



**ADMISSION TO TRADING ON THE REGULATED MARKET OF EURONEXT BRUSSELS OF ALL SHARES  
OFFERING OF A MAXIMUM OF 3,571,428 NEW SHARES IN A PRIVATE PLACEMENT  
WITHIN A PRICE RANGE OF EUR 14.00 AND EUR 16.75**

This prospectus (this **Prospectus**) constitutes a listing prospectus for purposes of Article 3(3) of the Prospectus Regulation and has been prepared in accordance with the Prospectus Regulation and its Delegated Regulations (as both defined below) in relation to the admission to trading on the regulated market of Euronext Brussels of the following (the **Listing**):

- (i) all existing shares of Ekopak NV, a public limited liability company organized under the laws of Belgium ("*naamloze vennootschap*" / "*société anonyme*"), registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0461.377.728, and with statutory seat located at Careelstraat 13, 8700 Tielit (Belgium) (the **Issuer**, and together with its wholly owned subsidiary, **Ekopak** or the **Company**);
- (ii) a maximum of up to 3,571,428 newly issued shares without nominal value to be offered by the Issuer in an exempt private placement, (the **Private Placement**, together with the Listing, the **Transaction**) within a price range of EUR 14.00 and EUR 16.75 per share (the **Price Range**) (the **New Shares**, and each existing or future new share representing the Issuer's share capital being a **Share**);
- (iii) a maximum of up to 589,284 additional new Shares without nominal value (*i.e.*, up to 15% of the number of Offer Shares (as defined below) subscribed for in the Private Placement (including Shares subscribed for pursuant to the effective exercise of the Increase Option (as defined below), if any)) that will be issued if the Over-allotment Option (as defined below) is exercised by the Stabilization Manager (as defined below); and
- (iv) new Shares (if any) without nominal value that will be issued pursuant to the exercise of the 30,000 outstanding warrants that were issued on 30 December 2020 in the context of an employee stock ownership plan (the **ESOP Warrants**) and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022.

Joh. Berenberg, Gossler & Co. KG (**Berenberg**) is acting as sole global coordinator (the **Sole Global Coordinator**) and KBC Securities NV (**KBC Securities**) is acting as joint bookrunner (the **Joint Bookrunner**, and together with the Sole Global Coordinator, the **Joint Bookrunners** or the **Underwriters**).

An investment in the Shares involves significant risks and uncertainties. Prospective investors must read this entire Prospectus, and, in particular, should read Section 2 "*Risk Factors*" of this Prospectus for a discussion of certain factors that should be considered in connection with an investment in the Shares, including the risks relating to the fact that (i) Ekopak is shifting its focus from a "one-off" project business to a recurring WaaS business, which is in its early stage of roll-out and relatively untested, potentially making the shift unsuccessful; (ii) in the opinion of the Company, it currently does not have sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Prospectus. While in the opinion of the Company, following the Private Placement, it will have sufficient working capital to do so, Ekopak may, in the future, require additional financing in order to execute its business plan and fund its operations, which may not be available on reasonable terms or at all. (iii) Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or future WaaS project, and may, in general, not be able to secure the debt financing necessary to support its growth objectives for the WaaS business, (iv) Ekopak faces competition from both established and new companies with similar strategies or similar offerings of products and services, which could make it difficult for Ekopak to maintain its current or expected margins or sustain its revenue growth; (v) Ekopak may incur substantial liabilities pursuant to the malfunctioning of its water purification installations, which could materially adversely affect Ekopak's reputation, earnings, margins and ability to obtain future business (vi) Ekopak might fail to retain existing key management, R&D and/or engineering personnel and/or might fail to attract and train new highly qualified personnel, which could have a material adverse effect on Ekopak's business; (vii) Growth in Ekopak's WaaS business may due to the long-term nature of contracts under the WaaS model, increase its exposure to client credit risk; (viii) Given that (a) following closing of the Transaction, a large number of the Issuer's Shares are expected to be held by a limited number of shareholders and (b) all of the Issuer's Existing Shareholders are expected to be subject to customary lock-up arrangements, the limited free float of the Shares following the listing may have a negative impact on the liquidity and market price of the shares and future sales of substantial amounts of Shares, or the perception that such sales may occur, could adversely affect the market value of the Shares and (ix) 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. Every decision to invest in the Shares must be based on all information provided in this Prospectus. Potential investors must be able to bear the economic risk of an investment in the Shares and to undergo a full or partial loss of their investment.

This Prospectus is valid until 24 March 2022. Any significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Shares and arises or is noted between the date of approval of this Prospectus and the Listing Date (as defined hereafter) must be mentioned in a supplement to this Prospectus. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

The Private Placement will take place in a number of countries outside the United States in so called "offshore transactions" in reliance on Regulation S under the US Securities Act of 1933, as amended (**Regulation S** and the **Securities Act**), namely:

- a) in the European Economic Area (**EEA**) by way of a private placement addressed to (a) "qualified investors" within the meaning of Article 2(e) of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the **Prospectus Regulation**) on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(a) of the Prospectus Regulation and (b) certain investors that are willing to subscribe for a minimum of EUR 100,000 of Shares in the Private Placement at the Placement Price, on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(d) of the Prospectus Regulation (all such persons together referred to as the **EU Relevant Persons**);
- b) in the United Kingdom, by way of a private placement exclusively to (i) "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation amended and transposed into the laws of the United Kingdom law by virtue of the European Union (Withdrawal) Act of 2018 and the European Union (Withdrawal Agreement) Act 2020 (the **UK Prospectus Regulation**); (ii) persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**); (iii) "high net worth companies, unincorporated associations, etc." falling within Article 49(2)(a) to (d) of the Order; and (iv) any other person to whom it may otherwise lawfully be communicated (all such persons together referred to as the **UK Relevant Persons**);

- c) in Switzerland by way of a private placement exclusively to investors that qualify as "professional clients" in accordance with Article 4, paragraph 3 and following of the Swiss Federal Act on Financial Services ("*Finanzdienstleistungsgesetz*") of 15 June 2018, as amended (**FinSA**) (such persons referred to as **Professional Clients**)

All aforementioned EU Relevant Persons, UK Relevant Persons and Professional Clients, hereinafter collectively referred to as **Qualified Persons**.

In addition to the offering by the Company of New Shares in the Private Placement as described above, Pilovan BV, one of the two Existing Shareholders of the Issuer (the **Selling Shareholder**), is expected to grant an option to the Sole Global Coordinator, acting on behalf of the Underwriters, to, in common agreement with an "ad hoc committee" comprised of Pieter Loose (acting through Pilovan BV) and Pieter Bourgeois (acting through Crescemus BV) (the **Transaction Committee**), in addition to the maximum 3,571,428 New Shares initially offered by the Issuer in the Private Placement, offer a maximum of up to 357,142 existing Shares from its holding in the Issuer (*i.e.*, up to 10% of the maximum number of New Shares initially offered by the Issuer in the Private Placement) in the Private Placement at the Placement Price (the **Increase Option**, and the New Shares offered in the Private Placement together with the existing shares offered in the Private Placement as a result of the possible exercise of the Increase Option, collectively referred to as the **Offer Shares**). Any decision to exercise the Increase Option will be communicated, at the latest, on the date of the announcement of the Placement Price.

In connection with the Transaction, Berenberg will act as stabilization manager (the **Stabilization Manager**). In order to facilitate stabilization by the Stabilization Manager, if any, the Stabilization Manager will be able to over-allot existing Shares in the Private Placement at the Placement Price (the **Additional Shares**, together with the Offer Shares, the **Placement Shares**). To enable the Stabilization Manager to cover the placement of Additional Shares in the Private Placement, if any, or short positions created by such over-allotment, the Stabilization Manager has, subject to, and with effect as from, the completion of the Transaction, been granted a warrant to subscribe for additional new Shares in a number equal to up to 15% of the number of Offer Shares subscribed for in the Private Placement (*i.e.*, including any existing Shares sold pursuant to the effective exercise of the Increase Option) at the Placement Price (as defined below) (the **Over-allotment Option**). The Over-allotment Option will be exercisable for a period of 30 calendar days following the Listing Date (as defined below). The Stabilization Manager may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares during a period of 30 calendar days following the Listing Date (the **Stabilization Period**). These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. The results of the stabilization and the exercise of the Over-allotment Option (if any) by the Stabilization Manager during the Stabilization Period will be made public by the earlier of five business days after, and one week after, the end of the Stabilization Period. See Section 16.4 "*Over-allotment Option and price stabilization*" of this Prospectus for further information.

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. For a description of certain restrictions on transfer of the Shares, see Section 16.6.2 "*Selling Restrictions*" of this Prospectus.

Prior to the Private Placement, several Qualified Persons, *i.e.*, (i) certain mutual funds and segregated portfolios advised by AXA Investment Managers Paris; (ii) KBC Asset Management NV on behalf of multiple undertakings for collective investment, (iii) Lazard Asset Management (Deutschland) GmbH; and (iv) UBS Asset Management acting as discretionary asset manager acting for and on behalf of certain funds (the **Pre-committed Investors**) have irrevocably committed themselves *vis-à-vis* the Company to subscribe for New Shares in the Private Placement at the final Placement Price, in exchange for a guaranteed allocation of the corresponding number of New Shares, for an aggregate amount of EUR 18 million upon completion of the Private Placement, subject only to the following conditions at the date of this Prospectus: (i) full allocation of their respective Pre-Commitments; (ii) during the subscription period of the Private Placement, the Company shall not be under any obligation to publish a supplement to the Prospectus as a result of a material mistake or material inaccuracy relating to the information included in this Prospectus; and (iii) the closing of the Private Placement takes place on or prior to 17 May 2021 (the **Pre-commitments**). In the event the Private Placement is oversubscribed, the Pre-commitments will not be reduced but will be entirely allocated with priority to the Pre-Committed Investors. The Pre-committed Investors are not bound by any contractual lock-up restrictions.

This Prospectus does not constitute, and neither the Issuer, the Selling Shareholder nor the Underwriters are making, an offer to sell the Placement Shares or soliciting an offer to purchase any of the Placement Shares to the public (as defined in article 2(d) of the Prospectus Regulation) or to any person in any jurisdiction where such an offer or solicitation is not permitted. The Placement Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other documents related to the Private Placement or Listing be distributed or sent to any person or into any jurisdiction, except in circumstances that will result in the compliance with all applicable laws and regulations. Persons into whose possession this Prospectus may come are required to inform themselves about, and to observe all, such restrictions. Neither the Issuer, the Selling Shareholder nor the Underwriter accepts any responsibility for any violation by any person, whether or not it is a prospective purchaser of Placement Shares, of any such restriction.

The period during which the Private Placement will take place, will begin on 25 March 2021 and is expected to end no later than 16:00 (Brussels time) on 30 March 2021, subject to early closing or extension (the **Private Placement Period**). Any extension or early closing of the Private Placement Period will be announced by means of a press release by the Issuer, and the respective dates for pricing, allocation, publication of the Placement Price and the results of the Private Placement, "as-if-and-when-issued-and/or-delivered" trading and closing of the Transaction will in such case be adjusted accordingly. The Issuer reserves the right to (i) suspend the Private Placement Period, in which instance the Issuer also reserves the right to withdraw its application for the Listing, or withdraw the Private Placement, in which instance the Issuer will withdraw its application for the Listing (see Section 15.4.5 "*Suspension of the Private Placement and withdrawal of the Private Placement*" of this Prospectus), or (ii) reduce the maximum number of New Shares offered in the Private Placement, at any time prior to the allocation of the Placement Shares (which will be determined at the end of the Private Placement Period on or about 30 March 2021). Any suspension of the Private Placement Period, withdrawal of the Private Placement, withdrawal of the application for the Listing, or reduction of the number of New Shares offered in the Private Placement, will be announced by means of a press release by the Issuer on its website, through electronic services such as Reuters or Bloomberg, and, to the extent legally required, in a supplement to the Prospectus.

The Issuer targets raising a maximum amount of EUR 50 million of gross proceeds through the issue of New Shares in the Private Placement (thus not taking into account any exercise of the Over-allotment Option and the issue of additional new Shares as a result thereof). The minimum gross proceeds for the Issuer through the issue of New Shares pursuant to the Private Placement are set at EUR 30 million, below which the Transaction will not be completed.

The Price Range has been determined by the Issuer after consultation with, and following recommendations from the Sole Global Coordinator and taking into account market conditions and factors including but not limited to (i) the condition of the financial markets, (ii) the Issuer's financial position, (iii) qualitative assessment of the demand for the Placement Shares, and (iv) all other factors deemed relevant. The Issuer reserves the right to increase or decrease the lower limit of the Price Range or to decrease the upper limit of the Price Range. If the Price Range is narrowed through an increase of the lower limit and/or a decrease of the upper limit, or if the Price Range is narrowed to a single price, the change will be published in the financial press and by means of a press release, through electronic information services such as Reuters or Bloomberg. However, investors who have submitted purchase orders will not be individually notified of any such Price Range narrowing. A change to the Price Range by a decrease of the lower limit of the Price Range will also be published in the financial press and by means of a press release, through electronic information services, and, to the extent legally required, in a supplement to this Prospectus.

The Price Range is an indicative price range and the price per Placement Share (the **Placement Price**) and the exact number of Placement Shares offered in the Private Placement will be determined at the end of the Private Placement Period by the Issuer, in consultation with the Sole Global Coordinator on the basis of the bookbuilding process with Qualified Persons, and taking into account various relevant qualitative and quantitative elements, including but not limited to the number of Placement Shares for which purchase orders are received, the size of purchase orders received, the quality of the Qualified Persons submitting such purchase orders and the conditions and prices at which such purchase orders were made, as well as market conditions at that time. See Section 15.4.3 "*Placement Price*" of this Prospectus for further information. The Placement Price may be set within the Price range or below the lower end of the Price Range, but will not exceed the higher end of the Price Range. The Placement Price and the exact number of Placement Shares will be announced through a press release and on the Issuer's website, and in any event no later than the first business day after the end of the Private Placement Period.

The Placement Price will be a single price in euro, exclusive of the Belgian tax on stock exchange transactions, and of costs, if any, charged by financial intermediaries for the submission of applications.

Prior to the Transaction, there has been no public market for the Shares. An application has been made to admit all of the Issuer's (i) existing Shares, (ii) the New Shares, (iii) the new Shares (if any) that will be issued pursuant to the exercise of the Over-allotment Option and (iv) the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, to trading on the regulated market of Euronext Brussels under the symbol "EKOP", and will be allocated the ISIN code BE0974380124. Trading on the regulated market of Euronext Brussels is expected to commence, (i) for the existing Shares and the New Shares: on an "if-and-when-issued-and/or-delivered" basis, on or about 31 March 2021 (the **Listing Date**), provided that this may be accelerated in the event of early closing or postponed in case of extension, and will start at the latest on the Closing Date, when the Placement Shares are delivered to investors, (ii) for the new Shares (if any) that will be issued pursuant to the exercise of the Over-allotment Option: on or about the date of their issuance and (iii) for the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022: on or about the date of their issuance.

The allocation of the Placement Shares will be determined at the end of the Private Placement Period on or about 30 March 2021 and will be communicated to the relevant investors at the latest on 31 March 2021 (before opening of the markets) (subject to early closing, suspension or extension) by the Issuer, in consultation with the Sole Global Coordinator, on the basis of the quantitative and the qualitative analysis of the order book. In the event that the Private Placement is oversubscribed, investors (save for the Pre-committed Investors) may receive fewer Placement Shares than they applied to subscribe for.

All Placement Shares other than those sold to certain EU Relevant Persons who subscribe for shares directly from the Company at the final Placement Price will be delivered in dematerialized (book-entry) form only, and will be credited on or around the Closing Date to investors' securities accounts via Euroclear Belgium, and will be registered by one or more registrations in the share register of the Issuer in the name of Euroclear Belgium. It is expected that the Placement Shares will be delivered to the investors on or about 6 April 2021, in accordance with normal settlement procedures applicable to equity securities and against payment for the Placement Shares, provided that this may be accelerated in the event of early closing or postponed in case of extension (the **Closing Date**). Placement Shares sold to certain EU Relevant Persons who subscribe for shares directly from the Company at the final Placement Price will be delivered in registered form on the Closing Date upon payment for the related Placement Shares. The new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, will be delivered in registered form on or about their issuance. See Section 15 "*Information on the Private Placement and Listing*" of this Prospectus.

This Prospectus has been drawn up in accordance with Annex 1 and Annex 11 of the Commission Delegated Regulation (EU) No 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Regulation (EC) No 809/2004 (the **Delegated Regulation 2019/980**) and the key financial information contained in the summary of this Prospectus (the **Summary**) was prepared in accordance with Annex 1 to Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) No 2016/301 (the **Delegated Regulation 2019/979** and together with the Delegated Regulation 2019/980 the **Delegated Regulations**). In accordance with Article 20 of the Prospectus Regulation, the English language version of this Prospectus (including the Summary) was approved by the Belgian Financial Services and Markets Authority (the **FSMA**) on 24 March 2021, as competent authority under the Prospectus Regulation. The FSMA only approves this Prospectus (including the Summary) as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Placement Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Placement Shares.

This Prospectus and the Summary may be distributed separately. This Prospectus was drafted in English and translated into Dutch. The Summary was drafted in English and translated into Dutch. The Issuer is responsible for the consistency of the Dutch translation of this Prospectus and the Dutch translations of the Summary with the approved English versions thereof. Without prejudice to the responsibility of the Issuer for the translation of this Prospectus and the Summary, if there is an inconsistency between the different language versions, the language version approved by the FSMA (being the English version) shall prevail. Without prejudice to what is set forth in Section 5.2.1 "*Responsibility for the contents of this Prospectus*" and the statutory term of validity of this Prospectus, the Dutch translations may be referred to vis-à-vis the Issuer by investors in Shares, it being understood that where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

This Prospectus and the Summary shall be made available to investors free of charge as of 25 March 2021 (before opening of the markets) at the registered office of the Issuer (Careelstraat 13, 8700 Tielt (Belgium)). This Prospectus and the Summary shall also be made available free of charge to investors upon request made to the Underwriters. This Prospectus can also be consulted as of 25 March 2021 (before opening of the market) on the website of the Issuer (<https://www.ekopaksustainablewater.com/ir>), whereby the access on the aforementioned websites is each time subject to the usual limitations.

**Sole Global Coordinator & Joint Bookrunner**



**BERENBERG**

PARTNERSHIP SINCE 1590

**Joint Bookrunner**



24 March 2021

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**Ekopak NV**  
 Public limited liability company organized under the laws of Belgium  
 with registered office located at Careelstraat 13, 8700 Tielt (Belgium)  
 registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0461.377.728  
 (the **Issuer**, and together with its wholly owned subsidiary **Ekopak** or the **Company**)

**SUMMARY OF THE PROSPECTUS DATED 24 March 2021 REGARDING ADMISSION TO TRADING ON THE REGULATED MARKET OF  
 EURONEXT BRUSSELS OF ALL SHARES  
 PRIVATE PLACEMENT IN THE EEA, THE UK AND SWITZERLAND OF A MAXIMUM OF 3,571,428 NEW SHARES WITHOUT NOMINAL  
 VALUE WITHIN A PRICE RANGE OF EUR 14.00 AND EUR 16.75**

**A. INTRODUCTION AND WARNINGS**

**1. INTRODUCTION**

Name and international securities identification number	Share "EKOP", with ISIN code BE0974380124.
Identity and contact details of the Issuer	Ekopak NV, a public limited liability company organized under the laws of Belgium (" <i>naamloze vennootschap</i> " / " <i>société anonyme</i> ") with registered office located at Careelstraat 13, 8700 Tielt (Belgium), registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0461.377.728) and with 87550056W07X171RQG83 as Legal Entity Identifier (LEI). The Issuer's telephone number is: +32 (0)51 75 51 05.
Competent authority	Belgian Financial Services and Markets Authority (FSMA), Congressstraat 12-14, 1000 Brussels. Its telephone number is +32 (0)2 220 52 11.
Date of approval of the Prospectus	In accordance with Article 20 of the Prospectus Regulation, the English language version of the Prospectus (including this Summary) was approved by the FSMA on 24 March 2021, as competent authority under the Prospectus Regulation.

Unless determined otherwise in this Summary, the terms used herein that are written with a capital, have the same meaning as defined in the Prospectus.

**2. WARNINGS**

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the EU, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this Summary including any translation thereof, but only where this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

**B. KEY INFORMATION ON THE ISSUER**

**1. WHO IS THE ISSUER OF THE SHARES**

**Identification** – The Company is a public limited liability company ("*naamloze vennootschap*" / "*société anonyme*") organized and existing under the laws of Belgium, with registered office located at Careelstraat 13, 8700 Tielt (Belgium), registered with the Belgian legal entities register (Bruges, division Ghent) under enterprise number 0461.377.728. and with 87550056W07X171RQG83 as Legal Entity Identifier (LEI).

**Principal activities** – Ekopak is an ESG-driven (environmental, social and governance) off-grid water solution company. The Company's solutions allow industrial customers to reduce their water consumption in a sustainable, reliable and cost-effective manner. Ekopak focuses on optimizing customer water use through containerized water purification units that transform off-grid water sources such as rain-, surface- and/or wastewater into cleaner water that can be used and reused in the customer's industrial processes. By allowing water to be cleaned and reused, Ekopak's systems turn water consumers into water producers. The resulting circular water systems save customers money by producing clean water for industrial processes at a substantially lower cost per cubic meter than traditional tap water sources. At the same time, by using water more efficiently, and in many cases recapturing heat from wastewater that would otherwise be lost upon discharge, Ekopak's solutions allow industrial water consumers to make measurable progress toward their water-related and CO2 reduction ESG targets.

In June 2020, building on the success of a pilot WaaS project launched in 2019, the Company introduced its "Water as a Service" solutions package, which combines Ekopak's design, build, operation and maintenance services in a "one stop shop" end-to-end solution, delivered under a long-term contract with "pay by the drop" pricing. WaaS contracts allow Ekopak's customers to upgrade their water supply, achieve cost savings and secure measurable ESG gains without ongoing operational management and maintenance of the installation or the need for large up-front customer side capital expenditures. At the date of this Summary, Ekopak has signed four WaaS contracts, one of which is operational, and three of which will become operational during the course of 2021 and for which financing still has to be secured. Alongside this WaaS solution, Ekopak also continues to offer standalone design & build services and operations and maintenance options. Prior to the introduction of its WaaS solutions, Ekopak mainly focused on the DB(M)(O) model, pursuant to which Ekopak designs, builds, and if so agreed with the customer, also maintains and/or operates its containerized or non-containerized solutions that provide its customers with the water they need in their industrial processes. Notwithstanding Ekopak envisages to focus on its containerized units through the application of its WaaS model, Ekopak will continue to offer its containerized and non-containerized solutions through the "pick and choose" DB(M)(O) model if a potential customer would prefer so, but expects that, taking into account the benefits of the WaaS model, the WaaS model will gain importance in the revenue mix.

Ekopak's WaaS offering is new, and represents a new business model for the Company that is still in the early stages of roll-out and relatively untested. Of the four WaaS contracts signed to date, only one is already operational. Installations for the three remaining contracts are currently under construction, and are expected to become operational and to obtain sale and lease-back financing during the course of 2021. See also the Risk Factors of the Prospectus, and in particular those set forth in Section B.3. of this Summary in respect of the main risks that are specific to the Issuer.

Reference is also made to the Risk Factors related to Ekopak's business activities and industry, and in particular to Risk Factor "*Ekopak is shifting its focus from a "one-off" project business to a recurring WaaS business, which is in its early stage of roll-out and relatively untested, potentially making the shift unsuccessful.*", Risk Factor "*Ekopak may be unable to successfully manage its growth.*" and Risk Factor "*Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or future WaaS project, and may, in general, not be able to secure the debt financing necessary to support its growth objectives for the WaaS business.*".

**Major shareholders** – At the date of this Summary, the following parties are the shareholders of the Issuer that hold 3% or more of the total currently outstanding Shares in the Issuer (i.e., 10,780,000 Shares):

Principal shareholders	Shares owned before the closing of the Transaction	
	Number (#)	Pct. (%)
Pilovan BV <sup>(1)</sup>	5,495,000	50.97%
Alychlo NV <sup>(2)</sup>	5,285,000	49.03%

**Notes**

(1) Mr Pieter Loose is the ultimate shareholder of Pilovan BV.

(2) Mr. Marc Coucke is the ultimate shareholder of Alychlo NV

As of the date of this Summary, the Issuer is being jointly controlled in the sense of Article 1:14 BCCA by Mr. Pieter Loose and Mr. Marc Coucke. Taking into account that (i) the Shareholders' Agreement will be terminated as of the closing of the Transaction and (ii) the Issuer is not aware of shareholders entering into a shareholders' agreement or agreeing to act in concert following the closing of the Transaction, the Issuer will, to its knowledge, no longer be under a (joint) control in the sense of Article 1:14 BCCA as of the closing of the Transaction.

