Publication
First Half 2024 Results

Ekopak
Ekopak Sustainable Water

Together towards
a sustainable future.

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RESULTS FIRST HALFYEAR 2024

129% revenue growth and EUR 2 million Adjusted Ebitda, while preparing the next major growth phase spearheaded by Waterkracht

Ekopak is fully equipped to capitalize on its position as an international, best-in-class provider of mission-critical industrial process water solutions.

Tielt (Belgium), 23 September 2024 – 07:30 a.m. CEST – Today, Ekopak (EKOP:xbru) published its results for the six-month period ended 30 June 2024.

Key elements for the 1st half of 2024

- EUR 32.6 million Revenue in 1H24 (EUR 14.3m in 1H23 and EUR 36.0m for FY2023)
- EUR 2.0m Adjusted EBITDA (6% of revenue) with further upward potential
- The WaaS segment (Water-as-a-Service) achieved stable Revenue and Adjusted EBITDA. WaaS installations for top tier clients (Arcelor Mittal – TotalEnergies – AGC - …) under construction in 1H2024 will start generating recurring revenues as of 2H24 (with an annual minimum revenue of EUR 1.9m)
- Based on the current impressive WaaS pipeline (both in Europe, Morocco and South-East Asia), we expect an exponential growth of our WaaS contracted value[1] on a short term
- The Non-WaaS operations generated a 144% increase in revenue and an 8% Adjusted EBITDA margin
- Solid 1H24 results, combined with the forecast of an even stronger second half, enable Ekopak to confirm both the FY2024 outlook and the 2028 targets
- On the 20th of September 2024 Ekopak announced a next phase in the groundbreaking Waterkracht project. After two years of intensive preparation and successful pilot tests, the way is now clear for the construction of a state-of-the-art cooling water plant in the port of Antwerp. The basic framework for this has been contractually established and will be further refined in function of the realization of this project.
- Governance further strengthened through the co-optation of Mr. Jos DE VUYST, CEO STOW GROUP, by the board of directors as independent director in succession of Kristina LOGUINOVA.
- Strategies for geographic expansion and non-WaaS to WaaS conversion are being rolled out consistently
- There is an urgent need for a water transition. Ekopak is taking a leading role promoting circular water use

[1] Minimum contractual undiscounted revenue from Signed WaaS contracts not yet taken into revenue at reporting date

Management Report – Executive Summary

In EUR thousands	1H2024	1H2023	1H2024/ 1H2023
Revenue			
WaaS	1.507	1.510	0%
Non-WaaS	31.074	12.744	144%
Total	***32.581***	***14.254***	***129%***
Adjusted EBITDA			
WaaS	998	1.014	-2%
Non-WaaS	2.465	1.508	63%
Corporate	-1.455	-1.408	3%
Total	***2.007***	***1.114***	
As a % of revenu	**6%**	**8%**	

The CEO's perspective

Pieter Loose, CEO of Ekopak comments: "The first half of 2024 was again a very strong operational period. Being in the midst of the operations, I fully realize the important steps we have taken during the past months outlining strategies and action plans to ensure the next growth phase for Ekopak, of which Waterkracht is a beautiful example.

We can safely describe the results achieved in the past reporting period as excellent and we expect an even stronger 2nd half of 2024 given our strong backlog and pipeline in non-WaaS and a number of WaaS installations for top tier clients becoming operational in 2H24.

In our day-to-day contact with industry leaders, we notice that the urgency about the need for a water transition surpasses that of an energy transition. Ekopak is taking a leading role in promoting circular water use, - both in an industrial setting with the already well-established Water-as-a-Service concept, as in residential settings, with the innovative concept of Circeaulair. With the steps taken on the Waterkracht project amongst others, we are fully on track to meet our mid-term targets.

Ekopak is well-equipped 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 allow us to take on bigger projects.

Once again, our results illustrate the knowledge, expertise and motivation of our employees. I am very proud of them and I am convinced that together we will continue to create a bright future for Ekopak."

WaaS segment: good performance and best to come

The Waas segment generated a stable Revenue of EUR 1.5 million (+0%) and a stable Adjusted EBITDA of EUR 1.0 million (-2%). Ekopak is currently engineering and assembling WaaS installations for clients such as TotalEnergies in France, ArcelorMittal and AGC, in Belgium. These new WaaS projects have advanced quite well over the first six months of 2024, but, as they are scheduled to be fully operational in the last quarter of 2024, they did not result in any revenue recognition for the past reporting period. These projects will contribute to the financial results as of the second half of 2024. However, on a full year basis their minimum annual revenue amounts to EUR 1.9 m.

The Adjusted EBITDA of the WaaS segment remained at a robust 66%, which is perfectly in line with the previous reporting periods as well as with the mid-term objective.

While the Waas operations represented 5% of the total revenue of Ekopak in the first half of 2024, they generated 29% of the group's Adjusted EBITDA, thus illustrating the attractiveness of the WaaS concept.

Our WaaS business continues to be a key driver of growth, with a promising project pipeline not only in Europe but also in expanding markets. Significant time and effort have been invested throughout the first half of 2024 to develop strategies and action plans aimed at driving future growth.

Several new initiatives have been launched or are in advanced stages of development, in regions such as Morocco, and Southeast Asia. The establishment of WaaS Asia positions us to meet the growing demand for sustainable water reuse solutions while expanding the WaaS model into new regions. Additionally, wastewater treatment solutions will be integrated into the WaaS offering, further enhancing the range of services provided.

The Waterkracht project in the Port of Antwerp also has a clear purpose: to convert treated wastewater (effluent) from Antwerp residents into high-quality cooling water for the industry in the port. Intensive work has been done to analyze and study the project. This preparation provided the necessary insights to take the next step: permitting and construction of the new water treatment plant.

The WaaS contractual value[2] as of 1H24 amounts to EUR 46 million. Given our promising pipeline as mentioned above, we expect an exponential growth in our contracted value on a short term.

