€ 1.139	€ 860	32%	€ 2.153	€ 1.682	28%	65%
Non-WaaS	€ 1.508	€ 113	1235%	€ 2.401	€ 590	307%	€ 3.909	€ 703	456%	12%
Corporate	€-1.408	€-1.402	0%	€-1.103	€-1.439	-23%	€-2.511	€-2.841	-12%	
Total	€ 1.114	€-467		€ 2.437	€ 11		€ 3.551	€-456		10%

The CEO's perspective

Pieter Loose, CEO Ekopak comments: "In 2023, Ekopak has really taken a big leap forward. With an impressive 54% organic growth, and the integration of Global Water & Energy (GWE), in September 2023, we pretty much doubled the size of our group. While we were previously mainly active in Belgium and France, Ekopak is now also operating in South-East Asia and North America. GWE provides an exceptional complementarity, geographically, but also in terms of expertise. As a result, we now think of ourselves as a best-in-class provider of mission-critical industrial process water for our customers around the world. Our vision is not just to utilize the strengths of both in parallel, but to integrate them into new, all-encompassing business models. In this context, Ekopak is analysing to extend its Water-as-a-Service business model to water treatment activities like those of GWE, and to converse non-WaaS clients to the WaaS concept.

Ekopak's 2023 performance is impressive! Let us not forget that behind the fine figures there are numerous projects for widely respected clients, including Takeda, TotalEnergies, Heineken, Danone and several others.

Today's successes justify sharpening our ambitions for the future. Ekopak is finetuning its strategy to pursue attractive opportunities in a growing, but fragmented market. Our state-of-the-art monitoring systems, our expertise with cloud software as well as our extensive in-house data analytics capabilities (including AI) facilitate scalability and expansion. We are also open for collaborations, including joint ventures, that allows us to take on bigger projects. While Circeaulair is a joint venture that focuses on our Belgian home market, we have recently also created WaaS Asia, a joint venture with Vyncke NV and Saku Rantanen.

WaaS segment: sustained high sales growth at stable and very robust Adjusted EBITDA margin

Ekopak's operations in the WaaS segment have continued to perform well in 2023. Full-year revenue evolved from EUR 1.2 million in 2021 to EUR 2.5 million in 2022 and EUR 3.3 million in 2023. In the first half of 2023, WaaS revenue increased by 23% compared to the same period in 2023. In the second half of 2023, the revenue growth rate accelerated to an amazing 40%, resulting in a YoY growth rate of 32%. Major projects in 2023 included a WaaS project in France for the production site of TotalEnergies in Grandpuits.

With a robust Adjusted EBITDA margin of 65%, the WaaS profitability remains perfectly in line with the mid-term target for this segment and provides yet another confirmation of the structural attractiveness of this business model.

> **With an Adjusted EBITDA margin of 65%, the WaaS profitability remains perfectly in line with the mid-term target for this segment**
>
> Pieter Loose – CEO

Non-WaaS segment: a new, global dimension

The FY2023 revenue in the non-WaaS segment grew from EUR 15.2 million in 2022 to EUR 32.7 million in 2023 (+115%). This doubling is partly due to the integration of GWE, although it should be mentioned that this business has only been included in the consolidation scope since mid-September 2023. This implies that the existing business also recorded a strong performance in 2023.

Traditionally, GWE has a stronger focus on non-WaaS activities, just like the French company H2O Production, that was acquired by Ekopak in 2022. The WaaS model is gaining momentum in the French market, and at the same time Ekopak continues to score well with non-WaaS projects in France. A similar evolution is envisaged for GWE on its traditional geographic markets, including South-East Asia and Northern America.

The 12% Adjusted EBITDA margin in 2023 reconfirms once again the solid fundaments of the non-WaaS business, including the GWE operations, and also illustrates the discipline around cost control and efficiency of the Ekopak team.

Geographic expansion: from local, to regional, to global

The sustained expansion in the French market, together with the integration of GWE, transformed Ekopak from a local Belgian company into a global group in just a few years. Revenues generated outside the Belgian home market accounted for 20% of total revenues in 2021. In 2022, this share rose to 26%, mainly due to the entry of Ekopak into the French market. Over 35% of total revenue for 2023 is generated outside Europe, underlining Ekopak's global reach.

> **"Over 35% of revenues* are generated outside Europe."**
>
> Pieter Loose – CEO

Geared for future growth

In 2022, Ekopak started to strengthen its corporate organisation in order to accommodate future growth in the **fast evolving water market.** As a result, corporate charges increased from EUR 1.4 million in 2021 to EUR 2.8 million in 2022. At the end of 2022, Ekopak forecasted that the full-year 2022 corporate cost of EUR 2.8 million would be largely maintained in 2023. Even as Ekopak continued to strengthen the backbone of its operations, the company managed to limit operating expenses to EUR 2.5 million - down EUR 0.3 million from 2022. In a difficult labour market, Ekopak is pleased to note that it is still **capable of attracting and retaining talented people**. The headcount at year-end grew from 121 in 2022 to 241 in 2023.

Ekopak continues to **focus on innovation**. The company has deepened its professional relationship with universities, and has fuelled its R&D efforts. Ekopak increasingly focuses on digital water management, building on its expertise with state-of-the-art monitoring systems, operational cloud- based software for operating its installations, and with in-house data analytics (including artificial intelligence) in order to achieve ever better results for its high-end customers around the globe.

*On a pro forma basis, assuming GWE was included in the consolidation circle since 1 January 2023

In parallel, Ekopak adopts an innovative approach to **customer relationship,** including its R&D On Tour project. With this project, Ekopak provides trial installations at the premises of potential customers, enabling them a live experience of the potential impact of Ekopak's water treatment units.

Ekopak has also made progress on its **ESG objectives**, having started measuring its progress against the key performance indicators in this area in 2023, for which a baseline measurement was carried out in 2022. In addition, Ekopak already initiated in the beginning of 2024 the project on measuring its carbon footprint (including scope 3 emissions). More details will be provided in the 2023 Integrated Annual Report, to be published next month.

> **"Headcount grew from 121 in 2022 to 241 in 2023"**
>
> Pieter Loose – CEO

Positive Adjusted EBITDA: EUR 3.6 million

After corporate charges, the group's 2023 Adjusted EBITDA is positive and amounts to EUR 3.6 million, while it was still negative in 2022 (EUR -0.5 million).

Mainly as a logical consequence of Ekopak's investment programme, depreciation charges have increased, resulting in an 2023 EBIT of EUR -3.4 million (EUR -2.3 million in 2022).

The 2023 financial result includes EUR 0.9 million financial expenses (up from EUR 0.3 million in 2022), related to the financing of Ekopak's investments and acquisitions. As a result, Ekopak reports a loss before taxes of EUR 4.0 million (EUR 2.5 million in 2022).

Balance sheet reflects impressive growth trajectory in 2023

Mainly as a result of the integration of GWE, Ekopak's **balance sheet total** at year-end increased by 60% from EUR 80.9 million in 2022 to EUR 129.4 million in 2023.

Equity remains solid at EUR 53.5 million at 31 December 2023, compared to EUR 56.7 million a year before. This corresponds to a solvency ratio of 41%.

Net Financial Debt On a pro forma basis (assuming GWE was 12 months included in the consolidation scope), NFD/ Adjusted EBITDA (current and non-current borrowings minus cash and cash equivalents, excl. leases) is 3.0, which is generally considered conservative.

The increase of various balance sheet items represents a reflection of Ekopak's impressive growth trajectory in 2023, which Is a combination of strong organic growth and the integration of GWE.

Net working capital (Total current assets excluding Cash and cash equivalents – Total current liabilities, excluding borrowings, leases and other current liabilities) amounts to EUR 6.1 million, an improvement of EUR 0.9 million compared to previous year. This is mainly due to an extremely disciplined management of working capital and credit collection.

Operating Cash Flow amounted to EUR 0.6 million – again referring to the positive EBITDA and the impact of optimal working capital management.

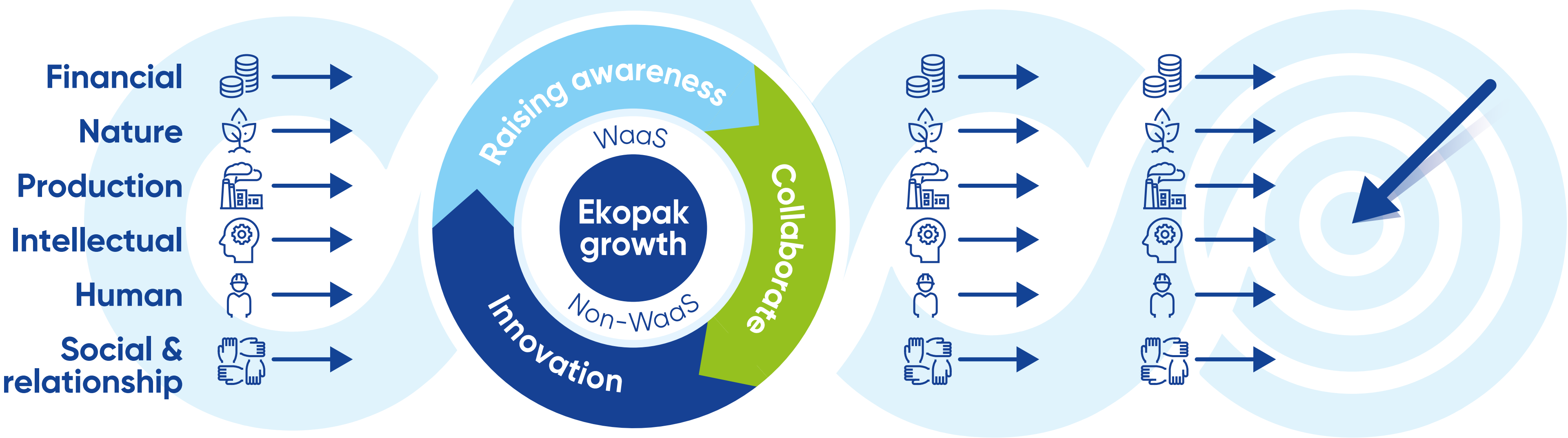
3.2 Value creation model 2023 in numbers

Our purpose

100% water circularity within the industry and continuity in available drinking water for the whole world

Our strategy

Providing mobile, decentralised production units and wastewater treatment plants that can be deployed worldwide.



Result 2023

How – reflected in KPIs and/or projects – did we create value on these six capitals last year?

Our company

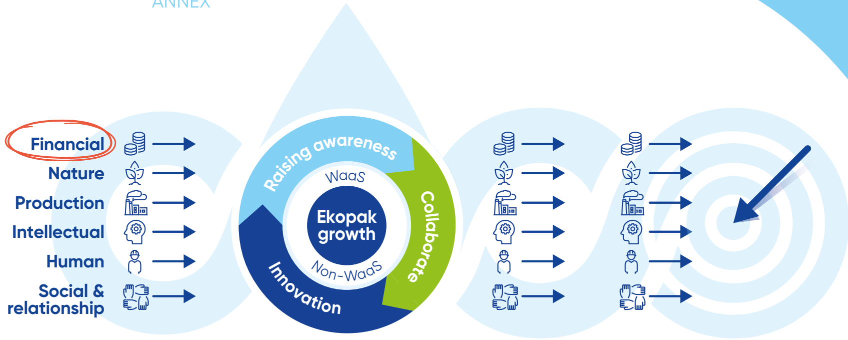
Who is Ekopak? How does our organisation look like? And how do we create value on the six capitals above?

Objective 2024

How will we create value – translated in KPIs and/or projects – on the six capitals next year?

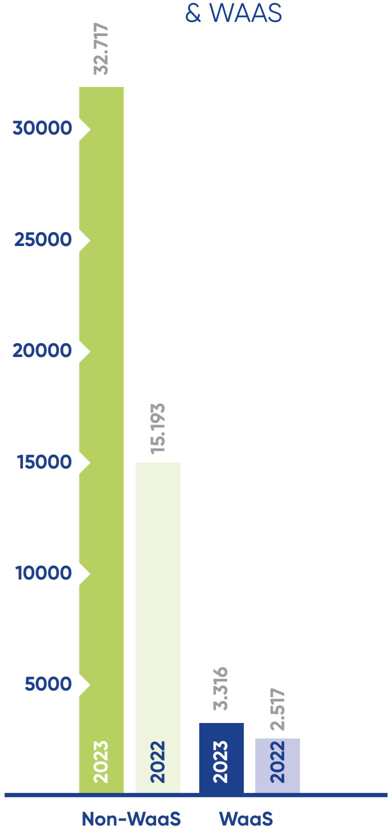
Long-term objectives

How do the 2024 objectives fit into our long-term vision for the six capitals?

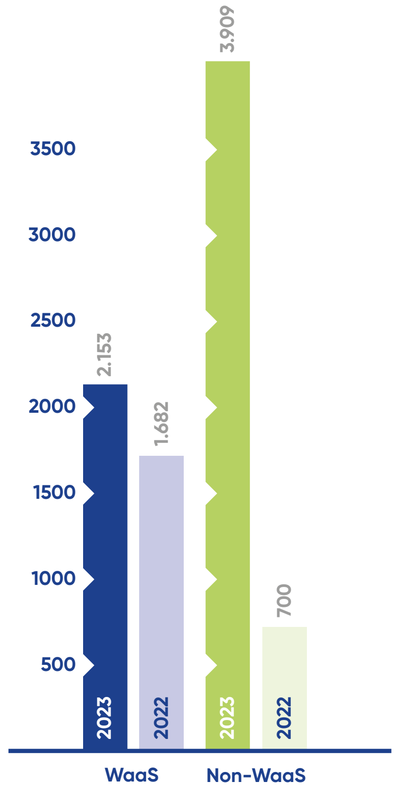


Financial

TURNOVER
NON-WAAS
& WAAS

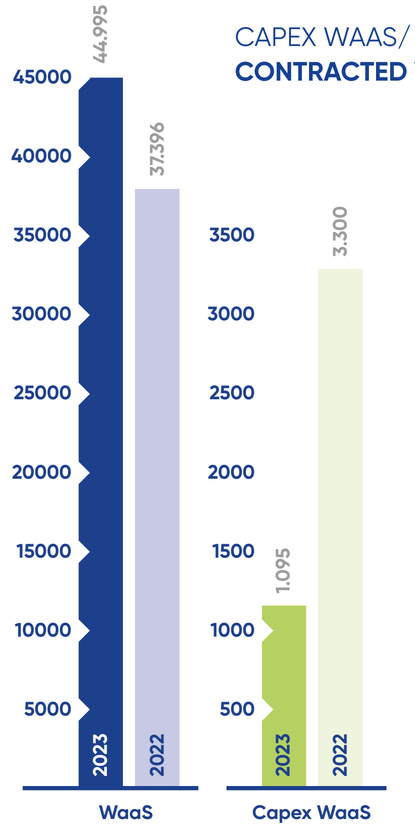


ADJUSTED EBITDA
DIVIDED BY
NON-WAAS
& WAAS

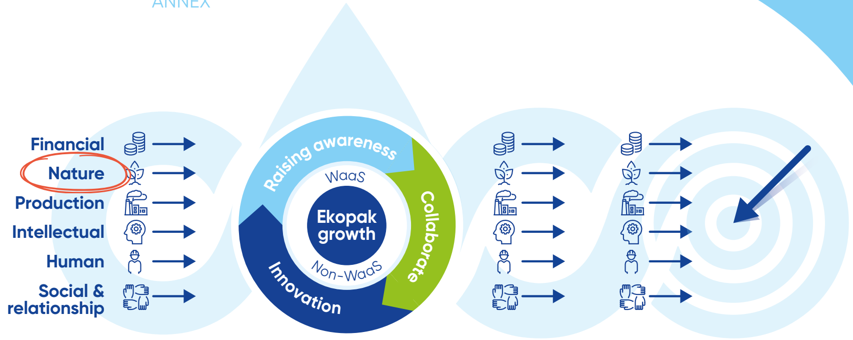


CONTRACTED
VALUE WAAS

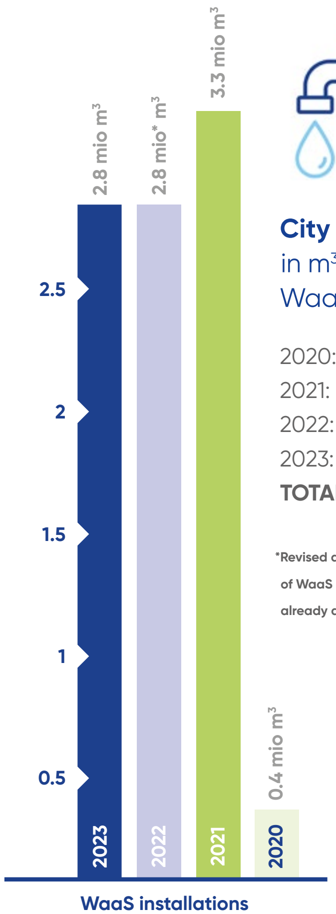
CAPEX WAAS/
CONTRACTED VALUE*



**This is a newly defined metric.*



Nature



City water savings
in m³ with our WaaS installations

2020: 0.4 mio m³
2021: 3.3 mio m³
2022: 2.8 mio* m³
2023: 2.8 mio m³
TOTAL: 9.3 mio m³

*Revised due to commercial settlement of WaaS agreement. The WaaS asset is already allocated to other projects.

Set in the market in 2023
m³ capacity per annum*

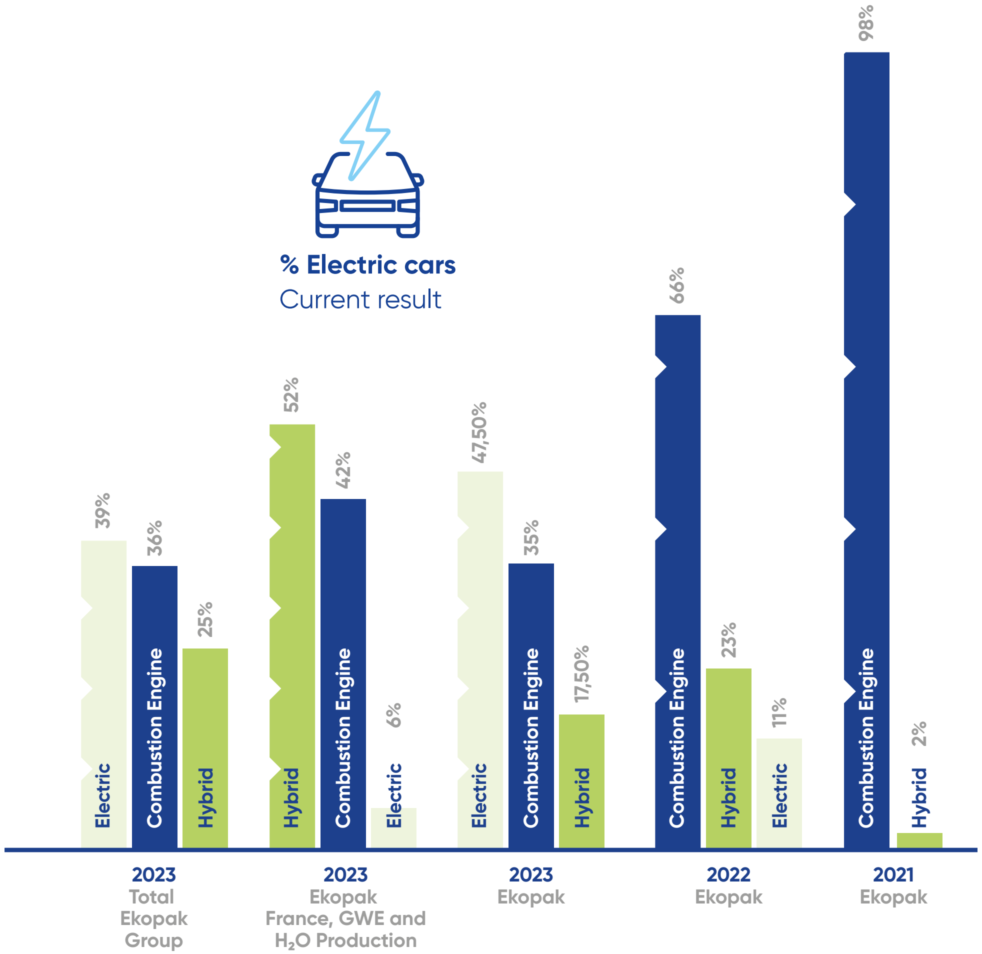
Waste water installations **sold 7.2 mio m³**

Process water installations **sold 8.4 mio m³**

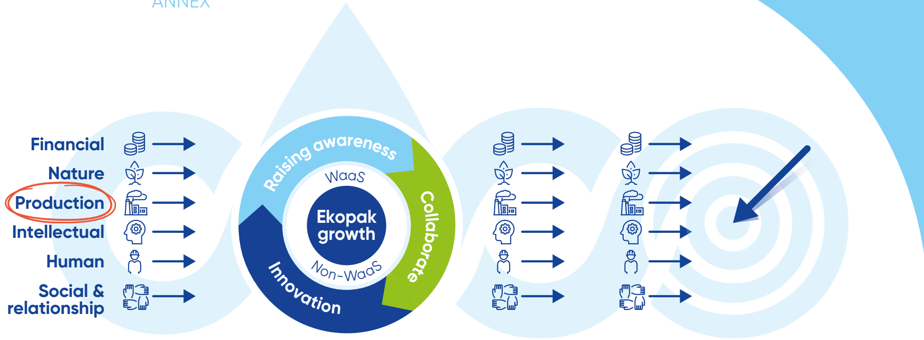
Of which city water **saving 7.5 mio m³**

39% Renewable energy*
for Ekopak HQ in Tielt (BE), solar panels operational since July 2023.

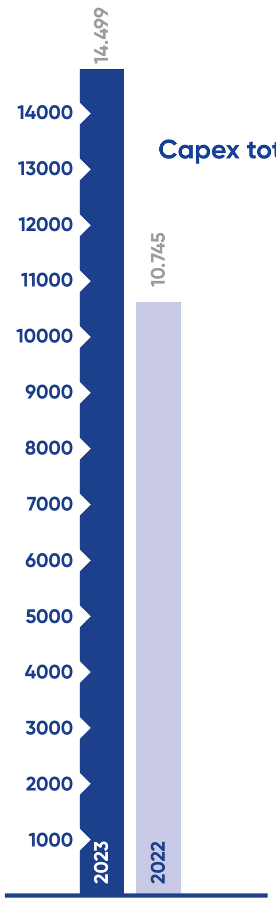
% Electric cars
Current result



*This is a newly defined metric.



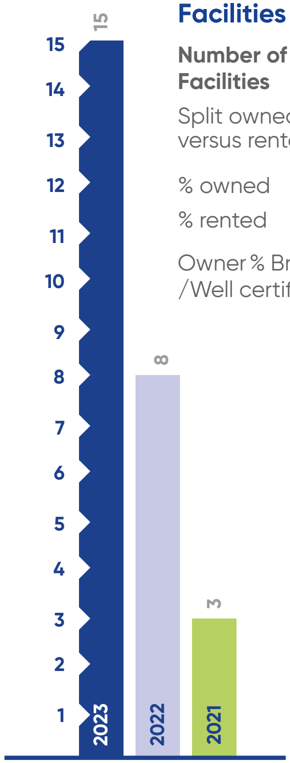
Production



Capex total*

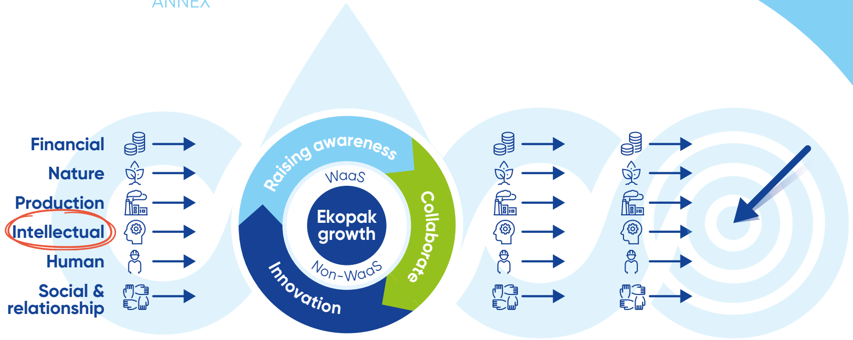
Total Capex (in '000)

Tangible fixed assets



Facilities

Facilities	2023	2022	2021
Number of Facilities	**15**	**8**	**3**
Split owned versus rented			
% owned	20%	25%	33%
% rented	80	75%	67%
Owner % Breeam /Well certified	0%	0%	0%



Intellectual

Evolution R&D-team – FTE

Headcount 2021: 3

Headcount 2022: 5

Headcount 2023: 6

Headcount 2023 (incl. GWE): 7

Footprint installations

Footprint installations	2022	2023
• Chemical use (ml chemicals/m³ produced)	baseline measurement	**-12,7%**
• Energy (Kwh/m³)	baseline measurement	**+0,7%**
• Waste (m³ produced/m³ to drain)	baseline measurement	**-5,8%**

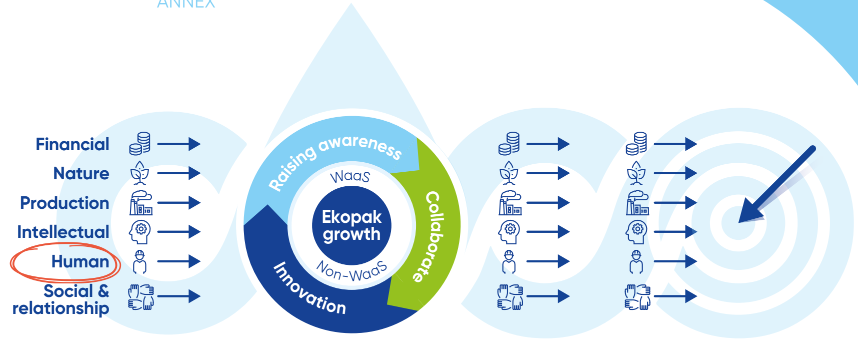
Safe water use

Evolution quality water

Water quality: 100% of the installations uses less than 3% drinking water per liter produced water

Water continuity: 75% of the installations uses less than 5% drinking water per liter produced water

Human

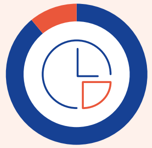


Overview organisation/ employees

	2021	2022	2023	2023 incl.GWE
FTE	54,4	94,2	136,3	168,5
Headcount	63	121	142	241

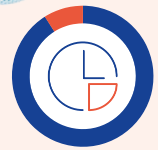
Full time/ part-time contract

Ekopak



89% Full time
11% Part-time

Global Water & Energy



91% Full time
9% Part-time

Division headcount Ekopak Group per country

Belgium	67%
France	11%
Philippines	19%
USA	0,4%
Netherlands	0,4%
Thailand	2,5%

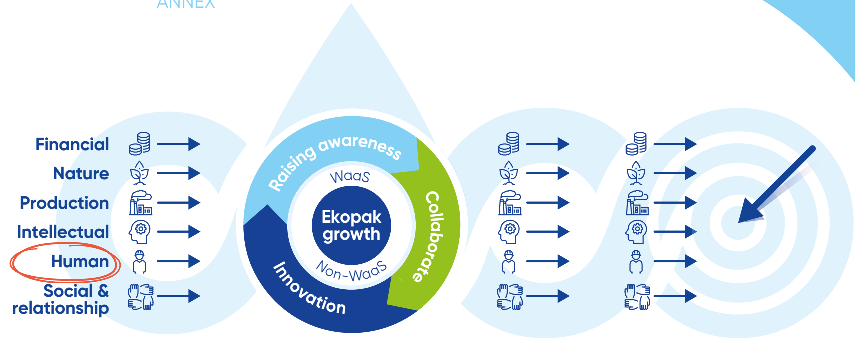
Average Training hours/employee

Current result:

	Number of training hours	FTE	Per average FTE
All	3.072	136,3	23
Male 83%	2.550	106,3	24
Female 17%	522	30,0	17

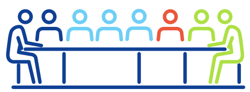
69% of our staff is covered by the collective agreement CAO90 or similar

Human

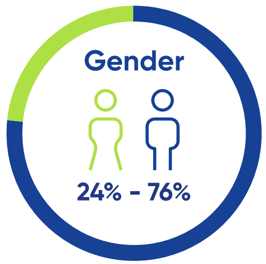


Management:
30% women - 70% men

Board of Directors:
50% women - 50% men



8 members



Ekopak Group

Well-being employees eNPS-score*
-3,5 First measurement in 2022, new measurement in 2024.
European average in 2019: -9,6

** Employee Net Promotor Score*

60+

There are 2 Sixies employed at Ekopak.
Sixies are 60+ people who are retired but still motivated to work partially and share their knowledge.

vca ISO

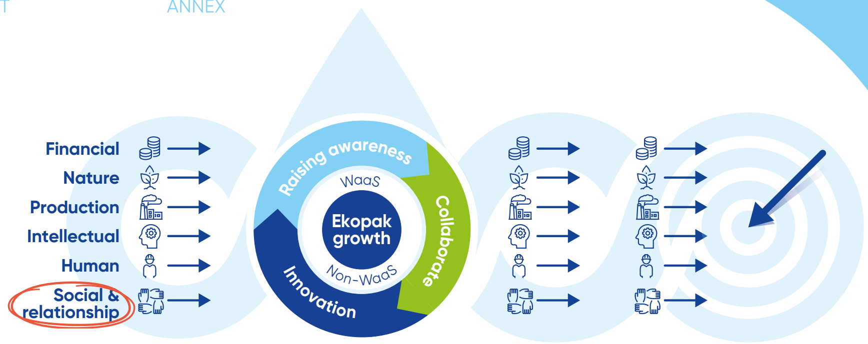
 # Certificates

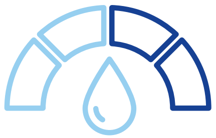
2021	2022	2023
1	3	4

Employee Net Promotor Score


waas
Water-as-a-Service
Takeda

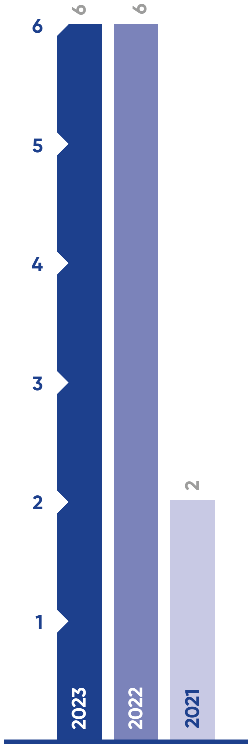
Social & relationship





Raising awareness

Waterbarometer – active engagement: 49%
First measurement in 2022, evolution to be seen in the upcoming years.