The Existing Shareholders of the Issuer have explicitly and irrevocably waived their preferential subscription rights in the context of the Transaction. Other than the ESOP Warrants (of which none have been granted to Existing Shareholders), no outstanding options or subscription rights have been issued which confer entitlement to Shares.

Upon completion of the Transaction and, with effect as from the Listing Date, Pilovan BV and Alychlo NV will each have a binding proposal right for the nomination of (i) two Directors as long as they individually hold at least 20% of the Shares or (ii) one Director as long as they individually hold less than 20% of the Shares but at least 10% of the Shares.

Prior to the Private Placement, several Qualified Persons, i.e., (i) certain mutual funds and segregated portfolios advised by AXA Investment Managers Paris ; (ii) KBC Asset Management NV on behalf of multiple undertakings for collective investment, (iii) Lazard Asset Management (Deutschland) GmbH; and (iv) UBS Asset Management acting as discretionary asset manager acting for and on behalf of certain funds (the **Pre-committed Investors**) have irrevocably committed themselves vis-à-vis the Company to subscribe for New Shares in the Private Placement at the final Placement Price, in exchange for a guaranteed allocation of the corresponding number of New Shares, for an aggregate amount of EUR 18 million upon completion of the Private Placement, subject only to the following conditions at the date of this Summary: (i) full allocation of their respective Pre-Commitments; (ii) during the subscription period of the Private Placement, the Company shall not be under any obligation to publish a supplement to the Prospectus as a result of a material mistake or material inaccuracy relating to the information included in the Prospectus; and (iii) the closing of the Private Placement takes place on or prior to 17 May 2021 (the **Pre-commitments**). In the event the Private Placement is oversubscribed, the Pre-commitments will not be reduced but will be entirely allocated with priority to the Pre-Committed Investors. The Pre-committed Investors are not bound by any contractual lock-up restrictions.

The table below gives an overview of the individual amounts of the Pre-commitments of each Pre-committed Investor:

Name Pre-committed Investor	Aggregate Pre-commitment Amount (€)	Number of New Shares in the Private Placement pursuant to the Pre-commitment assuming the Offer Price is the lower end of the Price Range, i.e., EUR 14.00	
		#	% of total amount of New Shares
Certain mutual funds and segregated portfolios advised by AXA Investment Managers Paris	€ 6,000,000	428,569	12.00%
KBC Asset Management NV on behalf of multiple undertakings for collective investment	€ 5,000,000	357,142	10.00%
Lazard Asset Management (Deutschland) GmbH	€ 4,000,000	285,714	8.00%
UBS Asset Management acting as discretionary asset manager acting for and on behalf of certain funds	€ 3,000,000	214,285	6.00%
<b>TOTAL</b>	<b>€ 18,000,000</b>	<b>1,285,710</b>	<b>36.00%</b>

Other than the Pre-committed Investors, pursuant to their Pre-commitments, the Company has not received any indications from persons that they would intend to subscribe for more than five per cent of the Private Placement.

Other than (i) in relation to the share lending by Alychlo NV and Pilovan BV in the context of the stabilization and, as the case may be, the sale of a number of existing Shares in the Private Placement by the Selling Shareholder pursuant to the Increase Option and (ii) the fact that Regine Slagmulder BV (independent director of the Issuer, permanently represented by Ms. Regine Slagmulder) and Mr. Ben Jansen (non-executive director of the Issuer) have indicated their interest to participate in the Private Placement for an amount of EUR 200,000, respectively, EUR 100,000, the Issuer has not received any indication from the Existing Shareholders, members of the Board of Directors or Executive Management that such persons have the intention to participate in the Transaction.

**Board of Directors** – The Board of Directors of the Issuer consists of seven members (with a minimum set out in the Articles of Association of three): (i) Mr. Pieter Bourgeois (non-executive director and chairperson, acting through Crescemus BV – appointed pursuant to the binding proposal right of Alychlo), (ii) Mr. Pieter Loose (executive director, acting through Pilovan BV – appointed pursuant to the binding proposal right of Pilovan), (iii) Ms. Regine Slagmulder (independent director, acting through Regine Slagmulder BV), (iv) Mr Tim De Maet (executive director (COO) – appointed pursuant to the binding proposal right of Pilovan BV), (v) Ms. Els De Keukelaere (executive director (CFO), acting through EDK Management BV), (vi) Ms. Kristina Loguinova (independent director) and (vii) Mr. Ben Jansen (non-executive director, acting through BVJS BV – appointed pursuant to the binding proposal right of Alychlo NV).

**Statutory auditor** – PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL, with registered office at Woluwedal 18, 1932 Zaventem (Belgium), has been appointed as Statutory Auditor of the Issuer on 4 December 2020 for a period of 3 years. The mandate will expire at the end of the general meeting called to approve the accounts for the 2022 financial year. PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL has designated Mr. Peter Opsomer (IRE No. A01838), "bedrijfsrevisor" / "réviseur d'entreprises", as permanent representative. Mr. Peter Opsomer is a member of the Belgian Institute of Certified Auditors ("Instituut van de Bedrijfsrevisoren" / "Institut des Réviseurs d'Entreprises") (membership number N 00016).

## 2. WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

**Selected financial information** – The following tables set out the selected key consolidated historical financial information of Ekopak as at the dates and for the periods indicated. Unless indicated otherwise, the figures set forth in the below table are in EUR thousands.

	31/12/2020	31/12/2019	31/12/2018
<b>Income Statement</b>			
Revenue	9,479	10,205	6,613
Operating profit	27	624	223
Net profit	-93	318	51
Year on year revenue growth	-7.11%	54.32%	-
Operating profit margin	0.28%	6.11%	3.37%

Net profit margin	-0.98%	3.12%	0.77%
Earnings per share <sup>(1)</sup>	-0.01	0.04	0.01
<b>Balance Sheet</b>			
Total Assets	11,887	13,612	5,075
Total Equity	5,015	5,419	19
Net financial debt	2,360	-40	3,004
<b>Cash Flow Statement</b>			
Net cash generated from operating activities	-539	421	24
Net cash generated from investing activities	-1,289	-2,306	-85
Net cash generated from financing activities	-1,109	6,009	132

**Notes**  
(1) Taking into account a weighted average number of ordinary shares of 10,780,000; 8,412,000; and 7,455,000 for the years 2020, 2019 and 2018 respectively.

**Other financial information** – No pro forma financial information is provided in the Prospectus. There are no qualifications to the audit report on the historical financial information.

### 3. WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

#### Main risks related to Ekopak's business activities and industry:

- *Ekopak is shifting its focus from a "one-off" project business to a recurring WaaS business, which is in its early stage of roll-out and relatively untested, potentially making the shift unsuccessful.*
- *Ekopak faces competition from both established and new companies with similar strategies or similar offerings of products and services, which could make it difficult for Ekopak to maintain its current or expected margins or sustain its revenue growth.*
- *Ekopak may incur substantial liabilities pursuant to the malfunctioning of its water purification installations, which could materially adversely affect Ekopak's reputation, earnings, margins and ability to obtain future business.*
- *Growth in Ekopak's WaaS business may due to the long-term nature of contracts under the WaaS model, increase its exposure to client credit risk.*
- *Ekopak's WaaS offering may have a negative impact on its revenues from one-off projects and therefore on its overall revenues and EBITDA.*
- *Ekopak's one-off contract business provides for poor revenue forecastability, which may make it difficult for Ekopak to sufficiently and strategically plan the allocation of its resources.*

#### Main risks related to growth, management and personnel

- *Ekopak might fail to retain existing key management, R&D and/or engineering personnel and/or might fail to attract and train new highly qualified personnel, which could have a material adverse effect on Ekopak's business*
- *Ekopak may be unable to successfully manage its growth.*

#### Main risks related to Ekopak's technology

- *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.*

#### Main risks related to Ekopak's financial situation

- *In the opinion of the Company, it currently does not have sufficient working capital for its present requirements, that is for at least the next 12 months following the date of this Summary. While in the opinion of the Company, following the Private Placement, it will have sufficient working capital to do so, Ekopak may, in the future, require additional financing in order to execute its business plan and fund its operations, which may not be available on reasonable terms or at all.*
- *Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or future WaaS project, and may, in general, not be able to secure the debt financing necessary to support its growth objectives for the WaaS business.*

#### Main legal and regulatory risks

- *Ekopak's operations are subject to stringent environmental, health and safety laws and regulations, which could expose it to environmental liability and significant increased compliance costs and litigation.*

## C. KEY INFORMATION ON THE SECURITIES

### 1. WHAT ARE THE MAIN FEATURES OF THE SECURITIES

An application has been made to admit all of the Issuer's (i) existing Shares, (ii) the New Shares, (iii) the new Shares (if any) that will be issued pursuant to the exercise of the Over-allotment Option and (iv) the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, to trading on the regulated market of Euronext Brussels under the symbol "EKOP", and will be allocated the ISIN code BE0974380124

**Rights attached to the Shares** – All New Shares, as well as the new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants, will be issued in euro in accordance with Belgian law and will be ordinary shares representing the capital, of the same class as the existing Shares, fully paid up, with voting rights and without nominal value. They will have the same rights as the existing Shares. All Placement Shares, as well as the new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants, will be profit sharing as from any distribution in respect of which the relevant dividend date falls after the date of their issuance.

**Seniority** – All Shares represent an equal part of the Issuer's share capital and have the same rank in the event of insolvency of the Issuer.

**Restrictions on the free transferability of the Shares** – Subject to (i) the general restrictions relating to the Private Placement and the distribution of the Prospectus (including this Summary), (ii) the specific standstill and lock-up restrictions to which the Issuer, respectively, the Issuer's Existing Shareholders have committed themselves in the context of the Transaction and (iii) the specific lock-up restrictions to which the Shares held by Regine Slagmulder BV and Mr. Ben Jansen would be subject in case they would be allocated Shares in the Private Placement pursuant to their respective indication of interest to participate in the Private Placement (see Section B.1 of this Summary), there is no restriction on the free transferability of the Shares other than those that may apply pursuant to applicable securities laws requirements.

**Dividend policy** – In 2020 the Issuer distributed a dividend of EUR 300 thousand for the financial year 2019. Given the recent change in business model, the Issuer does not anticipate paying dividends to its Shareholders in the foreseeable future, as it is the strategy of the Issuer to use as

much cash as possible to foster the organic growth of its WaaS business model, and thus expects to retain all earnings, if any, generated by its operations for the development and growth of its business. Belgian law and the Issuer's Articles of Association do not require the Issuer to declare dividends. In the future, the Issuer's dividend policy will be determined and may change from time to time by determination of the Issuer's Board of Directors. Any declaration of dividends will be based upon the Issuer's earnings, financial condition, capital requirements and other factors considered important by the Board of Directors. As a consequence of all of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future nor, if they are paid, as to their amount.

## 2. WHERE WILL THE SECURITIES BE TRADED?

An application has been made to admit all of the Issuer's (i) existing Shares, (ii) the New Shares, (iii) the new Shares (if any) that will be issued pursuant to the exercise of the Over-allotment Option and (iv) the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, to trading on the regulated market of Euronext Brussels under the symbol "EKOP", and will be allocated the ISIN code BE0974380124. Trading on the regulated market of Euronext Brussels is expected to commence (i) for the existing Shares and the New Shares: on an "if-and-when-issued-and/or-delivered" basis, on or about 31 March 2021 (the **Listing Date**), provided that this may be accelerated in the event of early closing or postponed in case of extension, and will start at the latest on the Closing Date, when the Placement Shares are delivered to investors, (ii) for the new Shares (if any) that will be issued pursuant to the exercise of the Over-allotment Option: on or about the date of their issuance; and (iii) for the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022: on or about the date of their issuance.

## 3. WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

### Main risks related to the Shares

- **Given that (i) following closing of the Transaction, a large number of the Issuer's Shares are expected to be held by a limited number of shareholders and (ii) all of the Issuer's Existing Shareholders are expected to be subject to customary lock-up arrangements, the limited free float of the Shares following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amounts of Shares, or the perception that such sales may occur, could adversely affect the market value of the Shares.**
- **If securities or industry analysts do not publish research reports about Ekopak, or if they change their recommendations regarding the Shares in an adverse way, the market price of the Shares may fall and the trading volume may decline.**

### Main risks related to the Transaction

- **There has been no prior public market for the Shares and an active market for the Shares may not develop, which may cause the Shares to trade at a discount to the Placement Price and make it difficult to sell the Shares.**

## D. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

### 1. UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

**General conditions and admission to trading** – Prior to the Transaction, there has been no public market for the Shares. The Prospectus constitutes (and this Summary therefore concerns a summary of) a listing prospectus for purposes of Article 3(3) of the Prospectus Regulation and has been prepared in accordance with the Prospectus Regulation and its Delegated Regulations in relation to the admission to trading on the regulated market of Euronext Brussels of the following (the **Listing**): (i) all existing shares of the Issuer; (ii) a maximum of up to 3,571,428 newly issued shares without nominal value to be offered by the Issuer in an exempt private placement (the **Private Placement**, together with the Listing, the **Transaction**) within a price range of EUR 14.00 and EUR 16.75 per share (the **Price Range**) (the **New Shares**, and each existing or future new share representing the Issuer's share capital being a **Share**); (iii) a maximum of up to 589,284 additional new Shares without nominal value (i.e., up to 15% of the number of Offer Shares (as defined below) subscribed for in the Private Placement (this is including Shares subscribed for pursuant to the effective exercise of the Increase Option (as defined below), if any)) that will be issued if the Over-allotment Option (as defined below) is exercised by the Stabilization Manager (as defined below); and (iv) new Shares (if any) without nominal value that will be issued pursuant to the exercise of the 30,000<sup>1</sup> outstanding warrants that were issued on 30 December 2020 in the context of an employee stock ownership plan (the **ESOP Warrants**) and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022.

The Private Placement will take place in a number of countries outside the United States in so called "offshore transactions" in reliance on Regulation S under the US Securities Act of 1933, as amended (**Regulation S** and the **Securities Act**), namely: (i) in the European Economic Area (**EEA**) by way of a private placement addressed to (a) "qualified investors" within the meaning of Article 2(e) of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the **Prospectus Regulation**) on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(a) of the Prospectus Regulation and (b) certain investors that are willing to subscribe for a minimum of EUR 100,000 of Shares in the Private Placement at the Placement Price, on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(d), of the Prospectus Regulation (all such persons together referred to as the **EU Relevant Persons**), (ii) in the United Kingdom, by way of a private placement exclusively to (a) "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation amended and transposed into the laws of the United Kingdom law by virtue of the European Union (Withdrawal) Act of 2018 and the European Union (Withdrawal Agreement) Act 2020 (the **UK Prospectus Regulation**), (b) persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**), (c) "high net worth companies, unincorporated associations, etc." falling within Article 49(2)(a) to (d) of the Order, and (iv) any other person to whom it may otherwise lawfully be communicated (all such persons together referred to as the **UK Relevant Persons**), and (iii) in Switzerland by way of a private placement exclusively to investors that qualify as "professional clients" in accordance with Article 4, paragraph 3 and following of the Swiss Federal Act on Financial Services ("**Finanzdienstleistungsgesetz**") of 15 June 2018, as amended (**FinSA**) (such persons referred to as **Professional Clients**). All aforementioned EU Relevant Persons, UK Relevant Persons and Professional Clients, hereinafter collectively referred to as **Qualified Persons**.

In addition to the offering by the Company of New Shares in the Private Placement as described above, Pilovan BV, one of the two Existing Shareholders of the Issuer (the **Selling Shareholder**), is expected to grant an option to the Sole Global Coordinator, acting on behalf of the Underwriters, to, in common agreement with an "ad hoc committee" comprised of Pieter Loose (acting through Pilovan BV) and Pieter Bourgeois (acting through Crescem BV) (the **Transaction Committee**), in addition to the maximum 3,571,428 New Shares initially offered by the Issuer in the Private Placement, offer a maximum of up to 357,142 existing Shares from its holding in the Issuer (i.e., up to 10% of the maximum number of New Shares initially offered by the Issuer in the Private Placement) in the Private Placement at the Placement Price (the **Increase Option**, and the

<sup>1</sup> 10,000 have been granted to Mr. Tim De Maet (executive director (COO)), 10,000 to Mr. Joost Van Der Spurt (CTO) and 10,000 to Ms. Anne-Mie Veermeer (CDO).

New Shares offered in the Private Placement together with the existing shares offered in the Private Placement as a result of the possible exercise of the Increase Option, collectively referred to as the **Offer Shares**). Any decision to exercise the Increase Option will be communicated, at the latest, on the date of the announcement of the Placement Price.

In connection with the Transaction, Berenberg will act as stabilization manager (the **Stabilization Manager**). In order to facilitate stabilization by the Stabilization Manager, if any, the Stabilization Manager will be able to over-allot existing Shares in the Private Placement at the Placement Price (the **Additional Shares**, together with the Offer Shares, the **Placement Shares**). To enable the Stabilization Manager to cover the placement of Additional Shares in the Private Placement, if any, or short positions created by such over-allotment, the Stabilization Manager has, subject to, and with effect as from, the completion of the Transaction, been granted a warrant to subscribe for additional new Shares in a number equal to up to 15% of the number of Offer Shares subscribed for in the Private Placement (i.e., including any existing Shares sold pursuant to the effective exercise of the Increase Option) at the Placement Price (as defined below) (the **Over-allotment Option**). The Over-allotment Option will be exercisable for a period of 30 calendar days following the Listing Date. The Stabilization Manager may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares during a period of 30 calendar days following the Listing Date (as defined below) (the **Stabilization Period**). These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. The results of the stabilization and the exercise of the Over-allotment Option (if any) by the Stabilization Manager during the Stabilization Period will be made public by the earlier of five business days after, and one week after, the end of the Stabilization Period.

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Prospectus or this Summary does not constitute, and neither the Issuer, the Selling Shareholder nor the Underwriters are making, an offer to sell the Placement Shares or soliciting an offer to purchase any of the Placement Shares to the public (as defined in article 2(d) of the Prospectus Regulation) or to any person in any jurisdiction where such an offer or solicitation is not permitted. The Placement Shares may not be offered or sold, directly or indirectly, and neither the Prospectus (including this Summary) nor may any other documents related to the Private Placement or Listing be distributed or sent to any person or into any jurisdiction, except in circumstances that will result in the compliance with all applicable laws and regulations. Persons into whose possession the Prospectus or this Summary may come are required to inform themselves about, and to observe all, such restrictions. Neither the Issuer, the Selling Shareholder nor the Underwriter accepts any responsibility for any violation by any person, whether or not it is a prospective purchaser of Placement Shares, of any such restriction.

The period during which the Private Placement will take place, will begin on 25 March 2021 and is expected to end no later than 16:00 (Brussels time) on 30 March 2021, subject to early closing or extension (the **Private Placement Period**). Any extension or early closing of the Private Placement Period will be announced by means of a press release by the Issuer, and the respective dates for pricing, allocation, publication of the Placement Price and the results of the Private Placement, "as-if-and-when-issued-and/or-delivered" trading and closing of the Transaction will in such case be adjusted accordingly. The Issuer reserves the right to (i) suspend the Private Placement Period, in which instance the Issuer also reserves the right to withdraw its application for the Listing, or withdraw the Private Placement, in which instance the Issuer will withdraw its application for the Listing, or (ii) reduce the maximum number of New Shares offered in the Private Placement at any time prior to the allocation of the Placement Shares (which will be determined at the end of the Private Placement Period on or about 30 March 2021). Any suspension of the Private Placement Period, withdrawal of the Private Placement, withdrawal of the application for the Listing, or reduction of the number of New Shares offered in the Private Placement, will be announced by means of a press release by the Issuer on its website, through electronic services such as Reuters or Bloomberg, and, to the extent legally required, in a supplement to the Prospectus.

The Issuer targets raising a maximum amount of EUR 50 million of gross proceeds through the issue of New Shares in the Private Placement (thus not taking into account any exercise of the Over-allotment Option and the issue of additional new Shares as a result thereof). The minimum gross proceeds for the Issuer through the issue of New Shares pursuant to the Private Placement are set at EUR 30 million, below which the Transaction will not be completed.

The Price Range has been determined by the Issuer after consultation with, and following recommendations from, the Sole Global Coordinator and taking into account market conditions and factors including but not limited to (i) the condition of the financial markets, (ii) the Issuer's financial position, (iii) qualitative assessment of the demand for the Placement Shares, and (iv) all other factors deemed relevant. The Issuer reserves the right to increase or decrease the lower limit of the Price Range or to decrease the upper limit of the Price Range. If the Price Range is narrowed through an increase of the lower limit and/or a decrease of the upper limit, or if the Price Range is narrowed to a single price, the change will be published in the financial press and by means of a press release, through electronic information services such as Reuters or Bloomberg. However, investors who have submitted purchase orders will not be individually notified of any such Price Range narrowing. A change to the Price Range by a decrease of the lower limit of the Price Range will also be published in the financial press and by means of a press release, through electronic information services, and, to the extent legally required, in a supplement to the Prospectus.

The Price Range is an indicative price range and the price per Placement Share (the **Placement Price**) and the exact number of Placement Shares offered in the Private Placement will be determined at the end of the Private Placement Period by the Issuer, in consultation with the Sole Global Coordinator on the basis of the book-building process with Qualified Persons, and taking into account various relevant qualitative and quantitative elements, including but not limited to the number of Placement Shares for which purchase orders are received, the size of purchase orders received, the quality of the Qualified Persons submitting such purchase orders and the conditions and prices at which such purchase orders were made, as well as market conditions at that time. The Placement Price may be set within the Price range or below the lower end of the Price Range, but will not exceed the higher end of the Price Range. The Placement Price and the exact number of Placement Shares will be announced through a press release and on the Issuer's website (<https://www.ekopakustainablewater.com/ir>), and in any event no later than the first business day after the end of the Private Placement Period.

Certain key dates in connection with the Transaction are summarized in the following table. The Issuer can adjust the dates and times and the periods indicated in the Timetable below, in the Prospectus and in this Summary. In that case, the Issuer will inform Euronext Brussels and the investors thereof through a press release and on the website of the Issuer. Insofar as legally required, the Issuer will furthermore publish a supplement to the Prospectus.

25 March 2021	Expected start of the Private Placement Period
30 March 2021 at 16:00 (Brussels time)	Expected end of the Private Placement Period
30 March 2021	Expected publication of the Placement Price and results of the Private Placement and allocation of the Placement Shares
At the latest on 31 March 2021 (before opening of the markets)	Communication of the allocation of the Placement Shares to the relevant investors
31 March 2021	Expected Listing Date (listing and start of "if-and-when-issued-and/or-delivered" trading)
6 April 2021	Expected Closing Date (payment, settlement and delivery of the Placement Shares)
30 April 2021	Expected last possible exercise date of the Over-allotment Option

**Plan of distribution** – No public offer is being made and no action has been or will be taken that would, or is intended to, permit a public offering of the Shares, or the possession, circulation or distribution of the Prospectus (including this Summary) or any other material relating to the Shares, in any country or jurisdiction. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither the Prospectus (including this

Summary) nor any other offering material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction. Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Placement Price.

The allocation of the Placement Shares will be determined at the end of the Private Placement Period on or about 30 March 2021 and will be communicated to the relevant investors at the latest on 31 March 2021 (before opening of the markets) (subject to early closing, suspension or extension) by the Transaction Committee or the Board of Directors of the Issuer, in consultation with the Sole Global Coordinator on the basis of the quantitative and the qualitative analysis of the order book. In the event that the Private Placement is oversubscribed, investors (save for the Pre-committed Investors) may receive fewer Placement Shares than they applied to subscribe for.

All Placement Shares other than those sold to certain EU Relevant Persons who subscribe for shares directly from the Company at the final Placement Price will be delivered in dematerialized (book-entry) form only, and will be credited on or around the Closing Date to investors' securities accounts via Euroclear Belgium, and will be registered by one or more registrations in the share register of the Issuer in the name of Euroclear Belgium. It is expected that the Placement Shares will be delivered to the investors on or about 6 April 2021, in accordance with normal settlement procedures applicable to equity securities and against payment for the Placement Shares, provided that this may be accelerated in the event of early closing or postponed in case of extension (the **Closing Date**). Placement Shares sold to certain EU Relevant Persons who subscribe for shares directly from the Company at the final Placement Price will be delivered in registered form on the Closing Date upon payment for the related Placement Shares. The new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, will be delivered in registered form on or about their issuance.