Non-WaaS segment: revenue fueled by a strategic decision

Revenue of the non-WaaS segment grew by an impressive 144% growth in the first half of 2024 compared to the same period last year, and amounted to EUR 31.1 million. This revenue growth comes largely from the wastewater business, for customers mostly in South-East Asia and Northern America. As an example, Ekopak Group was very pleased to receive two purchase orders from Lotus Bakeries Thailand related to a high-quality water treatment installation and a waste wastewater treatment installation

Ekopak is developing strategies to convert non-Waas-customers to the WaaS concept. These strategies will be implemented gradually, aligned with the customers' acceptance of this new concept.

[2] Minimum contractual undiscounted revenue from Signed WaaS contracts not yet taken into revenue at reporting date

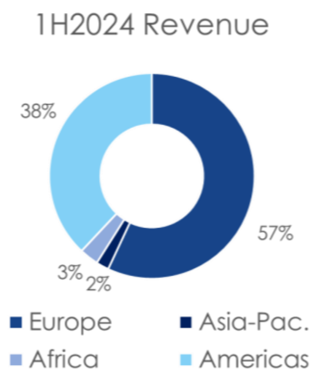
As previously announced non-WaaS revenue recognition in 2024 will be backloaded, with a backlog that amounts to EUR 27 million as of 30 June 2024. In addition, Ekopak expects to sign a number of impressive projects in the second half.

The EUR 2.5 million Adjusted EBITDA of the non-WaaS segment in the first half of 2024, corresponds to a margin of 8% (12% in the first half of 2023). Ekopak expects this margin to improve in the upcoming years.

Geographic expansion: growing with our multinational clients

Being an undisputed market leader, we keep on transforming Ekopak from a local Belgian company into a global group… France, Asia, …. in just a few years' time. Revenues generated outside the Belgian home market accounted for 20% of total revenues in 2021, 26% in 2022 and 35% in 2023.

In line with Ekopak's global scope, the company now provides a revenue split between four regions, and no longer on an individual country basis. Europe accounted for 57% in H1 2024 andthe other regions showed a continuously growing part (43% in 1H24).



Ekopak has recently started to develop start-up projects in Asia, Morocco and Spain. The client portfolio includes a significant number of renowned multinational corporations, offering attractive opportunities to offer services in all countries where these corporations have major plants or facilities. Ekopak is ideally positioned as the one-stop shop for major corporate customers. For example: at the beginning of the first half of 2024, global brewer Heineken awarded the Ekopak Group a new, large wastewater project for its brewery in Den Bosch, the Netherlands, thus building on their long-standing professional relationship.

Geared for future growth

Over the past years, Ekopak has strengthened its corporate organization to accommodate future growth in the fast-evolving water market. For the last two reporting years, corporate charges amounted to EUR 2.5-2.8 million. Although Ekopak has spent considerable effort in the first half of 2024 preparing its next growth phase which will be spearheaded by Waterkracht, the company has managed to maintain the **corporate expenses** at EUR 1.45 million as per 30 June 2024, which remains in line with the previously mentioned amounts on an annualized basis.

The construction of the **new corporate building** in Belgium, housing both corporate services, warehouses and engineering workshops is making good progress. Commissioning is expected by the end of 2024.

The new corporate building will also accommodate the **growing staff**. In a difficult labor market, Ekopak is pleased to note that it is still capable of attracting and retaining talented people. The headcount increased from 241 at year-end 2023 to 257 at the end of the first half of 2024. Ekopak attaches great importance to training and coaching, to assure that each staff member helps to maintain and strengthen client satisfaction.

Ekopak continues to focus on **innovation**. The company continued to deepen its professional relationship with universities. Ekopak also 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 in-house data analytics based on artificial intelligence in order to achieve ever better results for its high-end customers around the globe. In parallel, Ekopak adopts an innovative approach to marketing and customer relationship management, in which customers are being offered a "real-life experience" with Ekopak's installations and services. In addition to the already well-known "R&D On Tour project", Ekopak provides pilot installations at potential key customers.

Ekopak has also made progress on its **ESG objectives**, having started measuring its progress against the key performance indicators identified in 2023 and having continued this throughout the first half of 2024. In addition, Ekopak initiated in the beginning of 2024 the project on measuring its carbon footprint (including scope 3 emissions).

From Adjusted EBITDA to net result

Inclusion of GWE assets leads to increased depreciation and interest charges

The integration of Global Water & Energy (GWE) also implied the inclusion of significant intangible fixed assets on Ekopak's balance sheet, which are depreciated with EUR 1.3 million in the first half of 2024. This largely explains the increase of depreciations compared to the first half of 2023, which led to an EBIT of EUR -1.6 million (EUR -0.3 million in 1H23).

Financial expenses, largely related to increased borrowings mainly due to the GWE-acquisition and housing borrowings, evolved from EUR -0.3 million as per 30 June 2023 to EUR -1.1 million at the end of the past reporting period. After taxes, this resulted in a net loss of EUR 1.9 million as per 30 June 2024 (0.2 million as per 30 June 2023).

Balance sheet reflects growing business and investments for future growth

Whereas the increase of Ekopak's balance sheet total at year-end 2023 was mainly the result of the integration of GWE (acquisition 2/3 financed in the form of long-term bank loans), the further increase in the first half of 2024 was mainly the result of a number of other investments and resulted in an **increase of Property, plant and equipment** from EUR 30.6 million at year-end 2023 to EUR 46.8 million as per 30 June 2024. The latter amount mainly consists of EUR 20.3 million related to the new corporate building in Belgium, of EUR 7.3 million related to WaaS installations in operation and of EUR 6.6 million related to WaaS assets under construction.