Collaborations

Overview collaborations

- 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
- Ghent University (Biomath) + Ulaval (University of Quebec) for VLAIO & O&O project 'Advanced RO Controller'.
- Hydrohm – for VLAIO O&O project 'Electrodis'
- WaaS Asia – collaboration with Vyncke NV and Mr. Saku Rantanen with the goal to expand WaaS in Asia Pacafic.
- UCB - pilottesting

Save water, give water partnerships

14% of our WaaS clients

More details about the 'Save water, Give water' program can be found on our website ekopakwater.com.

4 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.

New stakeholder 2023 vs 2022

New stakeholderinteraction 2022 vs 2023

1 Clients	2 Employees	3 Suppliers	4 Owners and investors	5 Communities
Big clients • Food • Chemistry • Pharmaceuticals • Pulp & paper • Beer & Beverages • Agro industry • Clients in countries prone to corruption	• Employees • Subcontractors	• Main suppliers • Construction materials • Chemistry • Containers • Pumps • Membranes • Steel & iron • Tanks • Glass lined steel • Flares • Mixers • Slib • Piping • Transporters • IT security • Legal support	• Pilovan & alychlo • Shareholders • Board of directors • Banks • ESG RATINGS • Pharmaceuticals • EURONEXT	Legal frameworks • EU green/blue deal • GRI • IR • EU taxonomy • Government/Municipal/Province • Green funds Certificates • Breeam • VCA • ISO Memberships • UN GP Collaborations • Schools/universities • Water.org
Clients of the client	External employees • Interim • Trainees/students • Freelancers External services	Suppliers of semi-finished products Transport purchasing subcontractors	Management team	NGO's Competitors Environmentalists
Client: employees Family of the client	Transportation (sales) Family of employees	Car dealership Insurance company	Financial Associations	Neighbors

4.1 It's all about the stakeholders

We have identified our stakeholders in this visual on the right. All stakeholders that have been identified are important. The stakeholders marked with a blue line are newly identified stakeholders following the recent acquisition of GWE. When marked with a green line, a new interaction with this stakeholder has been initiated in 2023.

We adapt our approach to stakeholders based on their role in the value chain. Stakeholders provide us with insights into the risks and opportunities. Depending on how big an impact the risks and opportunities are and how accessible the related stakeholders are, we will actively enter into dialogue with them. If there is little or no impact, we limit ourselves to monitoring this stakeholder group. Going into next year, we keep this list of stakeholders constant and consolidate the results.

On the next pages, we highlight 5 examples of consulted stakeholders that have an impact on our business.

Clients

In order to engage in a dialogue with our clients, we conducted a market study (the Waterbarometer) in the Belgian market in 2022. The results from this survey showed that companies still lack a sense of urgency when it comes to water stress (cfr. Integrated report 2022).

While no market survey has been conducted in 2023, we remained in close contact with our clients in various ways, including via our key account managers. These regular contacts showed that many customers are not yet sufficiently aware of the problem of water scarcity and are still mainly guided by short-term phenomena (such as abundant rainfall in the second half of 2023). Hence, the continuous need to create more awareness.

Customers are under increasing pressure from governments, banks, and investors to meet compliance requirements in terms of water usage. In addition, stakeholder pressure is also increasing in the areas of energy, CO_2 emissions, and chemical products. We acknowledge the environmental impact of our installations and are actively striving to minimise it.

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.

Numbers from the Waterbarometer survey, performed by Ekopak in 2022

Our E-team

Our employees represent the backbone of our organisation. We are a rapidly growing company which sometimes presents challenges in terms of structure. We have to be vigilant and strive to keep the team spirit high. In a constantly changing environment, the different departments collaborate with HR to ensure a stable working environment. Critical concerns of our employees can directly be reported to their coach, manager, or to the confidant of the company. Next to that, we are working hard on talent management to get the right person in the right position.

Although we did not conduct a well-being survey among our employees in 2023, we received their feedback through daily contacts. Also, by conducting exit interviews with departing employees, we gain valuable insights into both our organisational strengths and weaknesses. In this way, we learned that work-life balance is extremely important. We have been working hard in 2023 by introducing the appropriate measures, policies and structures to ensure a favourable work-life balance. In 2024 we will again conduct a wellbeing survey to measure the eNPS score of our team.

2022

Did you know

we conducted our first employee wellbeing survey in 2022?

ESG Rating

Ekopak is experiencing rapid growth, and our governance is evolving in parallel. Investors often rely on ESG ratings performed by external companies such as Sustainalytics, MSCI, etc. They make investment decisions based on these ratings. However, these ratings are often based on past performance and can misrepresent the current status of our organisation. Due to the rapid pace of Ekopak's development, an annual rating frequency is not sufficient. Although ESG is in our DNA, some aspects are not yet fully formalised. The significant progress we make in this area is not always immediately formalised and documented. The lesson we draw from this is that we need to build closer relationships with ESG rating agencies and explain in more detail the specific route Ekopak is taking. Despite these challenges we take the comments from the rating agencies very seriously.

policies

Did you know

We have been working hard on our company policies in 2023 such as diversity policy, human rights, supplier policy, etc.?

Communities

Universities

By collaborating with esteemed partners like Ghent University and VLAIO (Flemish agency for innovation and entrepreneurship), we persistently push the boundaries of innovation for our installations. These advancements in new technologies are rigorously evaluated through multiple pilot projects. Through ongoing enhancements to our installations, we aim to minimise their environmental footprint.

In 2023, we received numerous positive responses to this collaboration and the associated pilot installations. These prompted us to further intensify this cooperation in 2024.

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 the 10 principles of the United Nations. It provides a framework that helps us communicate clearly and transparently about our commitment, goals, and results.

In response to the earthquake in Morocco on September 8, 2023, Ekopak made a financial donation to Amber vzw as part of the "Help Earthquake Morocco 2023" campaign.

With this support, non-profit organisation Amber helped 42 families get shelter and warm goods.

UN GLOBAL COMPACT

WE SUPPORT

Certificates:

VCA – since June 2015 – label extended in 2021 (until 2024)

VCA petrochemicals – label since June 2022 (until 2025)

ISO 9001:2015 – label for H_2O Production and Ekopak France. Ekopak has obtained this label for Ekopak France in December 2022. The ambition is to also obtain that label for Ekopak Belgium in 2024.

ESG legal frameworks

Compliance with legal frameworks such as GRI/CRSD/IR/etc. is essential for advancing governance within our organisation. As a growing company, these frameworks provide guidelines for documenting and reporting our ESG strategy.

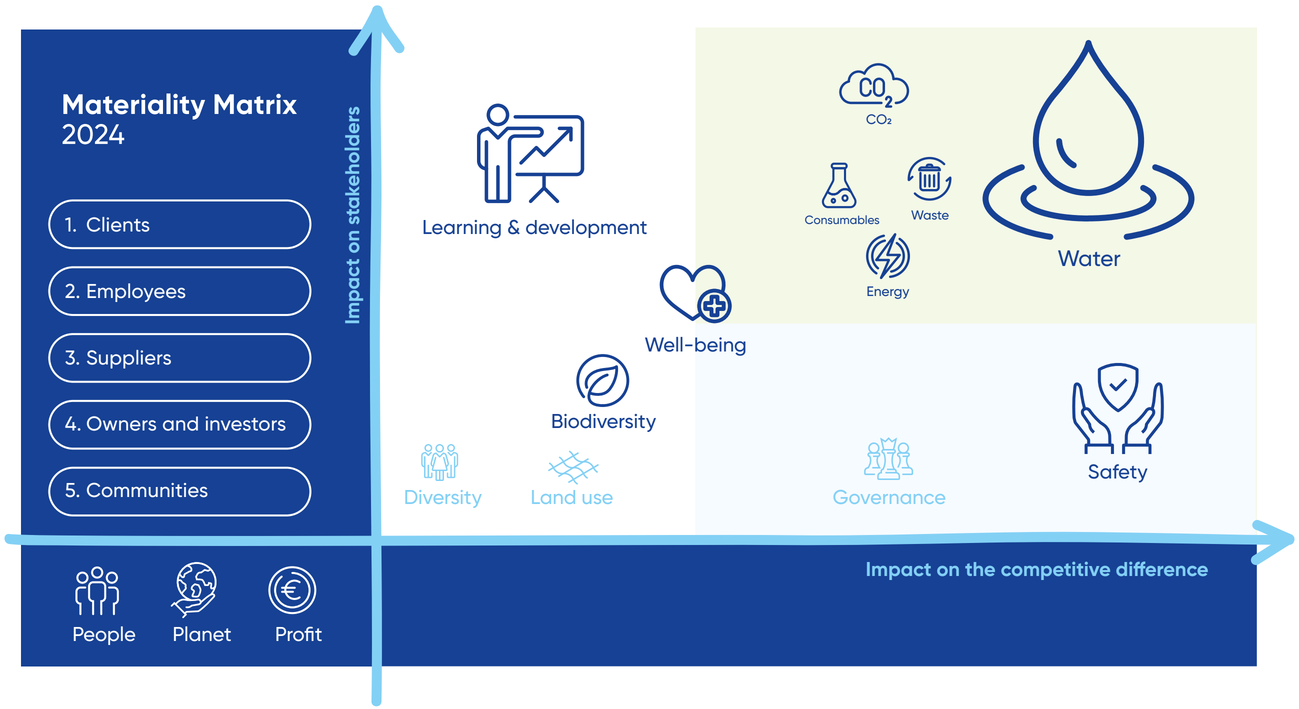
The insights we received through these stakeholders in 2023 are similar to what is described above for ESG rating: we need to make efforts to formalise and document our progress in this area faster.

4.2 Double materiality

In 2021, we produced our first materiality matrix. Since then, this matrix has been revised annually, taking into account feedback and input from our stakeholders. Each year, we plot risks and opportunities on two axes. One axis indicates the extent to which they affect our stakeholders. On the other axis, the impact of a materiality on our value proposition is plotted. The quadrant in the matrix to which each risk and opportunity is assigned, indicates their priority.

This matrix provides a clear picture of which aspects are important for Ekopak's development and growth. It shows how we can further improve our impact on society and our business by applying focus according to the principle of double materiality. This exercise was also conducted thoroughly in 2023.

The concept of 'double materiality' indicates that materialities can have a material impact not only on a company's financial performance but also on its broader environmental and social context. The materiality matrix forms the basis of our strategic pillars. The top right box includes 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.



We will describe each materiality in detail and based on the stakeholder insights, explain why some of them are considered strategic priorities for Ekopak. Following the principle of double materiality, we will examine each materiality from two perspectives:

- **Impact on society:** what impact does Ekopak have on a certain materiality (= impact materiality)
- **Impact on Ekopak:** what impact does a certain materiality have on Ekopak (= financial materiality)

4.2.1 Priority materials

Water

Water is at the core of our operations and has the biggest impact on Ekopak and our stakeholders.

Impact on Ekopak	Impact on society
The industry wants to reduce its water footprint because of stricter regulations from the government and to ensure continuity in their production processes in times of drought.	Increasing awareness within the industry about water-related issues will prompt more companies to embrace circular water practices, ultimately reducing their water footprint and benefiting society at large.
If we increase the sense of urgency in the industry, the demand for our products will automatically follow.	By working together through partnerships and by innovating our products, we ensure the continuity of water is always guaranteed.
Banks and investors will evaluate the credit worthiness of companies partially based on the progress made in terms of circular water use.	
Major water consuming companies are being disconnected from the central water supply network during extreme drought conditions. The government also has higher demands for water discharge and can raise the price of water, which impacts the profitability of our clients in a negative way.	

Energy/Waste/Consumables/CO_2

Our installations consume energy, and in order to purify water we have to use chemicals and create waste. For us, it is important that our impact is positive without negative consequences in other areas.

Impact on Ekopak	Impact on society
Companies are increasingly required to provide information on parameters related to energy, waste, CO_2 emissions, and chemicals as part of compliance standards.	By innovating the installations, the use of energy, chemicals, waste and CO_2 will be reduced on the customers' site.
Banks and investors not only look at financial criteria and financial KPIs, they also evaluate creditworthiness based on the company's environmental footprint.	Ekopak gives a good example to society by working on its ecological footprint.
If Ekopak keeps the footprint of its installations as small as possible, this ensures satisfied customers and thus, new projects.	As an increasing number of companies transition to circular water use, Ekopak also aids them in diminishing their carbon footprint, thereby contributing to society.

4.2.2 Materials with lower impact risk

The following materials are important, as they affect the stakeholders and/or our value proposition to a certain degree, but are not considered as a priority. They are monitored on an annual basis.

Well-being & Safety

We continue to work on health and safety within our company and also strive towards a safe workplace.

Impact on Ekopak	Impact on society
Ekopak's growth may cause increased workload, which may impact the well-being and safety of our staff. A safe working environment will attract new employees.	The quality of our water purification can have an impact on the quality of the end product, which can affect the health & safety of the end user.
Compliance wise, we need to report on the wellbeing of our staff and on the safety procedures.	By following safety regulations, we ensure the health & safety of our customers' employees in proximity to our installation.
Failure to comply to safety regulations may expose Ekopak to potential liability.	

Learning & Development

This involves the learning and development not only of our staff, but also of the outside world such as governments and other communities.

Impact on Ekopak	Impact on society
Adequate staff training will increase the efficiency of our own operations.	Ekopak employees share their knowledge around water reuse amongst the industry.
Talent management: retaining people requires a growth path with learning opportunities.	By raising awareness, we inform society of the solutions of sustainable water treatment.
With new developments in the market, employees require additional training to stay updated and to improve our installations.	The more companies will align with our vision, the more feasible our ambition of a 100% circular water usage will be.

Diversity/inclusion

Diversity or inclusion has a lower impact on our stakeholders because this only affects our own employees. When Ekopak treats a staff member inclusively, it has a positive effect on the company. If not, then this can have a negative on the company's operations.

Impact on Ekopak	Impact on society
In this war for talent, employees have greater expectations in terms of diversity. An inclusive work atmosphere can have a positive effect on staff and the company.	When Ekopak treats a staff member inclusively, it has a positive effect on the employee, which in turn indirectly has a positive effect on the industry and it's end consumers.
Social expectations include more diversity and non-discrimination. More inclusion is widely expected within a company.	

4.2.3 Changes in the longlist

We have made a few changes in our materiality matrix compared to last year and have added three new materialities to the matrix:

1. CO_2

This materiality has been added at the same level as energy, waste, and consumables. CO_2 is a material priority and, as well as energy, waste and consumables, is an important precondition for the placement of our installations. We measure the ecological footprint of the installations. This has an impact on us and our stakeholders. How this materiality impacts Ekopak and society is explained above under 'Energy/Waste/Consumables/CO_2'.

2. Governance

As a company, it is important to report transparently and achieve transparent governance. However, this does not bring much change to the company's output and has little impact on our stakeholders.

- **Impact on Ekopak**: The increased compliance standards raise the pressure on the operational costs and operations in general. Banks and investors will not only rate our creditworthiness based on our financials, but also on our governance.
- **Impact on Society**: Ekopak in itself can lead by example with their governance but do not have a major impact on how governance is generally addressed from their business model.

3. Land use and biodiversity

These materialities are added in 2023. We keep an eye on these materialities but will take no action on this so far.

- **Impact on Ekopak**: Obtaining land use permits depends on certain parameters. Delays in permits can also impact the timeline. It can cause delays in executing projects at the client site. Biodiversity and land use is not going to have a major impact on Ekopak.
- **Impact on Society**: Ekopak, with its business model and discharged water flows, is not going to have a major impact on biodiversity. From their business operations they have a very limited impact on biodiversity or land use.

Share your thoughts

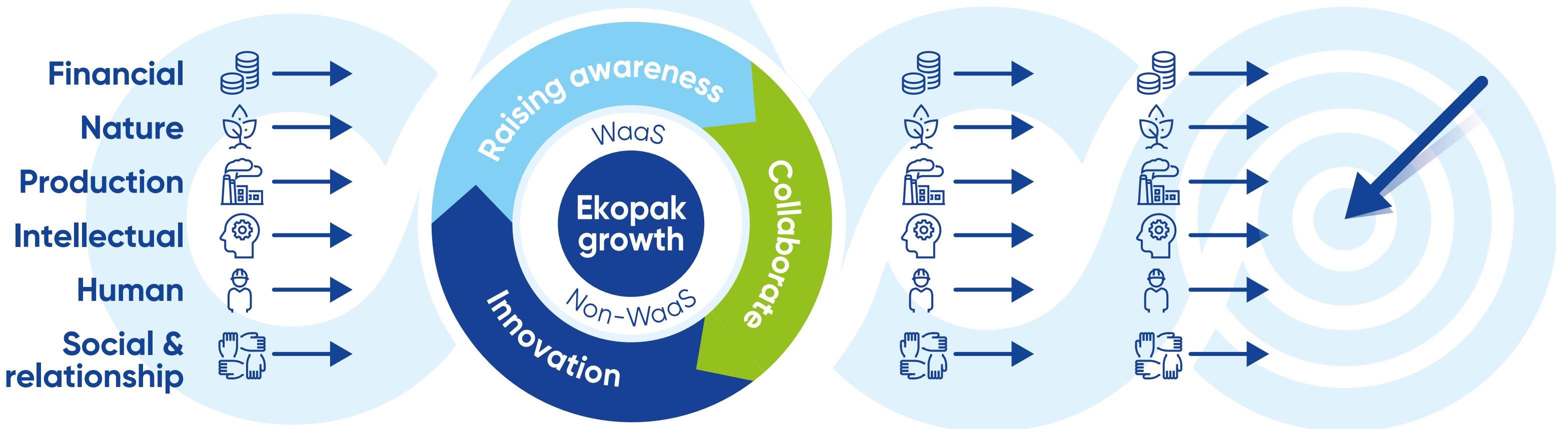
5 Our strategy

Our purpose

100% water circularity within the industry and continuity in available drinking water for the whole world

Our strategy

Providing mobile, decentralised production units and wastewater treatment plants that can be deployed worldwide.



5.1 Staying on course with our strategy

Ekopak is a responsible and sustainable supplier of mission-critical industrial process water to its customers around the world. Our main goal is to ensure 100% water circularity in the industry, contributing significantly to the continuous availability of drinking water for society. To achieve this, we have crafted a strategy focused on mobile, decentralised production units and wastewater treatment plants that can be deployed globally.

We carefully plan our course and strategy. When implementing a strategy, it is crucial to check on a regular basis whether the conditions under which we operate have changed and to verify whether we are still on the right track. Our annual stress test identifies materialities and determines whether - and how - we need to make adjustments. The double materiality matrix provides an overview of key opportunities and risks and how they may affect our operations. (see chapter 4. Stress test)

Ekopak's growth strategy is based on three key pillars: collaboration, innovation, and awareness. These are explained in chapter 2.1 Ekopak in a nutshell, but we also give a quick explanation aside:

Collaboration | Innovation | Awareness

Collaboration (Economical)	Innovation (Ecological)	Awareness (Sustainable)
Ekopak's growth may cause increased workload, which may impact the well-being and safety our staff. A safe working environment will attract new employees.	The quality of our water purification can have an impact on the quality of the end product, which can affect the health & safety of the end user.	By actively promoting circular water use, we are mobilising ambassadors throughout the industry. The compliance imposed can create a flywheel effect. Our customers have to comply with legislation, so we are going to explore how we can help them do this and achieve additional recycled water at the same time.

**This is a newly defined metric.*

Ekopak has set several Key Performance Indicators (KPIs) that serve as a compass for our strategy. These KPIs are related to each capital within our value creation model. (see chapter 3.2 Value creation model in numbers). We have established new KPIs compared to last year and the current ones are constantly monitored. Today, we measure our performance and report our progress in full transparency. How Ekopak will realise its KPIs in the upcoming years is further explained in chapter 6.2 Our future ambitions.

"Our strategy cannot be realised without our strong team of people. We focus on the well-being of our employees through L&D, talent management, etc."

Lieve Delrue – CHRO

Overview Opportunities & Risks

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 to risks is followed concerning opportunities. The outcome of this exercise is summarised below.

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 programs, support measures and subsidies. In Flanders - Ekopak's home market- the Blue Deal is a striking illustration of this approach. Similar 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 programs 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.

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 power of employer branding	Water Well-Being	Collaboration/Economical Innovation/Ecological Awareness/Sustainability	↑	↑

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 organisation to see what, according to them, the future holds for Ekopak.

6.1 Business Outlook

Business Outlook 2024

- Ekopak forecasts another doubling of revenues for 2024 - within an expected range of EUR 70-75 million.
- The already attractive Adjusted EBITDA margin for 2023 is forecasted to be exceeded in 2024.
- Ekopak expects greater seasonal dependence than before, with revenue skewed towards the second half of the year.

"

Doubling revenues for 2024, with a exceeded Adjusted EBITDA margin

Pieter Loose – CEO

"

Confirmation of mid-term prospects (2028)

- Ekopak estimates to almost quadruple its current annual revenue to EUR 140 million of which 25-30% WaaS and 70-75% non-WaaS.
- EUR 35-42 million EBITDA, i.e. raising the current 9% margin to 25-30%.
- The above-mentioned mid-term forecasts may potentially be considerable outperformed to the extent that non-WaaS customers can be conversed to the WaaS-concept.
- As a globally operating, best-in-class provider of industrial process water, which is a mission-critical factor for its customers, Ekopak is finetuning its strategy to pursue attractive opportunities in a growing, but fragmented market.
- Ekopak is convinced that its state-of-the-art monitoring systems, its expertise with cloud software as well as its extensive in-house data analytics capabilities (including AI) will facilitate scalability and fuel expansion.
- Ekopak's cutting-edge water production and purification solutions effectively address the need for support from large chemical and food manufacturers to achieve their sustainability goals.
- Ekopak is confident of making a significant contribution to ensure 100% water circularity in the industry worldwide, which also contributes significantly to the continuous availability of drinking water for society.

6.2 Overview future ambitions

Financial

The acquisition of GWE created an entirely new financial dimension for Ekopak

Els De Keukelaere – CFO

6.2.1 A multiplicator effect is created

From a financial perspective, Ekopak entered into an entirely new dimension as a consequence of the acquisition of GWE. In 2023 intensive preparatory work has taken place in anticipation of the GWE acquisition, including an in-depth analysis of that company. This analysis revealed the acquisition of GWE provides exceptional geographic, cross-sector, and technological complementarity.

In terms of expertise, GWE is strong in the field of wastewater treatment, while Ekopak is enormously versed in the field of circular water use. With this acquisition, Ekopak becomes a full solution partner and a global player in the field of water reuse. The circle of circular water management is now completed.

We take a giant leap forward in Ekopak's geographic expansion strategy, as GWE brings the American and Southeast Asian markets to us. On top of this, they have customers mainly based in the pulp, food, and beverage industry which is a perfect addition to our customer base. From now on we can pool our expertise and offer joint solutions to all these industrial sectors. This unique complementarity offers accelerated growth opportunities, which will consequently manifest themselves in growing revenue and profitability. This represents a truly synergistic effect: 1+1=3.

Also in 2023, the joint venture WaaS Asia was founded. This ensures that we can move faster on the Asian market. Operating abroad brings an additional focus on transfer pricing and the management of currency exchange rates.

In 2024, we continue to further integrate all legal entities of the GWE group into our business (see chapter 2.1 Ekopak in a nutshell – Our group). We will therefore automate as much as possible the financial reporting of the GWE companies in line with the Ekopak group accounting rules, enabling them to report to corporate on a monthly basis.

Ekopak expects to generate EUR 140 million in revenue by 2028, of which 25-30% from WaaS projects and 70-75% from non-WaaS. The EBITDA forecast for 2028 is in the range between EUR 35-42 million. Due to a shift in product mix, the consolidated EBITDA margin will change, but will remain consistent with today's EBITDA margins within each reporting segment.