**Dilution** – The Existing Shareholders of the Issuer have explicitly and irrevocably waived their statutory preferential subscription right in the context of the Transaction. Existing shareholders of the Issuer that do not participate in the Transaction, will undergo a future dilution of voting rights and dividend rights. A hypothetical existing shareholder that owned 1% of the share capital of the Issuer prior to the Transaction, that does not subscribe for the Transaction and assuming (i) the Placement Price is at the lower end of the Price Range (i.e., EUR 14.00), (ii) the placement of the number of New Shares in the Private Placement resulting in the targeted gross proceeds for the Company of EUR 50 million (which, taking into account the assumed Placement Price of EUR 14.00, would be the placement of 3,571,428 New Shares) (iii) the Increase Option is exercised in full and (iv) the Over-allotment Option is exercised to the fullest extent by the Stabilization Manager, will, after their issuance, hold 0.72% of the share capital of the Issuer.<sup>2</sup>

**Costs in relation to the Transaction** – In the context of the Private Placement, the Company targets raising a maximum amount of EUR 50 million of gross proceeds through the placement of a maximum number of 3,571,428 New Shares within a price range between EUR 14.00 and EUR 16.75 per Share. If the maximum number of New Shares is subscribed for, and the Over-allotment option would be exercised in full, with the Increase Option also having been exercised in full, the gross proceeds for the Company would amount to approximately EUR 58.25 million.

When subsequently taking into account (i) the maximum fees and commissions payable to the Underwriters by the Issuer, approximately EUR 2.50 million (assuming that the Stabilization Manager does not exercise its Over-allotment Option) or approximately EUR 2.91 million (assuming that the Stabilization Manager also decides to fully exercise its Over-allotment Option, with the Increase Option also having been fully exercised) (see also Section 6.4.1 "Underwriters" of this Prospectus) and (ii) the aggregate of the administrative, legal, tax and audit expenses, filing fees, printing costs, bonuses for personnel, and other expenses relating to the Transaction borne by the Issuer, and expenses incurred by the Underwriters that are reimbursable by the Company (which are estimated at approximately EUR 1.07 million)), the Issuer estimates that it will receive net proceeds of approximately EUR 46.43 million (assuming that the Stabilization Manager does not exercise its Over-allotment Option) or approximately EUR 54.27 million (assuming that the Stabilization Manager also decides to fully exercise its Over-allotment Option, with the Increase Option having been fully exercised).

## 2. WHY IS THE PROSPECTUS BEING PRODUCED?

**Use and estimated net amount of the proceeds** – The Issuer wishes to raise additional funding through the Private Placement in order to support its strategic growth objectives. The additional funding raised will allow Ekopak to support the roll-out of its WaaS business, fund working capital requirements for its non-WaaS solutions, provide funds for the pursuit of potential M&A opportunities and support other general corporate purposes as further described below.

- Approximately 60% of the net proceeds are expected to be allocated to equity requirements supporting the WaaS model in a leveraged finance model, and more specifically to the three signed WaaS projects currently under construction (for a minimum of EUR 1.6 million if debt financing on the three projects can be obtained) as well as to the envisaged growth for that WaaS model in the future. This would, applying the 60% to such net amount of the proceeds, yield approximately EUR 27.86 million available equity for the WaaS model. Ekopak aims at an overall WaaS-segment debt/equity ratio of 3.0x, which, assuming the related debt financing can be obtained, would result in total available financial means of approximately EUR 111.44 million for financing the construction of WaaS assets in the future. This amount would typically represent 400 to 600 containers.
- Approximately 20% of the net proceeds are expected to be allocated to working capital requirements supporting the non-WaaS Solution growth.
- Approximately 20% of the net proceeds are expected to be allocated to:
  - o potential M&A opportunities, including the acquisition of all shares in the Post-Transaction Target Company<sup>3</sup>; and
  - o general corporate purposes, which would include, among other things, the hiring of personnel with new competences (such as a legal profile, sales profile for the development of the sales force, ...), additional capital expenditures for production capacity increases and costs relating to serving clients abroad.

Through the Transaction, the Company also aims to increase its visibility, diversify its shareholder base and accelerate its growth through different capital sources.

If only the minimum gross proceeds for the Company pursuant to the issue of New Shares in the context of the Private Placement of EUR 30 million are raised, or more than the minimum but less than the targeted maximum amount of EUR 50 million of gross proceeds for the Company, are raised, the proportional allocation of proceeds would remain largely unchanged from the allocations set forth above, i.e., the amounts attributed to the three intended usages as set forth above, would then be reduced roughly evenly. Such reduction could, in the case of the first use, result in slower future growth of the WaaS model. However, the amount obtained by applying the 60% allocation to the minimum net proceeds to the Company resulting from an issuance of New Shares that generates gross proceeds for the Company of EUR 30 million, would in any case still allow Ekopak to finance the entire identified WaaS project pipeline as set forth in the Prospectus (i.e., the three signed WaaS projects currently under

<sup>2</sup> This calculation is based on the number of existing Shares (i.e., 10,780,000).

<sup>3</sup> As of the date of this Summary, the Issuer has entered into a binding letter of intent, subject to certain conditions, to negotiate the sale and purchase of 100% of the shares in a private limited liability company ("*besloten vennootschap*" / "*société à responsabilité limitée*") organized under the laws of Belgium (the **Post-Transaction Target Company**).

construction as well as the WaaS projects in close negotiation).

The Issuer cannot predict with certainty all of the particular uses for the proceeds from the Transaction, or the amounts that it will actually spend on the uses set forth above. The amounts and timing of the Issuer's actual expenditures will depend upon numerous factors, including the progress, costs, timing of the growth in the WaaS model; whether the acquisition of the Post-Transaction Target Company closes; regulatory or competitive developments; the net proceeds actually raised in the Transaction; the amounts received by way of revenues and the Issuer's operating costs and expenditures. As such, the Issuer's management will retain certain flexibility in applying the net proceeds from the Transaction and may change the allocation of these proceeds as a result of these and other contingencies. Pending the use of the proceeds from the Transaction, the Issuer intends to invest the net proceeds in interest bearing, cash and cash equivalents instruments or short-term certificates of deposit.

**Underwriting Agreement** – The Issuer, the Existing Shareholders and the Underwriters expect to enter into an agreement (the **Underwriting Agreement**) on or about 30 March 2021 with respect to the offer and sale of the Placement Shares in the Private Placement. Entry into the Underwriting Agreement may depend on various factors, including, but not limited to, market conditions and the result of the bookbuilding process. Subject to certain conditions to be set forth in the Underwriting Agreement, the Issuer will agree to issue to the Underwriters the New Shares (other than New Shares that will be subscribed for directly by certain EU Relevant Persons) (the **Underwritten New Shares**), the Selling Shareholder will agree to sell the Increase Option Shares (if and to the extent the Increase Option is exercised) and the Underwriters will severally agree to subscribe for or purchase the Underwritten New Shares and the Increase Option Shares (the **Underwritten Shares**) at the Placement Price, with a view to immediate placement with the related investors in the Private Placement (including the Pre-Committed Investors). The Underwriters will offer the Underwritten Shares to investors in the Private Placement (including the Pre-Committed Investors) at the Placement Price. Immediately after receipt of the Underwritten Shares, the Underwriters will deliver the Underwritten Shares to the underlying investors in the Private Placement. On the terms and subject to the conditions set forth in the Underwriting Agreement, the Underwriters will pay to the Issuer and the Selling Shareholder respectively the Placement Price for the Underwritten Shares. In the Underwriting Agreement, the Issuer and the Existing Shareholders are furthermore expected to make certain customary representations and warranties to the Underwriters and to agree to indemnify the Underwriters against certain possible liabilities in connection with the Private Placement. The Underwriting Agreement is expected to provide that the Underwriters have the right to terminate the Underwriting Agreement and their obligation thereunder to subscribe for or purchase and deliver the Placement Shares if (i) in the reasonable opinion of the Sole Global Coordinator (x) any statement contained in any Publication (as defined in the Underwriting Agreement) is, or has become, or has been discovered to be, inaccurate or misleading in any material respect, (y) any matter has arisen which would, if a publication was to be issued at that time, constitute a material inaccuracy or omission therefrom, (ii) a supplement or addendum to this Prospectus will need to be published (in the reasonable opinion of the Sole Global Coordinator) pursuant to requirements under Belgian law or has been published, and the Sole Global Coordinator (acting in consultation with the other Underwriter) has not explicitly confirmed to the Issuer at the occasion of the publication of such supplement or addendum that they would waive their right to terminate the Underwriting Agreement on this ground, (iii) there has been a breach by the Issuer or the Selling Shareholder of any of the representations and warranties contained in the Underwriting Agreement, (iv) the Issuer and/or the Selling Shareholder has not complied with the undertakings and other obligations set out in the Underwriting Agreement by the time by which they are required to be complied with, (v) in the reasonable opinion of the Sole Global Coordinator, there shall have been or it is likely that there will be a Material Adverse Effect (as defined in the Underwriting Agreement) since the date of the Underwriting Agreement (whether or not foreseeable at the date of the Underwriting Agreement), (vi) any of the conditions precedent to the Underwriting Agreement has not been satisfied and has not been waived by the Sole Global Coordinator by the time by which they are expressed to be satisfied, (vii) the application for trading is withdrawn or refused by Euronext Brussels NV/SA, (viii) the Issuer fails to issue the number of Underwritten New Shares on the Closing Date, or the number of new Shares pursuant to the exercise of the Over-allotment Option at each Option Settlement Date (as defined in the Underwriting Agreement) (if any), the Selling Shareholder fails to deliver its number of Increase Option Shares on the Closing Date and/or one of the Existing Shareholders fails to deliver its number of Additional Shares on the Closing Date, (ix) a Specified Event (as defined in the Underwriting Agreement) shall have occurred (such as, but not limited to, a material adverse development in the financial markets in Belgium or the United Kingdom, or a suspension or material limitation in trading of the Shares or of financial instruments generally on the regulated market of Euronext Brussels). In the event that the Underwriting Agreement is not executed or is executed but subsequently terminated, the subscriptions for or purchases of the Placement Shares will automatically be cancelled and withdrawn, and investors will not have any claim to delivery of the Placement Shares or to any compensation. Pursuant to the Underwriting Agreement, the Underwriters shall be entitled to certain fees, commission and reimbursement of expenses.

**Most material conflicts of interest pertaining to the admission to trading** – Joh. Berenberg, Gossler & Co. KGa limited partnership existing under German law, having its office at Neuer Jungfernstieg 20, 20354 Hamburg (Germany) and registered with the "Unternehmensregister" under number HRA 42659 (**Berenberg**) is acting as Sole Global Coordinator (the **Sole Global Coordinator**) and KBC Securities NV, a public limited company existing under Belgian law, having its office at Havenlaan 2, 1080 Brussels (Belgium) and registered with the Belgian Crossroads Bank of Enterprises ("*Banque-Carrefour des Entreprises*" / "*Kruispuntbank van Ondernemingen*") under enterprise number 0437.060.521 (RLE Brussels, Dutch speaking) is acting as joint bookrunner (the **Joint Bookrunner** and together with the Sole Global Coordinator called the **Joint Bookrunners** or the **Underwriters**) in the context of the Transaction, and are expected to, subject to certain conditions, enter into an "Underwriting Agreement" with the Issuer. Pursuant to the Underwriting Agreement, the Underwriters shall be entitled to certain fees, commission and reimbursement of expenses, see "*Costs in relation to the Transaction*" under section D.1 of this Summary).

In connection with the Transaction, the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Placement Shares in the Private Placement and in that capacity may retain, purchase or sell for its own account such securities and any Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Transaction. Accordingly, references in the Prospectus (including this Summary) to Shares being offered or placed should be read as including any offering or placement of Placement Shares to the Underwriters or any of their affiliates acting in such capacity. The Underwriters may not, in the event of full subscription or oversubscription to the Private Placement, acquire for their own account, either directly or indirectly, any Placement Shares. The Underwriters may not allocate Placement Shares to third parties where such allocations involve direct or indirect advantages (for members of the placement syndicate). In addition, the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which the Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. As of the date of this Summary, the Underwriters have signed an agreement with the Issuer to assist it with this Transaction. Except for KBC Bank, which has also concluded long-term credit agreements with Ekopak, well as a sale and lease-back framework in the context of the Company's WaaS business model, the Underwriters do not have any material relationships with the Issuer other than in respect of their role as Underwriters in connection with the Transaction. The Underwriters and/or their affiliates may in the future from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Issuer, any of the Existing Shareholders or any parties related to them, in respect of which they may in the future receive, customary fees and commissions. As a result of these transactions, these parties and the Underwriters or their affiliates may have interests that may not be aligned or could possibly conflict with the interests of potential holders of Shares or with the interests of Ekopak.

Assuming full exercise of the Increase Option and that the Placement Price is at the lower end of the Price Range, the Selling Shareholder will receive aggregate gross proceeds from the Transaction of approximately EUR 5.00 million. The Issuer will not receive any of the proceeds of the Increase Option, all of which will be paid to the Selling Shareholder. Assuming full exercise of the Increase Option and that the Placement Price is at the lower end of the Price Range, the fees and commissions payable to the Underwriters by the Selling Shareholder are then expected to amount to maximum of approximately EUR 0.25 million. Other expenses related to the Transaction (including those related to the Increase Option) will be borne by the Issuer.

The members of the Executive Management, other than the CEO, shall be entitled to a one-time success fee of EUR 15,000 each following the successful admission of the Shares of the Issuer on the regulated market of Euronext Brussels.

## 2 RISK FACTORS

*An investment in the Shares involves a high degree of risk. Prospective investors should carefully consider the risks and uncertainties described below, together with other information elsewhere in this Prospectus, including the consolidated financial statements and related notes contained elsewhere in this Prospectus, before deciding to purchase any Shares.*

*Ekopak's business is subject to a number of risks. If one or more of the following risks arise, Ekopak may be unable to execute its strategy and implement its business plan, which may prevent it from growing its traditional one-off sales business model and its "Water-as-a-Service" (WaaS) business model. As a result, the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment.*

*The description of risks set out below does not purport to be exhaustive. Additional risks and uncertainties that, as of the date of this Prospectus, are unknown to, cannot be foreseen by, or are not considered significant by Ekopak may exist.*

*In addition to the other information set out in this Prospectus, the risks described below should be carefully considered by prospective investors prior to making any investment decision relating to the Shares. Investors should carefully read the entire Prospectus and form their own opinions about, and make their own decisions on, the merits and risks of investing in the Shares in light of their personal circumstances. In addition, investors should consult their financial, legal and tax advisors for a careful assessment of the risks associated with investing in the Shares.*

*The risk factors included in this Section are ranked in accordance with Article 16 of the Prospectus Regulation. The risk factors presented herein have been divided into categories based on their nature. Within each category, the risk factors estimated to be the most material on the basis of an overall evaluation of the criteria set out in the Prospectus Regulation and according to the assessment made by Ekopak about the materiality of the risk are presented first. The order in which the subsequent risk factors are presented is not necessarily an indication of the likelihood of the risks actually materializing, of the potential significance of the risk, or of the scope of potential harm to Ekopak. Additionally, the order of the categories does not represent any evaluation of the materiality of categories themselves or of the relative materiality of the risk factors within any particular category when compared to the risk factors in another category. Quantitative information, where available and appropriate, has been included to demonstrate the materiality of the risk. Where quantitative information is not available, or where it is not appropriate to include such information, a qualitative description of the potential negative impact of the risk has been included on a scale of low, medium or high.*

## **2.1 RISKS RELATED TO EKOPAK'S BUSINESS ACTIVITIES AND INDUSTRY**

### **2.1.1 EKOPAK IS SHIFTING ITS FOCUS FROM A "ONE-OFF" PROJECT BUSINESS TO A RECURRING WaaS BUSINESS, WHICH IS IN ITS EARLY STAGE OF ROLL-OUT AND RELATIVELY UNTESTED, POTENTIALLY MAKING THE SHIFT UNSUCCESSFUL.**

Ekopak is in the process of shifting its business model from relying primarily on one-off sales of process water purification installations (*i.e.*, the DB(M)(O) model) to a new model based on the sale of water per m<sup>3</sup> (*i.e.*, the WaaS model) (see Section 8 "*Business*" of this Prospectus). Ekopak believes this shift will increase the value of its product offering for its clients and secure more stable revenues for Ekopak.

Although Ekopak believes there is significant potential to develop the market for WaaS contracts, at the date of this Prospectus, Ekopak is still in the early stages of rolling out the WaaS business model and does not yet have substantial experience in successfully marketing, financing or managing WaaS projects. Ekopak's revenues from its first pilot WaaS contract, signed in 2019, generated EUR 0.5 million in revenues in 2020. Ekopak's full scale roll-out of its WaaS business model and commercial offering related thereto began in June 2020, and it has since signed three additional WaaS contracts representing a total of 32 containers that are currently under construction (see Section 8.7.3.4 "*WaaS Agreements*" of this Prospectus). Although Ekopak has an identified WaaS project pipeline representing EUR 16.0 million of capital expenditures as of 15 March 2021, only EUR 6.5 million of that pipeline relates to the three not yet operational WaaS agreements that have already been signed. The remaining EUR 9.5 million of the identified WaaS pipeline, which are expected to require approximately 32 to 48 containers, relates to matters that are in close negotiation<sup>4</sup> but for which agreements have not yet been signed (see Section 8.7.3.2 "*Identified Project Pipeline*" of this Prospectus). Ekopak's pilot WaaS project signed in 2019 is the only WaaS project that is currently operational.

Because the WaaS offering is still in the early stages of its initial roll-out, many parameters are still unknown, untested or are unstandardized in the current commercial offering presented by Ekopak. Such parameters include the cost of delivering the service, cost of chemicals, frequency of replacing spare parts, output quantity, output quality, additional work that may be required for Ekopak to maintain operational efficiency, the term of the contract, the guarantees requested by clients, the contractual arrangements and the cost and availability of financing for initial construction. Each of these parameters could affect a client's operational experience and satisfaction and/or the profitability of the arrangement for Ekopak. If Ekopak is unable to meet client expectations or sustain profitability, its business and reputation may suffer.

Ekopak's ability to build and deliver projects sold under the WaaS model is heavily dependent on the ability of Ekopak to finance the initial construction of the related installations. Ekopak is currently

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<sup>4</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

constructing the three WaaS projects using its cash on hand and intends to sell these projects under sale and lease-back arrangements with financial institutions when construction is complete.

On 25 February 2021, Ekopak entered into a sale and lease-back framework agreement with KBC Bank that sets forth the general terms under which WaaS installations can be sold to KBC Bank under individual sale and lease-back arrangements for an aggregate amount of up to EUR 5 million (see Section 8.7.3.5 “WaaS - Financing” of this Prospectus for more information). At the date of this Prospectus, KBC Bank has confirmed that, subject to certain conditions precedent (e.g., continued compliance with the solvency ratio, and the submission to KBC Bank of a cash flow cycle calculation showing the repayment capacity of the project, of the necessary insurance contracts, of proof that the relevant installation has been commissioned, and of proof that the term of the relevant WaaS contract is at least equal to the term of the individual sale and lease-back agreement), two of Ekopak’s three signed WaaS projects under construction (i.e., those set forth in Sections 8.7.3.4 sub (B) “*WaaS agreement with a food company, based in Belgium*” and sub (C) “*WaaS agreement with a chemical company, based in Belgium*” of this Prospectus) will be able to be financed under this framework agreement. This being said, the total amount of financing under this framework agreement is limited to EUR 5 million, the term thereof is 364 days, and the underlying client for each project (other than the two mentioned above for which approval has already been confirmed) will still need to be separately approved by KBC Bank’s credit committee prior to a sale and lease-back under the framework agreement, and closing of any individual sale and lease-back agreement under this framework agreement will not occur until after construction of the installation is complete. Furthermore, at the date of this Prospectus (i) no specific debt financing has been secured for the other WaaS project currently under construction (described in Section 8.7.3.4 sub (D) “*WaaS agreement with a pharmaceutical company, based in Belgium*” of this Prospectus) and (ii) no specific debt financing has been secured for any of the contracts that are under close negotiation<sup>5</sup>. If Ekopak is unable to sell current or future projects under sale and lease-back arrangements, its ability to redeploy the funds it has invested in earlier projects to fund the construction of new WaaS projects may be limited, and if no alternative debt financing structure can be implemented on acceptable terms, lack of available financing could slow the pace of growth of the WaaS offering (see Section 8.7.3.3 “Mid-term WaaS Strategy” of this Prospectus for more information). More generally, if Ekopak is unable to secure debt financing for its projects on acceptable terms, it will need to fund the construction of the projects through cash on hand (including cash raised in the Private Placement described in this Prospectus) or other financing arrangements potentially including equity offerings. While the proceeds of the Private Placement (which has been set at a minimum size of EUR 30 million in gross proceeds for the Company pursuant to the issue of New Shares), would permit the construction of a certain number of projects even if debt financing were not available, the number of projects that could be financed using those funds would be far lower than the number anticipated under Ekopak’s target 3:1 debt to equity ratio for WaaS projects, and lack of debt financing would limit the pace of growth of such projects. See also Risk Factor 2.4.2 “*Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or future WaaS project, and may, in general, not*

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<sup>5</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

*be able to secure the debt financing necessary to support its growth objectives for the WaaS business” of this Prospectus.*

In addition, the pricing and the contractual payments per m<sup>3</sup> of water under Ekopak’s WaaS contracts are largely fixed and do not include contractual adjustment clauses that would allow Ekopak to automatically pass on to its customers costs associated with unexpected price increases of resources, such as employee costs, cost of spare parts or cost of chemicals, or higher than expected financing costs. Given the long-term nature of its WaaS contracts, Ekopak is unable to unilaterally terminate or renegotiate a contract if the contract ceases to be profitable for Ekopak, as it is, in this case, contractually bound by notice periods, set termination intervals, or the fixed duration of the agreement (Section 8.7.3.4 “*WaaS Agreements*” of this Prospectus).

Moreover, although Ekopak’s WaaS contracts include provisions designed to compensate Ekopak for losses if a contract is terminated early, if the termination occurs prior to the end of any related finance lease under a sale and lease-back arrangement and the termination payments made by the client are insufficient to cover any continuing lease payment obligations under the corresponding sale and lease-back facility, Ekopak may incur losses as a result of the termination if it is unable to recover those costs from the terminating client or to promptly redeploy the related containers at other client locations on similar terms.

Lastly, as there are, to Ekopak’s knowledge, no other European players currently offering a similar solution, Ekopak’s potential European client base is not accustomed to this end-to-end WaaS offering (see also Risk Factor 2.1.2 “*Ekopak faces competition from both established and new companies with similar strategies or similar offerings of products and services, which could make it difficult for Ekopak to maintain its current or expected margins or sustain its revenue growth.*” and Section 8.5.6 “*Competition*” of this Prospectus). There can thus be no guarantee that Ekopak’s WaaS model will be implemented successfully from an operational and financial point of view, nor that the necessary appetite in the market will be found. Hence, Ekopak might not be able to reach the goals set in its business plan.

Ekopak believes that the probability that it will encounter significant difficulties in securing profitable growth for its WaaS business is medium, and that if it is unable to successfully finance and manage the expansion of its WaaS business in a profitable manner and hence would be unsuccessful in shifting the focus of its business model towards WaaS, the potential negative impact of this risk on future growth of revenue and margins, as well as on the financial resources of the Company would be high.

**2.1.2 EKOPAK FACES COMPETITION FROM BOTH ESTABLISHED AND NEW COMPANIES WITH SIMILAR STRATEGIES OR SIMILAR OFFERINGS OF PRODUCTS AND SERVICES, WHICH COULD MAKE IT DIFFICULT FOR EKOPAK TO MAINTAIN ITS CURRENT OR EXPECTED MARGINS OR SUSTAIN ITS REVENUE GROWTH.**

If Ekopak is unable to respond effectively to competition in the industrial water services market, it may be unable to sustain its revenue growth or to maintain its current or expected margins.

Ekopak’s current main competitors in the market for water purification solutions, and predominantly in respect of its “one-off” Design & Build, (Maintain) & (Operate) (DB(M)(O)) model, include

international water treatment companies such as Suez, Veolia and local engineering, procurement and construction (EPC) companies, that contract to build plants that satisfy specific requirements. To the extent Ekopak's water solutions provide clients with an alternative to using tap water, Ekopak also competes with legacy tap water providers in the regions where its clients are located, such as Farys or De Watergroep in Flanders. Ekopak may also encounter competition from smaller engineering or consulting firms. See Section 8.5.6 "*Competition*" of this Prospectus in this respect, as well as Section 8.2 "*Competitive Strengths*" for more information on Ekopak's competitive strengths.