On the liability side of the balance sheet, this growth is reflected in an increase of borrowings from EUR 39.5 million at year-end to EUR 56.2 million as per 30 June 2024. EUR 11.1 million was related to housing capex. Equity remains solid at EUR 52.0 million (EUR 53.5 million at year-end 2023), corresponding to a **healthy solvency ratio** of 35%.

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

Net financial debt excluding leases (NFD) amounted to EUR 48.9 million or EUR 31.2 million excluding Housing capex and leases.

Net working capital (Total current assets excluding Cash and cash equivalents – Total current liabilities, excluding borrowings, leases and other current liabilities) amounts to EUR 11.1 million. As in the past, Ekopak again demonstrated to be capable in well managing its net working capital.

Outlook 2024 reconfirmed

- Ekopak forecasts another doubling of revenues for 2024 - within an expected range of EUR 70-75 million.
- Adjusted EBITDA margin for 2023 (9,8%) is forecasted to be exceeded in 2024.
- In all regions where we are operating, our commercial teams report an increasing awareness for the need of a water transition towards circular water use. The corresponding growing awareness of our innovative solutions for circular water use will further fuel Ekopak's business in the near to mid-term future.

Reconfirmation of mid-term prospects (2028)

- Ekopak estimates to almost quadruple its 2023 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 2023 9% margin to 25-30%.
- The above-mentioned mid-term forecasts may potentially be considerably 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 resource for its customers, Ekopak is fine-tuning 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.

Appointment of Jos DE VUYST (DEVUMA BV) as independent director in succession of Kristina LOGUINOVA.

Jos DE VUYST, CEO of STOW GROUP, has been co-opted by the board of directors as independent director in succession of Kristina LOGUINOVA.

Jos DE VUYST graduated as a civil engineer from the University of Ghent, after which he obtained an MBA from the Vlerick Business School. After four years as managing director at Stow Group (2001-2005), he became CEO of KARDEX AG. Through a management buy-out, Jos returned to Stow Group in 2015, now a European leader in storage equipment where he is CEO to this day. Stow Group achieves around one billion euro turnover. In addition, he is also chairman and CEO of Movu Robotics, subsidiary of Stow Group, a fast-growing high-tech start-up for logistics automation. Furthermore, Jos holds directorships at Reynaers Aluminium and is chairman of the Afix Group, a Dovesco holding.

Management certification

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

"The Board of Directors of Ekopak NV, represented by the management companies[3] of Mr. Pieter Bourgeois, Chairman of the Board of Directors, Mr. Pieter Loose, CEO, and Mrs. Els De Keukelaere, CFO, jointly certify that, to the best of their knowledge, the consolidated financial statements included in the report and based on the relevant accounting standards, fairly present in all material respects the financial condition and results of Ekopak NV, including its consolidated subsidiaries. Based on our knowledge, the report includes all information that is required to be included in such document and does not omit to state all necessary material facts."

Financial calendar

- Publication Full Year 2024 results: 3 March 2025
- Annual Shareholder Meeting : 13 May 2025

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

Disclaimer

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

About Ekopak

Ekopak is a Belgian company that markets circular water solutions. Ekopak's solutions offer industrial clients the opportunity to significantly reduce their water consumption from the main network in a sustainable, dependable and cost-effective way. Ekopak therefore focuses on optimizing water consumption with modular water treatment units that convert off-grid water sources, such as rainwater, surface water and/or waste water into cleaner water that can be used and reused in clients' industrial processes.

Ekopak offers its solutions on a global scale and operates worldwide with offices in Belgium, France, The Netherlands, Morrocco, the Philippines, Thailand, Mexico, Singapore and the US.

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

Interested to connect ?

EKOPAK NV

IFRS Interim Condensed Consolidated Financial Statements

June 30, 2024

IFRS Interim Condensed Consolidated Financial Statements

Interim condensed consolidated statement of profit or loss

		For the six months ended 30 June	
in 000€	**Notes**	**2024**	**2023**
Revenue	5	32.581	14.254
Other operating income		552	1.059
Operating income		**33.133**	**15.313**
Purchases of materials	7	-19.322	-7.064
Services and other goods	7	-4.925	-2.827
Employee benefit expense	7	-6.784	-4.261
Depreciation charges		-3.325	-1.396
Other operating charges		-331	-58
Operating profit		**-1.554**	**-293**
Financial expenses		-1.121	-287
Financial income		186	82
(Loss)/profit before taxes		**-2.489**	**-498**
Income taxes	8	627	290
Net (loss)/profit for the year *		**-1.862**	**-208**
Earnings per share attributable to the owners of the parent			
Basic	14	-0,13	-0,01
Diluted	14	-0,13	-0,01

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

The accompanying notes on pages 10 to 34 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Interim condensed consolidated statement of comprehensive income

		For the six months ended 30 June	
in 000€	**Notes**	**2024**	**2023**
Net (loss)/profit for the half-year		**-1.862**	**-208**
Other comprehensive (loss)/income			
Items that may be reclassified to profit or loss			
Cashflow hedge reserve, net of tax		173	–
Cumulative translation differences		23	–
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations, net of tax	15	–	–
Other comprehensive (loss)/income, net of tax		**196**	**–**
Total comprehensive (loss)/income for the year, net of tax *		**-1.666**	**-208**

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

The accompanying notes on pages 10 to 34 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Interim condensed consolidated statement of financial position

in 000€	Notes	At June 30 2024	At December 31 2023
Assets			
Non-current assets			
Goodwill		20.443	20.443
Intangible assets	9	30.881	32.121
Property, plant and equipment	10	46.841	30.589
Deferred tax assets	8	4.631	3.193
Other financial assets		160	117
Total non-current assets		**102.956**	**86.463**
Current assets			
Contract assets	11	14.599	9.836
Inventories		8.630	8.421
Trade receivables	11	9.166	7.668
Other current assets	11	4.977	4.325
Cash and cash equivalents	12	7.264	12.679
Total current assets		**44.636**	**42.929**
Total assets		**147.592**	**129.392**