	Status	Short term	Long term
Mergers & Acquisitions (M&A) - Strong together	By acquiring GWE, Ekopak becomes a full solution partner. This results in a wider customer base globally.	Because integration is important, we aim for streamlined cooperation with GWE on culture and quality.	We proactively search for M&A opportunities to achieve our goal of disconnecting the industry from the drinking water network.

Intellectual

6.2.2
Towards a more sustainable future

"As we look to the future, we want to make optimal use of collecting and analysing data"

Joost Van der Spurt – CTO

The acquisition of Global Water & Energy brings an even wider range of technologies, resources, experiences, and talents that will lead to a booming innovative environment. New markets and geographical regions will constantly bring new challenges for our engineers to refine existing techniques and create new ones to meet tomorrow's needs.

By combining the processes of both companies, this will automatically result in the optimisation of our performance, a potential reduction of costs and the improvement of overall efficiency, and a wider range of opportunities. The inherent synergy will be beneficial for our R&D team, which has already doubled in size. This year, for instance, we are planning an integration of wastewater and biogas reuse.

The mobile water treatment containers that we use for our R&D pilot projects were in high demand among the many potential customers. Our project at UCB Braine led to a follow-up project in Switzerland. In addition, we have successfully completed several validation processes for numerous projects in the pharmaceutical and metal industries. We also continue to further optimise our installations. We continuously analyse our data with the aim to make all WaaS installations even smarter.

In collaboration with Ghent University, we have started a second research project to promote the sustainability of our installations. In 2024, several new collaborative projects with knowledge institutions are scheduled.

As we look to the future, we want to make optimal use of collecting and analysing data with the aim to create the "The factory of the future", in which reuse, reduce, and revalue are central. In addition, we want to encourage safe water use by working further on chemical, physical, and microbiological aspects. Through continuous innovation, we continue to reduce the ecological footprint of our plants in terms of waste, chemicals, electricity, and CO_2. In this way, we are progressively working towards an even more sustainable future. This is how we demonstrate that Ekopak is a responsible and sustainable supplier of mission-critical industrial process water.

	Status	Short term	Long term
Footprint installations	The baseline measurement with regard to the footprint of our installations was performed in 2022 and was further monitored in 2023.	Based on the first baseline measurements, we set up an action plan. We work together with esteemed partners and perform pilot tests to test the results.	We want to achieve a neutral footprint of our installations and also want to automate them more.
Knowledge	Last year, we took several initiatives to expand our network and find new partners. (University of Ghent, Capture, etc.)	We want to set up pilot projects with our partners to acquire new knowledge that we can then integrate into our plants. GWE will give us new knowledge as well.	We want to continue to take the lead in collaborating with different stakeholders to strengthen our knowledge.

Social & relationship

> **Industrial wastewater that has been treated by using the GWE technology, can also be further processed into industrial process water or potable water by Ekopak. This opens tremendous new opportunities for Ekopak**
>
> Niels D'Haese – CCO

6.2.3 Closing the circle

Last year in this interview, I mentioned that if we want companies to switch to circular water and make a big impact, it is important that private and public companies work together. I still stand firmly behind that vision. Our project Circeaulair, which we run together with Aquafin and EPICo^2, generated the first signed contracts in 2023. We have now also defined more regions where these projects can take off. A lot of countries other than Belgium are excited about the concept. We continue to raise awareness and inform the industry about new, innovative solutions such as Circeaulair.

Our WaaS segment is also expanding with new projects abroad. In 2023, Ekopak France won its first major WaaS project at TotalEnergies. Our installation will be up and running this year. We also launched WaaS Asia through the creation of a joint venture. Our business model Water-as-a-Service will now also be positioned in Asia.

The integration of GWE into the group, opens promising prospects. I don't really consider GWE as an 'acquisition', but more as a partnership, because together we will now completely close the circle with regard to water reuse. Ekopak and Global Water & Energy can bring an enormous mutual added value.

Industrial wastewater that has been treated by using the GWE technology, can also be further processed into industrial process water or potable water by Ekopak. Leveraging the expertise of GWE creates a tremendous synergistic effect, enabling Ekopak to greatly boost its business development in the coming years.

We are excited about the years to come. We continue to collaborate with partners and several other external organisations such as universities, and water.org, to move towards 100% circular water use.

	Status	Short term	Long term
WAAS	In 2023 we established WaaS Asia, a joint venture with Vyncke NV and Saku Rantanen, that offers Water-as-a-Service in Southeast Asia and India.	We scale up our WaaS business model across the globe and expand our customer base.	We aim for a global network with the goal of achieving water circularity in the industry.
Waterbarometer survey	In 2022 we carried out a zero/baseline measurement.	From the insights obtained from our water barometer, we will proactively raise awareness of decentralised water supply in the market.	We remain committed to raising awareness to make decentralised water supply the standard in the industry.
Save water, give water	We continue to promote the ' Save Water, Give Water' initiative to new WaaS customers.	We will define an approach to bring current clients into the Save Water, Give Water initiative, in collaboration with water.org.	Our aim is that 80% of our WaaS clients contribute to the "save water, give water" program by 2030.
Circeaulair	We have a partnership with Aquafin and EPICo^2 to process their treated household wastewater for reuse by 3 companies in Ieper.	We continue to promote the Circeaulair model, not only in Belgium but also in other countries. We identify new regions and new potential key partners.	We want to realize a decentralised water network to provide full water circularity.

Human

6.2.4 A global HR implementation

"It is of paramount importance that new employees understand and absorb Ekopak's mission and DNA from the start"

Lieve Delrue – CHRO

In the field of HR, we achieved a lot in the past year. With the acquisition of Global Water & Energy, Ekopak effectively doubled its workforce and became operational on a global scale, creating the need for a global implementation of its HR plan.

This acquisition is the start of a great story. From an HR perspective, I see only advantages: employees in both companies will be able to share their expertise and have the opportunity to learn a great deal from each other. Complex problems are now viewed from different perspectives and can lead to creative new solutions.

Moreover, employees will be able to expand their competencies and have new opportunities to work on different projects, access new markets and collaborate with a more diverse set of colleagues. This larger organisation may also offer on the mid term more diverse career paths, with several opportunities for internal mobility. It also brings together diverse perspectives and experiences, enriching the organisational culture and promote a more inclusive and dynamic work environment. We do have to be vigilant about the well-being of our staff, and we will therefore conduct a new well-being survey in 2024.

Looking forward, we aim to harmonize operations between the different divisions of our group. It is of paramount importance that new employees understand and absorb Ekopak's mission and DNA from the start. This leads us to formalize our values and standards in the "Employee policy", which serves as the bedrock of our culture. We will also continue to work on education and talent management.

	Status	Short term	Long term
Well-being of our E-team	We conducted an initial well-being survey in 2022, which provided the baseline measurement of the eNPS (employee Net Promoter Score).	We identify the pain points of our organisation and develop an action plan to ensure the well-being of our people. A second well-being survey will be conducted in 2024.	We want our people to be ambassadors. We actively work to keep them happy.
Education	Roll out of an HR policy with: - competence profiles and evaluations. - Expansion of training program. - Collaborations with other parties such as engineering associations.	Integrated learning and development plan with the defining of several KPIs for internal training and the roll-out of performance reviews.	In order to grow and innovate, we need our people to have the necessary support and education.
Talent management	Start in 2024	Establishing a skills matrix helps the organisation track employee capabilities	We want to maximise the talent of our people and therefore provide guidance for them to grow into strategic positions.
ISO	In 2023, we had a follow-up audit of ISO 9001 and VCA-P and VCA safety & health.	We continue to work on our ISO certification. We investigate other potential interesting certificates. By obtaining ISO certificates, we guarantee the quality of our work.	We continue to maximise the sustainability of our own operations and remain alert for relevant certifications. This way we can guarantee to stay ahead at all times.

Nature → Production

6.2.5 A global growth

On an operational level, 2023 has been a challenging year. Our organisation has experienced significant growth, driven by strategic acquisitions and the initiation of groundbreaking new projects on a global scale. We have created a joint venture to launch WaaS Asia, which allows us to promote our innovative water reuse solutions in Southeast Asia and India. In 2024 we will focus on further exploring the Asian market with the ambition to initiate on this market the first projects in 2025.

WaaS Asia also brings new challenges. For instance, we will have to deal with the region's diverse weather conditions and large population. Therefore, our engineers remain committed to maintaining our installations in optimal condition at all times. Global Water & Energy's network in Asia will help to position ourselves on the Asian market as well.

Our target of recycling 50 million m^3 of drinking water with our WaaS installations is getting closer and closer. Our WaaS installations were already continuously monitored, and because of the high growth of our operations, it is important to monitor them in even more detail. We are in the process of developing an internal platform using AI and specific algorithms. That way, we get an accurate analysis of the old and current measurement results, so that we can compare them. Thanks to the large amount of information it provides, we can plan future maintenance proactively. This is a great advantage as installations are increasingly spread internationally.

"Our organisation has experienced significant growth, driven by strategic acquisitions and the initiation of groundbreaking new projects on a global scale"

Tim De Maet – COO

The construction of our new HQ in Deinze started last August. The larger production space will allow us to produce more in a lean way and to expand our capacity - which is important for supporting our growth. With more space and modern amenities, this will further improve the work experience of our E-team. For our current building in Tielt, we switched to green energy by installing solar panels that also powers our electric car fleet.

The integration of GWE into Ekopak also represents a giant leap forward in circular water management. It enables Ekopak to offer and manage the entire water treatment package. The synergies and complementarities between the two companies are enormous. Where GWE's activities end today, those of Ekopak begin. Moreover, GWE is internationally oriented, while Ekopak used to focus mainly on Belgium and France, which broadens the horizons for both companies. Win-win!

	Status	Short term	Long term
Saved drinking water	We measure how many m³ of city water we haved saved with our WaaS installations.	We will continue to measure the city water savings with our WaaS installations. We will also focus on measuring our Non-WaaS installations by measuring the capacity set in market in m³.	We measure the impact of our installations on our customers and on society.
Buildings	The pre-assessment for the certificates of our new HQ has been completed.	- The new headquarters are compliant to become BREEAM OUTSTANDING and WELL PLATINUM certified. - We will install solar panels at the GWE office in Bruges.	We continue to make our assets more sustainable and have them certified by relevant authorities.
Mobility	64% of the Ekopak's Group car fleet is hybrid our electric in 2023.	We reduce the number of diesel and petrol cars in our fleet and raise awareness to use public transport or a bike. A bike lease program will be launched in 2024.	We maximise the sustainability of our commute by switching to a full electric fleet and offering alternative commuting methods.
Transport	We will start with a baseline measurement.	We are mapping our CO2 footprint, so we can start a roadmap with reductive and project plans.	We maximise the sustainability of our own operations. We are alert of the amount of CO_2 from transport and are taking measures to make it 100% CO_2 neutral.

Corporate Governance Report

Declaration regarding the information given in the Integrated Annual Report 2023

The undersigned declare that :

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

Pieter Loose, CEO
Els De Keukelaere, CFO

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 (cfr. remuneration report).

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.

There are no contractual provisions entered into in 2023 that would entail significant effects in case of a change of control following a take-over bid.

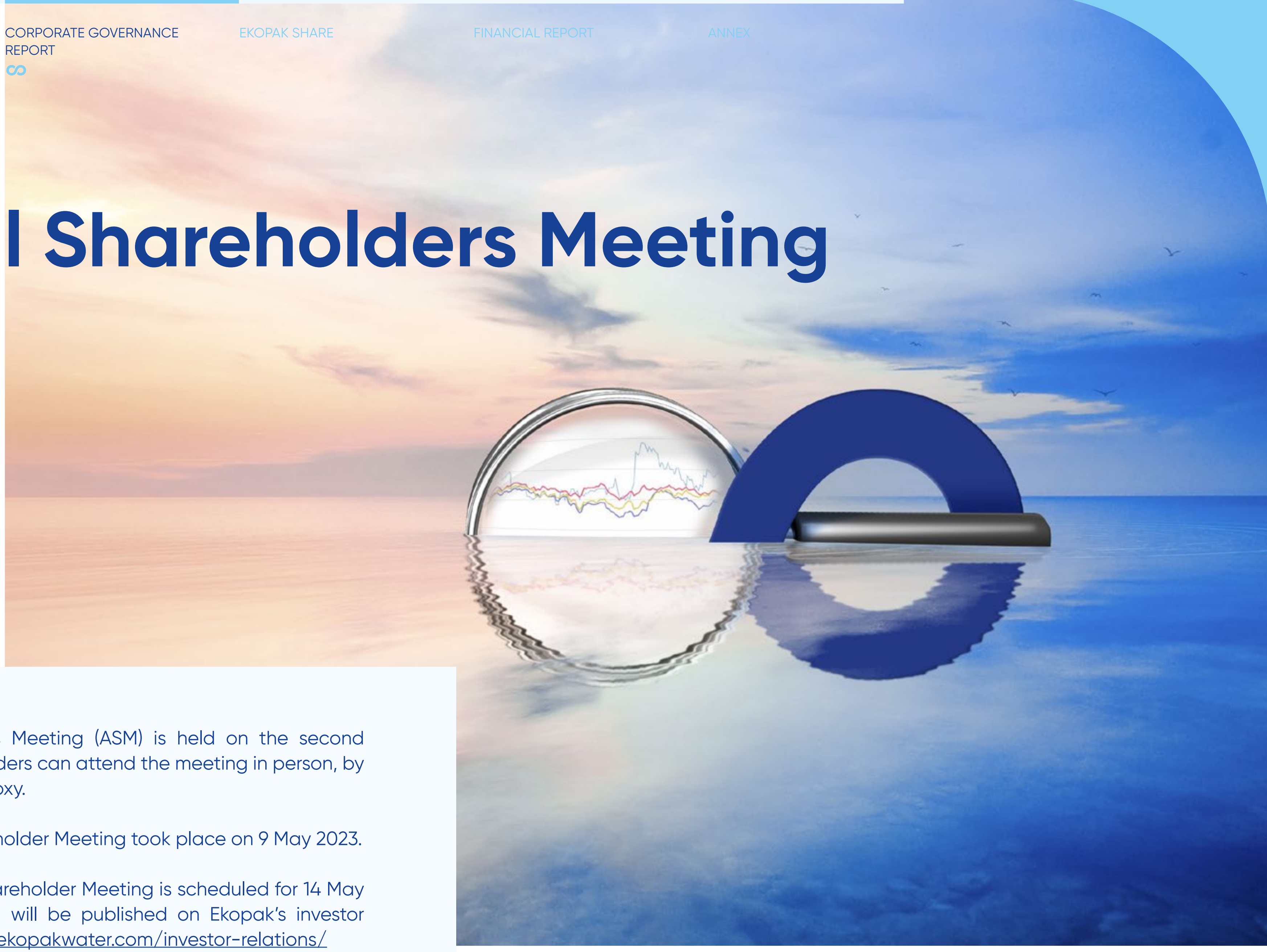
Based on the disclosures of major holdings that Ekopak has received since its IPO on 31 March 2021, Ekopak has received disclosures of major holdings in April 2021 and has also been notified of a manager transaction by Pilovan on 14 February 2023. No other disclosures or declarations have been received during 2023 nor after year-end until the date of this report. Based on the disclosures and declarations that Ekopak has received until the end of December 2023, 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)**	**5,389,985**	**36.36%**
Free Float		**3,182,299**	**21.47%**

*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 2023, the Annual Shareholder Meeting took place on 9 May 2023.

The upcoming Annual Shareholder Meeting is scheduled for 14 May 2024. Further information will be published on Ekopak's investor relations website: https://ekopakwater.com/investor-relations/

3 Board of Directors

3.1. Composition

Given the appointment of one additional Board member at the Annual Shareholders Meeting of 9 May 2023, the Board of Directors of Ekopak includes 8 members, of whom :

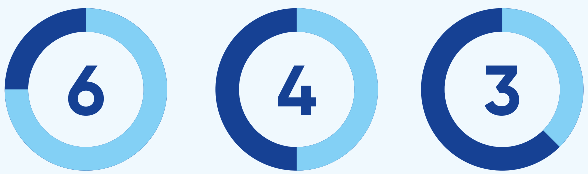
- 3 executive and 5 non-executive directors
- 3 independent directors, 2 directors associated with the reference shareholder Alychlo, 2 executive directors associated with Pilovan, and 1 executive director.

The Board of Directors is chaired by Pieter Bourgeois.

The members of Ekopak's Board of Directors are listed below in alphabetical order of their family names, or – in the case of management companies – in alphabetical order of the family names of the respective permanent representatives. The names preceded 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 8 members:

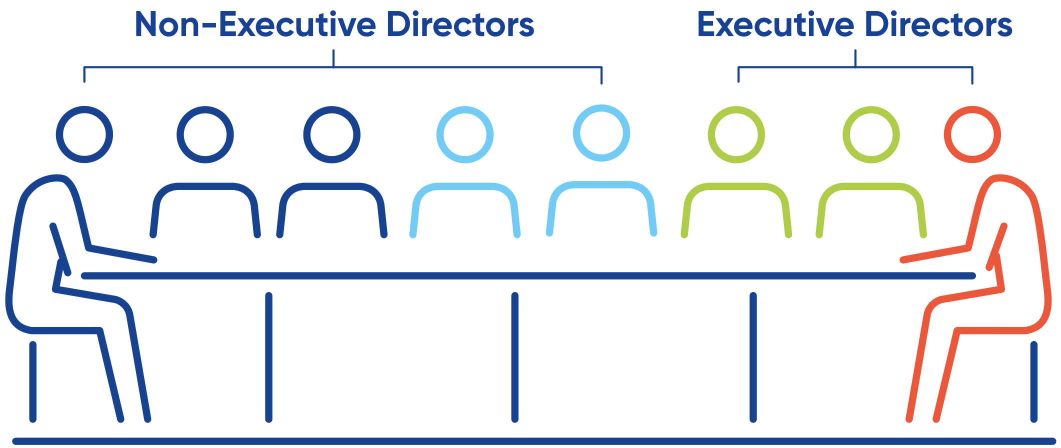
- Independent directors
- Directors associated with Alychlo
- Executive directors associated with Pilovan
- Executive director



Directors with 3 years seniority

Female members of the board

Independent directors



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 Alycholo, DHL, YouBuild and Worldline/Banksys. Belgian nationality.

Valerie Dejaeghere*,
CEO of Qpinch since January 2023. Master in Applied Economics Sciences from KU Leuven; complemented with executive programs in Strategic Excellence and Sustainability Management from Columbia Business School and Vlerick Business School. Several years of experience at ExxonMobil in various national and international management positions in Europe and USA. 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 (last function : Audit Director) 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.

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.

** Permanent representative of management company, director*
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/

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,
(end mandate on 31 January 2024, to be replaced by Nathalie Van Den Haute at the ASM of 14 May 2024, the latter was co-opted by the Board of Directors dd 1 February 2024), 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.

Nathalie Van Den Haute*,
(mandate since 1 February 2024, through co-optation by the Board of Directors, to be confirmed at ASM of 14 May 2024) investment principal Alychlo NV. Master in Commercial Engineering, VUB, Solvay Business school, MBA in financial management (Vlerick Business School). Prior to joining Alychlo, Nathalie held various roles in the corporate finance department of KBC Securities ; since 2019 she was head of the Equity Capital Market activity within the corporate finance team. Belgian nationality.

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	
Marfa Consult BV	Valerie Dejaeghere	N	I	A	ASM 2027	
EDK Management BV	Els De Keukelaere	E	E		ASM 2025	
Tim De Maet	(Tim De Maet)	E	E, S		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*	31/01/2024	
(As from 1 February 2024) Quilaudem BV	Nathalie Van Den Haute	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 2023, the Board of Directors held 8 meetings, of which 5 with physical participation and 3 online ("ad hoc") meetings. The meeting participation rate was 100%.

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 2023, considerable attention has been paid to the expansion of the activities of Ekopak on the one hand. This largely refers to the acquisition of GWE, a Belgium-headquartered, but internationally operating company that is an expert in Industrial Wastewater Treatment Systems. The Board of Directors also dedicated considerable efforts to the review of the first integrated annual report, the oversight of the sustainability KPI's and to the improvement of the corporate governance structure. This included an optimization of the board composition with the nomination of a third independent director, as well as the review of several policies, such as the policies on Human Rights and Diversity. Other important topics included the construction of the new HQ building of Ekopak, the new HR structure following the acquisition of GWE, and the further integration of the sustainability theme into Ekopak's strategy and operations.

Attendance rate

Directors' attendance at Board and Committee meetings

	Board of Directors	Audit committee	Remuneration & Nomination committee	Attendance Rate
Pieter Bourgeois*	8	4		100%
Pieter Loose*	8			100%
Regine Slagmulder*	8	4	4	100%
Kristina Loguinova	8	4	4	100%
Els De Keukelaere*	8			100%
Tim De Maet	8			100%
Kurt Trenson*	8		4	100%
Valerie Dejaeghere*	6	1		100%

** permanent representative of management company, director*

Overview of the Board and Committee meetings in 2023

	January	February	March	April	May	June	July	August	September	October	November	December	
Board of directors		1	1			2			3			1	8
Audit committee			1			1			1			1	4
Remuneration & Nomination committee			1			1			1			1	4

3.4 Evaluation

The Board of Directors, under the lead of the Chairman, assesses at least every three years its own performance and its interaction with the Executive Management, as well as its size, composition, functioning and that of its Committees. The first assessment is done in the first quarter of 2024, i.e. within the 3 year time frame after the installment of the Board and its Committees. Furthermore it is the intention of the Board to organize this assessment on a yearly basis going forward.'

3.5 Rules governing the appointment and replacement of board members and amendments to the articles of association

The General Shareholders' Meeting appoints the directors, which it selects from the candidates proposed by the Board of Directors on the recommendation of the Remuneration and Nomination Committee. Where applicable, the binding nomination right of the Reference Shareholders has to be respected.

For any new appointment to the Board, the skills, knowledge and experience already present and those needed on the Board will be evaluated and, in the light of that evaluation, a description of the role and skills, experience and knowledge needed will be prepared (a 'profile'). At least two directors should qualify as independent. Appointments are generally made for a maximum term of four years.

When dealing with a new appointment, the Chair of the Board and the Chair of the Remuneration and Nomination Committee must ensure that, before considering the candidate, the Board has received sufficient information such as the candidate's curriculum vitae, an assessment of the candidate based on the candidate's initial interview, a list of the positions the candidate currently holds, and, if applicable, the necessary information for assessing the candidate's independence.

In accordance with Article 7:88, §1 the CCA and the Articles of Association of the Company, when a director's seat becomes vacant, the remaining directors have the right to co-opt a new director, in which case the next General Shareholders' Meeting must confirm the co-opted director's mandate. If the mandate is confirmed by the General Shareholders' Meeting, and unless the General Shareholders' Meeting decides otherwise, the co-opted director will carry out the mandate of his/her predecessor for its remaining duration. In absence of such confirmation, the term of office of the co-opted director ends at the end of such General Shareholders' Meeting, without prejudice to the regularity of the composition of the Board up to that point in time. Where applicable, during the co-optation and confirmation thereof, the binding nomination right of the relevant Reference Shareholder will be respected.

Whenever a legal entity is appointed as a director, it must appoint an individual as its permanent representative, who will carry out the office of director in the name and on behalf of that legal entity.

Any proposal for the appointment of a director by the General Shareholders' Meeting should include a recommendation from the Board based on the advice of the Remuneration and Nomination Committee. This provision also applies to shareholders' proposals for appointment. The proposal must specify the proposed term of the mandate. It will be accompanied by relevant information on the candidate's professional qualifications together with a list of the positions the candidate already holds.

The Board will indicate whether the candidate satisfies the independence criteria.

Amendments to the articles of association are subject to the relevant legal provisions as set out if the CCA.

3.6 Application of sections 7:96 and 7:97 of the Belgian Code of Companies and Associations on conflict of interest

At the meeting of 20 March 2023, the members of the Board of Directors gave the green light to start discussions with EnergyVision around a possible joint venture. This decision was taken without participation in the deliberations or the vote of the Chairman (Pieter BOURGEOIS, permanent representative of CRESCEMUS BV) and Kurt TRENSON, permanent representative of TREFI BV, in view of a possible conflict of interest of a proprietary nature on their part cf. art. 7:96 of the Belgian Code of Companies and Associations. It has come to light through deliberations that the initiation of a joint venture is presently not feasible or viable.

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*, Kristina Loguinova and, since 21 December 2023, Valerie Dejaeghere* (* permanent representative of management company);
- 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 2023, the Audit Committee convened 4 times and all members participated in each meeting.

In its meeting of 20 March 2023, the Audit Committee has dealt with the finance section of the 2022 Annual Report, the Statutory Auditor's report on the accounting year 2022 to the ASM, the approval of the remuneration for the Statutory Auditor, and the information on risk assessment and management to be included in the 2022 Annual Report. The road to the implementation of the Corporate Sustainability Reporting Directive (CSRD) was the main topic of the meeting of 29 June 2023. The Audit Committee meeting of 6 September 2023 was mainly dedicated to the financial report over the first 6 months of 2023.

The final Audit Committee meeting of 2023 focused on: the activity report of the Statutory Auditor, including pre-audit procedures and GWE, the accounting principles to be applied for the joint-ventures), followed by a status update on governance, internal audit 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 2023.

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: Kurt Trenson* (chair end date 31 January 2024). As of 1 February 2024, replaced by Nathalie Van Den Haute*. Regine Slagmulder* and Kristina Loguinova

*permanent representative of management company.

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

In 2023, the Remuneration and Nomination Committee convened 4 times and all members participated in every meeting.

The main topics at the 4 Remuneration and Nomination Committee meetings in 2023 were: the composition of the Board of Directors, the KPI's to be applied for the bonus scheme of the Executive management team members, an update of the HR calendar, the annual management evaluation, the uniformisation of the service contracts of the management team members and the organisation structure after the GWE-acquisition. The conflict of interest regulation had not to be applied in 2023.

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. Therefore 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 (last function : Audit Director) 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.

Ulrich (Uli) Ombregt, (through his management company Ombregt Consultancy BV) Chief Executive officer GWE, who joined the executive management committee since 14 September 2023 following the acquisition of GWE. Degree in Environmental Technology and a Master's degree in Applied Economics at the University of Ghent. Uli has over 20 years of experience in the wastewater solutions industry and has executed various roles within GWE. Belgian nationality.

Patrick Parfondry, (through his management company iPure BV), site head H2O Production. 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.

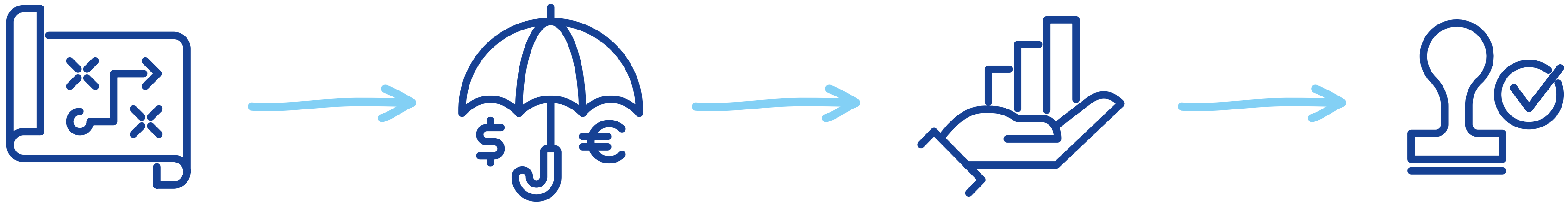
Joost Van Der Spurt, Chief Technology Officer (CTO) since 2014. Master in Chemical Engineering from the University of Leuven. Eight years of experience in the water industry, focusing on process management, research and development, as well as automation. Belgian nationality.