Although some European competitors offer custom water purification solutions through a DB(M)(O) model, and some offer containerized solutions, to Ekopak's knowledge, none of its European competitors currently offers a full WaaS package whereby the client "pays by the drop" (see also Section 8.5.6 "*Competition*" of this Prospectus). Existing or new competitors may introduce products and services similar to Ekopak's WaaS offering in the future. Some of these competitors may have greater resources, larger sales teams, a larger number of established customer relationships, a more broad product-offering, a stronger reputation and greater access to capital than Ekopak, any of which could give them a competitive advantage in the creation, production and distribution of competing products and services. Additionally, competitors might develop new technologies and solutions, yielding better products and services, to which Ekopak is unable to formulate a competitive answer. If competition increases, Ekopak may need to increase its spending on marketing and sales efforts or make other investments in order to compete effectively. If Ekopak is unable to successfully respond to increased competition in its markets, it may be unable to maintain its current or expected margins or sustain its revenue growth. Reference is also made to Risk Factor 2.3.1 "*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.*" of this Prospectus.

Ekopak believes that the probability that it will encounter significant competition in its end markets is high and believes the likelihood it will be unable to effectively respond to such competition is medium. If Ekopak is unable to respond effectively to such competition, Ekopak believes the potential negative impact on its future revenue, margins and ultimately its financial situation would be high.

**2.1.3 EKOPAK MAY INCUR SUBSTANTIAL LIABILITIES PURSUANT TO THE MALFUNCTIONING OF ITS WATER PURIFICATION INSTALLATIONS, WHICH COULD MATERIALLY ADVERSELY AFFECT EKOPAK'S REPUTATION, EARNINGS, MARGINS AND ABILITY TO OBTAIN FUTURE BUSINESS.**

For its WaaS clients, Ekopak has the contractual obligation to design, build, deliver, operate and maintain a water purification installation and to ensure that an agreed upon quantity of water at an agreed upon quality is available to the client during a certain period of time. In that respect, Ekopak typically grants certain guarantees (financial and operational) and indemnities to its WaaS client (see Section 8.7.3.4 "*WaaS Agreements*" in this Prospectus for more information in this respect). For its one-off clients, Ekopak has the contractual obligation to design, build and deliver a water purification installation that, subject to the applicable guarantee period, can produce an agreed upon quantity of water at an agreed upon quality. Failure to comply with these obligations can give rise to warranty or performance guarantee claims.

There are significant uncertainties and judgments involved in estimating the abovementioned warranty and performance guarantee obligations, which can vary significantly depending on differences in product designs, differences in client installation processes, and failure to identify or disclaim certain variables in a client's influent water.

If and to the extent that Ekopak incurs warranty or performance guarantee claims, its reputation, earnings and ability to obtain future business could be materially adversely affected. Failure of Ekopak's installations to operate properly, to meet client specifications or performance guarantees, may increase costs by requiring Ekopak to provide additional engineering resources and services, replacement of parts and equipment and replacement of consumables, or monetary reimbursement to a client, and could result in liability to clients, reputational loss and potential litigation and costs in relation therewith. Ekopak's liability under the contracts with its clients is not contractually limited to a certain amount. Ekopak maintains insurance policies to help cover its potential exposure to liabilities arising from its operations in general. However, these insurance programs have varying coverage limits (including geographical) and exclusions, deductibles and policy limits for covered claims as a result of which Ekopak may be underinsured. See Section 8.15 "*Insurance*" of this Prospectus for more details on the most important insurance policies.

Furthermore, Ekopak's commercial one-off arrangements and WaaS agreements are not standardized and are negotiated by members of the Executive Management (who do not have a legal background) on a case-by-case basis (see also Risk Factor 2.2.2 "*Ekopak may be unable to successfully manage its growth*" of this Prospectus), which has led to Ekopak's general terms and conditions applicable to the one-off clients being, in the past, below market standard, and Ekopak's current WaaS agreements (see Section 8.7.3.4 "*WaaS Agreements*" of this Prospectus) being drafted in a manner that may give rise to enforceability or interpretational issues (e.g., regarding their duration, termination periods and penalties, the responsibility for permits and the recycling and dismantling costs of an installation, the interaction between general terms and conditions and specific terms and conditions). These contracting terms, inconsistencies and ambiguities could leave Ekopak open to costs, liabilities or responsibilities that would otherwise, in line with market standards, be limited or excluded or lie with the client. Furthermore, due to the contracting process applied in the past, certain provisions in Ekopak's general terms and conditions applicable to certain of its historic one-off agreements may prove to be unenforceable, resulting in Ekopak being subject to the application of less favourable common law. Since 2013, Ekopak has been involved in two litigations regarding one-off installations that allegedly did not operate as planned. One of these proceedings resulted in a definitive judgement before the Court of Appeal in 2019 pursuant to which Ekopak had to pay an amount of EUR 80,178.63 and the other is currently still pending before the Court of Appeal (see also Section 8.18 "*Legal and arbitration proceedings*" of this Prospectus for more information on the procedure that is still pending at the date of this Prospectus). Ekopak cannot guarantee it will not receive future warranty claims from its customers or become subject to legal proceedings or disputes if installations fail to function as designed. Given that Ekopak relies heavily on word of mouth and referrals to generate new business, any breach of its contractual obligations or proceedings alleging such a breach could cause significant harm to its reputation which could in turn have a significant impact on its ability to generate new business.

Moreover, if Ekopak's water purification systems do not operate properly, chemicals, wastewater or water that has not been properly purified could, in a worst case scenario, be spilled and depending on the properties of the chemicals, the wastewater and the improperly purified water, could lead to environmental liability for Ekopak. In that case, Ekopak could also incur significant costs or reputational damage in connection with the investigation and remediation of environmental contamination.

Ekopak believes the probability of a WaaS installation malfunctioning in a manner that results in significant liability for Ekopak is low, given the back-up features built into the design and the ongoing monitoring and maintenance performed by Ekopak. If an installation malfunctions in a manner that results in significant liability, Ekopak believes that the direct negative impact on Ekopak's revenue and margins likely would be high, and that the indirect negative impact on its revenue, margins and ultimately its ability to obtain future business due to damage to or loss of reputation could be even higher.

For its one-off clients, Ekopak believes the probability of an installation malfunctioning in a manner that results in significant liability for Ekopak is lower than under its WaaS contracts, as Ekopak typically has not been responsible for the ongoing maintenance and/or operations of such installations. If such a malfunction resulting in significant liability were to occur, the direct and indirect negative impact on Ekopak's reputation, revenue, margins and ultimately its ability to obtain future business would be high.

#### **2.1.4 GROWTH IN EKOPAK'S WAAS BUSINESS MAY DUE TO THE LONG-TERM NATURE OF CONTRACTS UNDER THE WAAS MODEL, INCREASE ITS EXPOSURE TO CLIENT CREDIT RISK.**

While Ekopak's historic DB(M)(O) business exposed Ekopak to the risk that its clients would fail to meet their payment obligations to Ekopak, such contracts were typically executed over a shorter time period than the ten-year period Ekopak expects to be typical for its WaaS contracts, and involved significant advance payments. Moreover, whereas Ekopak historically sold most of its one-off projects without entering into long-term maintenance contracts, all of Ekopak's WaaS contracts include such services. Therefore, the total contract value over the life of a WaaS contract will generally be greater than the amount Ekopak could have generated from simply selling the installation to the client. As a result, while the individual monthly payment at stake when a client fails to pay under a WaaS contract may be low, the overall amount at risk for Ekopak over the life of the WaaS contract is usually greater.

If a client to which the end-to-end WaaS offering is provided, is unable to make its payments due under the contract, Ekopak may, in a worst case scenario and in addition to a loss of revenue, be required to (i) re-purchase the installation from the financial institution, which would have an impact on its liquidity, (ii) continue to make lease payments to the financial institution without receiving corresponding payments from the client, and/or (iii) as these installations are very client- and project-specific, incur additional costs and additional time to deploy the installation elsewhere (if it can do so at all). As the WaaS-model gains importance in Ekopak's revenue mix, this extra credit risk is projected to become more significant in the future.

Ekopak believes that the probability that it will suffer material credit losses under the WaaS model is medium, but that if such material losses materialize, the potential negative impact of this risk on Ekopak's revenue, margins and financial position would be high.

**2.1.5 EKOPAK'S WAAS OFFERING MAY HAVE A NEGATIVE IMPACT ON ITS REVENUES FROM ONE-OFF PROJECTS AND THEREFORE ON ITS OVERALL REVENUES AND EBITDA**

If customers prefer the WaaS model to purchasing installations on a one-off basis, Ekopak's new WaaS offering may adversely affect its existing one-off sales business. If that occurs, Ekopak's total annual sales, cash flow from operations and profit will decline as the revenue from WaaS agreements is spread out over multiple years, unless Ekopak is able to sign a sufficient number of WaaS projects to offset the impact of any resulting reduction in its one-off sales. To achieve the same level of revenue as under the one-off sales business in a single year, Ekopak will need to finance and install significantly more, individual water treatment installations under its WaaS model (around 4 to 6 WaaS installations contributing for a full year period, for each one-off sale that is not made). If Ekopak is unable to deliver sufficient WaaS installations to offset any decline in its one-off sales, its overall revenue will decline. Although Ekopak expects its EBITDA margins on WaaS projects will typically be higher than its EBITDA margins on one-off installation sales, if it is unable to deliver sufficient WaaS installations to offset the EBITDA decline resulting from lower one-off sales, its total EBITDA will decline. Reference is also made to Risk Factor 2.2.2 "*Ekopak may be unable to successfully manage its growth*" of this Prospectus.

Ekopak believes that the probability that the shift in focus to the WaaS model will have an adverse impact on its total revenues and EBITDA in the short term, is high and believes the probability that it will continue to have that impact after a significant number of WaaS projects have begun operation is low. .

**2.1.6 EKOPAK'S ONE-OFF CONTRACT BUSINESS PROVIDES FOR POOR REVENUE FORECASTABILITY, WHICH MAY MAKE IT DIFFICULT FOR EKOPAK TO SUFFICIENTLY AND STRATEGICALLY PLAN THE ALLOCATION OF ITS RESOURCES.**

One-off contracts, which are not necessarily recurring, historically have been the main revenue driver for Ekopak. In 2020, one-off revenue from water process installations accounted for 66.3% of Ekopak's revenue . Given the nature of these contracts, for which all of the revenue is recognized over the relatively short time and the relatively small number of such projects, client concentration has been relatively high and one-off revenue developments from one year to another are largely dependent on the number and size of the installations sold under such contracts. For example in the years 2019 and 2020, Ekopak's largest client accounted for 32% and 17% of total revenue respectively (with its top 3 clients accounting for 47% of its revenues in 2020).

Although the roll-out of the WaaS model is expected to reduce this effect by spreading the revenues generated by a given installation over a longer period of time, until the total number of WaaS installations in service significantly exceeds the number of installations sold in one-off sales in a given period, one-off installations will continue to represent a large share of Ekopak's revenue. In any period where one-off revenues from a small number of clients represent a significant portion of Ekopak's revenue, if Ekopak is unable to secure one-off contracts from new or existing customers that are

comparable, individually or in the aggregate, in size to such one-off contracts in the following period, its revenue and operating result from one-off contracts may decline significantly from one period to the next.

Ekopak believes that the probability that its one-off revenues may vary significantly from one period to the next due to customer concentration is high, and that the risk of Ekopak not being able to sufficiently and strategically plan its resources in the future as a consequence thereof is low.

**2.1.7 REGULATIONS RELATING TO WATER USE AND DISTRIBUTION MAY EVOLVE IN WAYS THAT MAKE EKOPAK'S PRODUCTS, SERVICES AND SOLUTIONS LESS ECONOMICALLY BENEFICIAL TO ITS CLIENTS, THEREBY AFFECTING DEMAND FOR ITS PRODUCTS, SERVICES AND SOLUTIONS.**

Ekopak's products, services and solutions assist various industries and clients in meeting stringent environmental and safety requirements enacted for the purpose of making water cleaner and safer. If stricter laws or regulations are delayed or are not enacted, or enacted with prolonged phase-in periods, or not enforced, demand for Ekopak's solutions designed to help clients respond to such regulations may be reduced, or Ekopak's business may not be able to expand or grow (as fast) as expected.

Ekopak believes that the probability of occurrence of this risk is low, and if materialized, that the potential negative impact of this risk would be high.

**2.1.8 REGULATIONS DESIGNED TO PERMIT OR ENCOURAGE EXISTING WATER DISTRIBUTION NETWORKS TO OPEN THEIR LEGACY WATER DISTRIBUTION SYSTEMS TO THIRD PARTY WATER PRODUCERS MAY BE ENACTED SLOWLY, OR FAIL TO BE ENACTED AT ALL, MAKING IT DIFFICULT FOR EKOPAK TO SECURE SIGNIFICANT REVENUES FROM REINJECTING WATER INTO LEGACY NETWORKS, WHICH IS A PART OF EKOPAK'S STRATEGY FOR FUTURE GROWTH.**

Part of Ekopak's strategy for future growth includes the potential production and sale of water for reinjection into legacy water networks. Ekopak does not currently reinject water into legacy water networks, and in most of the markets in which it operates, there is no existing framework that permits such reinjection on a broad scale. While the Flanders Blue Deal (see Section 8.5.4.2 "The Flanders Blue Deal" of this Prospectus for more information) contemplates measures designed to encourage legacy water networks to open their systems to third party water producers such as Ekopak, the Blue Deal does not include a specific timetable for the implementation of such measures or include detailed implementation measures. Currently Ekopak is not able to inject water into the potable water network. It may never be able to do so, or may become able to do so at a slower pace than it expects.

Ekopak believes that the likelihood that it will take a considerable amount of time before it becomes possible to reinject water into legacy networks in its core markets is medium. If it is unable to pursue its strategy of reinjecting water into legacy networks, Ekopak believes the likelihood of a material adverse impact on its business is low.

## **2.1.9 COVID-19**

The novel coronavirus (SARS-CoV-2) and related respiratory disease (coronavirus disease (COVID-19) was declared a pandemic by the World Health Organization on 11 March 2020 and there are cases in approximately 215 countries, areas or territories at the date of this Prospectus.

The outbreak of this coronavirus has led (and may continue to lead) to disruptions to the worldwide economy and financial markets, including Belgium and other jurisdictions in which Ekopak operates and will operate. While the lockdowns and other measures imposed in Belgium in 2020 and 2021 to date have had only a low adverse impact on Ekopak's business, the imposition of new, stricter, lockdowns (particularly if they restrict the ability of Ekopak's employees to work on site or to visit customer premises to install water purification installations) could have an adverse impact on Ekopak's business. Similarly, if Covid-19 restrictions adversely affect the businesses of Ekopak's current or potential customers, customers may defer or abandon plans to upgrade their water purification systems, which could adversely affect demand for Ekopak's services.

It is impossible to determine the long-term effects of this outbreak on Ekopak and its customers. If further widespread lockdowns are not imposed, Ekopak's employees continue to be able to work on site and to install new water purification installations, and the overall impact on the economy does not materially worsen compared to current conditions, Ekopak believes the potential negative impact on its operations will be low. However, if significant restrictions are placed on the ability of its employees to work on site or to install new water purification installations, or if customers defer or abandon their plans to upgrade water systems, the adverse impact on its business would be high.

## **2.2 RISKS RELATED TO GROWTH, MANAGEMENT AND PERSONNEL**

### **2.2.1 EKOPAK MIGHT FAIL TO RETAIN EXISTING KEY MANAGEMENT, R&D AND/OR ENGINEERING PERSONNEL AND/OR MIGHT FAIL TO ATTRACT AND TRAIN NEW HIGHLY QUALIFIED PERSONNEL, WHICH COULD HAVE A MATERIAL ADVERSE EFFECT ON EKOPAK'S BUSINESS**

Ekopak's success and growth depends to a significant extent on its ability to attract and retain key personnel, particularly senior management, R&D, engineering and operating personnel (including employees and independent contractors).

Taking into account the relatively small size of the Executive Management team, which, as of the date of this Prospectus, is comprised of 5 individuals (see Section 10.5.3 "*Executive Management*" of this Prospectus for more information), and the overall number of personnel in Ekopak, which as of the date of this Prospectus is comprised of 42 individuals (employees and independent contractors) (see Section 8.17 "*Human Resources*" of this Prospectus), the loss of only a few key persons could have a material adverse effect on Ekopak's ability to effectively manage its business and execute its strategy. In particular, Ekopak believes that the loss of the services of its CEO, Pieter Loose, who is also a major shareholder, and/or other members of Ekopak's Executive Management would have a material adverse effect on its business. Additionally, Ekopak's know-how of designing its water purification solutions and the design of its monitoring system is known by a number of its personnel. If these persons leave Ekopak and join a competitor, knowledge could be transferred outside Ekopak, which

could curtail its competitive advantage. Reference is also made to Risk Factor 2.3.1 *“Ekopak’s know-how and technology are not protected”* in that respect.

In general, Ekopak’s personnel can terminate their agreement with Ekopak at any time. Also in general, except for certain members of the Executive Committee (such as Mr. Pieter Loose (CEO), most of Ekopak personnel are not subject to contractual non-compete or non-solicitation obligations or contractual confidentiality obligations with respect to the know-how they gather at Ekopak, and the intellectual property transfer clauses they in some cases are bound by may not be enforceable (see also Risk Factor 2.3.1 *“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.”* of this Prospectus).

As Ekopak’s business expands, Ekopak expects to need additional managerial, operational, sales, marketing, financial, legal, and other resources. Expanding production in the coming years will demand additional expertise in general and project management and technical knowledge of water purification solutions, in particular, which will demand the addition of new personnel as well as the development of additional expertise by current personnel. In order to address the additional obligations that come with being a listed company, Ekopak will also need to recruit additional legal and other personnel in the near future. There is no assurance that Ekopak will be capable of attracting and retaining quality executives and integrating those individuals into its management team. Without experienced and talented management, the growth of Ekopak’s business may be adversely impacted.

At present, Ekopak expects to grow its number of FTEs by 15% in 2021. Competition for technically skilled personnel, especially engineers, is however intense and even more so for highly qualified and experienced personnel, which may limit Ekopak’s ability to hire and retain the personnel it requires on acceptable terms or at all. Other companies with which Ekopak competes for qualified personnel may have greater financial and other resources, different risk profiles or offer a more appealing working environment than Ekopak. In the current job market, the demand for these technically skilled profiles, which are the primary sought after profiles for Ekopak’s operations, is high, while the supply of such profiles is limited. Moreover, the region of Tielt, where Ekopak is located, is one of the regions in Flanders with the lowest unemployment rates, which further limits the pool of available workforce.

Ekopak’s ability to attract and retain key personnel will depend on its ability to offer competitive compensation, training and benefits, as well as on its ability to continue to develop and maintain its culture by empowering its management, R&D, engineering, operating personnel and other personnel and promoting an entrepreneurial spirit.

If Ekopak is unable to continue to hire and retain skilled management, technical, engineering, service and operating personnel on acceptable terms, Ekopak will have trouble operating and expanding its business, including developing and operating its existing and new water purification installations.

Ekopak’s management may need to divert a disproportionate amount of its attention away from its day-to-day activities and devote a substantial amount of time to managing the growth in personnel. Ekopak may not be able to effectively manage the expansion of its operations and growth in the

number of personnel, which may result in weaknesses in its infrastructure, operational mistakes, loss of business opportunities, loss of employees, and reduced productivity among remaining employees.

Ekopak believes that the probability of occurrence of this risk is medium, and if materialized, that the potential negative impact of this risk would be high.

### **2.2.2 EKOPAK MAY BE UNABLE TO SUCCESSFULLY MANAGE ITS GROWTH**

Ekopak's business is growing rapidly, which may place a significant strain on its Executive Management, personnel, operating and financial systems and administrative resources. Growth may cause Ekopak's operating costs to increase faster than planned, and some of its internal systems and processes, may need to be enhanced, updated or replaced.

For example:

- At the date of this Prospectus, Ekopak's commercial one-off arrangements and WaaS agreements are not standardized and are negotiated by members of the Executive Management (who do not have a legal background) on a case-by-case basis. In order for Ekopak to grow its WaaS in an efficient manner it will need to engage the necessary legal knowhow in order to improve its contracting process, standardize and further develop and improve the drafting of its commercial arrangements and agreements and follow-up on existing agreements (see Risk Factor 2.1.3 "*Ekopak may incur substantial liabilities pursuant to the malfunctioning of its water purification installations*" of this Prospectus in respect of possible risks associated with the current lack of such internal legal knowhow).
- In 2020, 95.9% of Ekopak's revenues were generated in the Benelux countries. Entry into new markets may require Ekopak to master specific local legislation, to amend its business model, or to compete against competitors or business models with which it is not acquainted, which may require substantial time and capital.
- Ekopak is currently designing and building its installations in its headquarters in Tielt. In order for Ekopak to realise the revenue growth foreseen in its business plan and due to the anticipated stronger revenue contribution from the WaaS model, it is anticipated that Ekopak will have to significantly ramp up the amount of installations that it produces. Ekopak's current production capacity might not be sufficiently large to accommodate this future growth, which could, if no suitable additional production capacity at the right price can be found, curtail future growth.
- At the date of this Prospectus, Ekopak only has a limited sales force in place and has generated its turnover through informal networking, presence on trade-fairs, referrals, and word of mouth (see also Section 8.10 "*Sales process and sales cycle*" of this Prospectus). Failure to build out the current sales force, to identify suitable go-to-market strategies or the unavailability of such sales network (e.g., due to the fact that such network is already engaged with a competitor) may have a negative impact on Ekopak's future revenue growth prospects. More specifically, Ekopak will need to significantly strengthen its sales force in order to attain its mid-term target for its WaaS model, i.e., increasing the WaaS portion of its total revenues to around EUR 25 million (see Section 8.7.3.3 "*Mid-term WaaS Strategy*" of this Prospectus for more information). There is significant competition for effective sales personnel. Once hired, the training process for new sales personnel may be lengthy given the specific knowledge of water purification solutions required. Upon completion of the training, sales

personnel may require lead time in the field to grow their network of accounts and achieve the productivity levels Ekopak expects them to reach. If Ekopak is unable to attract, motivate, develop and retain a sufficient number of qualified sales personnel, and if its sales representatives do not achieve the productivity levels Ekopak expects them to reach, its ability to achieve its mid-term targets may suffer.

- In order to facilitate international growth, local teams might have to be set up, or local subcontractors might have to be engaged, to service the international clients, which could lead to additional costs and lower margins in a start-up phase or permanently. This would in turn have a negative impact on Ekopak's profitability.

If Ekopak cannot effectively manage its expanding operations and costs, it may not be able to grow as quickly or as profitably as expected or at all. See also Section 6.5 "*Reasons for the Transaction and use of proceeds*" of this Prospectus.

Ekopak believes that the probability of occurrence of this risk is medium, and if materialized, that the potential negative impact of this risk would be medium.

## **2.3 RISKS RELATED TO EKOPAK'S TECHNOLOGY**

### **2.3.1 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.**

At the date of this Prospectus, Ekopak does not own or license any patents (or patent applications) or design registrations (or design registrations applications) (see also Section 8.14 "*Intellectual Property*" of this Prospectus), and fully relies on the experience and knowhow of its personnel. In general, except for certain members of the Executive Committee (such as Mr. Pieter Loose (CEO)), most of Ekopak personnel are not subject to contractual confidentiality with respect to the know-how they gather at Ekopak and the intellectual property transfer clauses they in some cases are bound by, may not be enforceable (see also Risk Factor 2.2.1 "*Ekopak might fail to retain existing key management, R&D and/or engineering personnel and/or might fail to attract and train new highly qualified personnel, which could have a material adverse effect on Ekopak's business*" of this Prospectus). In relation to its one-off projects (and to a much lesser extent, its WaaS projects), Ekopak furthermore discloses relevant know-how to its clients for them to be able to maintain and operate the installation.

As such, there is a risk that (former) clients and, by extension, competitors will be able to copy or reverse engineer (the functioning of) the water purification solutions of Ekopak.

Taking into account the fact that (i) water purification installations as such do not form part of the business focus of Ekopak's clients and (ii) Ekopak's water purification solutions are heavily client-, project- and inflow-water-specific, which limits the relevance of reverse-engineering by clients or competitors, Ekopak believes the probability of occurrence of reverse engineering is low, and if materialized, that the potential negative impact of this risk would be high.

**2.3.2 EKOPAK IS DEPENDENT ON THE CONTINUOUS AND RELIABLE OPERATION OF ITS INFORMATION TECHNOLOGY SYSTEMS, AND A DISRUPTION OF, OR DATA BREACHES IN RELATION TO, THESE SYSTEMS COULD MATERIALLY ADVERSELY AFFECT EKOPAK'S BUSINESS.**

Ekopak relies on various information technology systems to capture, process, store and report operational data in connection with the products, services and solutions that it provides to its clients. These data are important to Ekopak, as it enables it to learn continuously from the ongoing water treatment in its installations in the field and allows to provide clients the necessary maintenance and operating services at the right time, instead of having to implement remedial actions after a failure in the installation has occurred.

A loss of these systems, major problems with the operation of these systems, security data breaches of these systems, the failure to properly implement these systems, including in water purification installations, or the failure to identify market trends and continuously update information technology systems could materially adversely affect Ekopak's (and its clients') operations and give lead to reputational and financial damage as a consequence.