The accompanying notes on pages 10 to 34 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

in 000€	Notes	At June 30 2024	At December 31 2023
Equity			
Share capital	13	6.671	6.671
Share premium	13	55.116	55.116
Other reserves	13	-2.112	-2.309
Accumulated (loss)/profit		-7.822	-5.961
Equity attributable to the owners of the parent		**51.853**	**53.517**
Non-controlling interest		122	–
Total equity		**51.975**	**53.517**
Liabilities			
Non-current liabilities			
Borrowings	15	46.724	34.127
Lease liabilities	15	2.475	2.394
Deferred tax liabilities		7.504	7.542
Provisions	17	1.230	1.158
Total non-current liabilities		**57.933**	**45.221**
Current liabilities			
Borrowings	15	9.478	5.348
Lease liabilities	15	1.217	1.088
Trade and other payables	18	16.573	12.543
Tax payables		883	665
Contract liabilities	11	9.421	10.912
Other current liabilities	18	112	98
Total current liabilities		**37.684**	**30.654**
Total liabilities		**95.617**	**75.875**
Total equity and liabilities		**147.592**	**129.392**

The accompanying notes on pages 10 to 34 form an integral part of these IFRS Condensed Consolidated Financial Statements.

Interim condensed consolidated statement of changes in equity

in 000€	Share capital	Share premium	Other reserves	Accumulated (loss)/profit	Total equity attributable to the owners of the parent	Non-controlling interest	Total equity
At January 1, 2024	**6.671**	**55.116**	**-2.309**	**-5.961**	**53.517**	**–**	**53.517**
Net profit / (loss)	–	–	–	-1.862	-1.862	–	-1.862
Other comprehensive income	–	–	196	–	196	–	196
Total comprehensive profit / (loss)	**–**	**–**	**196**	**-1.862**	**-1.666**	**–**	**-1.666**
Initial recognition minority WaaSia	–	–	–	–	–	122	122
Share based payment expense	–	–	1	–	1	–	1
At June 30, 2024	**6.671**	**55.116**	**-2.112**	**-7.822**	**51.853**	**122**	**51.975**

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

The accompanying notes on pages 10 to 34 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Interim condensed consolidated statement of cash flows

		For the six months ended 30 June	
in 000€	**Notes**	**2024**	**2023**
Operating activities			
Net (loss)/profit		**-1.862**	**-208**
Non-cash and operational adjustments			
Depreciation of property, plant & equipment and ROU assets		1.942	1.165
Amortization of intangible assets		1.387	237
Gain/(loss) on disposal of property, plant & equipment		-11	-6
Increase/(decrease) in provisions	16	73	20
Impairments on receivables		–	-6
Interest and other finance income		-189	-82
Interest and other finance expense		1.121	287
Deferred tax expense / (income)	8	-904	-495
Tax expense	8	278	205
Equity settled share based payment expense	7, 13	1	8
Movements in working capital			
Decrease/(Increase) in trade and other receivables	11	-2.261	-811
Increase in inventories		-209	-269
(Decrease)/increase in trade and other payables	17	3.703	472
(Increase)/decrease in contract assets	11	-4.762	-5.028
(Decrease)/increase in contract liabilities		-1.491	-88
(Increase)/decrease in cash guarantees		-43	14
Income tax received/(paid)	8	-7	-8
Net cash flow (used in)/from operating activities		**-3.234**	**-4.593**

Investing activities			
Purchase of property, plant and equipment		-20.063	-2.071
Purchase of intangible assets		-148	-153
Proceeds from the sale of property, plant and equipment		2.754	7
Receipt of asset related government grants		–	95
Acquisition subsidiaries net of cash	6	–	–
Acquisition investments accounted for using the equity method		–	-5
Interest received		–	77
Net cash flow used in investing activities		**-17.457**	**-2.050**
Financing activities			
Proceeds from borrowings	15	19.356	2.074
Repayment of borrowings	15	-2.694	-991
Repayment of leases	15	-601	-364
Purchase of non-controlling interest		122	–
Interest paid		-1.038	-255
Other financial expense, net		105	-27
Net cash flow (used in)/from financing activities		**15.250**	**437**
Net cash flow		**-5.441**	**-6.206**
Cash and cash equivalents at beginning of year	12	12.679	32.508
Exchange rate differences on cash & cash equivalents		26	–
Cash & cash equivalents at end of period	**12**	**7.264**	**26.302**

The accompanying notes on pages 10 to 34 form an integral part of these IFRS Interim Condensed Consolidated Financial Statements.

Notes to the IFRS Consolidated Financial Statements

1. Corporate information

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

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 19.

The IFRS Interim Condensed Consolidated Financial Statements (further referred as „the interim condensed consolidated financial statements") of Ekopak NV for the six months ended 30 June, 2024 were authorised for issue in accordance with a resolution of the directors on September 19, 2024.

2. Significant accounting policies

2.1. Basis of preparation

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

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

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

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 and loans. The latter assessment is based among others on the solid balance sheet structure of the company as per June 30, 2024 with a consolidated solvency ratio of 36% 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. New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024 and the addition of joint ventures in the principles of consolidation.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The following amendments apply for the first time in 2024, but do not have a material impact on the interim condensed consolidated financial statements of the Company:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective 1 January 2024)

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024)

2.2.1. Principles of consolidation

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

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

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

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Company's annual consolidated financial statements as at 31 December 2023.

3. New and revised standards not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (effective 1 January 2025).
- Amendments to IFRS 9 and to IFRS 7: the Classification and Measurement of Financial Instruments (effective on 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective on 1 January 2027).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective on 1 January 2027).

4. Significant accounting judgments, estimates and assumptions

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

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

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

The areas that involved a higher degree of judgement or complexity are consistent with those disclosed in the Company's annual consolidated statements for the year ended 31 December 2023, except for the judgements relating to the new established joint arrangement described below.