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.

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

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.

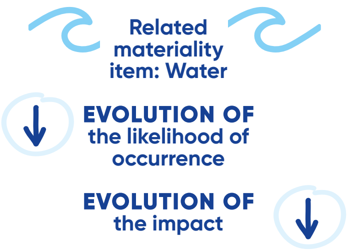
Throughout the year, the Executive Management Team reports on a quarterly basis to Ekopak's Audit Committee, who supervises the company's entire risk management process.

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. 2023 Risk Management review

Risks Identified

The risk factors identified in 2021 and 2022 have been re-evaluated in the course of 2023. The review confirmed the majority of risk factors that had been already identified. The major updates are mainly associated to the acquisition of GWE. They include the currency exchange risk, the risk related to expansion investments, the risk for increasing funding cost and environmental risks. Furthermore, the 2023 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.

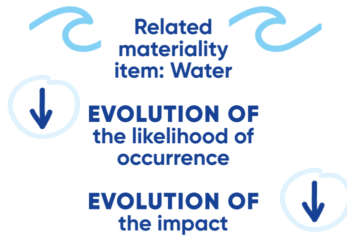


Risk of Unavailability of Raw Materials. Ekopak's containerized water purification systems and waste water treatment plants (WWTP) require specific raw materials to operate. While these raw materials are typically broadly available, some of them have become scarce in the past two years. Any interruption 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. The efforts in this area have resulted in a decrease of both the likelihood of occurrence and the impact, compared to previous year.

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

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, thus enhancing an economy-of-scale effect. Here, as well, the efforts in this area have resulted in a decrease of both the likelihood of occurrence and the impact, compared to previous year.



Related materiality item: Water

EVOLUTION OF the likelihood of occurrence

EVOLUTION OF the impact

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. Critical IT systems are running in the cloud. Daily back ups are made and stored both internally and at the IT service provider. Disaster recovery testing is done on an annual basis.

Cyber Security Risk. Many operational activities of Ekopak depend on IT-systems that are developed and maintained by internal and external experts. Home office work has expended the number of end-point devices and connection channels. A cyber-attack affecting critical IT-systems could interrupt Ekopak's business continuity and affect profitability. It may also lead to risks associated with data privacy and confidentiality. 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.

Related materiality item: Water

EVOLUTION OF the likelihood of occurrence

EVOLUTION OF the impact

Related materiality item: Water

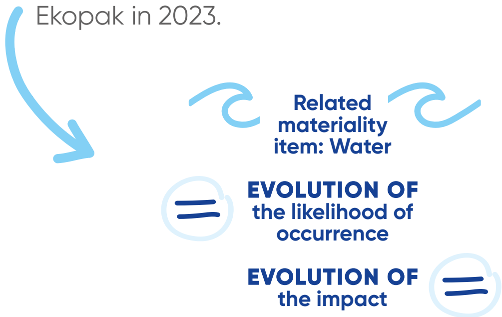
EVOLUTION OF the likelihood of occurrence

EVOLUTION OF the impact

Credit risk. Ekopak is subject to the risk that commercial counterparties delay or do not pay their liabilities. While close monitoring of outstanding balances is in place, Ekopak cannot fully exclude the credit risk. The risk may impact the cash position and the profitability of the group. Invoices related to the investment goods of non-WaaS project refer to significant amounts. While the invoice amounts for WaaS-projects are relative low, they, too, would have a material adverse impact on Ekopak's mid- and long-term financial situation. Ekopak has not been confronted in the past years with increased bad debts provisions or customer bankruptcies leading to write-offs of bad debts. 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 projects refer to significant amounts.

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, CSO and COO. Installations abroad either require upfront payment or a letter of credit. Given the risk assessment of management, no credit insurance was undersigned.

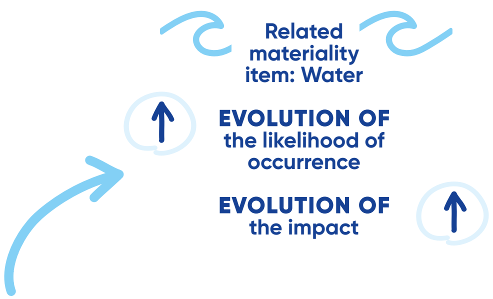
Protection of Know-How. Ekopak's know-how and technology are not protected by patents or design registrations. Failure to adequately protect know-how could allow clients and, by extension, competitors to copy or reverse-engineer (the functioning of) Ekopak's water purification solutions. Ekopak carefully selects the most appropriate technology for each specific installation, but is not contractually bound by any specific technology and can adopt new technologies as they come available. The same approach applies to GWE, that was acquired by Ekopak in 2023.



Mitigating factors. As Ekopak is technology agnostic, Ekopak has the flexibility to pick and choose the best technology solution for each client. Ekopak can switch technologies in function of new evolutions. All installations built are documented. Furthermore, the application of technology is extremely "installation-specific", thus limiting the risk for duplication. The same principles apply to GWE.

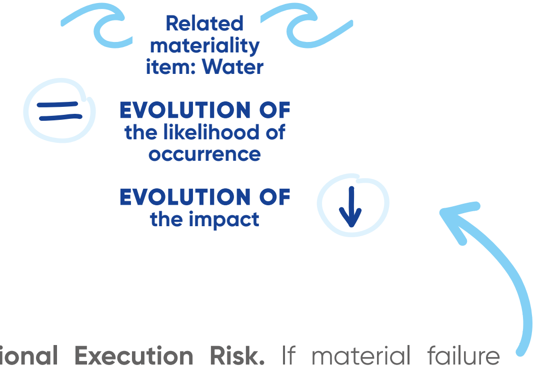
Human Capital Risk. Ekopak might fail to retain existing key management, R&D and/or engineering staff, and/or might fail to attract and train new highly-qualified personnel, which could have a material adverse effect on Ekopak's business. If key staff would leave the company for a competitor, this would 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. The acquisition of GWE has enlarged the scope for this risk, which has become even more international. Therefore, the annual assessment resulted in an increase of the likelihood of occurrence and the impact of this risk compared to previous year.

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. Although Ekopak experiences that the recruitment process takes more time in the current labour market, most of our vacancies are filled in within three to six months. We have installed the "refer a friend" program where employees can put forward candidates out of their network and upon signature of contract they receive a bonus. For difficult vacancies, we use external resources to temporary fill the positions and work with external recruitment agencies to find the proper candidate. We prioritize employee retention through a strategic focus on competence management, training plans, and market-based pay with additional legal benefits. Our commitment to internal mobility, promotions, and comprehensive training courses underscores our dedication to providing a dynamic and rewarding environment, ensuring our workforce remains engaged, skilled, and invested in the long-term success of the company. This approach is extended to GWE's operations, too.



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 significantly 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. With the acquisition of GWE, Ekopak has become a truly global company, and is subject to many laws and regulations across all countries where it is operating. These laws and regulations are becoming ever more complex and more stringent, change faster and more frequently than before. These numerous laws and regulations include, amongst others, data privacy requirements, labour related laws, tax laws, health and safety regulations. Actions to ensure compliance may require additional costs or capital expenditures, which could negatively impact the performance of the group. In addition, given the high level of complexity of these laws, there is a risk that Ekopak may inadvertently not (timely) comply. Violations could result in fines, criminal sanctions and a reputational risk.

Mitigating factors. The Ekopak policies installed incorporate behavioural guidelines to ensure regulatory behaviour and compliance. A whistleblower function has also been implemented in 2023. Ekopak's strategic transition towards the WaaS business model mitigates this risk, which is -albeit limited in number- mainly related to non-WaaS installations. Just like last year, Ekopak's litigation history still only consists of 2 cases dating from 2014 or before, related to non-WaaS installations with inadequate maintenance by the respective customers. The acquisition of GWE has enlarged the scope for this risk, which has become even more international. Therefore, the annual assessment resulted in an increase of the likelihood of occurrence and the impact of this risk compared to previous year.

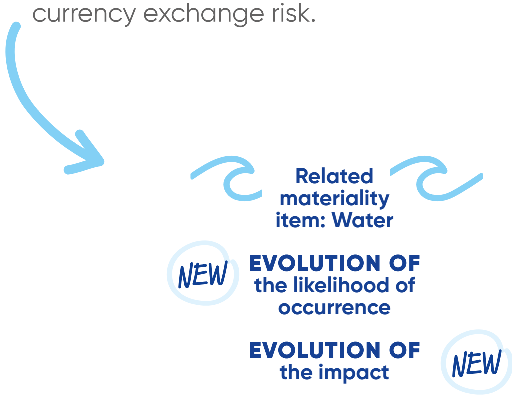


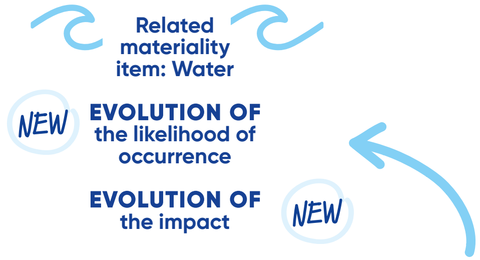
Operational Execution Risk. If material failure would occur at Ekopak's installations at the client's site, the water delivered by Ekopak's installation could be polluted, which may imply significant repair costs as well as compensation payments and litigation costs. This could have a material negative effect on the company's financial situation. Furthermore, handling of chemicals - if not done cautiously - can have a negative impact on occupational health and the environment.

Mitigating factors. Ekopak is mitigating the operational execution risk by ensuring adequate stock levels to avoid ruptures in crucial material components. Installations are monitored 24/7 leading to a prompt response in case of an operational breakdown or water quality degradation. Design failures are covered by the third-party liability insurance policy. Safety risks are mitigated by the availability of 'toolboxes' as well as by the application and implementation of various procedures (including safety procedures and procedures included in Ekopak's Quality Management System (QMS). These are compliant with Belgian and international quality labels, including VCA and ISO 900:2015. Ekopak's considerable efforts in this area have resulted in a reduced assessment.

Currency exchange risk. With the acquisition of GWE, Ekopak's assets, income, earnings and cash flows are influenced by fluctuations of the exchange rates - predominantly USD versus EUR. Therefore, this new risk factor has been included in the 2023 Risk Management Review. The group's currency risk can be split into 2 categories: translational and transactional. A translational currency risk arises when the financial data of foreign subsidiaries are converted into the group's consolidation currency, the euro. The group is also exposed to transactional currency risks resulting from its sales and operating activities.

Mitigating factors. Ekopak is hedging net exposures in USD to limit the impact of the currency exchange risk.





Expansion investment risk. Large M&A projects or new business models are subject to the risk of delay and cost overruns due to unforeseen roadblocks. Consequently, the anticipated return of such investments might not or not at all be achieved within the intended timeframe, which may negatively affect the cash position and funding cost of the company.

Mitigating factors. With the acquisition of GWE, Ekopak's size has almost doubled. In order to mitigate the related risk, Ekopak's management has organised several integration workshops, focusing on different fields, to create overall best practices and to enhance integration. Prior to implementing new business models, Ekopak is performing legal and financial controls to assess potentially associated risks and impacts.

Funding risk. In the current international financial environment, Ekopak is confronted with increased interest rates. This situation is leading to higher financing cost and/or (more) restrictive covenants and/or more securities (pledges, collaterals). In addition to the risk of less attractive funding options, this may also lead to the unavailability of funding for potential M&A projects.

Mitigating factors. Ekopak's covenants relate to minimum equity thresholds and minimum solvency ratio. There is still an important headroom in that respect. Net debt is closely monitored and actions to reduce working capital are implemented, along with cost reduction actions and the application of strict capex conditions. Furthermore, hedging of interest rate is applied on loans with floating interest. Ekopak is closely monitoring key economic indicators, thus permanently analysing the group's funding capabilities.

Related materiality item: Water

NEW **EVOLUTION OF the likelihood of occurrence**

EVOLUTION OF the impact NEW

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 CO_2 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 chemicals 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. See also chapter 4. Stresstest of the annual report for more information on laws and regulations and the related risks which have resulted in determining the metrics to be measured.

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 Key Performance Indicators (KPI's). This approach leads to an increased awareness for this risk factor, thus triggering Ekopak to anticipate 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 company car fleet and its continuous efforts to reduce the energy consumption and use of chemicals for its water treatment installations. Furthermore, the group maps upcoming or changing legislations (such as the CSRD) to define potential gaps and implements roadmaps to address the gaps. Ekopak reports the environmental footprint for all its operational WaaS installations, even though this is not legally required. These reports cover the use and reduction of Waste, Energy and Chemicals, and also specify the amount of water saved by its WaaS plants, the delivered production capacity of waste water treatment and one-off installations during the year 2023. As of 2024, Ekopak will also measure the CO_2 footprint of its installations.

Macroeconomic & geopolitics riks (*). 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 inflation, potential interruptions in the supply chain etc. The world is recently confronted with serious political and (macro-) economic events and fluctuations that can heavily impact the investment climate as well as the operational activities of Ekopak in specific regions and countries. Even when Ekopak has no direct operations in countries like Ukraine, Russia, Israel and Palestina, were such events are currently taking place, Ekopak is aware that the impact of such events can potentially have a wider geographical scope. Moreover, Ekopak is aware that, in the future, similar events may occur in regions and countries where the group is operational. Such events and tensions could translate into constraints to Ekopak's operations (e.g. export/import and investment restrictions, trade barriers, supply chain breaks, etc.).

Mitigating factors. Ekopak refers in this respect to the mitigation plans for the Risk of Unavailability of Raw Materials, the Risk of Price Increases for Raw Materials, the Funding risk, and the Currency Exchange risk (cf. before). In addition, Ekopak's management has enhanced its monitoring activities of macroeconomic and geopolitical developments, in particular those affecting the regions and countries where Ekopak (including GWE) is active. While the short-term impact on Ekopak's business is assessed in regular business review meetings, the mid- to long-term impact is analysed in the strategic management meetings. With regard to Ekopak's geographical expansion strategy, careful analysis of potential new geographical markets and regions will precede any specific initiative in this regard, while Ekopak will also strive for a balanced spread of activities across different regions, thus absorbing this risk.

Related materiality item: Water

(*) 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.

7 Business ethics

Human Rights

Human rights are the fundamental rights, freedoms and standards of treatment to which all people are entitled. Ekopak commits to manage and respect human rights in its own operations as well as in the value chain in accordance to the internationally recognized human rights standards and conventions.

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.

Market abuse

The Board of Directors has adopted the Ekopak Dealing Code, which became effective on 30 March 2021.

See also our Human Rights Policy :
https://ekopakwater.com/en/investor-relations/corporate-governance/corporate-governance/

Diversity & Inclusion

At Ekopak we value and promote diversity in the Board of Directors, the Management Team, and in the company as a whole. Beside complying with the provisions of the Belgian Code on Corporate Governance, the purpose of our Diversity Policy is to foster inclusivity, equality, and a thriving, innovative environment that benefits both the company and its employees.

See also our diversity policy: https://ekopakwater.com/en/investor-relations/corporate-governance/corporate-governance/

The company is compliant with the legal requirement that at least one third of the members of the Board of Directors are of the opposite gender.

Gender Diversity in numbers

	# people	% male	% female
Board of directors	8	50%	50%
Executive Management	9	67%	33%

Age Diversity

	# people	30-50 years old	over 50 years old
Board of directors	8	63%	37%
Executive Management	9	67%	33%

Our company policies are created following the left scheme, meaning that they are well aligned in reflecting the same message towards our stakeholders. We start with our Code of Conduct, a more detailed elaboration of how the code of conduct is applied to suppliers, employees and customers is explained in the different policies. Some of these policies have more detailed information explained in partial policies.

Code of Conduct Employee policy

The Ekopak Code of Conduct describes how we put our Ekopak values into practice and which leadership principles or behaviours we expect from every Ekopak employee. This is further detailed in our employee policy which was launched in 2023.

Suppliers and customers

During 2023 the Ekopak supplier and customer policies were rolled out in which our standards in business ethics, such as no acceptance of money laundering, of forced and child labour,... are described. At first instance these policies have been communicated to our key suppliers and customers. Although an informal screening on the ethical standards applied at our suppliers and customers already exist, we intent to roll out a more formal process on the adherence of our values and standards in the future.

Future actions

Besides a more formal process on the adherence to the policies installed in 2023 after a proper identification of the policy owners within the group, the KPI's installed as per value creation model, will be monitored within the executive management and reported to the Board of Directors on a quarterly basis.

See also our code of conduct and different policies on our website
https://ekopakwater.com/en/investor-relations/corporate-governance/corporate-governance/

8 Corporate Governance Statement 2023

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 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.

Remuneration Report for the year 2023

8.1. General introduction

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 the Annual Shareholder Meeting of May 2022.

This remuneration report should be read together with the remuneration policy which, to the extent necessary, should be regarded as forming part of this remuneration report.

The remuneration granted to directors, CEO and Executive Management Committee (Exco) members with respect to financial year 2023 is in line with the remuneration policy.

8.2. Remuneration report 2023

This report covers the 2023 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 Ulrich Ombregt, CEO Global Water & Energy (GWE), is only included since 14 September 2023, i.e. the day that Ekopak NV obtained control over GWE.

A. 2023 Remuneration of the board members

The remuneration paid to non-executive directors consists solely of an annual fixed component, being €15,000 per director and €25,000 for the chairman of the board. Those amounts are unchanged compared to 2022 and 2021. Executive directors do not receive a remuneration for their board mandate.

No additional remuneration was provided for a mandate in any of the board committees. There are no golden parachute provisions in case of a take-over bid.

The actual board remuneration for 2023 is reflected in the table on the right. As Marfa Consult was nominated as board member on the ASM of May 2023, the remuneration only includes 3 quarters of 2023.

Crescemus BV (Chairman)	€25.000
Tim De Maet*	€0
EDK Management BV*	€0
Kristina Loguinova	€15.000
Marfa Consult BV	€11.250
Pilovan BV*	€0
Regine Slagmulder BV	€15.000
Trefi BV	€15.000
Total board remuneration 2023	**€81.250**

**Executive members of the Board of Directors*

B. 2023 Remuneration of the Chief Executive Officer (CEO)

The remuneration package of the CEO consists of a base salary, a variable remuneration component and warrants. No shares have been granted.

Base remuneration

The base salary of the CEO consists of the actual invoices issued by Pilovan BV to Ekopak.

Variable compensation

The variable remuneration includes a short-term and a long-term incentive component, granted in cash and warrants. Variable remuneration is reported for the year it vests and not for the (subsequent) year it is paid.

Short-term incentive component : annual bonus

The short-term variable remuneration component of the CEO consists of an annual bonus. The annual bonus is calculated based on the extent to which specific KPIs - each with a predetermined weight - have been achieved. The annual KPIs and their weighting for the CEO's bonus are the same as those for the Executive Management Committee members' bonus. The KPI's are set annually at the beginning of the calendar year based on the Budget as approved by the Board of Directors.

In case of changing circumstances during the year that have an impact on (one of) the set targets (e.g. acquisition, ...), these targets are adjusted for bonus calculation purposes, unless the impact of these changing circumstances exceeds 10%. In that case, the targets are not adjusted and the impact of the change is not included in the calculation of the annual bonus. In such cases, a separate bonus may be proposed. The bonus, any adjustments to the calculation of the annual bonus, or the creation of a separate bonus are submitted for approval to the Remuneration Committee and the Board of Directors. Reference is made to the section on the short-term incentive component for the Executive Management Committee on page 85.

Long-term incentive component: share based remuneration

No warrants have been granted to the CEO in 2023 nor in the past.

Total Remuneration of CEO

Base remuneration	€217.967	92,2%
Variable compensation	€18.364	7,8%
Total CEO remuneration 2023	**€236.331**	**100%**

C. 2023 Remuneration of the Executive Management Committee, excluding the CEO

The Executive Management Committee (Exco), excluding the CEO, as analysed in this chapter, includes 8 people.

The remuneration package of the Exco members who have an employment contract with Ekopak NV, consists of a base remuneration, a short-term variable remuneration, a long-term incentive, a group and hospitalisation insurance, and various other components, such as company car, fuel card, luncheon vouchers, smartphone, etc. The remuneration package of the Exco members with a management company, consists of a base monthly fee, a short-term bonus and a long-term incentive.

The remuneration package aims to be competitive and is aligned with the role and responsibilities of each Exco member. Details of the remuneration package for the Exco members can be found in the Ekopak Remuneration Policy. The amount of the remuneration and other benefits granted in respect to 2023 to the Exco members, other than the CEO is set out below. They refer to the remuneration of Cospil BV, EDK Management BV, Lieve Delrue, Tim De Maet, Niels D'Haese, Ipure BV, Ombregt Consultancy BV (since 14 September 2023), Joost Van Der Spurt, Annie-Mie Veermeer. No severance payments have been made.

	2023	**%**
Base remuneration	€1.021.237	82,2%
Variabele compensation	€17.630	1,4%
Other compensation components (company car, gas card, laptop, phone, meal vouchers, etc.)	€172.482	13,9%
Hospitalization insurance	€2.676	0,2%
Group insurance	€29.104	2,3%
Total Exco 2023 remuneration	**€1.243.130**	**100%**

Base remuneration

The base salary reflects role responsibilities, job characteristics, experience, and skill sets. Remuneration levels are set using internal and external benchmarking, in the latter case with companies of similar size, complexity, operations and global scope.

Variable compensation

The variable remuneration includes a short-term and a long-term incentive component, granted in cash and warrants. Variable remuneration is reported for the year it vests and not for the (subsequent) year it is paid.

Short-term incentive component : annual bonus

The bonus plan for the members of the Exco is linked to the performance of the organisation and is a so-called "metric" plan, containing only predefined, measurable and verifiable KPIs and not subjective individual KPIs.

The main characteristics of the annual bonus plan are:

- There are four (4) KPIs defined, and a fixed weight is assigned to each of them.
- Each KPI is measured separately
- Fall back and growth scales are applied to the first two KPI's.

The specific KPI targets are set annually at the beginning of the calendar year based on the Budget as approved by the Board of Directors. In case of changing circumstances during the year that have an impact on (one of) the set targets (e.g. acquisition, ...), these targets are adjusted for bonus calculation purposes, unless the impact of these changing circumstances exceeds 10%. In that case, the targets are not adjusted and the impact of the change is not included in the calculation of the annual bonus . In such cases, a separate bonus may be proposed. The bonus, any adjustments to the calculation of the annual bonus, or the creation of a separate bonus are submitted for approval to the Remuneration Committee and the Board of Directors.

The Company does not disclose the actual targets per criterion, as this would require the disclosure of commercially sensitive information.

The fall back and growth scales are introduced both with a cut-off target and aim to motivate members of the Exco to exceed set targets.

Bonus target clusters	Performance criteria	Relative weight
Financial	KPI 1: Sales	25,0%
	KPI 2: EBITDA	25,0%
Sustainability drivers	KPI 3: M^3 drinking water saved	37,5%
	KPI 4: eNPS score	12,5%

Long-term incentive plan: share based compensation

The long-term incentive plan is granted in the form of warrants. No shares were granted to the Exco members, nor was any other share-based remuneration provided to the Exco members, during 2023. Reference is made to the explanation given in the Corporate Governance Statement on page 82 regarding the reason for this deviation from article 7.9 of the Belgian Corporate Governance Code. In 2023, no warrants were allocated to the Exco members. All details on the warrants granted, vested, and exercised by the Exco members are provided in the table on next page.

The Warrants can be subscribed to free of charge. The Warrants are registered (dematerialisation is not possible) and in principle not transferable inter vivos. The maturity of the Warrants is five years as of the date of grant. The vesting occurs in three equal instalments of one third of the total number of Warrants granted over a period of three years following the date of grant. The Warrants can be exercised for the first time as from the beginning of the fourth calendar year following the calendar year in which the grant date lies and this during the first fifteen days of each quarter (with suspension of this window if it falls in a prohibited or closed period).

Unless otherwise decided by the Board the vesting of additional Warrants ceases upon the termination of the cooperation between an Exco member and Ekopak.

Any Warrants not yet exercised will automatically lapse upon termination of the (i) employment agreement for serious cause, (ii) cooperation agreement for serious cause or serious breach of contract, or (iii) director mandate for serious cause or serious mismanagement.

Provision is made for an accelerated exercise of the Warrants in the event of a liquidity event.

For more information regarding a.o. price and date of exercise, we refer the IFRS Financial Statements.

Name Position	Grant Date	Vesting Date	End of retention period	Exercise period	Exercise price	Number of options at the beginning of the year
Tim De Maet	30/12/2020	30/12/2021	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3333
COO, Director	30/12/2020	30/12/2022	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3333
	30/12/2020	30/12/2023	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3334
Joost Van Der Spurt	30/12/2020	30/12/2021	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3333
CTO	30/12/2020	30/12/2022	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3333
	30/12/2020	30/12/2023	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3334
Anne-Mie Veermeer	30/12/2020	30/12/2021	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3333
CDO	30/12/2020	30/12/2022	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3333
	30/12/2020	30/12/2023	30/12/2025	first 15 days of each quarter of 2024 and 2025*	16,20	3334
Niels D'Haese	16/12/2021	16/12/2022	16/12/2026	first 15 days of each quarter of 2025 and 2026*	17,63	1666
CCO	16/12/2021	16/12/2023	16/12/2026	first 15 days of each quarter of 2025 and 2026*	17,63	1666
	16/12/2021	16/12/2024	16/12/2026	first 15 days of each quarter of 2025 and 2026*	17,63	1667

*unless the respective quarter is in a prohibited period

D. Use the right to reclaim

The company will use the legal options available for payback of variable remuneration in case fraud or other types of misconduct or irregularities in the results of the company would be discovered in a period of 3 years following its payment. In this reporting period, there was no reason for the Board to reclaim any previously paid variable remuneration to the CEO or to any of the Exco members.

E. Deviations from the remuneration policy

All of the above was determined and paid in line with the existing company remuneration policies.

F. Evolution of remuneration and company performance

Pursuant to the Code of Companies and Associations, Ekopak reports the pay ratio of the CEO remuneration versus the lowest FTE employee remuneration in its legal entity Ekopak NV. The 2023 pay ratio is 6.9. The pay ratio versus de median equals 4.3.