The software and hardware necessary to monitor and operate water purification installations is installed at the clients' premises (and is thus subject to events, such as outages, that occur at the premises of the clients), while the monitoring and operation data is stored in the cloud, which might be more prone to hacking than an on-premise server.

Specifically, Ekopak's information technology systems, at its own premises for the operation of its business or at the client's premises for the monitoring of the installation, may be vulnerable to damage or interruption from, among other things computer systems, internet, telecommunications or data network failures. In addition, hardware, software or applications that Ekopak develops or procures from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

All such incidents may result in the loss or compromise of operational data, disruption of normal activities (including with respect to the monitoring, maintenance and operation of water purification installations), disruption of contractual information reporting to clients, disruption of data analytics and electronic monitoring and control of operational systems, and in particular the maintenance, operation and monitoring of water purification installations.

Possible impacts associated with a cybersecurity incident may include remediation costs related to lost, stolen, or compromised data, repairs to infrastructure, physical systems or data processing systems, increased cybersecurity protection costs, adverse effects on Ekopak's compliance with contractually stipulated performance guarantees or Ekopak's (or its clients) compliance with regulatory and environmental laws and regulations, including standards for drinking water, environmental liabilities, litigation and reputational damage. Any theft, loss and/or fraudulent use of client, employee or proprietary data as a result of a cyber-attack could moreover subject Ekopak to significant litigation, liability and costs, as well as adversely impact Ekopak's reputation with clients and regulators, among others. Unauthorized parties may also attempt to gain access to Ekopak's systems, facilities or water purification installations, and to Ekopak's proprietary business information. A significant data security

breach may result in costly government enforcement actions, private litigation and negative publicity resulting in reputation or brand damage with clients.

Mid-January 2021, mailboxes of six Ekopak employees were hacked, after employees filled in login credentials on a fake website. The attack was limited to the mailboxes themselves and did not yield access to any other IT systems of Ekopak. The attack entailed the sending out of false invoices. To the knowledge of Ekopak and after having contacted the external parties that would have received these false invoices, it is concluded there was no financial damage to Ekopak nor to these external parties. The threat was detected swiftly, and enhanced mailbox control procedures were put in place pursuant to this event.

Ekopak believes that the probability of (re-)occurrence of this risk is low, and if materialized, that the potential negative impact of this risk on its revenue would be medium.

## **2.4 RISKS RELATED TO EKOPAK'S FINANCIAL SITUATION**

**2.4.1 *IN THE OPINION OF THE COMPANY, IT CURRENTLY DOES NOT HAVE SUFFICIENT WORKING CAPITAL FOR ITS PRESENT REQUIREMENTS, THAT IS FOR AT LEAST THE NEXT 12 MONTHS FOLLOWING THE DATE OF THIS PROSPECTUS. WHILE IN THE OPINION OF THE COMPANY, FOLLOWING THE PRIVATE PLACEMENT, IT WILL HAVE SUFFICIENT WORKING CAPITAL TO DO SO, EKOPAK MAY, IN THE FUTURE, REQUIRE ADDITIONAL FINANCING IN ORDER TO EXECUTE ITS BUSINESS PLAN AND FUND ITS OPERATIONS, WHICH MAY NOT BE AVAILABLE ON REASONABLE TERMS OR AT ALL.***

In the opinion of the Company, it currently does (on a consolidated basis) not have sufficient working capital to meet its present requirements and to cover its working capital needs for a period of at least the next 12 months following the date of this Prospectus. Based on the working capital assessment set forth elsewhere in this Prospectus and the related assumptions set forth therein, the Company expects that it, absent the Private Placement, will have a shortfall of EUR 0.7 million by the end of May 2021 and a maximum shortfall over the 12 month period following the date of this Prospectus of EUR 0.7 million. See Section 6.3 "*Working Capital Statement*" of this Prospectus.

The Company is undertaking the Private Placement primarily in order to acquire additional equity capital to support the growth of its WaaS business, support working capital requirements for its non-WaaS business, to fund targeted acquisitions and for general corporate purposes. Through the issue of New Shares pursuant to the Private Placement, Ekopak targets to raise maximum gross proceeds of EUR 50 million and has set EUR 30 million as the minimum for such gross proceeds (below which minimum the Transaction will not be completed). See Section 6.5 "*Reasons for the Transaction and use of proceeds*" of this Prospectus for more information on the use of proceeds of the Transaction.

Taking into account the minimum gross proceeds for the Company pursuant to the issue of New Shares of EUR 30 million (below which minimum the Transaction will not be completed) and the resulting expected net proceeds that would accrue to the Company, the Company believes that such net proceeds from the Private Placement, together with its available cash and cash equivalents, committed straight loans, and sale and lease-back capacity under the sale and lease-back framework agreement with KBC Bank will, in the event the Private Placement is completed, provide sufficient

working capital to meet its present requirements and working capital needs for a period of more than 12 months following the date of this Prospectus.

Although the expected net proceeds for the Company assuming the minimum gross proceeds for the Company pursuant to the issue of New Shares of EUR 30 million, together with the Company's existing cash resources and available debt financing (including sale and lease-back capacity under the under the KBC Framework Agreement), are expected to be sufficient to allow the Company to finance its full identified WaaS project pipeline at the date of this Prospectus, additional debt financing will be necessary to achieve the Company's mid-term objectives for the WaaS business. The Company expects that between EUR 80 million and EUR 120 million of capital expenditures will be required to build the installations necessary to generate the WaaS revenue it has set as a mid-term objective. Assuming that sufficient debt financing can be obtained to finance WaaS projects on a 3:1 debt to equity basis, the Company expects the net proceeds of the Transaction to be sufficient to meet the equity requirements necessary to finance that amount (see Section 6.5 "*Reasons for the Transaction and use of proceeds*" of this Prospectus). However, the net proceeds raised from the Transaction, taken alone, would not be sufficient to achieve the Company's mid-term objectives for growth of the WaaS business, and if the necessary debt financing on 3:1 debt to equity terms is not available on acceptable terms, Ekopak is unlikely to meet its mid-term WaaS objectives. (see Risk Factor 2.4.2 "*Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or future WaaS project, and may, in general, not be able to secure the debt financing necessary to support its growth objectives for the WaaS business*" elsewhere in this Prospectus).

Ekopak believes that the probability that it will lack sufficient working capital to finance its operations and execute its business plan if the Transaction is completed (i.e., if the gross proceeds for the Company pursuant to the issue of New Shares at least amounts to EUR 30 million) is medium, and if materialized, that the potential negative impact of this risk would be high.

**2.4.2 EKOPAK HAS NOT YET ENTERED INTO ANY DEFINITIVE FINANCING AGREEMENTS IN RELATION TO A SPECIFIC CURRENT WAAS PROJECT UNDER CONSTRUCTION OR FUTURE WAAS PROJECT, AND MAY, IN GENERAL, NOT BE ABLE TO SECURE THE DEBT FINANCING NECESSARY TO SUPPORT ITS GROWTH OBJECTIVES FOR THE WAAS BUSINESS**

Ekopak expects to finance the construction of its WaaS projects through equity and debt financing, targeting a 3.0x debt/equity ratio for its WaaS segment. Given that the building of installations is capital intensive, the pace with which Ekopak can expand its WaaS offering will depend on Ekopak securing debt financing on favourable terms.

In the context of its signed WaaS pipeline, i.e., the construction of its three WaaS project currently under construction (see Section 8.7.3.4 "*WaaS Agreements*" of this Prospectus), Ekopak aims to use sale and lease-back agreements with recourse on the installation and the underlying contract in order to recover the expenditures made for the construction of these installations. When debt financing is sought in the form of sale and lease-back agreements with a financial institution, the sale and lease-back of the installation typically occurs only when the installation begins operation and the necessary risk screening of the underlying client has been successfully completed. Hence, Ekopak needs to finance the construction on its own, without any debt financing, which can put pressure on Ekopak's

financial resources, especially if the construction costs prove to be higher than anticipated. If, moreover, Ekopak is ultimately unable to enter into a sale and lease-back agreement at the moment of commissioning of the installation, the pressure on Ekopak's financial resources could limit its future ability to engage new projects (including WaaS projects) and could hence have a negative impact on Ekopak's future revenue development and projected growth of its WaaS business model.

On 25 February 2021, Ekopak entered into a framework sale and lease-back agreement with KBC Bank NV with a duration of 364 days, to finance WaaS projects for a total amount of EUR 5 million. However, this framework agreement with KBC Bank NV:

- only provides for a general framework for the sale and lease-back agreements, meaning that additional terms could, pursuant to further negotiations, be incorporated in the individual sale and lease-back agreements entered into under the framework agreement;
- can be terminated by either party with immediate effect and without statement of reasons; and
- because it is capped at EUR 5 million, is not sufficient to cover the full EUR 6.5 million of capital expenditures for the three signed WaaS contracts (i.e., the three not yet operational WaaS project) in Ekopak's identified project pipeline.

Because of the above, this framework agreement does thus not secure sale and lease-back availability for the actual and future pipeline of Ekopak on a permanent basis, and Ekopak will need to secure additional financing for its project pipeline. Moreover, taking into account the fact that a sale and lease back cannot be executed until the installation is commissioned, Ekopak, at the date of this Prospectus, has not yet sold a WaaS installation for the currently signed pipeline to a financial institution under a sale and lease-back agreement pursuant to the framework agreement. While KBC Bank has confirmed that two of the WaaS projects currently under construction will, subject to satisfaction of the limited remaining conditions precedent set forth in the framework agreement, be able to be financed under the framework agreement, (see Section 8.7.3.5 sub (A) "*Sale and lease-back framework agreement with KBC Bank NV*" of this Prospectus for more information thereon), after the sale of those installations, only part of the EUR 5 million of financing will remain available under the framework agreement to finance additional projects. No other sale and lease-back or project financing has yet been obtained for the third project in the signed WaaS pipeline and no specific debt financing has been secured for any of the contracts that are under close negotiation<sup>6</sup>.

See Section 8.7.3.5 "*WaaS - Financing*" of this Prospectus for more information on the framework agreement with KBC Bank and the ongoing negotiations with other financial institutions.

While the expected net proceeds from the Transaction (assuming gross proceeds for the Company pursuant to the issue of New Shares of at least EUR 30 million) will exceed the total capital expenditures required to build the Company's identified WaaS project pipeline, if no debt financing can be secured (i) the funds available to support capital expenditures for WaaS projects would be reduced, which could slow or impede the growth of the Company' WaaS business and/or (ii) Ekopak will have to

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<sup>6</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

seek alternative financial resources and might have to turn to its shareholders to provide the necessary equity funding or to scale back the growth of its WaaS pipeline, which could lead to a reduced return on equity versus what was originally planned. Moreover, if Ekopak signs agreements to build future WaaS projects, but is afterwards unable to secure the necessary debt financing in order to finance those engaged projects, its available cash may not be sufficient to cover the required capital expenditures, which could give rise to loss of revenue, potential liability and reputational damage.

In addition, the current financing agreements entered into by Ekopak, contain covenants that require Ekopak to maintain specified solvency ratios as well as negative pledge covenants, which could make it more difficult to obtain additional debt financing. Reference is made to “*Covenants and conditions*” in Sections 9.5.1 “*Sources of Funding*” and 9.10.1 “*Facility Agreements*” of this Prospectus for more information thereon. Any financing obtained by Ekopak in the future could also involve additional covenants, which may further restrict Ekopak’s financial and operational flexibility. As such, this could subsequently make it more difficult for Ekopak to obtain additional debt, engage any new projects and to pursue business opportunities.

In general, Ekopak might not be able to obtain adequate equity or debt financing in a timely manner, on terms satisfactory to it, or at all, in which case Ekopak’s ability to grow or support its business and to respond to business challenges or opportunities could be significantly limited.

Ekopak believes that, taking into account the current status of its financing as set forth in more detail in Section 8.7.3.5 “*WaaS - Financing*” of this Prospectus, the probability that it will be unable to secure the necessary (i) sale and lease-back agreements with financial institutions in order to recover its pre-financed expenditures for the construction of its three signed WaaS projects in its identified project pipeline is low and (ii) financing to construct the WaaS projects in its future pipeline (which includes the WaaS projects in close negotiation<sup>7</sup> in its identified project pipeline) is medium, and if materialized, that the potential negative impact of this risk would in any case be high.

## **2.5 LEGAL AND REGULATORY RISKS**

### **2.5.1 EKOPAK’S OPERATIONS ARE SUBJECT TO STRINGENT ENVIRONMENTAL, HEALTH AND SAFETY LAWS AND REGULATIONS, WHICH COULD EXPOSE IT TO ENVIRONMENTAL LIABILITY AND SIGNIFICANT INCREASED COMPLIANCE COSTS AND LITIGATION**

The chemicals Ekopak uses in its water purification processes are required to be treated, disposed of or handled in accordance with stringent standards and procedures contained in current environmental, health and safety laws and regulations. Such laws and regulations may require Ekopak to undertake significant changes in its use of water purification chemicals or processes in the future and could adversely affect Ekopak’s ability to sell its water purification chemicals and/or use them in its water purification processes, and affect the demand for its water purification solutions, its cost structure and, the quality of its water purification chemicals and processes.

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<sup>7</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

The Regulation No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (**REACH**) provides a restriction process to regulate the manufacture, placing on the market or use of certain substances, if they pose an unacceptable risk to health or the environment. As Ekopak buys white-labelled end-product chemicals from third parties within the European Union and applies its own brand (see also Section 8.7.4.1 “*Provision of Chemicals*” of this Prospectus), the Company qualifies as a “distributor” within the meaning of REACH. If Ekopak would fail to comply with REACH, it may be denied market access for certain chemicals due to various restrictions or authorisation measures imposed by REACH in the European Union or similar legislation elsewhere in the world.

In particular, depending on the interpretation of the relevant regulations, there is a risk that Ekopak may, within the meaning of applicable environmental regulations, be considered the “operator” (“*exploitant*”) of water purification installations for which it provides operation and maintenance services, even if it does not own these installations. If Ekopak qualifies as the “operator” of the water purification installations under applicable environmental regulations in connection with its maintenance and operation of such installations, it may be subject to greater than expected obligations under the applicable regulations and any non-compliance with such regulations, insofar as they apply to Ekopak, could lead to higher potential environmental liability for Ekopak. In that case, Ekopak could also incur significant costs or reputational damage in connection therewith. (see also Risk Factor 2.1.3 “*Ekopak may incur substantial liabilities pursuant to the malfunctioning of its water purification installations, which could materially adversely affect Ekopak’s reputation, earnings, margins and ability to obtain future business.*”).

There is a risk that the present or future operations of Ekopak do not or will not meet environmental, health or safety laws and regulations. In the case of non-compliance of such laws and regulations, Ekopak may incur environmental liabilities, criminal, administrative or other fines, penalties or sanctions, be required to curtail or cease operations, or be subject to significantly increased compliance costs or significant costs for rehabilitation or rectification works. In addition, environmental regulation is generally becoming more onerous and stringent, hence Ekopak will need to continuously adapt in order to operate in line with the most recent regulations.

Ekopak believes that the probability of occurrence of this risk is low and if materialized, that the potential negative impact would be high.

## 2.6 RISKS RELATED TO THE SHARES

### 2.6.1 ***GIVEN THAT (I) FOLLOWING CLOSING OF THE TRANSACTION, A LARGE NUMBER OF THE ISSUER'S SHARES ARE EXPECTED TO BE HELD BY A LIMITED NUMBER OF SHAREHOLDERS AND (II) ALL OF THE ISSUER'S EXISTING SHAREHOLDERS ARE EXPECTED TO BE SUBJECT TO CUSTOMARY LOCK-UP ARRANGEMENTS, THE LIMITED FREE FLOAT OF THE SHARES FOLLOWING THE LISTING MAY HAVE A NEGATIVE IMPACT ON THE LIQUIDITY AND MARKET PRICE OF THE SHARES AND FUTURE SALES OF SUBSTANTIAL AMOUNTS OF SHARES, OR THE PERCEPTION THAT SUCH SALES MAY OCCUR, COULD ADVERSELY AFFECT THE MARKET VALUE OF THE SHARES.***

Following the closing of the Transaction, a large number of Shares are expected to be held by a relatively limited number of shareholders (see also Risk Factor 2.6.5 “*After closing of the Transaction, certain significant shareholders of the Issuer may have different interests from the Issuer and/or from the minority shareholders and may be able to control the Issuer, including the outcome of shareholder votes.*” and Section 11 “*Significant Shareholders*” of this Prospectus).

Furthermore, Pilovan BV and Alychlo, who hold all of the 10,780,000 existing Shares in the Issuer at the date of this Prospectus (the **Existing Shareholders**) are expected to agree in the Underwriting Agreement to a lock-up arrangement with respect to their Shares and other rights or securities issued by the Issuer for a period of twelve months after the Closing Date (in the case of Pilovan BV) or six months (in the case of Alychlo), subject to certain exceptions, as described in Section 16.3 “*Lock-up*” of this Prospectus. Pursuant to these lock-up arrangements, on the Closing Date, all securities in the Issuer held by the Existing Shareholders, will be subject to a lock-up restriction. In addition, Regine Slagmulder BV (independent director of the Issuer, permanently represented by Ms. Regine Slagmulder) and Mr. Ben Jansen (non-executive director of the Issuer) have indicated their interest to participate in the Private Placement for an amount of EUR 200,000, and EUR 100,000, respectively. In case Regine Slagmulder BV and/or Mr. Ben Jansen would be allocated Shares in the Private Placement, such Shares would also be subject to a lock-up under the same terms as those agreed upon by Alychlo NV for its Shares, as set forth in Section 16.3 “*Lock-up*” of this Prospectus.

Assuming (i) the placement of the maximum number of Offer Shares (i.e., including the exercise in full of the Increase Option) (ii) that the Placement Price is at the lower end of the Price Range, i.e., EUR 14.00, (iii) the exercise in full by the Stabilization Manager of the Over-allotment Option, then after the closing of the Transaction, 69.76% of all of the Issuer's then outstanding Shares will be subject to the lock-up arrangements at the Closing Date. If the gross proceeds for the Company pursuant to the issue of New Shares were only EUR 30 million (the minimum size below which the Transaction will not be completed), and assuming the Placement Price is at the lower end of the Price Range, 83.42% of all of the Issuer's then outstanding Shares will be subject to the lock-up arrangements at the Closing Date. Furthermore, assuming the same as above and that Regine Slagmulder BV and Mr. Ben Jansen would be fully allocated the number Shares that corresponds with their indicated interest to participate in the Private Placement for an amount of EUR 200,000, respectively EUR 100,000, an additional number of 21,428 Shares would be subject to lock-up arrangements at Closing Date, leading to 69.90% of all of the Issuer's outstanding Shares at Closing Date being subject to lock-up arrangements, or 83.58% if the Transaction would be completed for its minimum size of EUR 30 million. A limited free float may have a negative impact on the liquidity of the Shares and result in a low trading volume of the Shares, which could have an adverse effect on then

prevailing market price of the Shares and could result in increased volatility of the market price for the Shares and make it difficult to sell the Shares (see also Risk Factor 2.7.1 “*There has been no prior public market for the Shares and an active market for the Shares may not develop, which may cause the Shares to trade at a discount to the Placement Price and make it difficult to sell the Shares.*” of this Prospectus).

Following the expiration of aforementioned lock-up arrangements or upon waiver thereof by the Sole Global Coordinator, future sales of a significant number of Shares by the Existing Shareholders, or the perception that such sales could occur, may, in particular taking into account a limited free float, adversely affect the market price of the Shares. In addition, such sales could make it more difficult for the Issuer itself to issue new Shares or to sell existing treasury Shares at a time and a price that it deems appropriate. Ekopak cannot make any predictions as to future sales of the Shares in any amount or the perception that any such sales could have on the market price of the Shares.

The Issuer believes that the probability of this risk is high, and if materialized, that the potential negative impact on the Issuer’s Share price would be medium, although depending on the market circumstances at that time, the impact could also be high.

**2.6.2 IF SECURITIES OR INDUSTRY ANALYSTS DO NOT PUBLISH RESEARCH REPORTS ABOUT EKOPAK, OR IF THEY CHANGE THEIR RECOMMENDATIONS REGARDING THE SHARES IN AN ADVERSE WAY, THE MARKET PRICE OF THE SHARES MAY FALL AND THE TRADING VOLUME MAY DECLINE.**

The trading market for the Shares may be influenced by the research reports that industry or securities analysts publish about Ekopak or its industry.

The fact that fewer analyst reports are being published because of their expensive nature pursuant to MiFID II, combined with the fact that Ekopak will be a recently listed, relatively young and small company active in an industry that is, at least in Europe and at the date of this Prospectus, not well covered by analysts, and therefore likely low on the shortlist of analysts, the analyst coverage of Ekopak will be very limited. Therefore, if one or more of the analysts who cover Ekopak or its industry, downgrades its recommendation, the market price of the Shares may fall, or if one or more of the analysts ceases to cover Ekopak or fails to publish research reports about Ekopak on a regular basis, Ekopak may be confronted with a significant loss of visibility in the financial markets, which in turn could cause the market price of the Shares or trading volume to decline.

This decline could be exacerbated due to the Issuer’s limited market capitalization.

The Issuer believes that the probability that an analyst could at some point downgrade its recommendation or cease to cover Ekopak is medium, and if materialized, that the potential negative impact on the Issuer’s Share price would be medium.

**2.6.3 THE MARKET PRICE OF THE SHARES MAY FLUCTUATE WIDELY IN RESPONSE TO VARIOUS FACTORS. INVESTORS MAY NOT BE ABLE TO RESELL THEIR SHARES AT OR ABOVE THE PLACEMENT PRICE AND MAY LOSE ALL OR PART OF THEIR INVESTMENT.**

Following the bookbuilding, the Placement Price will be determined by negotiations between the Issuer and representatives of the Sole Global Coordinator and may not be indicative of prices that will

prevail in the trading market following the closing of the Transaction. The price of the Shares may decline following the closing of the Transaction. Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the results of operations or the financial condition of the companies that have issued them.

In addition, the market price of the Shares may prove to be highly volatile and may fluctuate significantly, including due to the materialization of the risks set forth in this Section 2 “*Risk Factors*” of this Prospectus, including in particular:

- Risk Factor 2.1.1 “*Ekopak is shifting its focus from a “one-off” project business to a recurring WaaS business, which is in its early stage of roll-out and relatively untested, potentially making the shift unsuccessful.*”;
- Risk Factor 2.1.2 “*Ekopak faces competition from both established and new companies with similar strategies or similar offerings of products and services, which could make it difficult for Ekopak to maintain its current or expected margins or sustain its revenue growth.*”;
- Risk Factor 2.1.3 “*Ekopak may incur substantial liabilities pursuant to the malfunctioning of its water purification installations, which could materially adversely affect Ekopak’s reputation, earnings, margins and ability to obtain future business.*”;
- Risk Factor 2.2.1 “*Ekopak might fail to retain existing key management, R&D and/or engineering personnel and/or might fail to attract and train new highly qualified personnel, which could have a material adverse effect on Ekopak’s business*”;
- 2.1.4 “*Growth in Ekopak’s WaaS business may due to the long-term nature of contracts under the WaaS model, increase its exposure to client credit risk.*”; and
- Risk Factor 2.6.1 “*Given that (i) following closing of the Transaction, a large number of the Issuer’s Shares are expected to be held by a limited number of shareholders and (ii) all of the Issuer’s Existing Shareholders are expected to be subject to customary lock-up arrangements, the limited free float of the Shares following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amounts of Shares, or the perception that such sales may occur, could adversely affect the market value of the Shares.*”

The market price of the Shares may be adversely affected by these preceding or other factors regardless of Ekopak’s actual financial condition and results of operations.

Taking into account the current market conditions and the increased volatility in the financial markets due to COVID-19 and the measures taken in that respect, the Issuer believes that the potential negative impact of this this risk would be medium.

**2.6.4 THE ISSUER HAS NO FIXED DIVIDEND POLICY AND WILL PROBABLY NOT BE IN A CAPACITY TO PAY DIVIDENDS FOR THE FORESEEABLE FUTURE.**

Given the recent change in business model, the Issuer does not anticipate paying dividends to its Shareholders in the foreseeable future, as it is the strategy of the Issuer to use as much cash as possible to foster the organic growth of its WaaS business model (i.e., the shift in focus on the WaaS model, see also Risk Factor Factor 2.1.1 “*Ekopak is shifting its focus from a “one-off” project business to a recurring WaaS business, which is in its early stage of roll-out and relatively untested, potentially making the shift unsuccessful.*” and Section 8 “*Business*” of this Prospectus), and thus expects to retain all earnings, if any, generated by its operations for the development and growth of its business. Belgian law and the Issuer’s Articles of Association do not require the Issuer to declare dividends. See also Section 6.6.1 “*Dividends*” of this Prospectus.