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

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

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

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

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 of 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 of 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 17.

The company has also two dormant group insurance plans "branche 21" (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 17.

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 20 932 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 5 239. The Company has determined it can recognize deferred tax assets on the tax losses carried forward, since the Company expects these losses to be compensated by taxable profits within the coming 3 to 5 years. The company expects an increase in revenue and operating profit 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 acquired 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 Group 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. H2O 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 contract and the operating sales of the DBMO contracts): the contract with the customer is in substance the delivery, during the contractual period, of a guaranteed minimum volume of water which meet the contractual quality requirements under the DBFMO contracts. Under the DBMO contracts, eventually, at the discretion of the customer, a cancellable operating agreement is signed between the Company and the customer to maintain and operate the process water installation.

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

The following table summarizes the segment reporting six months ending June 30, 2024.

in 000€	**NON-WaaS**	**WaaS**	**TOTAL SEGMENTS**	**CORP-ORATE**	**TOTAL CONSO-LIDATED**
Revenue	31.074	1.507	32.581	–	32.581
Other operating income	552	–	552	–	552
Purchases of materials	-19.103	-219	-19.322	–	-19.322
Services and other goods	-3.747	-41	-3.788	-1.066	-4.854
Employee benefit expense	-6.150	-244	-6.394	-389	-6.783
Other operating charges	-161	-5	-166	–	-166
Adjusted EBITDA	**2.465**	**998**	**3.463**	**-1.455**	**2.008**
EBITDA adjustments	-14	–	-14	-223	-237
EBITDA	**2.451**	**998**	**3.449**	**-1.678**	**1.771**
Depreciation charges	-2.792	-533	-3.325	–	-3.325
Operating profit	**-341**	**465**	**124**	**-1.678**	**-1.554**
Financial expenses	–	-86	-86	-1.035	-1.121
Financial income	–	–	–	186	186
Profit (loss) before tax	**-341**	**379**	**38**	**-2.527**	**-2.489**
Segment assets	134.190	13.402	147.592	–	147.592
Segment liabilities	90.419	5.198	95.617	51.975	147.592

The following table summarizes the segment reporting for the year ending June 30, 2023.

in 000€	NON-WaaS	WaaS	TOTAL	CORP-ORATE	TOTAL CONSO-LIDATED
Revenue	12.744	1.510	14.254	–	14.254
Other operating income	298	761	1.059	–	1.059
Purchases of materials	-6.727	-337	-7.064	–	-7.064
Services and other goods	-1.449	-313	-1.762	-1.065	-2.827
Employee benefit expense	-3.316	-602	-3.918	-343	-4.261
Other operating charges	-42	-5	-47	–	-47
Adjusted EBITDA	**1.508**	**1.014**	**2.522**	**-1.408**	**1.114**
EBITDA adjustments	-11	–	-11	–	-11
EBITDA	**1.497**	**1.014**	**2.511**	**-1.408**	**1.103**
Depreciation charges	-967	-429	-1.396	–	-1.396
Operating profit	**530**	**585**	**1.115**	**-1.408**	**-293**
Financial expenses	–	-85	-85	-202	-287
Financial income	–	–	–	82	82
Profit (loss) before tax	**530**	**500**	**1.030**	**-1.528**	**-498**
Segment assets	68.279	15.000	83.279	–	83.279
Segment liabilities	21.500	5.311	26.811	56.468	83.279

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.

For the definition of EBITDA Adjustments, we refer to note 23 'Non-Gaap measures'.

EBITDA Adjustments in 2023 relate to expenses for claims whereas the EBITDA Adjustments in 2024 relate to both expenses for claims (KEUR 14) and acquisition related expenses (KEUR 223).

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

in 000€	2024	2023
Consumables	1.059	1.123
Services	3.174	3.123
WaaS revenue	1.507	1.510
One off sales of water process installations	26.841	8.498
Total revenue by product type	**32.581**	**14.254**

Revenue of mainly all products and services is satisfied over time for the WaaS revenue and services performed under a service contract. Revenue of one off sales of water process installations is recognized over time based on the actual progress and expected margin at the end of the reporting period. The increase in the one off sales is linked with the acquisition of GWE and the organic growth. 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 region in which the customer is domiciled, as follows:

in 000€	2024	2023
Europe	18.549	14.254
APAC	644	–
Africa	1.050	–
America	12.338	–
Total revenue by geography	**32.581**	**14.254**

The sales outside Europe are mainly related to the acquisition of GWE.

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

	At June 30	At December 31
in 000€	**2024**	**2023**
Europe	98.134	83.177
APAC	152	89
Africa	–	–
United States	37	3
Total non-current assets	**98.323**	**83.269**

The Company has one customer for which revenue present more than 10% of total revenues (16%) of the Non-WaaS segment at June 30, 2024. This turnover arises from multiple different projects for this client across the globe that are ongoing at the moment.

6. Business combinations

Global Water & Energy (GWE) - 2023

On September 14, 2023, the Group acquired 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**
Intangible assets	1.965
Working capital	27.557
Financial debt	-7.332
Cash and cash equivalents	3.533
Other assets and liabilities	-1.742
Total identified assets and liabilities	**-5.941**
Goodwill	18.040
Fair value compensation	**18.283**
Consideration paid in cash	36.323

The provisional fair value adjustments relate to

- intangible assets for the recognition of
    - the client portfolio 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.

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

Consideration paid in cash	36.323
Cash acquired	-3.533
Acquisition of subsidiaries, net of cash	**32.790**

7. Income and expenses

7.1. Purchases, services and other goods

in 000€	2024	2023
Purchase of materials	-15.205	-5.777
Other purchases	-4.117	-1.287
Total purchases of materials	**-19.322**	**-7.064**
Fleet charges	-363	-359
Housing	-341	-232
Fees for recruitment and interim personnel	-155	-140
IT charges	-362	-165
Office charges	-165	-93
Professional fees	-2.390	-1.099
Sales and promotion charges	-1.068	-678
Small material charges	-81	-61
Total Services and other goods	**-4.925**	**-2.827**

The purchase of equipment materials relates to the materials purchased for the building of the water process and waste waterinstallations as well as the purchase of consumables. The other purchases are related to outsourced production capacity. Purchases of materials increased due to the increased turnover.