G. Summary statement

In thousands of euro	2021	2022	2023
Remuneration of Board members			
Total annual remuneration	75	78	81
Year-on-year difference (%)		4%	4%
Number of Board members	7	7	8
Remuneration of CEO			
Total annual remuneration of CEO (EUR)	252	285	236
Year-on-year difference (%)		13%	-17%
Remuneration of executive management			
Total annual remuneration (EUR)	506	683	1.243
Year-on-year difference (%)		35%	82%
Number of Executive Management members	5,0	6,0	8,3
Average per person	101	114	150
Ekopak Group Performance			
Net sales (EUR)	11.251	17.710	36.033
Year-on-year difference (%)		57%	103%
Adjusted EBITDA (EUR)	342	-459	3.551
Year-on-year difference (%)		-234%	874%
Average remuneration per FTE employee			
Average employee cost per FTE (*)	65	84	70
Year-on-year difference (%)		28%	-16%

*Gross employee costs before capitalization

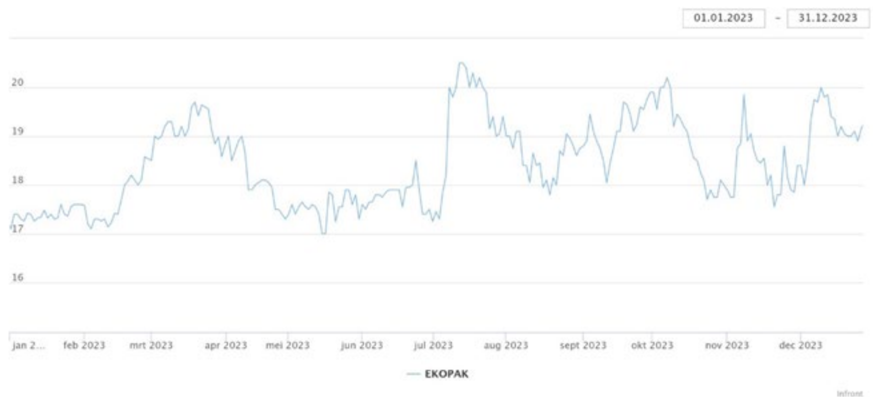
Information about the Ekopak share

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:	11,642,343 (78.53%)
Free float:	3,182,299 (21.47%)

	2022	2023
Highest closing price (date):	€21.40 (19 Aug.)	€20.50 (12-13 July)
Lowest closing price (date):	€15.32 (8 Mar.)	€17.00 (16-17 May)
Average closing price:	€18.14	€18.43
Closing price at year-end:	€17.30 (30 Dec.)	€19.15 (29 Dec.)
Highest intraday price (date):	€21.80 (22 Aug.)	€20.70 (13 July)
Lowest intraday price (date):	€15.94 (8 Mar.)	€17.00 (16-17-18 May)

Share transactions	2022	2023
Total number of trades	14,221	11,924
Total number of shares traded	1,295,199	1,143,571
Average number of shares per transaction	91	96
Daily average number of shares traded	8,250	4,485
Highest daily number of shares traded (date)	82,299 (14 March)	43,223 (6 july)
Lowest daily number of shares traded (date)	190 (21 Dec.)	108 (11 Aug.)
Share velocity	0.09	0.08
Free Float Share velocity	0.39	0.36
Total volume (in EUR) traded	€23,463,236	€21,376,139
Market Capitalisation at year-end	€256,466,307 (30 Dec.)	€283,891,894 (29 Dec.)



Financial Report 2023

Together towards
a sustainable future.

FINANCIAL REPORT 2023

IFRS Consolidated Financial Statements

1. Consolidated statement of profit or loss

		for the year ending December 31	
in 000€	**Notes**	**2023**	**2022**
Revenue	5	36.033	17.710
Other operating income	5	1.530	1.135
Operating income		**37.563**	**18.845**
Purchases of materials	7	-18.545	-8.921
Services and other goods	7	-6.244	-4.555
Employee benefit expense	7	-9.452	-5.660
Depreciation and amortisation expense	9, 11, 12	-6.592	-1.835
Other operating charges	7	-131	-168
Operating loss		**-3.401**	**-2.294**
Financial expenses	7	-880	-277
Financial income	7	284	50
Loss before taxes		**-3.997**	**-2.521**
Income taxes	8	921	535
Net loss for the year *		**-3.076**	**-1.986**
Earnings per share attributable to the owners of the parent			
Basic	18	-0,21	-0,13
Diluted	18	-0,21	-0,13

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

The accompanying notes on pages 100 to 159 form an integral part of these IFRS Consolidated Financial Statements.

2. Consolidated statement of comprehensive income

		for the year ending December 31	
in 000€	**Notes**	**2023**	**2022**
Net loss for the year		**-3.076**	**-1.986**
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss			
Cashflow hedge reserve, net of tax	24	-34	–
Cumulative translation differences		-26	–
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations, net of tax	**19**	**10**	**35**
Other comprehensive income, net of tax		**-50**	**35**
Total comprehensive loss for the year, net of tax *		**-3.126**	**-1.951**

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

The accompanying notes on pages 100 to 159 form an integral part of these IFRS Consolidated Financial Statements.

3. Consolidated statement of financial position

		At December 31	
in 000€	**Notes**	**2023**	**2022**
Assets			
Non-current assets			
Goodwill	9	20.443	2.135
Intangible assets	10	32.121	4.592
Property, plant and equipment	11, 12	30.589	25.349
Deferred tax assets	8	3.193	1.547
Other financial assets		117	99
Total non-current assets		**86.463**	**33.722**
Current assets			
Contract assets	15	9.836	4.016
Inventories	13	8.421	4.837
Trade receivables	14	7.668	4.951
Other current assets	14	4.325	865
Cash and cash equivalents	16	12.679	32.508
Total current assets		**42.929**	**47.177**
Total assets		**129.392**	**80.899**

The accompanying notes on pages 100 to 159 form an integral part of these IFRS Consolidated Financial Statements.

		At December 31	
in 000€	**Notes**	**2022**	**2021**
Equity			
Share capital	17	6.671	6.671
Share premium	17	55.116	55.116
Other reserves	17	-2.309	-2.274
Accumulated loss		-5.961	-2.845
Equity attributable to the owners of the parent		**53.517**	**56.668**
Total equity		**53.517**	**56.668**
Liabilities			
Non-current liabilities			
Borrowings	21	34.127	10.785
Lease liabilities	12, 21	2.394	999
Deferred tax liabilities	8	7.542	1.244
Provisions	19	1.158	539
Total non-current liabilities		**45.221**	**13.567**
Current liabilities			
Borrowings	21	5.348	1.926
Lease liabilities	12, 21	1.088	522
Trade and other payables*	22	12.543	7.199
Tax payables	8	665	242
Contract liabilities	15	10.912	231
Other current liabilities*	22	98	544
Total current liabilities		**30.654**	**10.664**
Total liabilities		**75.875**	**24.231**
Total equity and liabilities		**129.392**	**80.899**

The accompanying notes on pages 100 to 159 form an integral part of these IFRS Financial Statements.

** We note that the trade and other payables and other current liabilities have been restated in the comparative figures to have a more consistent presentation. An amount of KEUR 403 relating to deferred income and accrued charges has been reclassified from other current liabilities to trade and other payables. We refer to note 22 for details.*

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, 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 loss	**–**	**–**	**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**

in 000€	Share capital	Share premium	Other reserves	Accumulated (loss)/profit	Total equity attributable to the owners of the parent	Total equity
At January 1, 2023	**6.671**	**55.116**	**-2.274**	**-2.845**	**56.668**	**56.668**
Net loss	–	–	–	-3.076	-3.076	-3.076
Other comprehensive loss	–	–	-50	–	-50	-50
Total comprehensive loss	**–**	**–**	**-50**	**-3.076**	**-3.126**	**-3.126**
Share based payment expense	–	–	15	–	15	15
Other movement	–	–	–	-40	-40	-40
At December 31, 2023	**6.671**	**55.116**	**-2.309**	**-5.961**	**53.517**	**53.517**

The accompanying notes on pages 100 to 159 form an integral part of these IFRS Consolidated Financial Statements.

5. Consolidated statement of cash flows

in 000€	Notes	For year ending December 31 2023	2022
Operating activities			
(Loss)/profit before tax from continuing operations		**-3 076**	**-1 986**
Net (loss)/profit		**-3 076**	**-1 986**
Non-cash and operational adjustments			
Depreciation of property, plant & equipment and ROU assets	11, 12	5 345	1 616
Amortization of intangible assets	10	1 244	248
Gain on disposal of property, plant & equipment	11	-11	-11
Increase in provisions	18	76	44
Impairments on receivables	7	94	22
Interest and other finance income	7	-284	-50
Interest and other finance expense	7	880	277
Deferred tax expense	8	-1 330	-613
Tax expense	8	409	78
Equity settled share based payment expense	17.1	15	36
Gain from IFRS 16 lease modification		-7	-3
Net cash flow from/(used in) operating activities before working capital movements		**3 355**	**-342**
Movements in working capital			
Increase in trade and other receivables	14	-934	-1 046
Increase in inventories	13	-2 608	-2 086
Increase in trade and other payables	22	322	2 142
Increase / (decrease) in contract assets	15	699	-2 283
Increase in contract liabilities	15	205	–
Increase/(decrease) in cash guarantees		13	-65
Income tax received	8	–	12
Interests paid	7	-680	-212
Interests received	7	203	1
Net cash flow from / (used in) operating activities		**575**	**-3 879**
Investing activities			
Purchase of property, plant and equipment	11	-12.247	-9.459
Proceeds from the sale of property, plant and equipment	11	652	22
Purchase of intangible assets	10	-772	-824
Receipt of asset related government grants		95	489
Acquisition of subsidiary, less the acquired cash	6	-32.791	-4.919
Payment of contingent consideration from previous acquisitions		-500	–
Net cash flow used in investing activities		**-45.563**	**-14.691**

Financing activities			
Proceeds from borrowings	21	28 346	10 321
Repayment of borrowings	21	-2 064	-884
Repayment of leases	12, 21	-954	-441
Other financial expense, net		-139	-18
Net cash flow from financing activities		**25 189**	**8 978**
Net cash flow		**-19 799**	**-9 592**
Cash and cash equivalents at beginning of year	16	32 508	42 100
Exchange rate differences on cash & cash equivalents		-30	–
Cash & cash equivalents at end of year	**16**	**12 679**	**32 508**

The accompanying notes on pages 100 to 159 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 responsible and sustainable supplier of mission-critical industrial process water to its customers worldwide. The company offers a specialised range of industrial water treatment and wastewater treatment solutions.

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, 2023 were authorised for issue in accordance with a resolution of the directors on March 20, 2024.

2. Material 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.

The consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and the fulfillment of liabilities in the normal course of business.

Considering the company's growth trajectory and the acquisition of GWE, which was funded by 1/3rd of the company's cash, the cash and cash equivalents decreased from 32.5 million EUR as of December 31, 2022, to 12.7 million EUR as of December 31, 2023.

Management has meticulously developed a comprehensive business plan and cash flow forecast that aligns with the company's strategy. This plan takes into account existing financing facilities, framework agreements, loans, as well as the renewal of a framework agreement and additional financing agreements, assessed as being very likely to be achieved. The latter assessment is based o.a. on the solid balance sheet structure of the company at year-end 2023 with a consolidated solvency ratio of 41%, a consolidated annualized leverage of 2,4 (excluding leases and excluding capex of premises) and sufficient headroom with respect to the loan covenants; covenants which are based on a minimum equity value and on solvency ratios.

Based on the business plan, the company is confident that it possesses adequate liquidity to roll out the company’s strategy. Therefore, the preparation of the financial statements in accordance with the going concern principle is supported.

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 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.

Global Water Engineering BV and its subsidiaries, further referred to as GWE, were acquired through a business combination on September 14, 2023. We refer to note 6 for more information.

2.2.2. Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

We refer to note 4.1 for the significant judgements on the Company's classification of its joint venture. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

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

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

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

2.3. Summary of material 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 disinfection installations. Revenue is recognized over time, being proportionate 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, disinfection installations and wastewater treatment plants

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 for the process water and disinfection installations as the installation has no alternative use for the Company and an enforceable right to payment exist for the performance to date. For the wastewater treatment plants revenue is recognized over time which is the period of design, engineering, procurement, delivery of equipment, civil and electromechanical works, commissioning and start-up of the plant as the installation has no alternative use for the Company and an enforceable right to payment exist for the performance to date.

Revenue for the process water and disinfection installations is recognized based on the actual progress and expected margin at the end of the reporting period. Revenue for the wastewater treatment plans is recognized based on the milestone reached and expected margin at the end of the reporting period.

The assumptions regarding the new revenue of wastewater treatment plants is described in note 4.

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 as a separate line 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, technology and customer lists.

We refer to note 10 for more information.

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 list: 13 - 15 years
- Design components: 3 years
- Technology: 9 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 and amortization expense“.

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 33 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.

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. Derivatives

The Company uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk and foreign currency swaps to hedge its foreign currency risks. Such derivative financial instrument are initially recognized at fair value on the date on which the derivative contract is entered and are subsequently remeasured at fair value at the end of each reporting period. The swaps are derivatives that hedge a particular risk associated with the cashflows of recognised assets and liabilities (cash flow hedge). As per December 31, 2023 the Company has no foreign currency swaps outstanding.

The Company applies hedge accounting for the interest rate swaps.

At inception of the hedge relationship, the Company documents the economic relationship between the hedging instruments and hedged items, including whether changes in the cash flows of hedging instruments are expected to offset changes in the cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity (other comprehensive income). The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The interest rate swaps are effective (100%).

The amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Derivatives are carried as a financial asset when the fair value is positive and a financial liability when the fair value is negative.

2.3.17. 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.

2.3.18. Provisions

Provisions for litigations

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 fulfill 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).

2.3.19. 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.

Due to the acquisition of GWE, the company has two new Belgian pension plans. The plans include a life insurance for death coverage, supplementary health insurance for medical expenses and a pension capital for retirement benefits. The employer contribution is a fixed amount. There are also employee contributions to the 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.

The Company also has an active Philippian and Thai pension plan resulting from the acquisition of GWE, which are defined benefit plans.

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.

2.3.20. 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.

2.3.21. 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.

2.3.22. 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 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The following new standard and amendments are mandatory for the first time for the financial year beginning 1 January 2023 and have been endorsed by the European Union:

- **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.

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

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2023 and have not been endorsed by the European Union:

- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective 1 January 2024).** The amendment describes the characteristics for which reporters will have to provide additional disclosures regarding the impact of supplier finance arrangements on liabilities, cash flows and exposure to liquidity risk.

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective 1 January 2025).** IAS 21 previously did not cover how to determine exchange rates in case there is long-term lack of exchangeability and the spot rate to be applied by the company is not observable. The narrow scope amendments add specific requirements on:
  - Determining when a currency is exchangeable into another and when it is not;
  - Determining the exchange rate to apply in case a currency is not exchangeable;
  - Additional disclosures to provide when a currency is not exchangeable.

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

The following amendments have been issued, but are not mandatory for the first time for the financial year beginning 1 January 2023 and have been endorsed by the European Union:

- **Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as current or non-current' (effective 1 January 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 above amendments to the standards are not expected to have a material impact on the entity.

4. Material 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. Classification of joint arrangements with more than 50% ownership

The Company has a joint arrangement, called Circeaulair I, as described in note 29.

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

- Phase 1 runs from the incorporation date until the financial close of the underlying projects. During this phase all decisions require unanimous consent form all parties for all relevant activities.
- Phase 2 runs from financial close until the last final acceptance of the underlying projects. During this phase there is an extended list of reserved matters defined that are more than protective rights where consensus from the board of directors is necessary to take decisions.
- Phase 3 runs as from the first day following the last final acceptance of the underling projects. During this phase there is a limited list of reserved matters, rather protective rights, where consensus from the board of directors is necessary to take decisions. As from this phase 3, Ekopak NV has a call option, meaning that Ekopak NV has the right, not the obligation, to acquire a share that gives the right to appoint an additional director from the JV partner.

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

- Each shareholder has two directors in the board of directors, none of them have a casting vote;
- Decisions are taken with unanimous consent from all parties for all relevant activities, there is no casting vote in case of deadlock;
- The joint venture has foreseen in a conflict of interest procedure with respect to the supplier agreement of Ekopak, whereby the decision on modification or termination of the contract is taken by the board of directors of Circeaulair without Ekopak joining the decision making; and

Circeaulair I is constructed as a separate vehicle in the legal form of a BV. The two partners have rights to the net assets of the arrangement. This entity is therefore classified as a joint venture and the Company recognises its interest in the joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28, Investments in associates and joint ventures as described in note 29.

4.2. 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 judgmental.

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.

4.3. Revenue recognized over time – performance obligation

4.3.1. 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.

4.3.2. design and build a wastewater treatment plant

The Company has identified five possible performance obligations (design/engineering, procurement, equipment/transportation, siteworks, commissioning/startup) and assessed whether these performance obligations are capable of being distinct and are distinct within the context of the contract. The Company came to the conclusion that the performance obligations identified are not distinct within the context of the contract based on the interdependency and the interrelation of the services and goods provided. The customer expects to receive a working wastewater treatment plant as final product.

Revenue of this revenue stream is recognized over time as the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

In determining the revenue to be recognized at the end of the reporting period, the Company has estimated 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 milestones reached and the expected margin at the end of the reporting period. The milestones reached are a relevant indicator of progress over time and the contractual pricing per milestone reflects the revenue to be recognized at each milestone. The Company identified the following milestones and each milestone is allocated a certain percentage of the total estimated margin:

- Basic/detailed engineering & procurement
- Equipment
- Siteworks
- Startup & commissioning

The siteworks can be performed by the Company or by a subcontractor. In case the siteworks are performed by a subcontractor, the Company controls the goods and services before transferring to the customer and has discretion in the price setting of these siteworks. The Company is therefore principal and recognizes revenue on a gross basis.

4.4. Defined benefit plan

The Company has active group insurance plans in Belgium 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) in Belgium. As of July 1, 2021 employer contributions for new and existing employees are made with respect to the active "branche 23" pension plans.

The Company also has pension obligations in The Philippines, Thailand and France. More information on the estimate is provided in note 19.

4.5. 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 12.501 of tax losses carried forward. These losses do not expire and are not related to structural losses. The Company has recognized deferred tax assets over tax losses carried forward for a total amount of KEUR 3.131. The Company has determined it can recognize deferred tax assets on the tax losses carried forward, since the Company expects these losses within the coming 3 to 5 years. 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.

4.6. Identification and valuation of intangible assets in a business combination

The Group has Global Water Engineering (GWE) in September, 2023. The Group recognizes intangible assets acquired in a business combination at their fair value at acquisition date.

The following intangible assets were recognized provisionally:

- Customer relationships KEUR 17.585, and
- Technology KEUR 9.972.

The fair value assessment of customer relationships was based on the multi-period excess earnings method. This method determines the value of an intangible asset by calculating the present value of its earnings, adjusted for a reasonable return on other assets also contributing to those earnings. The valuation of GWE's customer relationships incorporated a churn rate of 5%, derived from an analysis of the historical data of both old and existing customer contracts. A useful economic life of 10 years was determined for these relationships. Additionally, the discount rate used equals 10,07%.

The fair value assessment of technology was based on the relief from royalty method, which has characteristics of both income and market-based approach thereby classifying it as a hybrid methodology. This method suggests that the value of an intangible asset equals the present value of what a business would be willing to pay to license the asset under a contractual agreement if it didn't own the asset. The information on royalty rates is obtained from market licensing transactions. After thorough analysis, we concluded that a royalty rate of 4,05% on revenues is suitable for GWE's technology. Additionally, we have determined a useful economic lifespan of 10,33 years. The discount rate used equals 10,07%.

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 and/or a wastewater installation, ownership and control over the process water installation is transferred to customer. H_2O Production is included in the Non-WaaS model as of September 1, 2022. Since September 14, 2023 the Non-WaaS segment contains Global Water Engineering BV and its subsidiaries, further referred to as GWE.
- 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, 2023.

in 000€	NON-WAAS	WAAS	TOTAL SEGMENTS	CORP-ORATE	TOTAL CONSO-LIDATED
Revenue	32.717	3.316	36.033	–	36.033
Other operating income	760	770	1.530	–	1.530
Purchases of materials	-18.087	-458	-18.545	–	-18.545
Services and other goods	-3.283	-898	-4.181	-1.825	-6.006
Employee benefit expense	-8.092	-566	-8.658	-686	-9.344
Other operating charges, net	-106	-11	-117	–	-117
Adjusted EBITDA	**3.909**	**2.153**	**6.062**	**-2.511**	**3.551**
EBITDA adjustments	-360	–	-360	–	-360
EBITDA	**3.549**	**2.153**	**5.702**	**-2.511**	**3.191**
Depreciation charges	-3.086	-3.506	-6.592	–	-6.592
Operating profit / (loss)	**463**	**-1.353**	**-890**	**-2.511**	**-3.401**
Financial expenses	–	-179	-179	-701	-880
Financial income	–	–	–	284	284
Profit (loss) before tax	**463**	**-1.532**	**-1.069**	**-2.928**	**-3.997**
Segment assets	116.373	13.019	129.392	–	129.392
Segment liabilities	70.224	5.651	75.875	–	75.875

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 WaaS segment contains the project start-up expenses of the projects Circeaulair and Waterkracht, in 2023 amounting to KEUR 771, this 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.

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

in 000€	NON-WAAS	WAAS	TOTAL SEGMENTS	CORPORATE	TOTAL CONSO-LIDATED
Revenue	15.193	2.517	17.710	–	17.710
Other operating income*	77	1.058	1.135	–	1.135
Purchases of materials*	-8.483	-438	-8.921	–	-8.921
Services and other goods*	-1.833	-424	-2.257	-2.298	-4.555
Employee benefit expense*	-4.091	-1.026	-5.117	-543	-5.660
Other operating charges, net	-160	-5	-165	–	-165
Adjusted EBITDA	**703**	**1.682**	**2.385**	**-2.841**	**-456**
EBITDA adjustments	-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

*The split between non-WaaS and Waas have been restated to match with the actual start-up expenses of Waterkracht that should have been included in the WaaS segment, KEUR 623 compared to reported in 2022 KEUR 121.

Since 2022 the WaaS segment contains the project start-up expenses of the projects Circeaulair and Waterkracht, in 2022 amounting respectively to KEUR 435 and KEUR 623. KEUR 550 is included in the employee benefit expenses, KEUR 390 is included in the Services and other goods and KEUR 118 is included in the Purchases of materials.

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

in 000€	2023	2022
Consumables	2.179	2.024
Services	6.383	4.627
WaaS revenue	3.316	2.517
One off sales of water process and wastewater installations	24.155	8.542
Total revenue by product type	**36.033**	**17.710**

Revenue of mainly all products and services is satisfied over time for the WaaS revenue and services performed under a service contract. Also revenue of one off sales of water process installations and water treatment plants is recognized over time. The increase in the one off sales is related to the acquisition of GWE. Revenue related to consumables and single services is satisfied at a certain point in time.

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

in 000€	2023	2022
Belgium	10.723	17.674
APAC	355	16
Africa	853	20
America	4.941	–
Rest of Europe	19.161	–
Total revenue by geography	**36.033**	**17.710**

The sales in America are related to the acquisition of GWE with a subsidiary in US.

Most non-current assets less deferred tax assets are located in Europe, as is shown in the table below:

in 000€	2023	2022
Europe	83.177	32.173
Asia	89	–
United States	3	–
Total non-current assets	**83.269**	**32.173**

The Company has no customers which revenue present more than 10% of total revenues of one of the segments in the year 2023 and 2022.

6. Business combinations

Global Water & Energy (GWE) - 2023

The Group acquired on September 14, 2023 100% of the shares in **Global Water Engineering BV,** a privately held company headquartered in Bruges (Belgium), with subsidiaries in Europe, Southeast Asia and North America (further referred to as GWE). GWE and its subsidiaries are active in the Asian, European and American market. GWE specializes in solutions for industrial wastewater treatment, water reuse and production of green energy. Acquisition-related costs amount to KEUR 238 and are included in services and other goods.

The enterprise value of GWE in the transaction amounts to KEUR 34.532.

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

in 000€	Fair value
Tangible assets	
Intangible assets	1.965
Working capital	27.557
Cash and cash equivalents	-7.332
Financial debt	3.533
Other assets and liabilities	-1.742
Total identified assets and liabilities	**-5.941**
Goodwill	18.040
Fair value consideration	**18.283**
Of which consideration paid in cash	36.323
Tangible assets	36.323

The provisional fair value adjustments relate to

- intangible assets for the recognition of
  - the customer relationships for an amount of KEUR 17.585, and
  - the technology for an amount of KEUR 9.972.
- buildings for an amount of KEUR 322,
- the deferred tax liability recognized resulting from the fair value adjustments amounts to KEUR 6.970.

The transaction resulted in the recognition of goodwill for an amount of KEUR 18.283, which mainly represent the expected synergies with other Group entities. The goodwill is non-deductible for tax purposes.

If the acquisition had taken place on January 1, 2023, the contribution to turnover is estimated at MEUR 29,9 and the contribution to the net result at MEUR 2,9 profit. The contribution to the net result before the result impact of the fair value adjustments is estimated at MEUR 4,4 profit. Since the acquisition date, the contribution to turnover amounted to KEUR 8.720 and the contribution to the net result was KEUR 1.271 (excluding fair value adjustments estimated at KEUR 2.031). These are estimated figures not based on a detailed closing.

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

Of which consideration paid in cash	36.323
Cash acquired	-3.533
Acquisition of subsidiaries, net of cash	**32.790**

H_2O Production - 2022

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 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 fair value adjustments relate to

- intangible assets for the recognition of
    - the customer relationships for an amount of KEUR 4.229,
    - the order backlog for an amount of KEUR 30 and
    - the reversal of the pre-acquisition intangibles for an amount of KEUR 170.
- buildings for an amount of KEUR 911
- inventory step-up for KEUR 212
- the deferred tax liability recognized resulting from the fair value adjustments amounts to KEUR 1.303.

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

The contingent consideration as per December 31, 2022 was based on EBITDA thresholds. 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 was between KEUR 925 and KEUR 1.000, the earn-out would amount to KEUR 250. For an EBITDA between KEUR 1.000 and 1.300, the earn-out would be the amount of KEUR 500. If the EBITDA is equal to or higher than KEUR 1.300, an earn-out of KEUR 750 would be payable. The fair value of the earn-out was calculated as the probability weighted amount of the estimated EBITDA based on the budget. The highest probability was given to the scenario where the EBITDA is between KEUR 1.000 and KEUR 1.300. As the earn-out was payable within one year from the acquisition date, there was 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**

7. Income and expenses

7.1. Purchases, services and other goods

in 000€	2023	2022
Purchase of materials	-13.454	-7.021
Other purchases	-5.091	-1.900
Total purchases of materials	**-18.545**	**-8.921**
Fleet charges	-639	-660
Housing	-489	-182
Fees for recruitment and interim personnel	-232	-553
IT charges	-382	-333
Office charges	-262	-128
Professional fees	-2.663	-1.461
Sales and promotion charges	-1.464	-1.085
Small material charges	-113	-153
Total Services and other goods	**-6.244**	**-4.555**

The purchase of equipment materials relates to the materials purchased for the building of the water process installations, wastewater treatment plants, as well as the purchase of consumables. The other purchases are related to outsourced production capacity. Purchases of materials increased due to the acquisition of GWE.

The housing increased due to the increasing number of offices related to the acquisition of GWE and full year housing expense for the office of Ekopak France.

The decline in fees for recruitment and interim personnel can be attributed to a reduced reliance on recruitment agencies and the growth of the HR department.