In the future, the Issuer’s dividend policy will be determined and may change from time to time by determination of the Issuer’s Board of Directors. Any declaration of dividends will be based upon the Issuer’s earnings, financial condition, capital requirements and other factors considered important by the Board of Directors. Moreover, the need to satisfy financial covenants under its then existing indebtedness could put limitations on Ekopak’s ability to pay dividends in a given period.

There will be no distributable reserves (except for the issue premiums) nor will there be a legal reserve, as of the closing of the Transaction.

See also Section 6.6.1 “*Dividends*” and 6.6.2 “*Dividend Policy*” of this Prospectus.

As a consequence of all of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future nor, if they are paid, as to their amount.

The Issuer believes that the probability that it will not distribute dividends in the foreseeable future is high, it believes that the potential negative impact of this risk would be low.

**2.6.5 AFTER CLOSING OF THE TRANSACTION, CERTAIN SIGNIFICANT SHAREHOLDERS OF THE ISSUER MAY HAVE DIFFERENT INTERESTS FROM THE ISSUER AND/OR FROM THE MINORITY SHAREHOLDERS AND MAY BE ABLE TO CONTROL THE ISSUER, INCLUDING THE OUTCOME OF SHAREHOLDER VOTES.**

Following the closing of the Transaction, assuming all of the New Shares initially offered in the Private Placement are sold, that the Increase Option as well as the Over-allotment Option are exercised in full and the Placement Price is at the lower end of the Price Range (i.e., EUR 14.00), Pilovan BV and Alychlo NV will hold shares representing 34.39%, respectively 35.37% of Ekopak’s voting rights, and will each have two representatives on the Company’s seven-person Board of Directors. (see also Risk Factor 2.6.1 “*Given that (i) following closing of the Transaction, a large number of the Issuer’s Shares are expected to be held by a limited number of shareholders and (ii) all of the Issuer’s Existing Shareholders are expected to be subject to customary lock-up arrangements, the limited free float of the Shares following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amounts of Shares, or the perception that such sales may occur, could adversely affect the market value of the Shares.*” and Section 11 “*Significant Shareholders*” of this Prospectus).

As of the date of this Prospectus, the Issuer is not aware of shareholders having entered into or considering to enter into a shareholders' agreement or agreeing to act in concert following the closing of the Transaction. Nevertheless, Pilovan BV and Alychlo NV will each have significant influence over the composition of Ekopak's board of directors. In this respect, the Issuer's Articles of Association, which were adopted by the General Shareholders' Meeting of 17 March 2021 and which will enter into force subject to the completion of the Transaction and, except as otherwise indicated, with effect as from the Listing Date, provide that, Pilovan BV and Alychlo NV will each have a binding proposal right for the nomination of (i) two Directors as long as they individually hold at least 20% of the Shares or (ii) one Director as long as they individually hold less than 20% of the Shares but at least 10% of the Shares – See Section 10.2.1 "*General*" for more detailed information). After the Transaction, and as long as they each individually hold at least 20% of the Shares, Pilovan BV and Alychlo NV, taken together, will thus have the ability to appoint a majority of the members of the Board of Directors even if they together hold less than a majority of Ekopak's voting rights. Depending on how broadly the Issuer's other Shares are held, they collectively could have sufficient voting rights to take certain other shareholders' decisions that require at least 50%, 66.67%, 75% or 80% of the votes of the shareholders that are present or represented at General Shareholders' Meetings where such items are submitted to voting by the shareholders. Alternatively, to the extent that these shareholders have insufficient votes to impose certain shareholders' decisions, they could still have the ability to block proposed shareholders' resolutions that require at least 50%, 66.67%, 75% or 80% of the votes of the shareholders that are present or represented at general shareholders' meetings where such decisions are submitted to voting by the shareholders. Any such voting by such significant shareholders may not be in accordance with the interests of the Issuer or the minority shareholders of the Issuer.

Following closing of the Transaction, the following members of the Board of Directors and/or the Executive Management will also be shareholders or represent shareholders:

- Mr. Pieter Bourgeois (acting through Crescemus BV) and Mr. Ben Jansen (acting through BVJS BV), both non-executive directors of the Issuer, appointed as such pursuant to the binding proposal right of Alychlo NV; and
- Mr. Pieter Loose (acting through Pilovan BV) and Mr. Tim De Maet, both executive directors of the Issuer, have been appointed as such pursuant to the binding proposal right of Pilovan BV.

Based on the identity and intentions of the Issuer's current significant shareholders, the Issuer believes that the probability that the interests of such shareholders will differ materially from those of minority shareholders is low, and if materialized, the Issuer believes the negative impact of this risk would be low.

## **2.7 RISKS RELATED TO THE TRANSACTION**

### **2.7.1 *THERE HAS BEEN NO PRIOR PUBLIC MARKET FOR THE SHARES AND AN ACTIVE MARKET FOR THE SHARES MAY NOT DEVELOP, WHICH MAY CAUSE THE SHARES TO TRADE AT A DISCOUNT TO THE PLACEMENT PRICE AND MAKE IT DIFFICULT TO SELL THE SHARES.***

Prior to the Transaction, there has been no public trading market for the Shares. No assurance can be given that an active trading market for the Shares will develop or, if developed, that an active trading market can be sustained or that there will be sufficient liquidity following the closing of the Transaction.

There can be no assurance that the Placement Price will correspond to the market price of the Shares following the Transaction or that the price of the Shares available in the public market will reflect Ekopak's actual financial performance.

If an active trading market is not developed or maintained, the liquidity (which is also impacted by (i) the amount of Shares that are effectively admitted to trading pursuant to the Transaction, and (ii) the fact that the Issuer will, following the Transaction, most likely have a limited number of shareholders, see Risk Factor 2.6.1 "*Given that (i) following closing of the Transaction, a large number of the Issuer's Shares are expected to be held by a limited number of shareholders and (ii) all of the Issuer's Existing Shareholders are expected to be subject to customary lock-up arrangements, the limited free float of the Shares following the Listing may have a negative impact on the liquidity and market price of the Shares and future sales of substantial amounts of Shares, or the perception that such sales may occur, could adversely affect the market value of the Shares.*") and trading price of the Shares could be adversely affected.

Ekopak would consider this risk to be medium.

**2.7.2 THE SHARES WILL BE LISTED AND TRADED ON THE REGULATED MARKET OF EURONEXT BRUSSELS ON AN "IF-AND-WHEN-ISSUED-AND/OR-DELIVERED" BASIS FROM THE LISTING DATE UNTIL THE CLOSING DATE. EURONEXT BRUSSELS MAY ANNUL ALL TRANSACTIONS EFFECTED IN THE SHARES IF THEY ARE NOT ISSUED AND DELIVERED ON THE CLOSING DATE.**

From the Listing Date until the Closing Date, the Shares will be listed and traded on the regulated market of Euronext Brussels on an "if-and-when-issued-and/or-delivered" basis, meaning that trading of the Shares will begin prior to the closing of the Transaction. The Closing Date is expected to occur on the first Euronext Brussels trading day following the Listing Date.

Furthermore, the Issuer reserves the right to withdraw its application for the Listing in case the Private Placement Period is suspended, and will also withdraw its application for the Listing in case the Private Placement is withdrawn (see Section 15.4.5 "*Suspension of the Private Placement and withdrawal of the Private Placement*" of this Prospectus).

Investors that wish to enter into transactions in the Shares prior to the Closing Date, whether such transactions are effected on the regulated market of Euronext Brussels or otherwise, should be aware that the closing of the Transaction may not take place on the expected date, or at all, if certain conditions or events referred to in the Underwriting Agreement (as defined below) are not satisfied or waived or do not occur on or prior to such date (see Section 16.1 "*Underwriting*" of this Prospectus for more information in this respect). Euronext Brussels may annul all transactions effected in the Shares if they are not issued and delivered on the Closing Date. Euronext Brussels cannot be held liable for any damage arising from the listing and trading on an "if-and-when-issued-and/or-delivered" basis as of the Listing Date until the Closing Date.

Ekopak believes that the likelihood of this risk is low.

### **3       DISCLAIMERS AND NOTICES**

This Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the Placement Shares. It contains selected and summarized information, does not express any commitment or acknowledgement or waiver, and does not create any right, express or implied, towards anyone other than a potential investor. Investors must assess, with their own advisers if necessary, whether the Placement Shares are a suitable investment for them, considering their personal income and financial situation. In the event of any doubt about the risk involved in investing in the Placement Shares, investors should abstain from investing in the Placement Shares.

In making an investment decision, investors must rely on their own assessment, examination, analysis and enquiry of the Issuer, the terms of the Transaction and the contents of this Prospectus, including the merits and risks involved. Any purchase of Shares should be based on the assessments that an investor may deem necessary, including the legal basis and consequences of the Transaction, and including possible tax consequences that may apply, before deciding whether or not to invest in the Shares. In addition to their own assessment of the Issuer and the terms of the Transaction, investors should rely only on the information contained in this Prospectus, including the risk factors described herein.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in this Prospectus may under no circumstances be interpreted as a basis for credit or other evaluation, or as investment, legal or tax advice for prospective investors. Prospective investors are urged to consult their own financial adviser, accountant or other advisers concerning the legal, tax, economic, financial and other aspects associated with the trading or investment in the Shares.

Investors must also acknowledge that they have (i) not relied on the Underwriter or any person affiliated with the Underwriters in connection with any investigation of the information contained in this Prospectus or their investment decision, and (ii) they have relied only on the information contained in this Prospectus, and that no person has been authorized to give any information or to make any representation concerning the Issuer or its subsidiary or the Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, any of the Existing Shareholders, or the Underwriters.

None of the Issuer, the any of the Existing Shareholders or the Underwriters, or any of their respective representatives, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

No person has been authorized to give any information or to make any representation in connection with the Transaction other than those contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized. Without prejudice to the Issuer's obligation to publish supplements to this Prospectus when legally required (as described below), neither the delivery of this Prospectus nor any sale made at any time after the date mentioned

on the cover of this Prospectus shall, under any circumstances, create any implication that there has been no change in the Issuer's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

In connection with the Transaction, the Underwriters act exclusively for the Issuer and/or any of the Existing Shareholders, and for no one else. The Underwriters will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Transaction and will not be responsible to anyone other than the Issuer and/or any of the Existing Shareholders for providing the protections afforded to their respective clients nor for giving advice in relation to the Transaction or any transaction or arrangement referred to herein.

Neither the Transaction nor an investment in the Placement Shares are recommended by any competent federal, regional or local authority in the field of financial instruments, nor by any supervisory authority in Belgium or abroad. Investors are solely responsible for the analysis and assessment of the benefits and risks associated with subscribing for the Placement Shares.

Certain shareholders of the Issuer who do not reside in Belgium may be restricted in their ability to exercise their statutory subscription rights. Reference is made to Section 13.5.4.3 "*Statutory preferential subscription right*" of this Prospectus for more information in this respect.

## 4 RESTRICTION ON THE TRANSACTION AND THE DISTRIBUTION OF THIS PROSPECTUS

Persons into whose possession this Prospectus comes are required to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Placement Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither the Issuer, the Selling Shareholder nor the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Placement Shares, of any such restrictions.

### 4.1 GENERAL

The distribution of this Prospectus and the Private Placement may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer to sell, or an invitation of an offer to purchase, any Placement Shares in any jurisdiction in which such offer or invitation would be unlawful. The Issuer, the Selling Shareholder and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. None of the Issuer, the Selling Shareholder or the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions. The Issuer, the Selling Shareholder and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Shares that the Issuer, the Selling Shareholder, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

### 4.2 INFORMATION ABOUT THE PRIVATE PLACEMENT

The Private Placement will take place in a number of countries outside the United States in so called “offshore transactions” in reliance on Regulation S under the US Securities Act of 1933, as amended (**Regulation S** and the **Securities Act**), namely:

- (i) in the European Economic Area (**EEA**) by way of a private placement addressed to (a) “qualified investors” within the meaning of Article 2(e) of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the **Prospectus Regulation**) on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(a) of the Prospectus Regulation and (b) certain investors that are willing to subscribe for a minimum of EUR 100,000 of Shares in the Private Placement at the Placement Price on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(d) of the Prospectus Regulation (all such persons together referred to as the **EU Relevant Persons**);
- (ii) in the United Kingdom, by way of a private placement exclusively to (i) “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation as amended and transposed into the laws of the United Kingdom by virtue of the European Union (Withdrawal) Act of 2018

and the European Union (Withdrawal Agreement) Act 2020 (the **UK Prospectus Regulation**); (ii) who have professional experience in matters relating to investments falling within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**); (iii) that are “high net worth companies, unincorporated associations, etc.” falling within Article 49(2)(a) to (d) of the Order; and (iv) any other person to whom it may otherwise lawfully be communicated (all such persons together referred to as **UK Relevant Persons**);

(iii) in Switzerland by way of a private placement exclusively to investors that qualify as “professional clients” in accordance with Article 4, paragraph 3 and following of the Swiss Federal Act on Financial Services (“Finanzdienstleistungsgesetz”) of 15 June 2018, as amended (**FinSA**) (such persons referred to as **Professional Clients**).

All aforementioned EU Relevant Persons, UK Relevant Persons and Professional Clients, hereinafter collectively referred to as **Qualified Persons**.

#### **4.3 NOTICE TO INVESTORS IN THE MEMBER STATES OF THE EUROPEAN ECONOMIC AREA**

No offer of the Shares has been or will be made to the public in any Member State of the European Economic Area (each a **Member State**) unless an offering prospectus has been approved by the competent authority in such Member State or notified to the competent authority in such Member State in accordance with Article 24 and following of the Prospectus Regulation, and subsequently published in accordance with the Prospectus Regulation and national legislation of the relevant Member State.

For the purposes of this provision, the expression “offer to the public” means a communication to persons in any form and by any means, presenting sufficient information on the terms of an offering and the Shares, so as to enable an investor to decide to purchase or subscribe for those securities.

This Prospectus related to the Listing of all Shares and has been prepared on the basis that all offers of the Placement Shares in the Private Placement within the EEA, will be addressed to (a) “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(a) of the Prospectus Regulation, and (b) certain certain investors that are willing to subscribe for a minimum of EUR 100,000 of Shares in the Private Placement at the Placement Price, on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(d) of the Prospectus Regulation. Accordingly, any person making or intending to make any offer within the EEA of Shares which are the subject of the Private Placement or Listing contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Issuer, the Selling Shareholder or the Underwriters to produce a prospectus for such offer. Neither the Issuer, the Selling Shareholder nor the Underwriters authorize or have authorized the making of any offer of Shares through any financial intermediary, other than offers made by the Underwriters which constitute the final placement of the Placement Shares in the Private Placement.

Any person in a Member State who initially acquires any Placement Shares in the Private Placement or to whom any offer is made, will be deemed to have represented, acknowledged and agreed to and with the Issuer, the Selling Shareholder and the Underwriters, that:

- (i) it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation, unless the Underwriters make such offer in the Private Placement in accordance with the exception set forth in article 1.4 (d) of the Prospectus Regulation (as set forth above);
- (ii) in case any of the Placement Shares would be offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, (i) the Placement Shares acquired by it in the Private Placement have not been acquired on a non-discretionary basis on behalf of, nor have been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Placement Shares to the public other than their offer or resale in a Member State to Qualified Persons or in circumstances in which the prior consent of the Underwriters has been given to such proposed offer or resale;
- (iii) the Issuer, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and undertakes promptly to notify the Issuer, the Selling Shareholder and the Underwriters if, at any time prior to the purchase of the Placement Shares, any of the foregoing ceases to be true.

so that no such offer of Placement Shares shall result in a requirement for the Issuer, the Selling Shareholder or the Underwriters to publish a prospectus pursuant to Article 3(1) of the Prospectus Regulation or a supplement to the Prospectus pursuant to Article 23 of the Prospectus Regulation.

No consent has been given by the Issuer or the Selling Shareholder to the use of this Prospectus for the purpose of subsequent resale of the Shares or their final placement by financial intermediaries, other than offers made by the Underwriters which constitute the final placement of the Placement Shares in the Private Placement.

#### **4.4 NOTICE TO INVESTORS IN THE UNITED KINGDOM**

In the United Kingdom, any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with (i) “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation; (ii) persons who are investment professionals falling within article 19(5) of the Order; (iii) “high net worth companies, unincorporated associations, etc.” falling within article 49(2)(a) to (d) of the Order; or (iv) any other persons to whom such investment or investment activity may lawfully be made available (together, UK Relevant Persons). Persons in the United Kingdom who are not UK Relevant Persons should not take any action on the basis of this Prospectus and should not act or rely on it.

#### **4.5 NOTICE TO INVESTORS IN SWITZERLAND**

In Switzerland, this Prospectus, and any other information relating to it, is only addressed to investors that qualify as “professional clients” in accordance with Article 4, paragraph 3 and following of FinSA. The Shares may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares constitutes a prospectus as such term is understood pursuant to title 3 “Offering of Financial Instruments” of FinSA or a listing prospectus within the meaning of the listing rules of the

SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland and neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Transaction, nor the Issuer nor the Shares have been or will be filed with or approved by any Swiss regulatory authority. This Prospectus has been prepared without regard to the disclosure standards for prospectuses under FinSA or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. The Shares are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority FINMA (FINMA), and investors in the Shares will not benefit from protection or supervision by such authority.]

#### **4.6 NOTICE TO INVESTORS IN THE UNITED STATES**

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States as part of their distribution, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Shares are being offered and sold outside the United States in compliance with Regulation S.

The Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

## **5 GENERAL INFORMATION AND INFORMATION CONCERNING THE RESPONSIBILITY FOR THIS PROSPECTUS AND FOR AUDITING THE ACCOUNTS**

### **5.1 APPROVAL BY THE FSMA**

In accordance with Article 20 of the Prospectus Regulation, the English language version of this Prospectus (including the Summary) was approved by the FSMA on 24 March 2021, as competent authority under the Prospectus Regulation. The FSMA only approves this Prospectus (including the Summary) as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares.

This Prospectus and the Summary may be distributed separately. This Prospectus was drafted in English and translated into Dutch. The Summary was drafted in English and translated into Dutch. The Issuer is responsible for the consistency of the Dutch translation of this Prospectus and the Dutch translations of the Summary with the approved English versions thereof. Without prejudice to the responsibility of the Issuer for the translation of this Prospectus and the Summary, if there is an inconsistency between the different language versions, the language version approved by the FSMA (being the English version) shall prevail.

Without prejudice to what is set forth in Section 5.2.1 “*Responsibility for the contents of this Prospectus*” of this Prospectus and the statutory term of validity of this Prospectus, the Dutch translations may be referred to vis-à-vis the Issuer by investors in Shares, it being understood that where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

### **5.2 RESPONSIBLE PERSONS**

#### **5.2.1 RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS**

The Issuer, with registered office located at Careelstraat 13, 8700 Tielt (Belgium) assumes responsibility for the information contained in this Prospectus. Certain Sections of this Prospectus relating to (i) the description of the Selling Shareholder and its shareholding in the Issuer and (ii) the description of the Increase Option expected to be granted by the Selling Shareholder, as set forth in Section 15.7 “*Increase Option*” of this Prospectus, have been drafted on the basis of the information provided by the Selling Shareholder. The Selling Shareholder also assumes responsibility for the information that relates to it in (and only in) Section 15.7 “*Increase Option*” of this Prospectus.

The Issuer (for the entirety of this Prospectus) and the Selling Shareholder (only with respect to the Sections for which it assumes responsibility) declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The content of this Prospectus should not be construed as an interpretation of the rights and obligations of Ekopak (with the exception of the relationship between Ekopak and the investors subscribing for Shares), of market practices or of the agreements entered into by Ekopak.

The Underwriters make no representations or warranties, express or implied, with regard to the accuracy or completeness of the information contained in this Prospectus. The Underwriters therefore do not accept any responsibility, of any kind, with regard to the information contained in, or omitted from, this Prospectus. This Prospectus does not contain, and should not be considered as containing, any commitment or representation by the Underwriters.

### **5.2.2 RESPONSIBILITY FOR AUDITING THE ACCOUNTS**

PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL, a private limited liability company organized under the laws of Belgium ("*Besloten vennootschap*" / "*Société à responsabilité limitée*"), with registered office at Woluwedal 18, 1932 Zaventem (Belgium), has been appointed as **Statutory Auditor** of the Issuer on 4 December 2020 for a period of 3 years. The mandate will expire at the end of the general meeting called to approve the accounts for the 2022 financial year. PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL has designated Mr. Peter Opsomer (IRE No. A01838), "*bedrijfsrevisor*" / "*réviseur d'entreprises*", as permanent representative. Mr. Peter Opsomer is a member of the Belgian Institute of Certified Auditors ("*Instituut van de Bedrijfsrevisoren*" / "*Institut des Réviseurs d'Entreprises*") (membership number N 00016).

The Financial Statements (see Section 5.5 "*Presentation of financial and other information*" of this Prospectus) have been audited (in accordance with the International Standards on Auditing (ISAs) as issued by the IAASB) by the Statutory Auditor of the Issuer, who delivered an unqualified opinion (the **Auditor's Report**). The Auditor's Report is included in the F-Pages of this Prospectus.

Prior to 4 December 2020 the Issuer did not have a statutory auditor.

### **5.3 SECTOR INFORMATION, MARKET SHARE, RANKING AND OTHER DATA**

This Prospectus includes market, economic and industry data, which were obtained by the Issuer from industry publications, press releases, data published by government agencies, industry reports prepared by consultants and other market data providers. These market data are primarily presented in Section 8 "*Business*" of this Prospectus. When information has been derived from third parties, the Prospectus refers to such third parties.

The third-party sources the Issuer has used generally state that the information they contain has been obtained from sources believed to be reliable. Some of these third-party sources also state, however, that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Issuer does not have access to the facts and assumptions underlying such market data, or statistical information and economic indicators contained in these third-party sources, the Issuer is unable to verify such information. Thus, while the information has been accurately reproduced, and in as far as the Issuer is aware and is able to ascertain from such third-party information, no facts have been omitted which would render the reproduction of this third-party information inaccurate or misleading, the Issuer cannot guarantee its

accuracy or completeness. The inclusion of this third-party industry, market and other information should not be considered as the opinion of such third parties as to the value of the Placement Shares or the advisability of investing in the Placement Shares.

In addition, certain information in this Prospectus is not based on published data obtained from independent third parties or extrapolations therefrom, but is based upon the Issuer's best estimates, which are in turn based upon information obtained from trade and business organizations and associations, consultants and other contacts within the industries in which the Issuer competes, information published by the Issuer's competitors and the Issuer's own experience and knowledge of conditions and trends in the markets in which it operates. The Issuer cannot assure that any of the assumptions it has made while compiling this data from third party sources are accurate or correctly reflect the Issuer's position in the industry and none of the Issuer's internal estimates have been verified by any independent sources. Neither the Issuer, the Selling Shareholder nor the Underwriters make any representation or warranty as to the accuracy or completeness of this information. Neither the Issuer, the Selling Shareholder nor the Underwriters have independently verified this information and, while the Issuer believes it to be reliable, neither the Issuer, the Selling Shareholder nor the Underwriters can guarantee its accuracy.

#### **5.4 FORWARD-LOOKING STATEMENTS**

This Prospectus contains forward-looking statements prepared by the Issuer with respect to Ekopak's expected future performance and the markets in which it operates.

All statements in this Prospectus that do not relate to historical facts and events are "forward-looking statements". In some case, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believe", "estimate", "anticipate", "expect", "intend", "may", "will", "plan", "continue", "ongoing", "possible", "predict", "projects", "target", "seek", "would", "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements appear in a number of places throughout this Prospectus. Forward-looking statements include statements regarding the Issuer's intentions, beliefs or current expectations concerning, among other things, its results of operations, prospects, growth, strategies and dividend policy and the industry in which it operates. In particular, certain statements are made in this Prospectus regarding Executive Management's estimates of future growth and Ekopak's strategy to expand its WaaS offering.

Such forward-looking statements are based on multiple assumptions and assessments of known or unknown risks, uncertainties and other factors that appear reasonable and acceptable at the time of the assessment, but that may or may not subsequently prove to be correct. Actual events are difficult to predict and may depend on factors outside Ekopak's control.

By their nature, statements about the future contain inherent risks and uncertainties, both general and specific, and there is a possibility that the forward-looking statements and other statements about the future, will not materialize. These risks, uncertainties and other factors include, among other things, those mentioned under Section 2 "*Risk Factors*" of this Prospectus, and those that appear elsewhere in this Prospectus. Investors should be aware that a number of important factors may cause the

Issuer's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

Consequently, the actual results, financial situation, performance or achievements of Ekopak or the results of the market may in reality differ significantly from future results, financial situation, performance or achievements that are implicitly or explicitly included in such statements, forecasts and estimates. Taking into account these uncertainties, potential investors are requested not to place excessive reliance on forward-looking statements. Furthermore, the statements, forecasts and estimates are only valid on the date of Prospectus and the Issuer does not undertake to update these statements in order to take into account any changes in its expectations or changes in the conditions or circumstances on which such statements are based, unless it is obliged to do so in accordance with the Prospectus Regulation, in which case the Issuer will publish a supplement to this Prospectus.