The housing increased due to the increasing number of offices related to the acquisition of GWE.

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 2024 the professional fees mainly increased with the respective fees of GWE. Similar increases are noted for Sales and promotion related charges.

7.2. Employee benefits expenses

in 000€	**2024**	**2023**
Gross Salaries	-4.998	-3.202
Social Security charges	-1.046	-629
Group Insurance	-202	-104
Share based payment cost	-1	-7
Other Insurance	-89	-45
Other payroll charges	-448	-274
Total employee benefit expenses	**-6.784**	**-4.261**

Total number of FTE's as per June 30 2024 amount to 225,1 of which 83,9 FTE's of GWE compared to 128,3 as per June 30 2023 which explains the overall increase of employee benefit expenses.

The gross salaries in 2024 were decreased with the capitalized labour cost amounting to 1.503 KEUR (June 30, 2023: KEUR 923). These costs are capitalized in the context of the production of WaaS installations.

8. Income and deferred taxes

The major components of income tax expense are:

in 000€	**2024**	**2023**
Consolidated statement of profit or loss		
Estimated tax liability for the year	270	174
Paid taxes	8	31
Deferred income tax:		
Relating to origination and reversal of temporary differences	1.203	-85
Relating to tax loss carried forward	-2.108	-410
Income tax expense / (income) reported in the consolidated statement of profit or loss	**-627**	**-290**
Consolidated statement of other comprehensive income		
Deferred tax charged to OCI	**-**	**-**

The domestic tax rate is 25%. The Company has a total of KEUR 20.932 (1H 2023: KEUR 6.828) tax loss carryforwards for which a deferred tax asset has been recognized. The tax loss carryforwards will be utilized in the coming years when taxable profits are generated. The tax loss carryforwards do not expire and are not related to structural losses.

9. Intangible assets

The intangible assets as per June 30, 2024 consist of client portfolio, 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 client portfolio results from the business combination of iServ BV, H2O Production and GWE group. The client portfolio is depreciated straight line between 13 and 15 years. The technology results from the business combination of GWE group and is depreciated straight line over 9 years.

The movements in intangible assets relate to smaller investments and can be presented as follows:

in 000€	Client portfolio	Software	Technology	Other intangible assets	Total
Acquisition value					
At January 1, 2024	**21.924**	**911**	**9.972**	**941**	**33.748**
Additions	–	82	–	66	148
At June 30, 2024	**21.924**	**993**	**9.972**	**1.007**	**33.896**
Amortization					
At January 1, 2024	**-918**	**-301**	**-369**	**-38**	**-1.626**
Additions	-744	-91	-554	–	-1.389
At June 30, 2024	**-1.662**	**-392**	**-923**	**-38**	**-3.015**
Net carrying value					
At June 30, 2024	**20.262**	**601**	**9.049**	**969**	**30.881**

10. Property, Plant and Equipment

The property, plant and equipment increased with KEUR 17.987 compared to December 31, 2023.

The land and buildings relate to the owned properties of Ekopak that are used as production and administrative facilities.

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.

As per June 30, 2024 there is an increase in construction in progress buildings, which is mainly related to the construction of the new premises in the Prijkels (Deinze) amounting to EUR 11,1 million and DBFMO, which is related to WaaS projects under construction.

The changes in the carrying value of the property, plant and equipment at June 30, 2024 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 January 1, 2024	**12.288**	**10.245**	**4.695**	**507**	**795**	**4.907**	**2.946**	**4.341**	**40.724**
Additions	97	1.191	1.770	109	63	740	11.127	5.707	20.804
Disposals	-	-1.557	-1.240	-4	-79	-81	-4	-	-2.965
Lease modifications	-	-	-	-	-	136	-	-	136
Transfers	1	1.366	4	10	16	-	-19	-1.366	12
At June 30, 2024	**12.386**	**11.245**	**5.229**	**622**	**795**	**5.702**	**14.050**	**8.682**	**58.711**
Depreciation (in 000€)									
At January 1, 2024	**-2.037**	**-2.436**	**-1.232**	**-374**	**-474**	**-1.480**	**-**	**-2.103**	**-10.136**
Additions	-239	-573	-352	-35	-63	-682	-	-	-1.944
Disposals	-	62	30	4	46	68	-	-	210
At June 30, 2024	**-2.276**	**-2.947**	**-1.554**	**-405**	**-491**	**-2.094**	**-**	**-2.103**	**-11.870**
Net book value									
At June 30, 2024	**10.110**	**8.298**	**3.675**	**217**	**304**	**3.608**	**14.050**	**6.579**	**46.841**

11. Contract assets, contract liabilities and trade and other receivables

Contract assets

Contract assets are initially recognized for revenue earned from the design and building of the water process installations and waste water installations in the one off sales model.

The contract assets amount to KEUR 14.599, net of prepayments (KEUR 11.552) as per June 30, 2024 and KEUR 9.836, net of prepayments (KEUR 8.737) as per December 31, 2023 respectively. The contract assets are related to several open projects. The increase of KEUR 4.763 is due to an increase in the number of the open projects at reporting date compared to December 31, 2023 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.

Contract liabilities amount to KEUR 9.421 as per June 30, 2024 and KEUR 10 912 as per December 31, 2023.