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 2023 the professional fees increased due to legal fees and consultant fees linked to the acquisition of GWE.

Sales and promotion charges increased due to the acquisition of GWE and an increase in sponsoring costs for the Soudal-Quick Step woman cycling team.

7.2. Employee benefits expenses

in 000€	2023	2022
Gross Salaries	-6.828	-4.288
Social Security charges	-1.600	-735
Group Insurance	-286	-177
Share based payment costs	-15	-36
Other Insurance	-113	-66
Other payroll charges	-610	-358
Total employee benefit expenses	**-9.452**	**-5.660**

The Company had an average of 154,4 FTE during 2023 (94,2 FTE during 2022) which explains the overall increase of employee benefit expenses and increase in other operating income due to the benefits in kind recuperation. The gross salaries in 2023 were decreased with the capitalized labour cost amounting to 2.287 KEUR (2022: KEUR 2.210). These costs are capitalized in the context of the production of WaaS installations.

When also considering the people working through a management company and interim labour (costs recorded as „services and other goods"), the total average FTE for 2023 amounts to 168,5.

7.3. Other operating charges

in 000€	2023	2022
Non deductible taxes & contributions	-69	-75
Traffic loads	-25	-23
Penalties	-9	–
Loss on receivables	-20	-55
Other operating charges	-8	-15
Total other operating charges	**-131**	**-168**

7.4. Financial expenses and income

in 000€	2023	2022
Interest charges - borrowings	-569	-186
Interest charges - lease liabilities	-102	-25
Bank charges	-133	-52
Other financial expenses	-76	-14
Financial expenses	**-880**	**-277**
Exchange differences	57	4
Payment discounts and differences	3	45
Hedging FX	21	–
Interest income	203	1
Financial income	**284**	**50**
Net financial result	**-596**	**-227**

8. Income and deferred taxes

The major components of income tax expense are:

	for the year ending 31st December	
in 000€	**2023**	**2022**
Consolidated statement of profit or loss		
Current income tax:		
Estimated tax liability for the year	409	78
Deferred income tax:		
Relating to origination and reversal of temporary differences	-594	-77
Relating to tax loss carried forward	-736	-536
of which has been recorded directly in equity (other reserves)	–	–
Income tax credit reported in the consolidated statement of profit or loss	**-921**	**-535**
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	-8	12
Deferred tax (credited) / charged to OCI	**-8**	**12**

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

in 000€	**2023**	**2022**
Loss from continuing operations before income tax expense	**-3.997**	-2.521
Loss before tax	-3.997	**-2.521**
Tax expense/(income) at the statutory tax rate of 25%	-1.000	-630
Disallowed expenses	110	86
Untaxed income	–	-6
Difference in foreign tax rates	-89	–
Tax losses for which no DTA is recognized	16	11
Other	-3	4
Other local tax	64	–
Income tax credit	**-921**	**-535**

The domestic tax rate is 25% for both 2023 and 2022. The pillar 2 minimum tax rate is not applicable.

The deferred taxes by nature 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€	**2023**	**2022**	**2023**	**2023**
Tax losses	3.131	1.482	778	871
Circeaulair profit elimination	113	–	113	–
Pension liabilities	187	72	6	109
Leases	14	11	3	–
tax credit	103	–	103	–
Hedge accounting	11	–	11	–
Offsetting of deferred tax	-366	-18	-348	–
Total deferred tax assets	**3.193**	**1.547**	**666**	**980**
Property, plant & equipment	-299	-234	16	-81
Intangible assets	-7.609	-996	276	-6.889
Inventory valuation	–	-32	32	–
Hedge accounting	–	–	–	–
Offsetting of deferred tax	366	18	348	–
Total deferred tax liabilities	**-7.542**	**-1.244**	**672**	**-6.970**
Net deferred tax asset	**-4.349**	**303**		
Total deferred tax (expense)/income in P&L			**1.330**	
Total deferred tax (expense)/income in OCI			**8**	**–**
Total deferred tax (expense)/income in other reserves			**–**	**–**

The Company has a total of KEUR 12.501 tax loss carryforwards for which a deferred tax assets has been recognized amounting to KEUR 3.131. These tax losses mainly originate from Belgium (KEUR°12.092) and can be carried forward indefinitely, considering a basket limitation of MEUR 1. They have no expiry date.

The tax loss carryforwards will be utilized in the coming years when taxable profits are generated. The Company has concluded that the deferred tax assets will be recoverable within a period of 2,5 years using the estimated future taxable income based on approved business plans and budgets. If the budgetted turnover would be decreased by 10%, the deferred tax assets will be recoverable within 3,5 years. If the budgetted EBITDA would be decreased by 10%, deferred tax assets will be recoverable within 2,5 years. If the budgetted projects would be delayed with 1 year,the deferred tax assets would be recovered within 3,5 years.

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 2022	**1.035**
Business combinations	1.100
At December 31, 2022	**2.135**
Business combinations	18.308
At 31st December 2023	**20.443**

The group distinguishes three cash generating units (CGUs): WaaS, H_2O and GWE. The goodwill at December 31, 2023 relates to the acquisitions of iServ BV that has been allocated to the CGU WaaS (KEUR 1.035), to the acquisition of Covalente, H_2O Production and SCI du Cèdre Bleu that has been allocated to the CGU H_2O (KEUR 1.125) and to the acquisition of GWE that has been allocated to the CGU GWE (KEUR 18.283).

CGU WaaS:

As per December 31, 2023 and 2022 the Group performed an impairment analysis on the WaaS goodwill based upon a discounted cash flow method that contains cash flows for the following five years and a residual value as of year six. The value retrieved from the valuation model is fully related to the terminal value. The estimates in the valuation method are based on experience from the past, existing agreements and forecast looking information of existing customers and partners, supplemented where relevant with market evolutions.

The assumptions used in the model are the pre-tax discount rate (pre-tax WACC) of 11,4% (2022: 12,5%), a perpetual growth rate of 2% (2022: 2%) and EBITDA as a percentage of sales of 65% (2022: between 60% and 67%). There is significant headroom between the recoverable amount and the carrying value of the CGU. Also an increase of the pre-tax WACC to 12,4%, a decrease of the perpetual growth rate to 0% or a decrease of the EBITDA by 10% does not lead to any impairment losses.

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

CGU H^2O

As per December 31, 2023 the Group performed an impairment analysis on the H^2O goodwill based upon a discounted cash flow method that contains cash flows for the following five years and a residual value as of year six. The value retrieved from the valuation model is for 75% related to the terminal value. The estimates in the valuation method are based on experience from the past, existing agreements and forecast looking information of existing customers and partners, supplemented where relevant with market evolutions.

The assumptions used in the model are the pre-tax discount rate (pre-tax WACC) of 11,9%, a perpetual growth rate of 2% and EBITDA as a percentage of sales of 27%. There is significant headroom between the recoverable amount and the carrying value of the CGU. Also an increase of the pre-tax WACC to 12,9%, a decrease of the perpetual growth rate to 0% or a decrease of the EBITDA by 10% does not lead to any impairment losses.

As per December 31, 2022 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 was based on the fair value less costs of disposal. The fair value was 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.

CGU GWE:

As per December 31, 2023 the Group performed an impairment analysis on the GWE goodwill based upon a discounted cash flow method that contains cash flows for the following five years and a residual value as of year six. The value retrieved from the valuation model is for 77% 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 12,1%, a perpetual growth rate of 2% and EBITDA as a percentage of sales varying between 19 and 23%. There is significant headroom between the recoverable amount and the carrying value of the CGU. An increase of the pre-tax WACC to 13,1%, a decrease of the perpetual growth rate to 0% or a decrease of the EBITDA by 10% does not lead to any impairment losses.

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, 2023 consist of customer list, software, technology and other intangible assets.

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 and H_2O Production and GWE group which is disclosed in note 6. The customer list is depreciated straight line between 13 and 15 years.

The technology results from the business combination of GWE group which is disclosed in note 6. and is depreciated straight line over 9 years.

The total net increase in intangibles resulting from the business combination of GWE amounts to KEUR 27 557(2022: H_2O Production KEUR 4.259) 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, 2023 and 2022 can be presented as follows:

in 000€	Intangible assets under construction	Customer list	Software	Technology	Other intangible assets	Total
Acquisition value						
At January 1, 2022	**–**	**81**	**254**	**–**	**38**	**373**
Additions	488	–	336	–	–	824
Government grant	(488)	–	–	–	–	-488
Business combinations	–	4.258	9	–	–	4.267
Disposals	–	–	-2	–	–	-2
At December 31, 2022	**–**	**4.339**	**597**	**–**	**38**	**4.974**
Additions	–	–	314	–	903	1.217
Business combinations	–	17.585	–	9.972	–	27.557
At 31st December 2023	**–**	**21.924**	**911**	**9.972**	**941**	**33.748**
Amortization						
At January 1, 2022	**–**	**-22**	**-68**	**–**	**-38**	**-128**
Additions	–	-166	-82	–	–	-248
Business combinations	–	–	-8	–	–	-8
Disposals	–	–	2	–	–	2
At December 31, 2022	**–**	**-188**	**-156**	**–**	**-38**	**-382**
Additions	–	-730	-145	-369	–	-1.244
Business combinations	–	–	–	–	–	–
At December 31, 2023	**–**	**-918**	**-301**	**-369**	**-38**	**-1.626**
Net carrying value						
At January 1, 2022	–	59	186	–	–	245
At December 31, 2022	–	4.151	441	–	–	4.592
At December 31, 2023	**–**	**21.006**	**610**	**9.603**	**903**	**32.121**

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 2023 mainly relate to an increase in land and buildings through the acquisition of the GWE group KEUR 1.428 and investments for the building of its new business premises on the De Prijkels site in Deinze KEUR 3.198. KEUR 2.946 is included in the assets under construction related to this building.

As per December 31, 2023 WaaS and Pilot installations under construction decreased for a net amount of KEUR 4.261. The additions of WaaS and Pilot installations under construction amounts to KEUR 5.657. A total amount of KEUR 7.193 is transferred and consists of capitalizations of Rentals and WaaS amounting to KEUR 1.971 EUR and transfers of containers to inventory amounting to KEUR 5.222 EUR. Furthermore a commercial settlement was reached with a WaaS client resulting in an exceptional depreciation of KEUR 2.102. The WaaS asset is allocated to other projects.

In 2023, 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 580 as per December 2023. 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 diverse 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 buildings have a mortgage in favour of a bank for a total amount of KEUR 105 and mortgage mandates for a total amount of KEUR 2.560. 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 GWE amounts to KEUR 1.968 (2022: H_2O Production KEUR 1.385) 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, 2023 and 2022 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 2022	**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	10.746
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**
Additions *	55	765	303	23	93	2.252	5.351	5.657	14.499
Business combinations	1.428	-	147	242	273	797	-	-	2.887
Disposals	-	-527	-7	-15	-71	-240	-	-622	-1.482
Lease modifications	-	-	-	-	-	-43	-	-	-43
Transfers	3.198	-411	2.382	-	18	-	-3.217	-7.193	-5.223
At December 31, 2023	**12.288**	**10.245**	**4.695**	**507**	**795**	**4.907**	**2.946**	**4.341**	**40.724**
Depreciation (in 000€)									
At 1st January 2022	**-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
Transfers	-42	-	40	2	-	9	-	-	9
At December 31, 2022	**-1.434**	**-1.520**	**-772**	**-158**	**-197**	**-657**	**-**	**-**	**-4.739**
Additions	-264	-1.477	-368	-46	-115	-972	-	-2.103	-5.345
Business combinations	-339	-	-94	-185	-192	-109	-	-	-919
Disposals	-	527	36	15	30	232	-	-	840
Lease modifications	-	-	-	-	-	26	-	-	26
Transfers	-	34	-34	-	-	-	-	-	-

	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
At December 31, 2023	**-2.037**	**-2.436**	**-1.232**	**-374**	**-474**	**-1.480**	**-**	**-2.103**	**-10.137**
Net book value									
At January 1, 2022	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**
At December 31, 2023	**10.251**	**7.810**	**3.463**	**133**	**321**	**3.427**	**2.946**	**2.238**	**30.589**

* The additions include an amount of KEUR 89 (2022: KEUR 86) 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€	**2023**	**2022**
Right-of-use assets		
Land and buildings	614	391
Vehicles	2.813	1.093
Total right-of-use assets	**3.427**	**1.484**
Lease liabilities		
Current	1.088	522
Non-current	2.394	999
Total lease liabilities	**3.482**	**1.521**

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

in 000€	Land and buildings	Vehicles	Total
Acquisition value			
At January 1, 2022	**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**
Additions	–	2.252	2.252
Lease modifications	60	-104	-44
Business combinations	402	396	798
Disposals	–	-240	-240
Transfers	–	–	–
At December 31, 2023	**1.072**	**3.835**	**4.907**
Depreciation			
At January 1, 2022	**-53**	**-392**	**-445**
Depreciation charge for the year	-166	-251	-417
Disposals	–	205	205
Transfers	–	–	–
At December 31, 2022	**-219**	**-438**	**-657**
Depreciation charge for the year	-239	-734	-973
Lease modifications	–	27	27
Business combinations	–	-109	-109
Disposals	–	232	232
At December 31, 2023	**-458**	**-1.022**	**-1.480**
Net book value			
At January 1, 2022	206	415	621
At December 31, 2022	391	1.093	1.484
At December 31, 2023	614	2.813	3.427

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, 2022	**675**
Additions	1.286
Business combinations	1
Early termination	–
Payments	-441
At December 31, 2022	**1.521**
At January 1st 2023	**1.521**
Additions	2.252
Lease modifications	-26
Business combinations	689
Payments	-954
At December 31, 2023	**3.482**

The following amounts are recognized in the consolidated income statement:

in 000€	2023	2022
Depreciation expense of right-of-use assets	-973	-417
Interest expense on lease liabilities	-99	-23
Gain on disposal of IFRS16 assets	7	3
Expense relating to short-term leases and low-value assets	-355	-268
Total amount recognized in the consolidated income statement	**-1.420**	**-705**

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.

The future cash outflows to which the entity is potentially exposed that are not reflected in the measurement of lease liabilities (from extension option) amounts to KEUR 779.

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 impairments have been recorded.

	At December 31	
in 000€	**2023**	**2022**
Consumables	146	171
Spare parts	8.275	4.666
Total inventories	**8.421**	**4.837**

14. Trade and other receivables

Trade and other receivables

Trade and other receivables include the following:

	At December 31	
in 000€	**2023**	**2022**
Trade receivables	7.668	4.951
Receivable on vendor - packaging guarantee	102	74
VAT receivable	704	398
Deferred charges	1.354	205
Other current assets	2.165	178
Total trade receivables and other current assets	**11.993**	**5.806**

The Company applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets 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 deferred charges is due to the elimination of unrealized profits relating to the water process installation that will be sold to the joint venture Circeaulair I. Circeaulair I is accounted in the consolidation as equity accounted investee. As the unrealized profits to be eliminated exceed the carrying value of the joint venture, the surplus is accounted for on the contract assets for the turnover and on the deferred charges for the related costs. The installation is still under construction and included in the contract assets of Ekopak NV.

The increase in the other current assets relate to soft and direct engineering costs for the Circeaulair project. These costs will be recharged towards the JV Circeaulair I as part of the total project cost.

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, the design and building of the wastewater treatment plants in the one off sales model and from the DBM part of a DBMO transaction but which are not billed.

The contract assets amount to KEUR 9.836 and KEUR 4.016 as per December 31, 2023 and 2022. There is a loss allowance amounting to KEUR 50 as per December 31, 2023. The contract assets are related to several open projects. The increase is due to the acquisition of GWE and an increase in the number of open projects at reporting date compared to December 31, 2022 as well as the completion status of the projects.

Contract liabilities

Contract liabilities are mainly recognized for the design and building of the wastewater treatment plants in the one off sales model for which revenue is recognized but the work associated with that revenue has not yet been completed.

The contract liabilities amount to KEUR 10 912 and KEUR 231 as per December 31, 2023 and December 2022. In 2022 the contract liability relates to prepayments for one off water process installations contracted by Ekopak France.

The following table shows how much of revenue recognized in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	At December 31	
in 000€	**2023**	**2022**
Revenue recognised that was included in the contract liability balance at the beginning of the period	399	145
Revenue recognised from performance obligations satisfied in previous periods	–	–

The transaction price allocated to the unsatisfied or partially unsatisfied performance obligations as per December 31 2023 are as follows:

	At December 31	
in 000€	**2023**	**2022**
Within one year	28.915	3.514
More than one year	4.080	327
Total	**32.995**	**3.841**

16. Cash and cash equivalents

The cash and cash equivalents can be presented as follows:

in 000€	At December 31 2023	2022
Cash at banks and on hand	12.679	24.508
Term accounts	–	8.000
Cash and cash equivalents	**12.679**	**32.508**

Cash and cash equivalent consists solely of cash at banks. In 2022, there was also 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, 2022 and December 31, 2023:

	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, 2022	**14.824**	**6.671**	**55.116**	**–**	**0,45**
Outstanding on December 31, 2022	**14.824**	**6.671**	**55.116**	**–**	**0,45**
Outstanding on December 31, 2023	**14.824**	**6.671**	**55.116**	**–**	**0,45**

The other reserves consist of the following:

in 000€	At December 31 2023	2022
Restricted reserve - legal reserve	6	6
Other reserves	-2.213	-2.213
Share based payment reserve	111	96
Other comprehensive income:		
Actuarial gains (losses) on defined benefit plans	-153	-163
Currency translation adjustment	-26	–
Cashflow hedge reserve	-34	–
Total other reserves	**-2.309**	**-2.274**

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, 2023 is presented in the table below:

	2023	**2022**
Outstanding at January 1	35.000	35.000
Granted	–	–
Forfeited / Cancelled	–	–
Outstanding at December 31	**35.000**	**35.000**
Exercisable at December 31	–	–

None of the warrants have forfeited or are currently exercisable. 30.000 warrants are exercisable as per January 1, 2024 and 5.000 warrants are exercisable as per January 1, 2025. 33.333 warrants have vested. The weighted average fair value of the warrants amount to € 3,21. The weighted average remaining contractual life is 2,14 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, 2023 and 2022 is as follows:

in 000€	2023	2022
Expense arising from equity-settled share-based payment transactions	15	36
Total expense arising from share-based payment transactions	**15**	**36**

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 2022 and 2023 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	2023	2022
Net profit / (loss) attributable to ordinary equity holders of the parent for basic earnings and diluted earnings per share	-3.076	-1.986
Weighted average number of ordinary shares for basic and diluted earnings per share	14.825	14.825

19. Provisions and defined benefit obligations

Provisions include the following:

	At December 31	
in 000€	**2023**	**2022**
Provision legal claim from customers	-267	-251
Net defined benefit liability	-891	-288
Total provisions and defined benefit obligations	**-1.158**	**-539**

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

in 000€	2023	2022
At January 1	**-251**	**-248**
Additions	-16	-3
Reversals	–	–
At December 31	**-267**	**-251**

The increase in provisions for KEUR 76 in the consolidated statement of cash flows includes the additions from the table above for the amount of KEUR 16 and KEUR 65 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 relates 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 2023 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 defined benefit obligations in several countries:

	At December 31	
in 000€	**2023**	**2022**
Net defined benefit liability per country		
Belgium	-346	-288
France	-39	–
Philippines	-424	–
Thailand	-82	–
Total net defined benefit liability	**-891**	**-288**

- *Belgium: The plans in Belgian are either Branch 21 or Branch 23 group insurance schemes. We refer to the IAS 19 disclosures below for Ekopak NV and GWE.*
- *The Philippines: The existing regulatory framework in The Philippines, Act 7641, requires a provision for retirement pay to qualified private sector employees in the absence of any formal retirement plan in the Company. We refer to the IAS 19 disclosures below.*
- *France: The provision in France is a statutory pension provision.*
- *Thailand: The provision in Thailand is also a provision in accordance with the regulatory framework in Thailand.*

Belgium - Ekopak NV

The Company Ekopak NV has two active Belgian Branch 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 Branch 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 Branch 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	
	2023	**2022**
Number of active members	105	85
Number of inactive members	23	9
Average age	37	37

The net defined benefit liability is as follows:

	At December 31	
in €000	**2023**	**2022**
Net defined benefit liability at the beginning of the year	**288**	**294**
Defined benefit cost included in profit & loss	243	186
Total remeasurement included in other comprehensive income	-22	-47
Employer contributions	-202	-145
Net defined benefit liability at the end of the year	**307**	**288**

The gross defined benefit liability is as follows:

	At December 31	
in €000	**2023**	**2022**
Defined benefit liability at the beginning of the year	**556**	**468**
Current service cost	235	184
Interest cost	21	4
Benefit payments	–	-7
Taxes on contributions	-24	-17
Insurance premiums on risk coverages	-19	-9
Actuarial loss / (gain) on DBO due to change in financial assumptions	46	-437
Actuarial loss / on DBO due to change in demographic assumptions	-140	125
Actuarial loss (gain) on DBO due to experience adjustments	86	245
Defined benefit liability at the end of the year	**761**	**556**

The fair value of the plan assets is as follows:

	At December 31	
in €000	**2023**	**2022**
Fair value of plan assets at the beginning of the period	**268**	**174**
Interest income	13	2
Employer contributions	202	145
Benefit payments	–	-7
Taxes on contributions	-24	-17
Insurance premiums on risk coverages	-19	-9
Changes in return of plan assets	14	-20
Fair value of plan assets at the end of the period	**454**	**268**

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	
	2023	**2022**
Discount rate	3,17 %	3,80 %
Duration of liabilities Ekopak (years)	23	24
Inflation rate	2,10 %	2,20 %
Salary increase (excluding inflation)	3,00 %	3,30 %
Withdrawal rate (annual)	5,00 %	3,20 %

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	**2023**	**2022**
Increase of 0,50% (2021: 0,25%) in the discount rate	-85	-66
Decrease of 0,50% (2021: 0,25%) in the discount rate	99	77
Increase of 0,50% (2021: 0,25%) in the inflation rate	-43	41
Decrease of 0,50% (2021: 0,25%) in the inflation rate	29	-37

The expected employer contributions for the year 2024 amounts to KEUR 231.

Belgium - GWE

GWE has two Belgian Branch 21 pension plans. The plans include a life insurance for death coverage, supplementary health insurance for medical expenses and a pension capital for retirement benefits. The employer contribution is a fixed amount. There are also employee contributions for one of the two plans.

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
	2023
Number of active members	27
Number of inactive members	42
Average age	41

The net defined benefit liability is as follows:

	At December 31
in €000	**2023**
Net defined benefit liability at date of acquisition	**36**
Defined benefit cost included in profit & loss	–
Total remeasurement included in other comprehensive income	3
Employer contributions	–
Net defined benefit liability at the end of the year	**39**

The gross defined benefit liability is as follows:

	At December 31
in €000	**2023**
Defined benefit obligation at date of acquisition	**806**
Current service cost	–
Interest cost	–
Benefit payments	–
Taxes on contributions	–
Insurance premiums on risk coverages	–
Actuarial loss/(gain) on DBO due to change in financial assumptions	3
Actuarial loss on DBO due to change in demographic assumptions	–
Actuarial loss (gain) on DBO due to experience adjustments	–
Defined benefit liability at the end of the year	**809**

The fair value of the plan assets is as follows:

in €000	At December 31 2023
Fair value of plan assets at date of acquisition	**770**
Interest income	–
Employer contributions	–
Benefit payments	–
Taxes on contributions	–
Insurance premiums on risk coverages	–
Changes in return of plan assets	–
Fair value of plan assets at the end of the period	**770**

All plan assets are invested in an insurance contract (branch 21 product).

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

	At December 31 2023
Discount rate	3,17 %
Duration of liabilities GWE and DWS (years)	24
Inflation rate	2,10 %
Salary increase (excluding inflation)	2,00 %
Withdrawal rate (annual)	5,00 %

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):

in €000	At December 31 2023
Increase of 0,50% (2021: 0,25%) in the discount rate	-4
Decrease of 0,50% (2021: 0,25%) in the discount rate	11
Increase of 0,50% (2021: 0,25%) in the inflation rate	4
Decrease of 0,50% (2021: 0,25%) in the inflation rate	-3

The expected employer contributions for the year 2024 amounts to KEUR 87.

Philippines - GWE

	At December 31
	2023
Number of active members	37
Number of inactive members	–
Average age	40

The net defined benefit liability is as follows:

	At December 31
in €000	**2023**
Net defined benefit liability at date of acquisition	**399**
Defined benefit cost included in profit & loss	19
Total remeasurement included in other comprehensive income	6
Employer contributions	–
Net defined benefit liability at the end of the year	**424**

The gross defined benefit liability is as follows:

	At December 31
in €000	**2023**
Defined benefit liability at date of acquisition	**399**
Current service cost	10
Interest cost	9
Benefit payments	–
Taxes on contributions	–
Insurance premiums on risk coverages	–
Actuarial loss/(gain) on DBO due to change in financial assumptions	16
Actuarial loss on DBO due to change in demographic assumptions	–
Actuarial loss (gain) on DBO due to experience adjustments	-10
Defined benefit liability at the end of the year	**424**

The fair value of the plan assets is as follows:

in €000	At December 31 2023
Fair value of plan assets at date of acquisition	**–**
Business combinations	–
Interest income	–
Employer contributions	–
Benefit payments	–
Taxes on contributions	–
Insurance premiums on risk coverages	–
Changes in return of plan assets	–
Fair value of plan assets at the end of the period	**–**

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

	At December 31 2023
Discount rate	6,10%
Duration of liabilities Glowateng (years)	14,2
Salary increase rate	8,00%
Withdrawal rate (annual)	7,00%

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):

in €000	At December 31 2023
Increase of 1% in the discount rate	-32
Decrease of 1% in the discount rate	34
Increase of 1% in the salary rate	33
Decrease of 1% in the salary rate	-32

ANNEX
FINANCIAL REPORT
EKOPAK SHARE
CORPORATE GOVERNANCE REPORT
INTEGRATED REPORT

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€	**2023**	**2022**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	7.668	4.951
Other current receivables	1.887	74
Cash & cash equivalents	12.679	32.508
Total debt instruments	**22.234**	**37.533**
Financial liabilities measured at amortized cost		
Borrowings	39.475	12.711
Lease liabilities	3.482	1.521
Trade payables	10.131	5.643
Other current liabilities	98	472
Total financial liabilities measured at amortized cost	**53.186**	**20.347**
Financial liabilities measured at fair value		
Contingent consideration	–	475
Derivatives	46	–
Total financial liability measured at fair value	**46**	**475**
Total non-current	34.127	10.785
Total current	19.105	10.037

We refer to note 6 business combinations for more information on the contingent consideration in 2022. It related to the earn-out payable accounted at fair value regarding the business combination of H_2O Production.