## **5.5 PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

For purposes of this Prospectus, the Issuer has prepared consolidated financial statements as of and for the year ended 31 December 2020, 31 December 2019 and 31 December 2018 in accordance with the International Financial Reporting Standards, as adopted by the European Union (**IFRS**) and which each have been audited (in accordance with the International Standards on Auditing (ISAs) as issued by the IAASB) by the Statutory Auditor of the Issuer, who delivered an unqualified opinion (the **Financial Statements**). The Financial Statements are included in the F-Pages of this Prospectus.

## **5.6 ROUNDING OF AND STATISTICAL INFORMATION**

Certain financial and statistical data in this Prospectus have been subject to rounding adjustments. Accordingly, any discrepancies in any tables between the totals and the sums of amounts listed are due to rounding.

## **5.7 CONSOLIDATION**

In this Prospectus, references to the "Issuer" are to Ekopak NV, and references to "Ekopak", "Company", "we", "us" or "our" are to the Issuer and its wholly owned subsidiary, Water-as-a-Service NV (**Waas NV**).

Unless the context or an explicit mention indicates otherwise, any reference to the portfolio, participations, statistics and activities of the Issuer in this Prospectus will be presented on a consolidated basis, *i.e.*, including its wholly owned subsidiary.

## **5.8 AVAILABILITY OF THIS PROSPECTUS AND THE DOCUMENTS OF THE ISSUER**

### **5.8.1 AVAILABILITY OF THIS PROSPECTUS**

This Prospectus and the Summary may be distributed separately.

Subject to what is set forth in Section 4 "*Restriction on the Transaction and the distribution of this Prospectus*" of this Prospectus, this Prospectus and the Summary shall be made available to investors free of charge as of 25 March 2021 (before opening of the markets) at the registered office of the Issuer (Careelstraat 13, 8700 Tielt (Belgium)). This Prospectus and the Summary shall also be made

available free of charge to investors upon request made to the Underwriters and on the website of the Issuer (<https://www.ekopaksustainablewater.com/ir>) subject to customary limitations on access from jurisdictions where the Private Placement is not being made.

The availability of this Prospectus on the internet does not constitute an offer to sell or an invitation to make an offer to purchase Shares in, or towards any person located in, a country in which such an offer or invitation is prohibited. This Prospectus may not be copied, made available or printed for distribution.

Other information on the Issuer's website or any other website, does not form part of this Prospectus and has not been reviewed or approved by the FSMA.

### **5.8.2 AVAILABILITY OF THE ISSUER'S DOCUMENTS**

The Issuer must file its Articles of Association, any amendments thereto and all other documents to be published in the Annexes to the Belgian Official Gazette, with the registrar of the Enterprise Court of Ghent, division Bruges, where they can be consulted by the public. A copy of the most recent version of the coordinated Articles of Association can also be consulted in the online database of the Royal Federation of Belgian Notaries (<http://statuten.notarlis.be>). A copy of the most recent version of the coordinated Articles of Association and of the corporate governance charter of the Issuer can also be consulted on the Issuer's website.

Belgian law also requires the Issuer to prepare statutory and consolidated annual accounts. The statutory and consolidated annual accounts and the reports of the Statutory auditor, as well as any future annual reports of the Board of Directors of the Issuer are and will be filed with the National Bank of Belgium, where they can be consulted by the public.

Furthermore, as a company with shares admitted to trading on the regulated market of Euronext Brussels, the Issuer will also be required to publish an annual financial report (which includes its audited statutory and consolidated financial statements, the report of its Board of Directors and the report of the Statutory Auditor), as well as a half-yearly financial report on the first six months of its financial year (which includes a condensed set of financial statements and an interim management report). Copies of these documents will be made available on the Issuer's website and on STORI, the Belgian central storage mechanism, which is operated by the FSMA and can be accessed via [stori.fsma.be](http://stori.fsma.be) or [www.fsma.be](http://www.fsma.be).

The Issuer must also disclose inside information, information about its shareholder structure and certain other information to the public in accordance with the Belgian Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments that are admitted to trading on a regulated market and Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the **Market Abuse Regulation**) and related rules, as amended. Such information and documentation will be made available through the Issuer's website, press releases, the communication channels of Euronext Brussels, on STORI, or a combination of these means. All press releases published by the Issuer will be made available on its website.

The Issuer's website is located at [www.ekopaksustainablewater.com](http://www.ekopaksustainablewater.com). The information on the website of the Issuer is not incorporated by reference in, and does not form part of, this Prospectus.



## 6 ESSENTIAL INFORMATION

### 6.1 SELECTED FINANCIAL INFORMATION

The following selected financial information should be read together with the other information contained in this Prospectus, including Section 9 “*Operating and financial review and prospects*” of this Prospectus and the Financial Statements and related notes included elsewhere in this Prospectus. This financial information is historical and not necessarily indicative of results to be expected in any future period.

The following selected financial information has been derived from the Financial Statements included elsewhere in this Prospectus and should be read in conjunction with these Financial Statements and related notes. The Financial Statements have been prepared in accordance with IFRS as in effect at the time of preparation. For more information, see Section 5.5 “*Presentation of financial and other information*” of this Prospectus.

For the year ended 31 December 2020, Ekopak generated EUR 9.479 thousand in revenue, EUR 27 thousand of operating profit, EUR 709 thousand of Adjusted EBITDA and a net loss of EUR 93 thousand.

#### 6.1.1 CONSOLIDATED STATEMENT OF PROFIT AND LOSS

in 000€	for the year ending December 31		
	2020	2019	2018
Sales segment	9,014	10,185	6,613
WaaS segment	465	20	-
<b>Revenue</b>	<b>9,479</b>	<b>10,205</b>	<b>6,613</b>
Purchases of materials	-6,394	-6,050	-3,552
Services and other goods	-1,006	-1,113	-729
Employee benefit expense	-1,580	-1,327	-1,273
Depreciation charges	-623	-474	-331
Remuneration to the sole shareholder	0	-711	-624
Other operating income	302	134	145
Other operating charges	-151	-40	-26
<b>Operating profit</b>	<b>27</b>	<b>624</b>	<b>223</b>
Financial expenses	-149	-148	-106
Financial income	4	3	2
<b>(Loss)/profit before taxes</b>	<b>-118</b>	<b>479</b>	<b>119</b>
Income taxes	25	-161	-68
<b>Net (loss)/profit for the year</b>	<b>-93</b>	<b>318</b>	<b>51</b>

## 6.1.2 CONSOLIDATED BALANCE SHEET

in 000€	At December 31			At January 1
	2020	2019	2018	2018
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	90	50	11	15
Property, plant and equipment	4,948	4,070	2,136	2,111
Deferred tax assets	142	108	153	169
<b>Total non-current assets</b>	<b>5,181</b>	<b>4,228</b>	<b>2,300</b>	<b>2,295</b>
<b>Current assets</b>				
Contract assets	562	1,039	600	88
Inventories	1,057	482	410	382
Trade receivables	3,299	3,060	1,183	1,041
Other current assets	488	566	469	210
Cash and cash equivalents	1,300	4,237	113	42
<b>Total current assets</b>	<b>6,706</b>	<b>9,384</b>	<b>2,775</b>	<b>1,763</b>
<b>Total assets</b>	<b>11,887</b>	<b>13,612</b>	<b>5,075</b>	<b>4,058</b>

in 000€	At December 31			At
	2020	2019	2018	January 1 2018
<b>Equity</b>				
Share capital	-	-	62	62
Restricted reserve - share capital	5,162	5,162	-	-
Other reserves	12	23	40	39
Accumulated (loss)/profit	-159	234	-83	-125
<b>Equity attributable to the owners of the parent</b>	<b>5,015</b>	<b>5,419</b>	<b>19</b>	<b>-24</b>
<b>Total equity</b>	<b>5,015</b>	<b>5,419</b>	<b>19</b>	<b>-24</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	2,625	3,040	1,761	1,440
Lease liabilities	326	302	305	231
Provisions	400	396	370	356
<b>Total non-current liabilities</b>	<b>3,351</b>	<b>3,738</b>	<b>2,436</b>	<b>2,027</b>
<b>Current liabilities</b>				
Borrowings	473	673	878	936
Lease liabilities	236	182	173	133
Trade and other payables	2,449	3,317	1,373	858
Tax payables	328	158	91	88
Other current liabilities	35	125	105	40
<b>Total current liabilities</b>	<b>3,521</b>	<b>4,455</b>	<b>2,620</b>	<b>2,055</b>
<b>Total liabilities</b>	<b>6,872</b>	<b>8,193</b>	<b>5,056</b>	<b>4,082</b>
<b>Total equity and liabilities</b>	<b>11,887</b>	<b>13,612</b>	<b>5,075</b>	<b>4,058</b>

### 6.1.3 CONSOLIDATED STATEMENT OF CASH FLOWS

in 000€	For year ending December 31		
	2020	2019	2018
<b>Operating activities</b>			
Net (loss)/profit	-93	318	51
Depreciation and amortization	622	473	331
Gain/(loss) on disposal of property, plant & equipment	-2	1	-30
Increase in provisions	74	3	4
Impairments on receivables	12	10	0
Net finance expense	145	146	104
Deferred tax expense	-30	51	18
Tax expense	5	110	50
IFRS 16 - gain on early termination of lease	-4	-4	-5
<b>Movements in working capital</b>			
Decrease/(Increase) in trade and other receivables	1	-1,994	-367
Increase in inventories	-99	-510	-541
(decrease)/increase in trade and other payables	-990	2,031	592
Use of provisions	-85	0	0
Decrease in contract liabilities	-4	0	-6
Income tax received/(paid)	30	-100	-88
Net interest paid	-121	-114	-89
<b>Net cash flow (used in)/from operating activities</b>	<b>-539</b>	<b>421</b>	<b>24</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	-1,221	-2,242	-115
Purchase of intangible assets	-73	-64	0
Proceeds from the sale of property, plant and equipment	5	0	30
<b>Net cash flow used in investing activities</b>	<b>-1,289</b>	<b>-2,306</b>	<b>-85</b>
<b>Financing activities</b>			
Proceeds from borrowings	700	1,951	1,275
Repayment of borrowings and leases	-1,483	-1,011	-1,129
Receipts from capital increase	0	5,100	0
Dividends paid	-300	0	0
Other financial expense, net	-26	-31	-14
<b>Net cash flow (used in)/from financing activities</b>	<b>-1,109</b>	<b>6,009</b>	<b>132</b>
<b>Net cash flow</b>	<b>-2,937</b>	<b>4,124</b>	<b>71</b>
Cash and cash equivalents at beginning of year	4,237	113	42
<b>Cash &amp; cash equivalents at end of year</b>	<b>1,300</b>	<b>4,237</b>	<b>113</b>

### 6.2 CAPITALIZATION AND INDEBTEDNESS

The following table sets out the Issuer's consolidated capitalization and net financial indebtedness as at 31 December 2020 (i) on an actual basis ("Actual 2020") and (ii) as adjusted as to give effect to the Transaction ("As adjusted for the Transaction") (assuming a placement of all of the 3,571,428 New

Shares in the Private Placement, exercise in full of the Increase Option, an exercise in full by the Stabilization Manager of the Over-allotment Option and that the Placement Price is at the lower end of the Price Range (i.e., EUR 14.00)).

Taking into account the above assumptions, the Transaction would result in (i) the issuance of 3,571,428 new Shares, (ii) gross proceeds for the Issuer amounting to approximately EUR 58.25 million, and (iii) Transaction related costs amounting to a maximum of approximately EUR 3.98 million that will, in accordance with IAS32 be recorded in the equity of the Issuer.

The table should be read in conjunction with Section 6.1 “*Selected Financial Information*” and Section 9 “*Operating and financial review and prospects*” and the Financial Statements as for and for the period ended 31 December 2020. There have been no material changes to the Issuer’s consolidated capitalization and net financial indebtedness since 31 December 2020 and the date of this Prospectus.

in 000€	Actual 2020	As adjusted for the Transaction (1) (Uncertain outcome)
<b>Total current debt</b>	<b>3,521</b>	<b>3,521</b>
Guaranteed	74	74
Secured	635	635
Unguaranteed/unsecured	2,812	2,812
<b>Total non-current debt</b>	<b>3,351</b>	<b>3,351</b>
Guaranteed	148	148
Secured	2,803	2,803
Unguaranteed/unsecured	400	400
<b>Total indebtedness</b>	<b>6,872</b>	<b>6,872</b>
<b>Equity attributable to equity holders</b>		
Share capital	-	1,872
Share premium	-	56,378
Restricted reserve - share capital	5,162	5,162
Other reserves	12	12
Accumulated (loss)/profit	-159	-159
Retained earnings (costs related to the Transaction)	--	-3,977 <sup>(3)</sup>
<b>Total equity</b>	<b>5,015<sup>(2)</sup></b>	<b>59,287<sup>(4)</sup></b>

**Notes:**

(1) It is assumed that (a) the Placement Price is at the lower-end of the Price Range, i.e., EUR 14.00, (b) the maximum number of (3,571,428) New Shares offered in the Private Placement have been subscribed for, (c) the Increase Option has been fully exercised and the maximum number of 357,142 existing Shares of the Selling Shareholder has been placed in the Private Placement, and (d) the Stabilization Manager has exercised its Over-allotment Option in full, leading to the additional issuance of 589,284 new Shares (i.e., 15% of the number of Offer Shares subscribed for in the Private Placement).

(2) Represented by 10,780,000 existing Shares.

- (3) Taking into account the maximum Transaction related costs.  
(4) Represented by 14,940,712Shares, taking into account the assumptions set forth under note (1) above.

<b>in 000€</b>	<b>Actual 2020</b>	<b>As adjusted for the Transaction (1) (Uncertain outcome)</b>
Cash and cash equivalents	1,300	55,572
<b>Total liquidity</b>	<b>1,300</b>	<b>55,572</b>
Current portion of non-current financial debt	709	709
<b>Current financial indebtedness</b>	<b>709</b>	<b>709</b>
<b>Net current financial indebtedness</b>	<b>-591</b>	<b>-54,863</b>
Non-current financial debt	2,951	2,951
<b>Non-current financial indebtedness</b>	<b>2,951</b>	<b>2,951</b>
<b>Net financial indebtedness</b>	<b>2,360</b>	<b>-51,912</b>

**Notes:**

- (1) It is assumed that (a) the Placement Price is at the lower-end of the Price Range, i.e., EUR 14.00, (b) the maximum number of (3,571,428) New Shares offered in the Private Placement have been subscribed for, (c) the Increase Option has been fully exercised and the maximum number of 357,142 existing Shares of the Selling Shareholder has been placed in the Private Placement, and (d) the Stabilization Manager has exercised its Over-allotment Option in full, leading to the additional issuance of 589,284 new Shares (i.e., 15% of the number of Offer Shares subscribed for in the Private Placement).

The current portion of non-current financial debt includes for EUR 236 thousand lease liabilities. The non-current financial debt includes for EUR 326 thousand lease liabilities.

### 6.3 WORKING CAPITAL STATEMENT

As of the date of this Prospectus and not taking into account the proceeds of the Private Placement, Ekopak is of the opinion that, taking into account its available cash and cash equivalents, its committed straight loans, and the confirmed future financing under the sale and lease-back framework agreement with KBC Bank of two of Ekopak's three signed WaaS projects currently under construction (see Section 8.7.3.5 sub (A) "*Sale and lease-back framework agreement with KBC Bank NV*" of this Prospectus), it does (on a consolidated basis) not have sufficient working capital to meet its present requirements and to cover its working capital needs for a period of at least 12 months following the date of this Prospectus. The Private Placement is intended to provide Ekopak with additional capital necessary to meet its present requirements and to execute the next phase of its business plan. Through the issue of New Shares in the Private Placement, Ekopak targets to raise maximum gross proceeds in the amount of EUR 50 million and has set forth its expected use of the proceeds of the Private Placement in Section 6.5 "*Reasons for the Transaction and use of proceeds*" of this Prospectus. The minimum gross proceeds to Ekopak have been set at EUR 30 million, below which the Private Placement will not proceed.

If Ekopak would not proceed with the Private Placement and is unable to secure additional financing beyond its existing cash and cash equivalents, committed straight loans and available sale and lease-back financing capacity under the sale and lease-back framework agreement with KBC Bank, Ekopak estimates that it would run out of working capital by May 2021 with a shortfall estimated at EUR 0.7 million. This estimate is based on Ekopak's current cash and cash equivalents on hand, the estimated cost and timing of completion of the installations corresponding to the signed contracts in its WaaS pipeline, an assumed draw of the full EUR 2.4 million capacity available under Ekopak's mixed facilities with KBC Bank and BNP Paribas Fortis, the sale to KBC Bank under the sale and lease-back framework agreement of the first two WaaS projects currently under construction and the acquisition costs in relation to the acquisition of the Post-Transaction Target Company in May 2021 (the earliest possible closing date under the related letter of intent).

Based on the assumptions above and assuming that Ekopak begins construction of one additional WaaS project from its pipeline that is currently under close negotiation<sup>8</sup> during the twelve month period, Ekopak estimates that its maximum working capital shortfall over the 12 month period following the date of this Prospectus, assuming no further financing is obtained, would not be higher than 0.7 million.

If the Private Placement is not completed, Ekopak intends to amend its growth plan and work in a phased approach. In particular, to cover the expected shortfall, Ekopak plans to secure external debt financing, shareholder loans and/or equity contributions from its existing shareholders to cover the shortfall and slow the pace of the rollout of its WaaS platform.

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<sup>8</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

Taking into account the minimum gross proceeds for the Company pursuant to the issue of New Shares of EUR 30 million (below which minimum the Private Placement will not be completed) and the resulting expected net proceeds that would accrue to the Company, the Company believes that such net proceeds from the Private Placement, together with its available cash and cash equivalents, committed straight loans, and sale and lease-back capacity under the sale and lease-back framework agreement with KBC Bank will, in the event the Private Placement is completed, provide sufficient working capital to meet its present requirements and working capital needs for a period of at least 12 months following the date of this Prospectus.

## **6.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE TRANSACTION**

### **6.4.1 UNDERWRITERS**

Joh. Berenberg, Gossler & Co. KGa limited partnership existing under German law, having its office at Neuer Jungfernstieg 20, 20354 Hamburg (Germany) and registered with the “*Unternehmensregister*” under number HRA 42659 (**Berenberg**) is acting as Sole Global Coordinator (the **Sole Global Coordinator**) and KBC Securities NV, a public limited company existing under Belgian law, having its office at Havenlaan 2, 1080 Brussels (Belgium) and registered with the Belgian Crossroads Bank of Enterprises (“*Banque-Carrefour des Entreprises*” / “*Kruispuntbank van Ondernemingen*”) under enterprise number 0437.060.521 (RLE Brussels, Dutch speaking) is acting as joint bookrunner (the **Joint Bookrunner** and together with the Sole Global Coordinator called the **Joint Bookrunners** or the **Underwriters**) in the context of the Transaction, and are expected to, subject to certain conditions, enter into an “Underwriting Agreement” with the Issuer (see Section 16.1 “*Underwriting*” of this Prospectus).

Assuming a full placement of the maximum number of New Shares in the Private Placement required to raise the targeted maximum gross proceeds to the Issuer of EUR 50 million and no exercise of the Over-allotment Option, the fees and commissions payable to the Underwriters by the Issuer are expected to amount to a maximum of approximately EUR 2.50 million. Assuming also the Over-allotment Option is fully exercised by the Stabilization Manager (with the Increase Option having been fully exercised), the total amount of fees and commissions payable to the Underwriters by the Issuer are expected to amount to a maximum of approximately EUR 2.91 million.

Assuming full exercise of the Increase Option and that the Placement Price is at the lower end of the Price Range (i.e., EUR 14.00), the fees and commissions payable to the Underwriters by the Selling Shareholder are expected to amount to a maximum of approximately EUR 0.25 million.

Other expenses related to the Transaction (including those related to the Increase Option) will be borne by the Issuer.

In connection with the Transaction, the Underwriters and any of their respective affiliates, acting as an investor for its own account, may take up Placement Shares in the Private Placement and in that capacity may retain, purchase or sell for its own account such securities and any Shares or related investments and may offer or sell such Shares or other investments otherwise than in connection with the Transaction. Accordingly, references in this Prospectus to Shares being offered or placed should be read as including any offering or placement of Placement Shares to the Underwriters or any of their affiliates acting in such capacity. The Underwriters may not, in the event of full subscription or

oversubscription to the Private Placement, acquire for their own account, either directly or indirectly, any Placement Shares. The Underwriters may not allocate Placement Shares to third parties where such allocations involve direct or indirect advantages (for members of the placement syndicate). In addition, the Underwriters or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which the Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares.

As of the date of this Prospectus, the Underwriters have signed an agreement with the Issuer to assist it with this Transaction. Except for KBC Bank, which has also concluded long-term credit agreements with Ekopak, which are described in more detail in Section 9.5.1 “*Sources of Funding*” of this Prospectus, as well as a sale and lease-back framework in the context of the Company’s WaaS business model, which framework agreement is described in more detail in Section 8.7.3.5 “*WaaS - Financing*” of this Prospectus, the Underwriters do not have any material relationships with the Issuer other than in respect of their role as Underwriters in connection with the Transaction. The Underwriters and/or their affiliates may in the future from time to time, engage in commercial banking, investment banking and financial advisory and ancillary activities in the ordinary course of their business with the Issuer, any of the Existing Shareholders or any parties related to them, in respect of which they may in the future receive, customary fees and commissions.

The Underwriters do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

As a result of these transactions, these parties and the Underwriters or their affiliates may have interests that may not be aligned or could possibly conflict with the interests of potential holders of Shares or with the interests of Ekopak.

From the Listing Date, the financial service for the Shares will be provided by Euroclear Belgium. Should the Issuer alter its policy in this respect, this will be announced in accordance with applicable law.

#### **6.4.2 SELLING SHAREHOLDER**

The Selling Shareholder is expected to grant an Increase Option to the Sole Global Coordinator, acting on behalf of the Underwriters, to offer a maximum of up to 357,142 existing Shares from its holding in the Issuer (i.e., up to 10% of the maximum number of (3,571,428) New Shares initially offered by the Issuer in the Private Placement) in the Private Placement at the Placement Price, in addition to the New Shares offered in the Private Placement. See Section 15.7 “*Increase Option*” of this Prospectus.

Assuming full exercise of the Increase Option and that the Placement Price is at the lower end of the Price Range, the Selling Shareholder will receive aggregate gross proceeds from the Transaction of approximately EUR 5 million. The Issuer will not receive any of the proceeds of the Increase Option, all of which will be paid to the Selling Shareholder.

Assuming full exercise of the Increase Option and that the Placement Price is at the lower end of the Price Range, the fees and commissions payable to the Underwriters by the Selling Shareholder are then expected to amount to maximum of approximately EUR 0.25 million.

Other expenses related to the Transaction (including those related to the Increase Option) will be borne by the Issuer.

#### **6.4.3 EXECUTIVE MANAGEMENT**

The members of the Executive Management, other than the CEO, shall be entitled to a one-time success fee of EUR 15,000 each following the successful admission of the Shares of the Issuer on the regulated market of Euronext Brussels. See Section 12.2 “Employment and Services Agreements” of this Prospectus for more details in this respect.

#### **6.5 REASONS FOR THE TRANSACTION AND USE OF PROCEEDS**

The Issuer wishes to raise additional funding through the Private Placement in order to support its strategic growth objectives as set forth in Section 8.3 “Strategy” of this Prospectus. The additional funding raised will allow Ekopak to support the roll-out of its WaaS business, fund working capital requirements for its non-WaaS solutions, provide funds for the pursuit of potential M&A opportunities and support other general corporate purposes as further described below.

In the context of the Private Placement, the Company targets raising a maximum amount of EUR 50 million of gross proceeds through the placement of a maximum number of 3,571,428 New Shares within a price range between EUR 14.00 and EUR 16.75 per Share. If the maximum number of New Shares is subscribed for, and the Over-allotment option would be exercised in full, with the Increase Option also having been exercised in full, the gross proceeds for the Company would amount to approximately EUR 58.25 million.