Trade and other receivables

Trade and other receivables include the following:

	At June 30	At December 31
in 000€	**2024**	**2023**
Trade receivables	9.166	7.668
Receivable on vendor - packaging guarantee	117	102
VAT receivable	864	704
Deferred charges	2.003	1.354
Other current assets	1.993	2.165
Total trade receivables and other current assets	**14.143**	**11.993**

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

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

12. Cash and cash equivalents

The cash and cash equivalents can be presented as follows:

	At June 30	At December 31
in 000€	**2024**	**2023**
Cash at banks and on hand	7.264	12.679
Cash and cash equivalents	**7.264**	**12.679**

Cash and cash equivalent consists mainly of cash at banks and cash on saving accounts with an original maturity less than 3 months. The cash and cash equivalents as disclosed above do not contain restrictions.

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

	At June 30
in 000€	**2023**
Cash at banks and on hand	12.051
Term accounts	14.250
Cash and cash equivalents	**26.301**

13. Equity

The Company has issued ordinary shares with no nominal value. There were no share transactions during the period between December 31, 2023 and June 30, 2024:

	Total number of ordinary shares (in '000 shares)	Total share capital in €000	Total share premium in €000	Par value per ordinary share (per share)
Outstanding at January 1, 2023	**14.824**	**6.671**	**55.116**	**0,45**
Outstanding on December 31, 2023	**14.824**	**6.671**	**55.116**	**0,45**
Outstanding on June 30, 2024	**14.824**	**6.671**	**55.116**	**0,45**

The other reserves consist of the following:

	At June 30	At December 31
in 000€	**2024**	**2023**
Restricted reserve - legal reserve	6	6
Other reserves	-2.213	-2.213
Share based payment reserves	112	111
Other comprehensive income:		
Actuarial gains (losses) on defined benefit plans	-153	-153
Currency translation adjustment	-3	-26
Cashflow hedge reserve	139	-34
Total reserves	**-2.112**	**-2.309**

The negative other reserves is for EUR 2.1 million explained by the portion of the 2021 IPO costs (net of tax) which was recorded directly through equity.

13.1. Share-based payments

On December 30, 2020, the Company has approved and issued 30 000 warrants in the context of an employee stock ownership plan (the ESOP Warrants) to certain members of the Executive Management. On December 16, 2021, the Company has approved and issued an additional 5 000 warrants. The warrants have been granted free of charge. The weighted average fair value of the warrants amount to € 3,21. The weighted average remaining contractual life is 2,64 years.

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

The share-based payment expense recognized per June 30, 2024 for these warrants is KEUR 1 (June 30, 2023: KEUR 8).

14. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit (loss) for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year. The Company has 35.000 diluted potentially ordinary shares of the ESOP Warrants. The Company is in a loss-making position during 2024 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 equalled the diluted earnings per share per June 30, 2024 and per June 20, 2023.

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

in 000€, except per share data in '000	**2024**	**2023**
Net profit attributable to ordinary equity holders of the parent for basic earnings and diluted earnings per share	-1.862	-208
Weighted average number of ordinary shares for basic and diluted earnings per share	14.825	14.825

15. Borrowings and lease liabilities

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

	At June 30	At December 31
in 000€	**2024**	**2023**
At January 1	42.957	14.232
Proceeds from loans and borrowings	19.356	28.346
New loans and borrowings through business combinations	–	-2.084
Repayment of loans and borrowings	-2.694	502
New leases (non-cash)	740	2.252
Lease modifications	136	-26
Early termination of leases (non-cash)	–	689
Repayment of leases	-601	-954
Total borrowings and leasings	**59.894**	**42.957**
of which:		
Current borrowings	9.478	5.348
Non-current borrowings	46.724	34.127
Current lease liabilities	2.475	1.088
Non-current lease liabilities	122	2.394

The borrowings have a maturity date between 4 and 16 years.

From the new borrowings, KEUR 12.545 relates to the financing of the new premises in Deinze. The cumulative borrowing in that respect amounts to KEUR 16.067 (of the total housing borrowing of KEUR 17.625, see table below).

The table below shows the different types of borrowings:

	At June 30	
in 000€	**2024**	**2023**
Leasing liabilities	3.692	3.482
Housing borrowings	17.625	5.203
Other investment borrowings	29.583	27.251
Investment borrowing for specific customer project	8.994	7.021
Total borrowings	**59.894**	**42.957**

From the total borrowing increase of KEUR 16.937, 70% (KEUR 12.422) is linked to housing borrowings.

For reconciliation with the cash flow statement per June 30, 2023, the movements are presented below:

	At June 30
in 000€	**2023**
At January 1	14.232
Proceeds from loans and borrowings	2.074
Repayment of loans and borrowings	-991
New leases (non-cash)	1.287
Repayment of leases	-364
Early termination of leases (non-cash)	52
Total borrowings and leasings	**16.290**
of which:	
Current borrowings	2.107
Non-current borrowings	783
Current lease liabilities	1.713
Non-current lease liabilities	11.687

16. Fair value

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

	Carrying value	
	At June 30	At December 31
in 000€	**2024**	**2023**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	9.166	7.668
Other current receivables	117	1.887
Cash & cash equivalents	7.264	12.679
Total debt instruments	**16.547**	**22.234**
Financial liabilities measured at amortized cost		
Borrowings	56.202	39.475
Lease liabilities	2.597	3.482
Trade payables	14.444	10.131
Other current liabilities	112	98
Total financial liabilities measured at amortized cost	**73.355**	**53.186**
Financial liabilities measured at fair value		
Derivatives	–	46
Total financial liability measured at fair value	**–**	**46**
Total non-current	46.846	34.127
Total current	26.509	19.105

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

	Fair value	
	At June 30	At December 31
in 000€	**2024**	**2023**
Financial assets		
Debt instruments measured at amortized cost		
Trade receivables	9.166	7.668
Other current receivables	117	1.887
Cash & cash equivalents	7.264	12.679
Total debt instruments	**16.547**	**22.234**
Financial liabilities measured at amortized cost		
Borrowings	57.167	40.249
Lease liabilities	2.597	3.482
Trade payables	14.444	10.131
Other current liabilities	112	98
Total financial liabilities measured at amortized cost	**74.320**	**53.960**
Financial liabilities measured at fair value		
Derivatives	–	46
Total financial liability measured at fair value	**–**	**46**
Total non-current	47.558	34.734
Total current	26.762	19.272