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

	Fair value	
	At December 31	
in 000€	**2023**	**2022**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	7 668	4 951
Other current receivables	1 887	74
Cash & cash equivalents	12 679	32 508
Total debt instruments	**22 234**	**37 533**
Financial liabilities measured at amortized cost		
Borrowings	40 249	12 201
Lease liabilities	3 482	1 521
Trade payables	10 131	5 643
Other current liabilities	98	472
Total financial liabilities measured at amortized cost	**53 960**	**19 837**
Financial liabilities measured at fair value		
Contingent consideration	–	475
Derivatives	46	–
Total financial liability measured at fair value	**46**	**475**
Total non-current	34 734	9 387
Total current	19 272	10 925

The fair value of the financial assets and financial liabilities has been determined based on 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. Interest-bearing debts that have a variable interest rate are an approximate of the fair value. Interest-bearing debts that have a fixed interest rate, 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.
- The derivative financial instruments consist of interest rate swaps which are measured at fair value through other comprehensive income. The fair value is classified as a level 2 and is determined by the financial institution and is based on the interest forward rates and the maturity of the instrument.

The contingent consideration was classified as a level 3 in the fair value hierarchy and remeasured through profit and loss at each reporting period.

21. Borrowing and lease liabilities

The short and long term liabilities include the following:

	At December 31	
in 000€	**2023**	**2022**
Leasing liabilities	3 482	1 521
Investment borrowings	32 454	6 747
Government loan	–	72
Investment borrowing for specific customer project	7 021	5 892
Total borrowings and lease liabilities	**42 957**	**14 232**
of which current	6 436	2 448
of which non-current	36 521	11 784

Total borrowings and lease liabilities	**42 957**	**14 232**
with a fixed interest rate (between 0,7% and 4,7%)	19 645	13 604
with a variable interest rate (euribor + 0,85%)	22 761	–
with an interest rate subject to a 5 yearly revision (3,77%)	551	628

The investment credits are collateralized by means of the following:

- Mortgage for the investment credit in relation to the building in Ekopak NV of KEUR 55.
- Proxy for a mortgage in relation to the building in Ekopak NV of KEUR 1.925.
- Mortgage for the investment credit in relation to the building in GWE BV of KEUR 25.
- Proxy for a mortgage in relation to the building in GWE BV of KEUR 635.

The engaged but partly drawn 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 this receivables per 31 December 2023 amounts to KEUR 232.

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€	2023	2022
At January 1	**14.232**	**3.429**
Proceeds from loans & borrowings	28.346	10.321
Repayment of loans & borrowings	-2.084	-884
New loans and borrowings through business combinations	502	517
New leases (non-cash)	2.252	1.286
Lease modifications	-26	–
New leases through business combinations	689	–
Repayment of leases	-954	-441
Early termination of leases (non-cash)	–	4
At December 31	**42.957**	**14.232**

22. Short term liabilities

The short term liabilities are the following:

	At December 31	
in 000€	**2023**	**2022***
Trade and other payables		
Trade payables	-10 131	-5 643
Payroll-related liabilities	-1 866	-1 153
Deferred income and accrued charges*	-546	-403
Total trade and other payables*	**-12 543**	**-7 199**
Other current liabilities		
Payable towards customer for packaging guarantees	-98	-69
Contingent consideration	–	-475
Total other current liabilities*	**-98**	**-544**

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

The decrease in other current liabilities is mainly due to the contingent consideration in 2022 resulting from the acquisition of H_2O Production as described in note 6 Business combinations (KEUR 475).

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

ANNEX
FINANCIAL REPORT
EKOPAK SHARE
CORPORATE GOVERNANCE REPORT
INTEGRATED REPORT

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 53.517 and KEUR 56.668 as per December 31, 2023 and 2022 respectively. The ratio shareholder's equity to the total liabilities and equity (solvability ratio) is 41% and 70% as per December 31, 2023 and 2022 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
Interest rate risk

The In the current international financial environment, Ekopak is confronted with increased interest rates. This situation is leading to higher financing cost and/or (more) restrictive covenants and/or more securities (pledges, collaterals). In addition to the risk of less attractive funding options, this may also lead to the unavailability of funding for potential M&A projects.

Mitigating factors: Ekopak's covenants relate to minimum equity thresholds and minimum solvency ratio's. These is still an important headroom in that respect. Net debt is closely monitored and actions to reduce working capital are implemented, along with cost reduction actions and the application of strict capex conditions . Furthermore, hedging of interest rate is applied on loans with floating interest. Ekopak is closely monitoring key economic indicators, thus permanently analyzing the group's funding capabilities.

Derivatives

The Company has the following derivative financial instruments in the following line items in the statement of financial position:

	for the year ending 31st December	
in 000€	**2023**	**2022**
Current liabilities		
Interest rate Swaps - cash flow hedges	-46	–
Total non current derivative financial instrument liabilities	**-46**	**–**

The Company's hedging reserve relate to the following hedging instrument:

in 000€	**Interest rate swaps**	**Total hedge reserve**
Closing balance 31 December 2023		
Add: Change in fair value of hedging instrument recognised in OCI	-46	-46
Less: Deferred tax	12	12
Closing balance 31 December 2023	**-34**	**-34**

In addition to the amounts disclosed in the reconciliation of hedging reserves above, the following amounts were recognised in the consolidated statement of profit or loss:

in 000€	for the year ending 31st December 2023	2022
Net gain on foreign currency swaps not qualifying as hedges included in financial income	21	0

The impact in the consolidated statement of profit or loss relates to the unwinding of a foreign currency swap. As per December 31, 2023 and 2022 there are no outstanding foreign currency swaps accounted for on the consolidated balance sheet.

Hedge effectiveness

Hedge effectiveness is determined at inception of the hedge relationship and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Company enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Company does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship. These cash flow hedges have 100% effectiveness.

Foreign exchange risk

With the acquisition of GWE, Ekopak's assets, income, earnings and cash flows are influenced by fluctuations of then exchange rates - predominantly USD versus EUR. The group's currency risk can be split into 2 categories: translational and transactional. A translational currency risk arises when the financial data of foreign subsidiaries are converted into the group's consolidation currency, the euro. The group is also exposed to transactional currency risks resulting from its sales and operating activities.

In the course of 2023 the Company has hedged its FX risk, we refer to the note above for the release of the fair value of the hedge in the consolidated statement of profit or loss.

Currency	2023 rates Closing	Average
MAD	0,090040	0,091290
PHP	0,016320	0,016560
THB	0,026330	0,026080
USD	0,905000	0,931600

Based on the Company's foreign currency exposures at the level of the consolidated income statement, varying the above foreign exchange rates to reflect positive and negative changes of 5% of the MAD, PHP, THB and YSD would have the following impact:

in 000€	2023 Effect on pretax Equity	Effect on profit (before tax)
Change in foreign exchange rate		
MAD +5%	-1	–
MAD -5%	1	–
PHP +5%	6	–
PHP -5%	-6	–
THB +5%	3	–
THB -5%	-3	
USD +5%	-19	-97
USD -5%	19	97

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. We refer to note 2.1 for the details with regard to the going concern assumption.

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, 2023					
Borrowings	5.795	12.174	11.979	13.933	43.881
Lease liabilities	1.259	2.059	582	52	3.952
Trade payables and other payables	12.543	–	–	–	12.543
Other current liabilities	98	–	–	–	98
Total	**19.695**	**14.233**	**12.561**	**13.985**	**60.474**
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	7.199	–	–	–	7.199
Other current liabilities	544	–	–	–	544
Total	**10.553**	**5.022**	**4.105**	**3.763**	**23.443**

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

Ekopak is subject to the risk that commercial counterparties delay or do not pay their liabilities. While close monitoring of outstanding balances is in place, Ekopak cannot fully exclude the credit risk. The risk may impact the cash position and the profitability of the group. Invoices related to the investment goods of non-WaaS project refer to significant amounts. While the invoice amounts for WaaS-projects are relative low, they, too, would have a material adverse impact on Ekopak's mid- and long-term financial situation. Ekopak has not been confronted in the past years with increased bad debts provisions or customer bankruptcies leading to write-offs of bad debts. 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 projects 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, CSO and COO. Installations abroad either require upfront payment or a letter of credit. Given the risk assessment of management, no credit insurance was undersigned.

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, 2023	7.668	5.571	1.824 1	112	161
At December 31, 2022	4.951	3.749	812	211	179

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

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 chemicals 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. See also chapter 4. Stresstest of the annual report for more information on laws and regulations and the related risks which have resulted in determining the metrics to be measured.
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 Key Performance Indicators (KPI's). This approach leads to an increased awareness for this risk factor, thus triggering Ekopak to anticipate 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 company car fleet and its continuous efforts to reduce the energy consumption and use of chemicals for its water treatment installations. Furthermore, the group maps upcoming or changing legislations (such as the CSRD) to define potential gaps and implements roadmaps to address the gaps. Ekopak reports the environmental footprint for all its operational WaaS installations, even though this is not legally required. These reports covers the use and reduction of Waste, Energy and Chemicals, and also specifies the amount of water saved by its WaaS plants, the delivered production capacity of waste water treatment and one-off installations during the year 2023. As of 2024, Ekopak will also measure the CO^2 footprint of its installations.

Macroeconomic and geopolitics risks

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 inflation, potential interruptions in the supply chain etc. The world is recently confronted with serious political and (macro-)economic events and fluctuations that can heavily impact the investment climate as well as the operational activities of Ekopak in specific regions and countries. Even when Ekopak has no direct operations in countries like Ukraine, Russia, Israel and Palestina, were such events are currently taking place, Ekopak is aware that the impact of such events can potentially have a wider geographical scope. Moreover, Ekopak is aware that, in the future, similar events may occur in regions and countries where the group is operational. Such events and tensions could translate into constraints to Ekopak's operations (e.g. export/import and investment restrictions, trade barriers, supply chain breaks, etc.).

Mitigating factors: Ekopak refers in this respect to the mitigation plans for the Risk of Unvailability of Raw Materials, the Risk of Price Increases for Raw Materials, the Funding risk, and the Currency Exchange risk (cf. before). In addition, Ekopak's management has enhanced its monitoring activities of macroeconomic and geopolitical developments, in particular those affecting the regions and countries where Ekopak (including GWE) is active. While the short-term impact on Ekopak's business is assessed in regular business review meetings, the mid- to long-term impact is analysed in the strategic management meetings. With regard to Ekopak's geographical expansion strategy, careful analysis of potential new geographical markets and regions will precede any specific initiative in this regard, while Ekopak will also strive for a balanced spread of activities across different regions, thus absorbing this risk.

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€	**2023**	**2022**
Short-term employee benefits	1.450	961
Post-employment benefits	29	14
Total	**1.479**	**975**
Warrants granted	35.000	35.000
Warrants outstanding	35.000	35.000

The key management consists of 8 persons (including the CEO) as of 2023 (2022: 6).

Key management has been granted 35 000 warrants at December 31, 2023 (2022: 35.000). We refer to note 17 for additional details.

The Company had 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 2023 respectively. The current account is interest bearing. Total interest income received from these related parties totals KEUR 0,2 at December 31, 2023 and KEUR 1 at December 31, 2022.

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 2022 and 2023 were as follows:

in 000€	**2023**	**2022**
Audit fees	218	84
Other assurance services	32	–
Other non-audit services	190	–
Total	**440**	**84**

28. Interests in other entities

The group's principal subsidiaries at 31 December 2023 are set out below.

		Ownership interest held by the group	
		At December 31	
Name of entity	**Country of incorporation**	**2023**	**2022**
Ekopak NV	Belgium	100 %	100 %
Ekopak SAS	France	100 %	100 %
H_2O Production	France	100 %	100 %
Covalente	France	100 %	100 %
SCI du Cèdre Bleu	France	100 %	100 %
Global Water Engineering BV	Belgium	100 %	0 %
D.W.S. BV	Belgium	100 %	0 %
GWE Asia BV	Belgium	100 %	0 %
GWE BV	Nederland	100 %	0 %
Glowateng Corporation	Philipinnes	100 %	0 %
GWE (Thailand) Co. Ltd.	Thailand	100 %	0 %
Global Water&Energy LLC	United States	100 %	0 %
Circeaulair Maroc SA	Marocco	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 GWE as per 14 September 2023 and to the establishment of the subsidary Circeaulair Maroc SA as per October 30, 2023.

29. Joint arrangements

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

		Ownership interest held by the group	
		At December 31	
Name of entity	**Country of incorporation**	**2023**	**2022**
Circeaulair I BV	Belgium	100 %	0 %

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

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

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

Supplier agreement with joint venture

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

- Carry out all design and construction works according the specifications within the timing provided in the agreement
- Repair all defects or damage resulting from the design and construction works until final acceptance
- Perform the services and keep the production project available and operational during the maintenance in consideration for a maintance

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

in €	**At December 31**
Net assets	**10.002**
Group's share in %	51 %
Group's share in EUR	5.101
Carrying amount of interest in joint venture	**5.101**

30. NON-GAAP Measures

Adjusted EBITDA is used as one of the bases of the Segments performance measurement in order to better understand the recurring performance. We calculate adjusted EBITDA as profit (loss) before tax plus financial expenses, minus financial income, plus EBITDA adjustments and depreciation charges. EBITDA adjustments are those items that the company considers not in the ordinary course of business and comprise expenses from claims, restructuring and acquisition costs.

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

in 000€	**2023**	**2022**
Profit (loss) before tax (a)	-3.996	-2.521
Financial income (b)	284	50
Financial expenses (c)	-880	-277
Depreciation charges (d)	-6.592	-1.835
EBITDA = a-b-c-d	**3.192**	**-459**
EBITDA adjustments (e)	-360	-3
Adjusted EBITDA = a-b-c-d-e	**3.552**	**-456**

Net working capital is calculated as: total current assets, excluding cash and cash equivalents minus total current liabilities, excluding borrowings, leases and other current liabilities.

in 000€	**2023**	**2022**
Current assets (a)	42.930	47.180
Cash and cash equivalents (b)	12.679	32.508
Current liabilities excluding borrowings and leases (c)	24.120	7.672
Net working capital = a-b-c+d	**6.131**	**7.000**

Solvency ratio is defined as equity to equity plus liabilities.

in 000€	2023	2022
Equity (a)	53.517	56.668
Liabilities (b)	75.875	24.231
Solvency ratio c = a/(a+b)	**41 %**	**70 %**

Net financial debt is defined as current and non-current borrowings, excluding leases minus cash and cash equivalents.

in 000€	2023	2022
Borrowings (a)	39.475	12.711
Cash (b)	12.679	32.508
Net financial debt f = a-b-c	**26.796**	**-19.797**

Leverage is defined as borrowings (excluding leases and capex from premises) to EBITDA.

in 000€	2023	2022
Adjusted EBITDA (a)	3.552	-456
Normalisation adjusted EBITDA + 8,5 months GWE (b)	5.457	–
Borrowings (c)	39.475	12.711
Borrowings from capex (d)	5.204	–
Cash (e)	12.679	32.508
Leverage = (c-d-e) / (a+b)	**2,40**	**43,41**
Net financial debt (f) / annualised adjusted EBITDA (a+b)	**2,97**	**43,41**

These NON-GAAP measures fluctuate in 2023 due to the acquisition of GWE.

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 2023 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€	2023	2022
Fixed assets	**69.891**	**31.395**
Intangible fixed assets	2.183	1.278
Tangible fixed assets	23.382	22.648
Financial assets	44.326	7.469
Current assets	**30.132**	**43.808**
Inventory	16.946	8.308
Amounts receivable within one year	8.485	5.170
Current investments and cash and cash equivalents	4.429	30.162
Deferred charges and accrued income	272	169
Total assets	**100.023**	**75.202**
Capital and reserves	**49.788**	**55.490**
Capital	6.671	6.671
Share premium	55.116	55.116
Reserves	53	53
Accumulated profits	-12.123	-6.350
Capital grants	71	
Provisions	**291**	**251**
Provisions for liabilities and charges	267	251
Deferred taxes	24	
Creditors	**49.944**	**19.462**
Amounts payable after more than one year	33.490	10.486
Amounts payable within one year	15.940	8.463
Accrued costs and deferred income	515	514
Total liabilities	**100.023**	**75.203**

The increase in intangible fixed assets is mainly related to the capitalization of software, the intangible fixed assets under construction and research and development costs for Waterkracht.

The increase in tangible fixed assets is mainly related to the new HQ at the Prijkels in Deinze (3,1 million EUR) and new rental installations (2,5 million EUR). This is compensated by 4,3 million EUR depreciations.

Financial assets increased due to acquisition of the GWE Group (36,8 million EUR).

Amounts receivable within one year increased by 3,3 million EUR, this is due to the increase in other receivables (1,7 million EUR) and trade receivables (1,6 million EUR). Other receivables increased mainly due to the receivable related to the Circeaulair project. Trade receivables increased due to the growth of the business. Although receivables increased by 3,3 million EUR, receivables overdue by more than 30 days decreased by 0,3 million EUR.

The cash position of Ekopak NV decreased due to the acquisition of GWE which was partly paid in cash, and due to the increase in working capital and additional investments in fixed assets.

Equity decreased by 5,7 million EUR as a result of the result appropriation of 2023.

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 1,7 million EUR. Furthermore Ekopak NV entered into a loan agreement for the acquisition of GWE group of which 20,2 million EUR is included in the long term payables.

Amounts payable within one year increased by 7,4 million EUR. This is primarily due to the increase in short term borrowings, consisting of 0,3 million EUR related to sale and lease back transactions, 2,5 million EUR related to the acquisition of GWE group and 0,7 million EUR related to the loans for the new building in De Prijkels. Other increase in short term payables relate to trade payables for an amount of 1,8 million EUR and payroll related debts of 0,2 million EUR.

2. Income statement

in 000€	2023	2022
Operating income	28.843	22.319
Operating costs	-34.176	-24.735
Financial result	-440	-201
Income taxes		-12
Profit/(loss) for the year	**-5.773**	**-2.628**

Ekopak NV's operating income in 2023 increased by 29% to 28,8 million EUR. The main increases were in sales and in inventory changes for orders in progress amounting to 4.4 million euros and 5.4 million euros respectively. These increases were partially offset by a decrease in produced fixed assets of 2,8 million EUR.

The operating costs increased with 9,4 million EUR and consists mainly of the increases in goods for resale, raw materials and consumables (2,6 million EUR), an increase in services and other goods (0,7 million EUR), an increase in depreciation by 3,6 million EUR and in employee benefit expenses (2,0 million EUR). The latter increase is a result of the surge in personnel (FTE increased from 87,9 in 2022 to 105,9). This growth in personnel enables Ekopak NV to be well prepared for the future.

3. Proposed appropriation of Ekopak NV result

in 000€	2023	2022
Profit/(loss) for the year for appropriation	-5.773	-2.628
Profit brought forward	-6.350	-3.722
Profit to be appropriated	**-12.123**	**-6.350**
Profit to be carried forward	-12.123	-6.350
Total	**-12.123**	**-6.350**

The loss of the financial year is carried forward towards 2024.

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 2023

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. 9 May 2023, 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 2025. We have performed the statutory audit of the Group's consolidated accounts for 4 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 2023, 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'000 129,392 and a loss for the year of EUR'000 3,076.

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 2023, 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. Purchase price allocation GWE acquisition

2.1. Description of the Key Audit Matter

On 14 September 2023 Ekopak acquired its sector peer Global Water & Energy (GWE) group, the most significant acquisition in the history of the group (refer to note 6). The business combination is accounted for in accordance with IFRS 3. The acquired assets and liabilities were restated at fair value, which involves judgements, estimates and assumptions to be made in allocating the purchase price.

Given the significance of the acquisition as well as the inherent estimation uncertainty of the purchase price allocation, we consider the business combination and in particular the purchase price allocation and fair value determination as most significant during our audit.

2.2. How our Audit addressed the Key Audit

We gained an understanding of the transaction and read the share purchase agreement to understand the key terms and conditions.

We verified the consideration transferred in the business combination and obtained the provisional purchase price allocation. We involved IFRS specialists in the evaluation of the appropriateness of the acquisition date, the completeness of identifiable assets acquired and liabilities assumed, and the adjustment of the revenue recognition principles and other valuation rules to align with the IFRS accounting policies of the Ekopak group.

We involved internal valuation specialists to test and challenge the methodology used and assumptions made for the determination of the provisional fair value of identified assets and the determination of the useful lives over which these identified intangible assets will be amortised.

We involved an actuary in the evaluation of the assumptions used in the valuation of the pension liabilities.

We agreed the provisional identified assets and liabilities to the opening balance sheet, tested the calculation of the remaining goodwill and evaluated whether the disclosures on the business combination (disclosure 6) in the consolidated financial statements are in accordance with the IFRS 3 requirements.

3. Valuation of contract assets and contract liabilities

3.1. Description of the Key Audit Matter

Reference is made to note 2.3.3: Significant accounting policies on 'One off sales of process water, disinfection installations and wastewater treatment plants', 4.3 Revenue recognised over time and Note 15: Contract assets and contract liabilities. Contract assets and contract liabilities amounted to respectively EUR'000 9,836 and EUR'000 10,912 at 31 December 2023.

We focused on revenue recognition of construction contracts and its related contract assets and liabilities because the Group generates the main 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 and contract liabilities from these construction contracts as most significant during our audit.

3.2. How our Audit addressed the Key Audit Matter

Our testing on contract assets and contract liabilities 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 and liabilities, 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. Special attention was placed on the revenue recognition of the newly acquired GWE activity. 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 2023 of projects open per 31 December 2022 were taken into account in the valuation of contract assets and contract liabilities per 31 December 2023. 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 or contract liabilities and the related revenue recognition.

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

4. Valuation of construction in progress (DBFMO)

4.1. 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 – Design Build Finance Maintain Operate assets under construction (also referred to as WaaS "Water-as-a-Service") amounted to EUR'000 2,238 at 31 December 2023. 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.

4.2. 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.

4.3. 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.

4.4. 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.

5. Other legal and regulatory requirements

5.1. 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.

5.2. 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.

5.3. 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.

5.4. Statement related to independence

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

- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

5.5. European Uniform Electronic Format (ESEF)

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

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

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

Based on our procedures performed, we believe that the format of and marking of information in the digital consolidated financial statements included in the annual financial report of Ekopak NV per 31 December 2023 complies in all material respects with the ESEF requirements under the Delegated Regulation.

Other statements

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

Ghent, 10 April 2023

The statutory auditor

PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV

Represented by

Griet Helsen*

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, the strategy is drawn up and priorities are set for future projects.	IR 3 Our business model IR 6 What the future holds for Ekopak
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 IR 4 Stress test IR 6 What the future holds for Ekopak
C. Stakeholder management	Stakeholders are deployed to stress test 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 our own organisations.	IR 4.1 It's all about the stakeholders IR 6 What the future holds for Ekopak
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 IR 5 Our strategy
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 1.2 How to read this report
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 1.2 How to read this report
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 1.2 How to read this report IR 3 Our business model IR 5 Our strategy

Content elements	Page reference
H. Organisational overview and external environment	IR 2 Our company IR 2.3 Social context IR 2.4 Value chain
I. Governance	Through progressive insights and further interpretation of the Integrated Reporting guideline, we are building further in the future to fully meet this criterion, unlike what was stated in our Integrated Report 2022 last year. In 2023, Ekopak made a strong commitment to developing its policies. Further steps are currently being taken towards implementation and integration, such as assigning responsibilities to the various members of management around monitoring the various KPIs.
J. Business model	IR 3 Our business model
K. Risks and opportunities	IR 4.1 It's all about the stakeholders IR 5 Our strategy
L. Strategy and priorities	IR 5 Our strategy IR 3.2 Value creation model in numbers
M. Performance	IR 3 Our business model IR 6: What the future holds for Ekopak
N. Outlook	IR 5: Our strategy IR 6: What the future holds for Ekopak
O. Basis for preparation and presentation	IR About this report IR 1.2 How to read this report
P. General reporting guidelines	IR About this report

GRI content index

Ekopak has reported in accordance with the GRI Standards (update 2021) for the period 2022-2023. Below we provide a summary index of all GRI disclosures to 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	Organisational details	IR 2.1 Ekopak in a Nutshell G 1: Shareholder structure
2-2	Entities included in the organisation's sustainability reporting	IR About this report
2-3	Reporting period, frequency and contact point	IR About this report IR 1.2 How to read this report
2-4	Restatements of information	IR About this report G 3: Board of Directors
2-5	External assurance	IR About this report
2-6	Activities, value chain and other business relationships	IR 2: Our company
2-7	Employees	IR 2.2 Key figures IR 3.2 Value creation model in numbers G 7: Business ethics
2-8	Workers who are not employees	IR 3.2 Value creation model in numbers
2-9	Governance structure and composition	G Corporate governance report (all)
2-10	Nomination and selection of the highest governance body	G3: Board of Directors
2-11	Chair of the highest governance body	G 3: Board of Directors G 5: Executive Management Committee
2-12	Role of the highest governance body in overseeing the management of impacts	IR About this report IR 1.2 How to read this report G 6.2: 2023 Risk Management review
2-13	Delegation of responsibility for managing impacts	G 6: Risk Management

2-14	Role of the highest governance body in sustainability reporting	IR About this report G 6.2: 2023 Risk Management review
2-15	Conflicts of interest	G Corporate Governance Report (full) G 4.2 Remuneration & nomination committee
2-16	Communication of critical concerns	IR 4.1 It's all about the stakeholders
2-17	Collective knowledge of the highest governance body	IR 5 Our strategy G Corporate governance report (full)
2-18	Evaluation of the performance of the highest governance body	G 4.2 Remuneration & nomination committee
2-19	Remuneration policies	G 8 Corporate Governance Statement 2023
2-20	Process to determine remuneration	G 8 Corporate Governance Statement 2023
2-21	Annual total compensation ratio	G 8 Corporate Governance Statement 2023
2-22	Statement on sustainable development strategy	IR 1.1 Interview with our CEO IR 5 Our strategy
2-23	Policy commitments	IR 6 What the future holds for Ekopak G 7 Business ethics
2-24	Embedding policy commitments	IR 6 What the future holds for Ekopak
2-25	Processes to remediate negative impacts	IR 4 Stress test
2-26	Mechanisms for seeking advice and raising concerns	IR 4.1 It's all about the stakeholders IR 5 Our strategy
2-27	Compliance with laws and regulations	G Corporate Governance Report
2-28	Membership associations	IR 4.1 It's all about the stakeholders IR 2.1 Ekopak in a nutshell
2-29	Approach to stakeholder engagement	IR 4.1 It's all about the stakeholders

2-30	Collective bargaining agreements	IR 2.2 Key figures IR 3.2 Value creation model in numbers
3-1	Process to determine material topics	IR 4 Stress test
3-2	List of material topics	IR 4 Stress test
3-3	Management of material topics	IR 3.2 Value creation model in numbers IR 4 Stress test IR 5 Our strategy
201-1	Direct Economic Value Generated and distributed	IR 2 Our company IR 3.2 Value creation model in numbers IR 5 Our strategy
201-2	Financial implications and other risks and opportunities due to climate change	IR 2.3 Social context IR 5 Our strategy G 6.2023 Risk Management review
201-3	Significant indirect economic impacts	IR 2.3 Social context IR 5 Our strategy
203-1	Infrastructure investments and services supported	IR 3 Our business model
302-5	Reductions in energy requirements of products and services	IR 6. What the future holds for Ekopak
303-1	Interactions with water as a shared resource	IR 2.4 Value Chain IR 3.2 - Nature IR 5 Our strategy
303-2	Management of water discharge related impacts	IR 3.2 Value creation model in numbers
401-1	New employee hires and employee turnover	IR 3.2 - Human
403-1	Occupational health and safety management system	IR 4.1 It's all about the stakeholders

403-4	Worker participation, consultation, and communication on occupational health and safety	IR 4.1 It's all about the stakeholders
403-5	Worker training on occupational health and safety	IR 3.2 - Human IR 6.2.4. A global HR implementation
404-1	Average hours of training per year per employee	IR 2.3 Social context IR 3.2 Value creation model in numbers IR 6.2.4. A global HR implementation
404-2	Programs for upgrading employee	IR 6.2.4. A global HR implementation
405-1	Diversity of policy organs and staff	IR 2.2 Key figures IR 3.2 Value creation model in numbers G 7 Business ethics
413-1	Operations with local community engagement, impact assessments, and development programs	IR 3.2 – Social & relationship

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 2.3 Social context IR 4.1 It's all about the stakeholders G 7 Business ethics
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 2.3 Social context IR 4.1 It's all about the stakeholders G 7 Business ethics
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 3.2 Value creation model in numbers IR 5 Our strategy G 7 Business ethics
Anti-corruption Principle 10: Work against corruption	G 7 Business ethics

CSRD

Ekopak is preparing for reporting according to the CSRD guideline (update 2023). As a result, Ekopak has already critically evaluated its current integrated report for the first time according to the CSRD requirements. Below, we provide an overview index of which parts of this report (period 2022-2023) are already in line with the requirements CSRD will impose on Ekopak. More specifically, we have looked at which parts of our report are already in line with the cross-company guidelines ESRS 1 and 2. Our ambition is to grow this index annually. From our double materiality matrix, we also know which topics are material to our organisation. As from next year, we will also specifically work towards reporting these topics that are important to us in line with the topic-specific ESRS guidelines.