17. Provisions and defined benefit obligations

Provisions include the following:

	At June 30	At December 31
in 000€	**2024**	**2023**
Provision Legal Claim from customers	-281	-267
Net defined benefit liability	-949	-891
Total provisions and defined benefit obligations	**-1.230**	**-1.158**

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

in 000€	**2024**	**2023**
At January 1	**-267**	**-251**
Additions	-14	-11
At June 30	**-281**	**-262**

The increase/(decrease) in provisions of KEUR 73 (2023: KEUR 20) in the consolidated statement of cash flows includes the additions from the table above for the amount of KEUR 14 (2023: KEUR 11) and KEUR 59

(2023: KEUR 40) included as costs in the statement of profit and loss relating to the defined benefit liability provision. The increase in provisions for legal claims for an amount of KEUR 14 mainly refers to interests on the base claim.

Movements for reconciliation to December 31, 2023 are set out below:

in 000€	2023
At January 1	**-251**
Additions	-16
At December 31	**-267**

Defined benefit obligations

The company has defined benefit obligations in several countries:

- Belgium: The plans in Belgian are either Branch 21 or Branch 23 group insurance schemes.
- 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.
- 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

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

The net defined benefit liability is as follows:

	At June 30	At December 31
in 000€	2024	2023
Net defined benefit liability at the beginning of the year	**307**	**288**
Defined benefit cost included in profit & loss	43	243
Total remeasurement included in other comprehensive income	–	-22
Employer contributions	–	-202
Net defined benefit liability at the end of the year	**350**	**307**

Belgium - GWE

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.

in 000€	At June 30 2024	At December 31 2023
Net defined benefit liability at the date of acquisition	**39**	**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**	**39**

Philippines – GWE

in 000€	At June 30 2024	At December 31 2023
Net defined benefit liability at the date of acquisition	**424**	**399**
Defined benefit cost included in profit & loss	18	19
Total remeasurement included in other comprehensive income	–	6
Employer contributions	–	–
Net defined benefit liability at the end of the year	**442**	**424**

18. Short term liabilities

The short term liabilities are the following:

in 000€	At June 30 2024	At December 31 2023
Trade and other payables		
Trade payables	-13.387	-10.131
Payroll-related liabilities	-2.129	-1.866
Deferred income and accrued charges	-1.057	-546
Total trade and other payables	**-16.573**	**-12.543**
Other current liabilities		
Payable towards customer for packaging guarantees	-112	-98
Other	–	–
Total other current liabilities	**-112**	**-98**

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.

19. Related party disclosures

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

Key management remuneration

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

	For the six months ended 30 June	
in 000€	**2024**	**2023**
Short-term employee benefits	1.029	814
Post-employment benefits	14	8
Total	**1.043**	**822**
Warrants granted	–	–
Warrants outstanding	35.000	35.000

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

Key management has been granted 35 000 warrants at June 30, 2024 (35 000 at June 30, 2023).

Board of directors remuneration

The directors are remunerated for the performance of their duties. The total amount of directors' fees included in the operating expenses amounts to KEUR 40.

Transactions with joint ventures

The Company has no transactions with the joint venture Circeaulair I as per June 30, 2024.

20. Events after the reporting period

Reference is made to the press release of 20 September 2024 with respect to the Waterkracht project in Antwerp.

21. Interests in other entities

The Company's principal subsidiaries are set out below.

		Ownership interest held by the group	
		At June 30	At December 31
Name of entity	Country of incorporation	2024	2023
Ekopak NV	Belgium	100%	100%
Ekopak France SAS	France	100%	100%
H_2O Production SAS	France	100%	100%
Covalente SAS	France	100%	100%
SCI du Cèdre Bleu	France	100%	100%
Global Water Engineering BV	Belgium	100%	100%
D.W.S. BV	Belgium	100%	100%
GWE Asia BV	Belgium	100%	100%
GWE BV	The Netherlands	100%	100%
Glowateng Corporation	Philipinnes	100%	100%
GWE (Thailand) Co. Ltd.	Thailand	100%	100%
Global Water&Energy LLC	United States	100%	100%
Circeaulair Maroc SA	Morocco	100%	100%
Circeaulair I BV	Belgium	51%	51%
Water-as-a-service Asia PTE. LTD.	Singapore	51%	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.

22. 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	
Name of entity	Country of incorporation	At June 30	At December 31
Circeaulair I BV	Belgium	51%	51%

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 maintenance

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

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

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

23. NON-GAAP Measures

Adjusted EBITDA is used in Note 5 Operating Segments as one of the bases of the Segments performance measurement. We calculate adjusted EBITDA as profit (loss) before tax plus financial expenses, minus financial income, plus EBITDA adjustments and depreciation charges. EBITDA adjustments are those items that the company considers not in the ordinary course of business and comprise expenses for claims, restructuring and acquisition costs.

EBITDA is used in Note 5 Operating Segments as one of the bases of the Segments performance measurement. We calculate EBITDA as profit (loss) before tax plus financial expenses, minus financial income, plus depreciation charges.

	For the six months ended 30 June
in 000€	**2024**
Operating profit	**-1.554**
Depreciation charges	-3.325
Total EBITDA	**1.771**
EBITDA adjustments	-237
Adjusted EBITDA	**2.008**

Solvency ratio is defined as equity to equity plus liabilities.

in 000€	**2024**
Equity (a)	51.975
Liabilities (b)	95.617
Solvency ratio c = a/(a+b)	**35%**

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

in 000€	**2024**
Borrowings excluding leases (a)	56.202
Cash (b)	7.264
Net financial debt excluding leases f = a-b	**48.938**