CROSS-COMPANY

ESRS 2			Page reference
BP-1	General basis for preparing the sustainability statement	It is indicated how Ekopak prepared this report (consolidated/individual - upstream/downstream) Ekopak cites if certain information has been excluded due to e.g. intellectual property.	IR About this report
BP-2	Reporting on specific circumstances	All changes from previous report are made clear. All errors from previous report are pointed out. All measurements where there is a measurement uncertainty are reported.	Each chapter explicitly mentions the changes compared to the Integrated Report 2022.

GOV-3	Integrating sustainability performance into remuneration programmes	Ekopak states how performance on sustainability themes is taken into account in remuneration arrangements. For listed companies like Ekopak, this Reporting requirement should be consistent with the remuneration report required by Articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies.	G 8 Remunera-tion Report for the year 2023
SBM-1	Strategy, business model and value chain	Ekopak reports its strategy, business model and value chain.	IR 2.4 Value Chain IR 3 Our business model IR 5 Our strategy
SBM-2	Stakeholder interests and perceptions	Stakeholders are deployed to stress-test Ekopak's value creation model. By having them join us in looking at pos-sible opportunities and risks for the future, we are alert for possible blind spots in our own organisation.	IR 4 Stresstest
SBM-3	Material impact, risks and opportunities and their interaction with strategy and business model	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 Stresstest IR 4.2 Double materiality
IRO-1	Description of processes to identify and analyse material impact, risks and opportunities	The followed process to determine the material impact of Ekopak.	IR 4 Stresstest
IRO-2	Reporting requirements in ESRS included in the compa-ny's sustainability statement	It notes how to determine which materialities apply, which do not and why.	IR 4 Stresstest IR 4.2 Double materiality

Ekopak SUSTAINABLE WATER

CONCEPT MONITORING

This report has been developed based on the following general requirements of ESRS 1 of the CSRD.

ESRS 1	General requirements	
2	Qualitative characteristics of information	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. - Only relevant info - Reliable info (complete, neutral & accurate) - Comparable (zero point, target,...) - Verifiability - Understandable
3	Double materiality as base for sustainability reporting	It will be demonstrated that the view is taken from dual materiality each time. It is mentioned in each case: 1. How severe the impact is 2. What the scope of the impact is 3. Its irreversible nature
4	Due Diligence	The outcome of Ekopak's sustainability due diligence process supports the company's assessment of its material impacts, risks and opportunities.

7	Preparation and presentation of sustainability information	This report is an evolution of the 2022 Sustainability Report. We always report changes and evolutions transparently. The items listed below are also mentioned: - Estimation uncertainties - Indicating when the numbers only came in after the reporting period indicated - Any reporting errors from previous reporting period - Significant differences at any subsidiaries - Sensitive information or intellectual property may be excluded
9	Links to other parts of business reporting and related information	The entire document should be coherent in a clear way for readers, possibly through references to other public documents. This should be done using the value creation model.
10	Transitional arrangements	It is indicated that the certain sustainability themes will still develop in the coming period.

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.

To avoid ambiguities and misinterpretations in this section, we use the following definitions:

- Activity: these are the activities carried out by Ekopak
- Business activities: these are the activities described in the EU taxonomy

The concept of sustainability is defined by the EU Taxonomy on the basis of six environmental objectives, see Regulation (2020/852). 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 (CCM)
2. Climate change adaptation (CCA)
3. The sustainable use and protection of water and marine resources (WTS)
4. The transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. The protection and restoration of biodiversity and ecosystems (BIO)

The acquisition of GWE in 2023 broadened the number of Ekopak's activities from 4 to 6. More specifically, to the activities *WaaS installations*, *Non-WaaS installations of Ekopak* defined last year, *service/maintenance and consumables/sales* are added the activities *GWE* and *DWS*.

Four of these activities qualify for more than one environmental objective, namely *WaaS* installations, *Non-WaaS installations of Ekopak*, *Non-WaaS installations of GWE and DWS*. In addition, *service/maintenance* qualifies for environmental objective 3, and *consumables/sales* qualify for environmental objective 4.

For all these activities, we further examined whether they were also described in the EU taxonomy Climate Delegated Act (Delegated Regulation 2021/2139) and in the Enviromental Delegated act (Delegated Regulation 2023/2486) as business activities. For the 3 activities *Non-WaaS installations of GWE*, *service/maintenance* and *consumables/sales*, no business activities were found so far.

Today the EU Taxonomy is still in its early stage so not all information is yet fully objectively applicable so it is important to communicate transparently about the assumptions made and how Ekopak applies the Taxonomy.

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.	IR 2: Our company IR About this report IR 3.2 Value creation model in numbers
2. Identification of taxonomy-eligible activities **(eligible)**.	The service/maintenance and consumables/sales activities are eligible to contribute to one environmental objective, environmental objective 3 "The sustainable use and protection of water and marine resources" and environmental objective 4 "The transition to a circular economy," respectively. The remaining 4 activities qualify for more than one environmental objective. To avoid double counting, the following distribution key was established based on the interpretation of the articles from Regulation 2020/852. *WaaS installations and non-WaaS installations Ekopak:* • *Environmental objective 1: 5%* • *Environmental objective 2: 2.5%.* • *Environmental objective 3: 70%* • *Environmental objective 4: 15%* • *Environmental Objective 5: 2.5%.* • *Environmental objective 6: 5%*	IR 1.1 Interview with the CEO IR 2.1 Ekopak in a nutshell IR 2.2 Key figures IR 3.2 Value creation model in numbers

	Non-WaaS installations GWE: • *Environmental objective 1: 10%* • *Environmental objective 3: 50%.* • *Environmental objective 4: 20%.* • *Environmental objective 5: 20%* *DWS:* • *Environmental Objective 1: 29.5%* • *Environmental Objective 2: 50%* • *Environmental Objective 4: 11.5%.* • *Environmental Objective 5: 9%* From these distributions, we can conclude that the WaaS and non-WaaS activities of Ekopak and GWE have their greatest impact on Environmental Objective 3. For the DWS activity, the greatest impact is on Environmental Objective 2.	
3. Identification of Taxonomy-aligned activities. **(Aligned)**	In this section, Ekopak examined whether business activities were also defined for the activities in the EU taxonomy Climate Delegated Act (Delegated Regulation 2021/2139) and in the Enviromental Delegated act (Delegated Regulation 2023/2486) and whether they meet all the criteria: technical screening criteria, DNSH criteria and minimum social safeguards. Business activities were identified based on the NACEBEL codes (Statbel) of the activities. **WaaS and Non-WaaS installations Ekopak:** NACEBEL code: E36 - Water collection, treatment and distribution. • *Identified business activities:* • *CCM 5.1: Construction, expansion and operation of systems for the extraction, treatment and distribution of water* • *CCM 5.2: Renewal of water collection, treatment and distribution systems* • *CCA 5.1: Construction, extension and operation of systems for the extraction, treatment and distribution of water* • *CCA 5.2: Renewal of systems for the extraction, treatment and distribution of water*	

	Non-WaaS installations GWE: NACEBEL code: M71.121 - Engineers and related technical consultants, excluding surveyors **No** *business activities identified* **DWS** NACEBEL code: C28.210 - Manufacture of furnaces and burners *Identified business activities:* • *CCM 3.1: Manufacture of renewable energy technologies.* • *CCA 3.1: Manufacture of renewable energy technologies.* For the activities Non-WaaS installations, GWE, consumables/sales and services/maintenance, no appropriate business activities were found in the EU taxonomy. Therefore, we categorize these activity areas as "**eligible but not taxonomy-aligned activities**". Currently, no business activities have been found in the other environmental targets applicable to Ekopak's operations. We hope that these will become available in the future, as these are the environmental objectives in which Ekopak makes the biggest difference.	
a. Technical Screening Criteria	The technical screening criteria verify that the activity makes a substantial contribution to the environmental objective. **WaaS-installations** Screening environmental objective 1 - Mitigation of climate change. Both proposed business activities do not meet all screening criteria: **CCM 5.1:** The leakage level of the WaaS installation is 0% for the part owned by Ekopak. However, here we need to clarify the context *"The distribution network, to which the WaaS installations are connected, is owned by the customer. As a result, Ekopak has no data on the leakage level of the distribution network. Once*	IR 3.2 Value creation model in numbers

	Ekopak owns a distribution network, the data regarding leakage will be measured and reported. Today, Ekopak can report on the leakage level of the connection between the WaaS installations and associated buffer tank, which is 0%. *However, the average energy consumption of these installations is higher than the set minimum of 0.5 kWh.* **CCM 5.2:** Similar to CCM 5.1, the leakage level of the WaaS installations amounts to 0% for the part owned by Ekopak. However, the net average energy consumption does not decrease demonstrably by at least 20% in 3 years compared to the average reference performance. As the evolution in energy performance indicates, Ekopak is committed to further improve the energy performance of the installations in line with the EU Taxonomy. <u>Screening environmental objective 2 - climate change adaptation:</u> CCA 5.1 and CCA 5.2 have the same screening criteria and are consequently discussed together. As with the screening criteria of environmental objective 1, Ekopak's business activities do not meet all of the screening criteria. A risk analysis to climate change impacts is a significant part of the criteria. Although many things are in order, we have concluded from progressive understanding that not all of these criteria are yet formally verified and provable. Ekopak is committed to updating the risk assessments to align with the EU Taxonomy. Because all business activities do not meet all their predefined screening criteria, they fall under the category of "**eligible but not aligned with the taxonomy**." **Non-WaaS-installations Ekopak:** Because the non-WaaS installations are sold and owned by the customer, Ekopak does not have access to the operational data of these installations after delivery and installation. As a result, Ekopak cannot test them against the Taxonomy criteria. Therefore, we categorize the WaaS installations as "**eligible but not taxonomy-aligned activities**." **DWS** <u>Screening environmental objective 1 - Mitigation of climate change.</u>	IR 4. Stresstest IR 5 Our strategy IR 3.2 Value creation model in numbers IR 6: What the future holds for Ekopak

	CCM 3.1: DWS meets all screening criteria. Screening environmental objective 2 - climate change adaptation: CCA 3.1: As with the WaaS facilities, a risk analysis to climate change impacts is a significant part of the screening criteria. While many are ongoing in practice, not all of these are currently formally verified and consequently not provable. Because CCA3.1 does not meet all of its predetermined screening criteria, it falls into the category of "**eligible but not taxonomy-aligned activities**."	

b. DNSH-criteria ('Do Not Significantly Harm')	The DNSH criteria check whether a business activity has a potentially negative impact on any of the other environmental objectives. For this purpose, reference is often made to existing regulations or legal texts. Ekopak endeavors at all times to comply with what is legally stipulated. To communicate this, Ekopak is currently working on drafting statements in which it guarantees to comply with legal and supra-legal frameworks. **WaaS installations** All business activities (CCM 5.1, CCM 5.2, CCA5.1 and CCA5.2) comply with their DNSH criteria. **DWS** Both business activities (CCM 3.1, CCA 3.1) meet their DNSH criteria with the exception of the criteria around circular economy. As a result, CCM3.1 also falls under the "**eligible but not taxonomy-aligned activities**" category. *"The DNSH criteria are not numerical criteria. After thorough analysis, they were approved or not. In the future, Ekopak plans to formalize the required DNSH criteria for all activities in a "one-pager."*	
c. Minimal Social Safeguards	Through the minimum guarantees, the EU Taxonomy expects companies to act in line with the OECD Guidelines, UN principles on business and human rights, ILO conventions and the rights contained in the International Bill of Human Rights. Through the policy documents, cited earlier in the report under the Business Ethics topic, Ekopak makes it transparently clear that it makes decisions in line with national and European legislation, which in turn are in line with the guidelines stated by the taxonomy.	IR 6.2.4. A global HR implementation G3.3 Activity report G6 Risk management G7 Business ethics

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. Ekopak wants to clearly indicate for which activities possible business activities have already been identified and for which not yet. Therefore, we have made an additional division in section A2 based on whether or not the business activity is present. A.2.1 shows for which activities business activities have been identified but for which Ekopak does not yet meet all the necessary criteria. In the reporting tables, letter codes 'Y' (yes) or 'N' (no) indicated whether or not the criteria were met. For more text and explanation, please refer back to sections above: 3a, 3b and 3c. For the activities defined in A.2.1, Ekopak commits to align them with the EU taxonomy as soon as possible. A.2.2 shows the activities for which no appropriate business activities have yet been identified, but which are eligible for one or more environmental objectives. The reporting tables indicate if the activity in question is eligible (EL) or not eligible (NEL) for the EU taxonomy. Some of these iak fields have a gray background. With this we want to indicate that the figures of these are already included in A.2.1 and we do not double count them. For the activities defined in A.2.2, Ekopak is committed to look for the appropriate business activities as soon as the EU has established new business activities. Finally, in the reporting tables we distinguish between enabling (E) and transitional (T) activities. The transitional activities are WaaS, Non-WaaS and DWS. The enabling activities include service/maintenance, consumables/sales and GWE. **Interpretation of results:** Currently there are no EU taxonomy-aligned activities yet. But all of Ekopak's activities do qualify 100% for the EU taxonomy, most of which are still waiting for new business activities. Only in the table reporting turnover are absolute figures available for all activities. This has 2 implications:	Annex p. 192 EU reporting template IR 3.2 Value creation model in numbers Chapter Taxonomy 2.2 Chapter Taxonomy 2.3.a

1. We cannot link all amounts back to the business activities defined in section A.2.1 in the OPEX and CAPEX reporting tables. As a result, the percentage value of section A.2.1 is higher for revenue (5.42%) compared to OPEX (1.15%) and CAPEX (3.81).

2. In addition, for the OPEX and CAPEX tables, we cannot give a relative distribution of the amounts going to the different environmental objectives because the allocation keys prepared in section 2 (identification for taxonomy eligible activities) are not applicable.

From these relative values of sales, we can infer that Ekopak primarily impacts environmental objective 3: The sustainable use and protection of water and marine resources (WTS) and environmental objective 4: The transition to a circular economy (CE).

	Taxonomy-eligible by objective (revenue/total revenue)
CCM	5,4%
CCA	2,3%
WTS	65,3%
CE	18,5%
PPC	5,9%
BIO	2,6%

3. ANNEXES

3.1. Appendix A "EU reporting template Turnover KPI"

TURNOVER KPI

Economic activities	Code	Turnover	Proportion of turnover Year N	Substantial contribution criteria						DNSH criteria							Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
				Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	Text	Currency	%	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned) - Eligible + aligned																			
WAAS		**€ 0,00**	**0**														**0,36%**		
Turnover A1		**€ 0,00**	**0,00%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**0,36%**	**/**	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) - Eligible + Not alligned																			
A.2.1 Activity present in the EU Taxonomy	**but not all criteria are met**																		
WAAS		**€ 248.695,13**	**0,69%**	**N**	**N**														**T**
Construction, expansion and operation of systems for the extraction, treatment and distribution of water	CCM 5.1	€ 82.898,38	0,23%	N						Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCM 5.2	€ 82.898,38	0,23%	N						Y	Y	Y	Y	Y	Y	Y			
Construction, expansion and operation of water collection, treatment and distribution systems	CCA 5.1	€ 41.449,19	0,12%		N					Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCA 5.2	€ 41.449,19	0,12%		N					Y	Y	Y	Y	Y	Y	Y			
non- WAAS installations - Ekopak		**€ 1.157.659,65**	**3,21%**	**N**	**N**														**T**
Construction, expansion and operation of systems for the extraction, treatment and distribution of water	CCM 5.1	€ 385.886,55	1,07%	N						Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCM 5.2	€ 385.886,55	1,07%	N						Y	Y	Y	Y	Y	Y	Y			
Construction, expansion and operation of water collection, treatment and distribution systems	CCA 5.1	€ 192.943,28	0,54%		N					Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCA 5.2	€ 192.943,28	0,54%		N					Y	Y	Y	Y	Y	Y	Y			
DWS		€ 547.231,89	1,52%																**T**
Manufacturing of renewable energy technologies	CCM 3.1	€ 203.060,89	0,56%	Y						Y	Y	Y	Y	N	Y	Y			
Manufacturing of renewable energy technologies	CCA 3.1	€ 344.171,00	0,96%		N					Y	Y	Y	Y	N	Y	Y			
Turnover A2.1		**€ 1.953.586,67**	**5,42%**	**%**	**%**	**%**	**%**	**%**	**%**								**0,00%**	/	
A.2.2 Activity not present in the EU Taxonomy				EL; NEL	EL; NEL	EL; NEL	EL; NEL	EL; NEL	EL; NEL										
WAAS		€ 3.067.239,88	8,51%	**EL**	**EL**	**EL**	**EL**	**EL**	**EL**								13,86%		**T**
non- WAAS installations - Ekopak		€ 14.277.802,35	39,62%	**EL**	**EL**	**EL**	**EL**	**EL**	**EL**								48,50%		**T**
Service maintenance		€ 6.382.745,00	17,71%	NEL	NEL	**EL**	NEL	NEL	NEL								25,88%	**E**	
Consumables sales		€ 2.178.780,00	6,05%	NEL	NEL	NEL	**EL**	NEL	NEL								11,40%	**E**	
non WAAS installations - GWE		€ 8.031.630,00	22,29%	**EL**	NEL	**EL**	**EL**	**EL**	NEL									**E**	
DWS		€ 141.110,11	0,39%	**EL**	**EL**	NEL	**EL**	**EL**	NEL										**T**
Turnover A2.2		**€ 34.079.307,34**	**94,58%**	**%**	**%**	**%**	**%**	**%**	**%**								**99,64%**	/	
Turnover A2 (A2.1 +A2.2)		**€ 36.032.894,00**	**100,00%**	**%**	**%**	**%**	**%**	**%**	**%**								**99,64%**	/	
Total turnover A1 + A2		**€ 36.032.894,00**	**100,00%**	**%**	**%**	**%**	**%**	**%**	**%**								**100,00%**	/	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities		€ 0,00	0																
Total turnover A + B		**€ 36.032.894,00**	**100,00%**																

3.2. Appendix B “EU reporting template CapEx KPI”

CAPEX KPI

				Substantial contribution criteria						DNSH criteria									
Economic activities	Code	CAPEX	Proportion of CAPEX, year N	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CAPEX, year N-1 CAPEX, jaar N-1	Category enabling activity	Category transitional activity
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	Text	Currency	%	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned) - Eligible + aligned																			
WAAS		**€ 0,00**	**0**														**1,03%**		**T**
CAPEX A1		**€ 0,00**	**0,00%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**1,03%**	/	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) - Eligible + Not alligned																			
A.2.1 Activity present in the EU Taxonomy	**but not all criteria are met**																		
WAAS		**€ 474.127,50**	**3,18%**	**N**	**N**														**T**
water	CCM 5.1	€ 158.042,50	1,06%	N						Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCM 5.2	€ 158.042,50	1,06%	N						Y	Y	Y	Y	Y	Y	Y			
Construction, expansion and operation of water collection, treatment and distribution systems	CCA 5.1	€ 79.021,25	0,53%		N					Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCA 5.2	€ 79.021,25	0,53%		N					Y	Y	Y	Y	Y	Y	Y			
non- WAAS installations - Ekopak		**€ 636.534,75**	**4,27%**	**N**	**N**														**T**
water	CCM 5.1	€ 212.178,25	1,42%	N						Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCM 5.2	€ 212.178,25	1,42%	N						Y	Y	Y	Y	Y	Y	Y			
Construction, expansion and operation of water collection, treatment and distribution systems	CCA 5.1	€ 106.089,13	0,71%		N					Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCA 5.2	€ 106.089,13	0,71%		N					Y	Y	Y	Y	Y	Y	Y			
DWS		€ 0,00	0,00%																**T**
Manufacturing of renewable energy technologies	CCM 3.1	€ 0,00	0,00%	J						Y	Y	Y	Y	N	Y	Y			
Manufacturing of renewable energy technologies	CCA 3.1	€ 0,00	0,00%		N					Y	Y	Y	Y	N	Y	Y			
CAPEX A2.1		**€ 1.110.662,25**	**7,46%**	**%**	**%**	**%**	**%**	**%**	**%**								**0,00%**	/	
A.2.2 Activity not present in the EU Taxonomy				EL; NEL	EL; NEL	EL; NEL	EL; NEL	EL; NEL	EL; NEL										
WAAS		€ 5.847.572,50	39,27%	**EL**	**EL**	**EL**	**EL**	**EL**	**EL**								40,13%		**T**
non- WAAS installations - Ekopak		€ 7.850.595,25	52,72%	**EL**	**EL**	**EL**	**EL**	**EL**	**EL**								58,84%		**T**
Service maintenance		€ 0,00	0,00%	NEL	NEL	**EL**	NEL	NEL	NEL									**E**	
Consumables sales		€ 0,00	0,00%	NEL	NEL	NEL	**EL**	NEL	NEL									**E**	
non- WAAS installations - GWE		€ 81.413,00	0,55%	**EL**	NEL	**EL**	**EL**	**EL**	NEL									**E**	
DWS		€ 0,00	0,00%	**EL**	**EL**	NEL	**EL**	**EL**	NEL										**T**
CAPEX A2.2		**€ 13.779.580,75**	**92,54%**	**%**	**%**	**%**	**%**	**%**	**%**								**98,97%**	/	
CAPEX A2 (A2.1 +A2.2)		**€ 14.890.243,00**	**100,00%**	**%**	**%**	**%**	**%**	**%**	**%**								**98,97%**	/	
Total CAPEX A1 + A2		**€ 14.890.243,00**	**100,00%**	**%**	**%**	**%**	**%**	**%**	**%**								**100,00%**	/	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy- non-eligible activities		€ 0,00	0																
Total CAPEX A + B		**€ 14.890.243,00**	**100%**																

3.3. Appendix C "EU reporting template OpEx KPI"

OPEX KPI

Economic activities	Code	OPEX	Proportion of OPEX, year N	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	DNSH criteria: Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OPEX, year N-1 OPEX, jaar N-1	Category enabling activity	Category transitional activity
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	Text	Currency	%	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y; N; NEL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned) - Eligible + aligned																			
WAAS		**€ 0,00**	**0**														**0,13%**		
OPEX A1		**€ 0,00**	**0,00%**	**%**	**%**	**%**	**%**	**%**	**%**	**€ 0,00**	**0,00%**	**€ 0,00**	**0,00%**	**€ 0,00**	**0,00%**	**€ 0,00**	**0,13%**	/	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) - Eligible + Not alligned																			
A.2.1 Activity present in the EU Taxonomy	**but not all criteria are met**																		
WAAS		**€ 2.088.171,83**	**6,08%**	**N**	**N**														**T**
water	CCM 5.1	€ 696.057,28	2,03%	N						Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCM 5.2	€ 696.057,28	2,03%	N						Y	Y	Y	Y	Y	Y	Y			
Construction, expansion and operation of water collection, treatment and distribution systems	CCA 5.1	€ 348.028,64	1,01%		N					Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCA 5.2	€ 348.028,64	1,01%		N					Y	Y	Y	Y	Y	Y	Y			
non- WAAS installations - Ekopak		**€ 0,00**	**0**	**N**	**N**														**T**
water	CCM 5.1	€ 0,00	0	N						Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCM 5.2	€ 0,00	0	N						Y	Y	Y	Y	Y	Y	Y			
Construction, expansion and operation of water collection, treatment and distribution systems	CCA 5.1	€ 0,00	0		N					Y	Y	Y	Y	Y	Y	Y			
Renewal of systems for water collection, treatment and distribution	CCA 5.2	€ 0,00	0		N					Y	Y	Y	Y	Y	Y	Y			
DWS		€ 394.265,15	1,15%																**T**
Manufacturing of renewable energy technologies	CCM 3.1	€ 146.299,65	0,43%	Y						Y	Y	Y	Y	N	Y	Y			
Manufacturing of renewable energy technologies	CCA 3.1	€ 247.965,50	0,72%		N					Y	Y	Y	Y	N	Y	Y			
OPEX A2.1		**€ 2.482.436,97**	**7,22%**	**%**	**%**	**%**	**%**	**%**	**%**								**0,00%**	/	
A.2.2 Activity not present in the EU Taxonomy				EL; NEL	EL; NEL	EL; NEL	EL; NEL	EL; NEL	EL; NEL										
WAAS		€ 25.754.119,18	74,93%	**EL**	**EL**	**EL**	**EL**	**EL**	**EL**								4,95%		**T**
non- WAAS installations - Ekopak		€ 0,00	0,00%	**EL**	**EL**	**EL**	**EL**	**EL**	**EL**										**T**
Service maintenance		€ 0,00	0,00%	NEL	NEL	**EL**	NEL	NEL	NEL								94,93%	**E**	
Consumables sales		€ 0,00	0,00%	NEL	NEL	NEL	**EL**	NEL	NEL									**E**	
non- WAAS installations - GWE		€ 6.033.354,00	17,55%	**EL**	NEL	**EL**	**EL**	**EL**	NEL									**E**	
DWS		€ 101.665,86	0,30%	**EL**	**EL**	NEL	**EL**	**EL**	NEL										**T**
OPEX A2.2		**€ 31.889.139,03**	**92,78%**	**%**	**%**	**%**	**%**	**%**	**%**								**99,87%**	/	
OPEX A2 (A2.1 +A2.2)		**€ 34.371.576,00**	**100,00%**	**%**	**%**	**%**	**%**	**%**	**%**								**99,87%**	/	
Total OPEX A1 + A2		**€ 34.371.576,00**	**100,00%**	**%**	**%**	**%**	**%**	**%**	**%**								**100,00%**	/	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy- non-eligible activities		€ 0,00	0																
Total OPEX A + B		**€ 34.371.576,00**	**100,00%**																