When subsequently taking into account (i) the maximum fees and commissions payable to the Underwriters by the Issuer, approximately EUR 2.50 million (assuming that the Stabilization Manager does not exercise its Over-allotment Option) or approximately EUR 2.91 million (assuming that the Stabilization Manager also decides to fully exercise its Over-allotment Option, with the Increase Option also having been fully exercised) (see also Section 6.4.1 “Underwriters” of this Prospectus) and (ii) the aggregate of the administrative, legal, tax and audit expenses, filing fees, printing costs, bonuses for personnel, and other expenses relating to the Transaction borne by the Issuer, and expenses incurred by the Underwriters that are reimbursable by the Company (which are estimated at approximately EUR 1.07 million)), the Issuer estimates that it will receive net proceeds of approximately EUR 46.43 million (assuming that the Stabilization Manager does not exercise its Over-allotment Option) or approximately EUR 54.27 million (assuming that the Stabilization Manager also decides to fully exercise its Over-allotment Option, with the Increase Option having been fully exercised).

The Issuer intends to use the net proceeds from the Transaction as set out above (assuming that the Stabilization Manager does not exercise its Over-allotment Option) as follows, in the following (descending) order of priority:

- Approximately 60% of the net proceeds are expected to be allocated to equity requirements supporting the WaaS model in a leveraged finance model as described in Section 8.7.3 “WaaS Approach” of this Prospectus, and more specifically to the three signed WaaS projects currently under construction (for a minimum of EUR 1.6 million if debt financing on the three projects can be obtained) as well as to the envisaged growth for that WaaS model in the

future. This would, applying the 60% to such net amount of the proceeds, yield approximately EUR 27.86 million available equity for the WaaS model. Ekopak aims at an overall WaaS-segment debt/equity ratio of 3.0x, which, assuming the related debt financing can be obtained, would result in total available financial means of approximately EUR 111.44 million for financing the construction of WaaS assets in the future. This amount would typically represent 400 to 600 containers.

- Approximately 20% of the net proceeds are expected to be allocated to working capital requirements supporting the non-WaaS Solution growth.
- Approximately 20% of the net proceeds are expected to be allocated to:
  - (i) potential M&A opportunities, including the acquisition of all shares in the Post-Transaction Target Company, see Section 7.2.2 “*The Post-Transaction Target Company*” and Section 8.20 “*Post-Transaction Acquisition*” of this Prospectus for more information on the business of the Post-Transaction Target Company, the stage of the acquisition process at the date of this Prospectus and the reasons why the Issuer contemplates to acquire the Post-Transaction Target Company; and
  - (ii) general corporate purposes, which would include, among other things, the hiring of personnel with new competences (such as a legal profile, sales profile for the development of the sales force, ...), additional capital expenditures for production capacity increases and costs relating to serving clients abroad.

Through the Transaction, the Company also aims to increase its visibility, diversify its shareholder base and accelerate its growth through different capital sources.

If only the minimum gross proceeds for the Company pursuant to the issue of New Shares in the context of the Private Placement of EUR 30 million are raised, or more than the minimum but less than the targeted maximum amount of EUR 50 million of gross proceeds for the Company, are raised, the proportional allocation of proceeds would remain largely unchanged from the allocations set forth above, i.e., the amounts attributed to the three intended usages as set forth above, would then be reduced roughly evenly. Such reduction could, in the case of the first use, result in slower future growth of the WaaS model. However, the amount obtained by applying the 60% allocation to the minimum net proceeds to the Company resulting from an issuance of New Shares that generates gross proceeds for the Company of EUR 30 million, would in any case still allow Ekopak to finance the entire identified WaaS project pipeline as set forth in Section 8.7.3.2 sub (A) “*Identified WaaS pipeline.*” of this Prospectus (i.e., the three signed WaaS projects currently under construction as well as the WaaS projects in close negotiation).

The Issuer cannot predict with certainty all the particular uses for the proceeds from the Transaction, or the amounts that it will actually spend on the uses set forth above. The amounts and timing of the Issuer's actual expenditures will depend upon numerous factors, including the progress, costs, timing of the growth in the WaaS model; whether the acquisition of the Post-Transaction Target Company closes, regulatory or competitive developments; the net proceeds actually raised in the Transaction; the amounts received by way of revenues and the Issuer's operating costs and expenditures. As such, the Issuer's management will retain certain flexibility in applying the net proceeds from the Transaction

and may change the allocation of these proceeds as a result of these and other contingencies. Pending the use of the proceeds from the Transaction, the Issuer intends to invest the net proceeds in interest bearing, cash and cash equivalents instruments or short-term certificates of deposit.

## **6.6 DIVIDENDS AND DIVIDEND POLICY**

### **6.6.1 DIVIDENDS**

As of the closing of the Transaction, all of the Shares, including the Placement Shares, will entitle the holders thereof to an equal right to participate in dividends declared after the Closing Date, in respect of the entire financial year ending on 31 December 2021 and future years. All of the Shares participate equally in the Issuer's profits (if any). Pursuant to the Belgian Code of Companies and Associations, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the Annual General Shareholders' Meeting, based on the most recent statutory audited financial statements, prepared in accordance with Belgian GAAP and based on a (non-binding) proposal of the Issuer's Board of Directors. The Issuer's Articles of Association also authorize the Board of Directors to declare interim dividends without shareholder approval. The right to pay such interim dividends is, however, subject to certain legal restrictions.

The Issuer's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Issuer's stand-alone statutory accounts prepared in accordance with Belgian GAAP. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Issuer's net assets on the date of the closing of the last financial year as follows from the statutory non-consolidated financial statements (i.e., summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), and, save in exceptional cases, to be mentioned and justified in the notes to the annual accounts, decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves (which include, as the case may be, the unamortized part of any revaluation surpluses). In addition, pursuant to Belgian law and the Issuer's Articles of Association, the Issuer must allocate an amount of 5% of its Belgian GAAP annual net profit ("*nettowinst*" / "*bénéfices nets*") to a legal reserve in its stand-alone statutory accounts, until the legal reserve amounts to 10% of the Issuer's share capital. The Issuer's legal reserve currently does not meet this requirement nor will it meet the requirement at the time of the closing of the Transaction. Accordingly, 5% of its Belgian GAAP annual net profit during future years will need to be allocated to the legal reserve, further limiting the Issuer's ability to pay out dividends to its shareholders.

In addition, the need to satisfy financial covenants under its then existing indebtedness could put limitations on Ekopak's ability to pay dividends in a given period.

There will be no distributable reserves (except for the issue premiums) nor will there be a legal reserve, as of the closing of the Transaction.

### **6.6.2 DIVIDEND POLICY**

In 2020 the Issuer distributed a dividend of EUR 300 thousand for the financial year 2019.

Given the recent change in business model, the Issuer does not anticipate paying dividends to its Shareholders in the foreseeable future, as it is the strategy of the Issuer to use as much cash as possible to foster the organic growth of its WaaS business model (i.e., the shift in focus on the WaaS model, see also Risk Factor 2.1.1 *“Ekopak is shifting its focus from a “one-off” project business to a recurring WaaS business, which is in its early stage of roll-out and relatively untested, potentially making the shift unsuccessful.”* and Section 8 *“Business”* of this Prospectus), and thus expects to retain all earnings, if any, generated by its operations for the development and growth of its business. Belgian law and the Issuer’s Articles of Association do not require the Issuer to declare dividends. See also Section 6.6.1 *“Dividends”* of this Prospectus.

In the future, the Issuer’s dividend policy will be determined and may change from time to time by determination of the Issuer’s Board of Directors. Any declaration of dividends will be based upon the Issuer’s earnings, financial condition, capital requirements and other factors considered important by the Board of Directors.

As a consequence of all of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future nor, if they are paid, as to their amount.

## **7 INFORMATION ON THE ISSUER**

### **7.1 IDENTITY OF THE ISSUER**

#### **7.1.1 NAME, CORPORATE FORM AND REGISTRATION INFORMATION**

The Issuer's corporate name is Ekopak and takes on the form of a public limited liability company ("*naamloze vennootschap*" / "*société anonyme*") under Belgian law.

The Issuer is registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0461.377.728, and has 87550056W07X17IRQG83 as Legal Entity Identifier (LEI).

#### **7.1.2 REGISTERED OFFICE AND OTHER CONTACT INFORMATION**

The Issuer has its statutory seat at Careelstraat 13, 8700 Tielt (Belgium).

Tel: +32 51 75 51 05

E-mail: [investorrelations@ekopak.be](mailto:investorrelations@ekopak.be)

Website: [www.ekopaksustainablewater.com](http://www.ekopaksustainablewater.com) (the information on the website of the Issuer is not incorporated by reference in, and does not form part of, this Prospectus).

#### **7.1.3 INCORPORATION**

The Issuer was originally established in September 1997 by Mr. Jean-Pierre Denutte, Ms. Ann-Sophie Casier and Mr. Christophe Broequevielle, as a private limited liability company (then still called a "*besloten vennootschap met beperkte aansprakelijkheid*" / "*société privée à responsabilité limitée*") organized under the laws of Belgium, with the name "Ekopak", registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0461.377.728.

On 24 December 2003, the Issuer was converted into a public limited liability company ("*naamloze vennootschap*" / "*société anonyme*") organized under the laws of Belgium.

On 30 March 2012, the Issuer was converted into a private limited liability company (then still called a "*besloten vennootschap met beperkte aansprakelijkheid*" / "*société privée à responsabilité limitée*") organized under the laws of Belgium, which was on 18 September 2019, through the early application of the new Belgian Code of Companies and Associations, converted into a "*besloten vennootschap*" / "*société à responsabilité limitée*".

The Issuer has been converted into a public limited liability company ("*naamloze vennootschap*" / "*société anonyme*") organized under the laws of Belgium, on 19 February 2021.

For more information related to the share capital and Articles of Association of the Issuer, reference is made to Section 13 "*Share capital and Articles of Association*" of this Prospectus.

## 7.2 ORGANIZATIONAL STRUCTURE

### 7.2.1 WAAS NV

As of the date of this Prospectus, the Issuer wholly owns the following subsidiary: Water-as-a-Service NV, a public limited liability company ("*naamloze vennootschap*" / "*société anonyme*") organized under the laws of Belgium, registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0750.767.429, and with registered office located at Careelstraat 13, 8700 Tielt (Belgium) (**WaaS NV**).

WaaS NV was founded by the Issuer on 15 July 2020, which subscribed for all of the shares in WaaS NV. WaaS NV was founded specifically to facilitate the financing under the WaaS model. See Section 8.7.3 "*WaaS Approach*" of this Prospectus for more information thereon.

### 7.2.2 THE POST-TRANSACTION TARGET COMPANY

As of the date of this Prospectus, the Issuer has entered into a binding letter of intent, subject to certain conditions, to negotiate the sale and purchase of 100% of the shares in a private limited liability company ("*besloten vennootschap*" / "*société à responsabilité limitée*") organized under the laws of Belgium (the **Post-Transaction Target Company**).

For more information on specificities of the binding letter of intent, the business of the Post-Transaction Target Company, and why the Issuer is contemplating to acquire the Post-Transaction Target Company, reference is made to Section 8.20 "*Post-Transaction Acquisition*".

## 8 BUSINESS

### 8.1 BUSINESS OVERVIEW

Ekopak is an Environmental, Social and Governance (**ESG**)-driven off-grid water solution company. The Company's solutions allow industrial customers to reduce their water consumption, in a sustainable, reliable and cost-effective manner. Ekopak focuses on optimizing customer water use through containerized water purification units that transform off-grid water sources such as rain-, surface- and/or wastewater into cleaner water that can be used and reused in the customer's industrial processes. By allowing water to be cleaned and reused, Ekopak's systems turn water consumers into water producers. The resulting circular water systems save customers money by producing clean water for industrial processes at a substantially lower cost per cubic meter than traditional tap water sources. At the same time, by using water more efficiently, and in many cases recapturing heat from wastewater that would otherwise be lost upon discharge, Ekopak's solutions allow industrial water consumers to make measurable progress toward their water-related and CO2 reduction ESG targets.

Driven by increasing water scarcity, increasing water demand, progressively stringent regulations and more relevant ESG goals, many industrial water consumers are seeking ways to reduce their overall water use footprint and to use water in a more sustainable way. While achieving more sustainable water usage is an important objective, it often represents a significant implementation challenge. Companies with plants designed to use legacy water sources frequently lack the internal engineering and water purification expertise needed to optimize their water usage to meet their sustainability goals. Ekopak addresses this need by designing in-house customized water purification and re-use solutions that it implements at the customer's location, primarily using "plug and play" containerized water supply units that it manufactures off-site. This approach allows rapid installation of the solutions and minimizes disruption to the customer's on-going operations.

Ekopak typically delivers its solutions using ready-made containerized water supply units with all the equipment and functionality needed for the client's water management (e.g., dosage and pressure control stations, disinfection units, water softeners, decarbonisation and demineralisation devices, reverse osmosis units and filtration devices, among others). Its water purification installations use a combination of different water purification technologies, such as reverse osmosis, ultrafiltration, activated carbon or UV-filtration (see Section 8.6.2 "*Filtration Technologies most commonly used*" of this Prospectus). They enable industrial water users to reduce the chemicals needed to treat water and reduce the amount of dirty water discharged to rivers and surface waters. Ekopak's solutions provide continuous treatment and safeguarding of water quality, supplying clients with the required water for mission critical production processes, steam boilers (through e.g. boiler water treatment), cooling towers (through e.g. cooling water treatment) etc. In addition to designing and building water purification installations, Ekopak also offers maintenance and operations services that leverage its remote monitoring tools and provides clients with chemicals and disinfection supplies. Together, Ekopak's solutions and related services allow customers to achieve significant water efficiency gains and cost savings, while maintaining the necessary quality of the water.

In June 2020, Ekopak introduced its "Water as a Service" ("**WaaS**") solutions package, building on its experience with an initial pilot WaaS solution sold in 2019. WaaS combines Ekopak's design, build, finance, operation and maintenance services in a "one stop shop" end-to-end solution, delivered under

a long-term contract with “pay by the drop” pricing. WaaS contracts allow Ekopak’s customers to upgrade their water supply, achieve cost savings and secure measurable ESG gains without ongoing operational management and maintenance of the installation or the need for large up-front customer side capital expenditures.

While Ekopak’s WaaS offering is new and represents a new business model for the Company that is still in the early stages of roll-out, Ekopak believes it offers a compelling value proposition, and has set a mid-term target of growing the WaaS business to a point where it represents over half of Ekopak’s total revenues. As of 15 March 2021, after only 8.5 months since the full launch of the service, Ekopak had an identified WaaS project pipeline representing EUR 16.0 million of capital expenditures, of which EUR 6.5 million relates to the agreements already signed to date, representing 32 containers that are currently under construction, and EUR 9.5 million relates to agreements in close negotiation<sup>9</sup>, representing approximately 32 to 48 containers. Based on the minimum water quantity and pricing set forth in the agreements and assuming the contract runs for a 10 year term, once the related installations are built, financed and put into operation, the signed WaaS agreements are expected to generate a minimum of EUR 18.0 million of aggregate WaaS revenue over the term of the contracts.

Of the four WaaS contracts signed to date, one is already operational since December 2019, and generated EUR 380 thousand of revenues in 2020. Installations for the three remaining WaaS contracts are currently under construction, and are expected to become operational in 2021. Ekopak plans to bear the initial costs of the construction of those three WaaS installations and then to recover its pre-financing expenditures through sale and lease-back arrangements that will be entered into once the installations are built and operational (as is inherent to sale and lease back arrangements). In this context, Ekopak has entered into a framework agreement with KBC Bank for the sale and lease-back of WaaS installations. Two of the WaaS projects under construction have been approved, subject to satisfaction of certain conditions precedent, for sale and lease-back under the framework agreement once construction is completed (see Section 8.7.3.5 sub (A) “*Sale and lease-back framework agreement with KBC Bank NV*” of this Prospectus). However, as the amount available under the framework agreement is currently capped at EUR 5 million, it can currently only support a portion of the total EUR 6.5 million of capital expenditures expected for the three WaaS installations currently under construction, and would not be available for any of its pipeline that is currently under close negotiation<sup>10</sup> (which amounts to approximately EUR 9.5 million of capital expenditures. It also expires on 24 February 2022. Ekopak hence lacks a financing framework that would secure financing on a permanent basis for its third signed WaaS project currently under construction and its WaaS projects under close negotiation. In general, Ekopak will need to secure additional debt financing in order to meet its objective of financing WaaS projects via a debt/equity ratio of 3:1 and to meet its growth objectives for the WaaS business (see also Risk Factor 2.4.2 “*Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or*

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<sup>9</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

<sup>10</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

*future WaaS project, and may, in general, not be able to secure the debt financing necessary to support its growth objectives for the WaaS business” of this Prospectus).*

Alongside this WaaS solution, Ekopak will continue to offer its traditional standalone design & build services and operations and maintenance options. Ekopak had an identified non-WaaS project pipeline at 15 March 2021 representing EUR 24.7 million of potential revenue, of which EUR 1.6 million is signed and EUR 23.1 million is in close negotiation<sup>11</sup>. See Section 8.7.3.2 “*Identified Project Pipeline*” of this Prospectus for more detailed information in this respect.

For the year ended 31 December 2020, Ekopak generated EUR 9,479 thousand in revenue, EUR 709 thousand of Adjusted EBITDA and a net loss of EUR 93 thousand.

## **8.2 COMPETITIVE STRENGTHS**

In addressing the growing demand for ESG water solutions in its core markets, Ekopak believes it can become one of the leading European providers of such solutions by leveraging the following key competitive strengths.

### **8.2.1 Clear ESG Impact for Customers: Using Off-Grid, Alternative Water Sources in a Sustainable and Reliable Way**

Ekopak’s solutions are designed to help industrial water consumers make meaningful progress toward their water-related and CO<sub>2</sub> reduction ESG goals. Ekopak works with its customers to identify available off-grid water sources such as rain-, surface- and/or wastewater. It then provides solutions that transform those alternative sources into cleaner water that can be used and reused in the customer’s industrial processes.

This approach allows companies to reduce their reliance on aging and inefficient legacy tap water networks and optimize their overall water usage. Re-using process water allows significant reductions in overall water use and reduces the amount of wastewater a customer discharges into rivers and streams. In many cases, Ekopak’s solutions also can allow customers to recapture heated process water for reuse, which in turn can help lower CO<sub>2</sub> emissions associated with the methods that would otherwise be needed to heat water, and also leading to cost savings at the client’s side at the same time. Ekopak also promotes sustainability goals through its efforts to reduce the use of chemicals such as acids, caustics and salts in its water purification processes. By providing a wholly or partially off-grid solution, Ekopak also enhances the overall reliability of a customer’s water supply, by protecting customers from the risk of a “blue out” – an event where interruptions or reductions to on-grid tap water supply might require temporary or partial plant shutdowns.

As per the date of this Prospectus, Ekopak’s water purification installations are able to process, on average, 14,716,800 m<sup>3</sup> of water per year.

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<sup>11</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

## **8.2.2 WELL-POSITIONED TO CAPTURE THE POTABLE AND PUBLIC WATER OPPORTUNITIES**

Regions like Flanders that are prone to water scarcity are already exploring possibilities that would allow third party water suppliers to furnish water to the legacy network to alleviate water shortages. When it took office in 2019, the Flemish government, in its coalition agreement, expressed its explicit ambition to tackle water shortages in a structural way as well as its intention to liberalise the production of drinking water suitable for distribution, subject to good quality control and government direction. While these efforts are at an early stage, and many questions remain as to whether and in what form they will ultimately succeed in making it possible for third party water producers to inject water into the legacy network, Ekopak believes it is well positioned to capitalize on that possible evolution using the backup filtration capacity in its containers. To ensure redundancy and uptime at its facilities, each containerized WaaS solution provided to the customer is backed up by a certain number of separate units in order to cover “spikes” in water quantity at the customer’s site and provide backup in case a component fails. From a technical point of view, Ekopak can deliver drinking water quality using this equipment. Subject to future regulations permitting it to do so (see Section 8.5.4.2 “*The Flanders Blue Deal*” of this Prospectus), Ekopak believes that this extra filtration capacity could be harnessed to produce drinkable water that could be re-injected into the legacy network in periods of drought or water scarcity.

## **8.2.3 STRONG VALUE PROPOSITION: END-TO-END WAAS SOLUTION ENABLING CUSTOMERS TO ONLY PAY “BY THE DROP”**

Ekopak’s WaaS solution offers customers a unique and attractive value proposition by providing ESG-friendly water at the right quality in a reliable, capital-efficient, cost-effective, flexible one-stop-shop manner. On the customer side, Ekopak’s long-term, service-focused WaaS solution, secured access to Ekopak’s expertise as a “water consultant” that can help them reduce their water-related costs in a context of ever-more stringent regulations and requirements, unburdens them from the need to design, build, finance, operate and maintain ESG water solutions in-house and minimizes customer capital investment. Paying for ESG water solutions “by the drop” allows customers to more easily evaluate their cost savings relative to traditional tap water sources as they benefit from a “total cost package”, which Ekopak believes makes it easier for customers to adopt the solution. For Ekopak, the WaaS solution is expected to provide predictable and steady revenue, earnings and cash flow. While some European competitors offer custom water purification solutions through a Design & Build (Maintain) & (Operate) model, to Ekopak’s knowledge, none of its European competitors currently offers a WaaS package based on alternative water sources purified using a decentralized containerized solution.

## **8.2.4 HIGH SCALABILITY: CONTAINERIZED, PLUG AND PLAY INSTALLATIONS**

Whereas many of its competitors focus on fixed or skid-based installations built indoors at the customer’s site, Ekopak primarily designs and builds containerized installations that are typically installed outside the customer’s plant. Due to their containerized construction, they allow for “plug and play” usability and a very quick “go live” once at the customer’s site without the need for large and expensive customer-side logistics efforts. Furthermore, the containerized nature of Ekopak’s solutions allows Ekopak to grow together with its customers: if required volumes of water increase beyond the

capacity of Ekopak's installation available on the customer's site, Ekopak can simply add one or more additional containers.

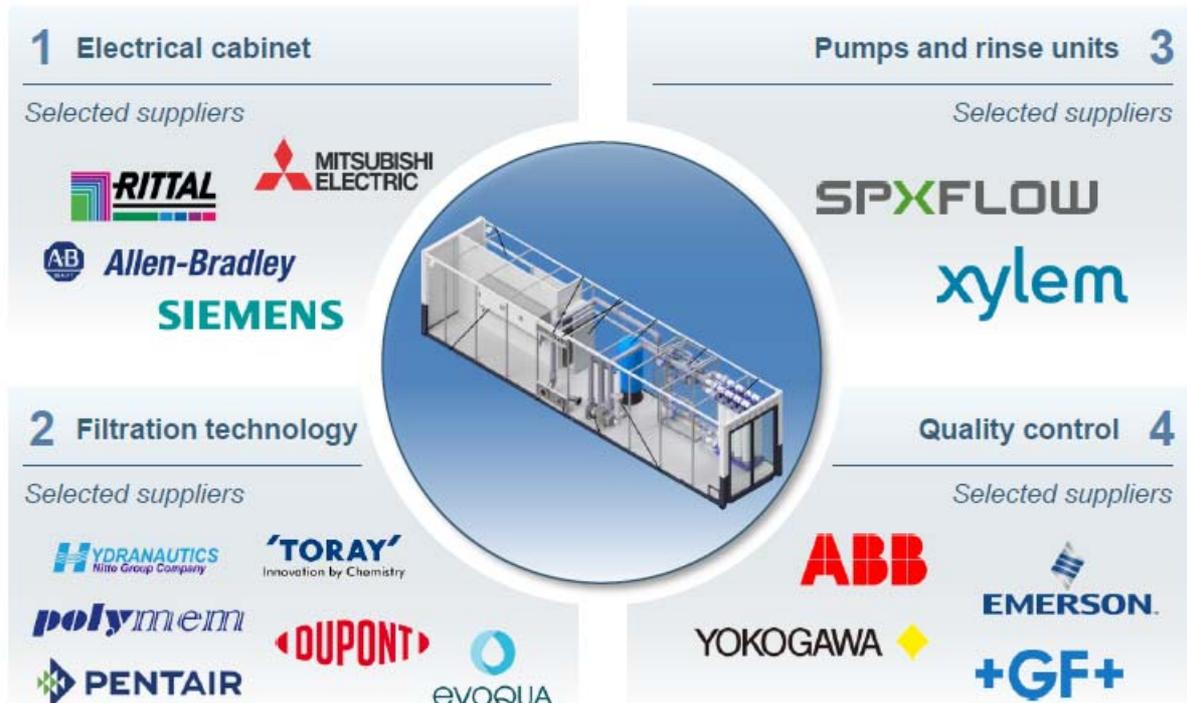
By focusing on containerized solutions, Ekopak can manufacture them centrally at off-site locations. At the end of a contract, or if a customer needs the capacity elsewhere, Ekopak can move the container easily to a new site or a new customer.

In addition, smart connectivity built into the design allows for efficient remote maintenance services and operations, and value-added reporting for the customers that so require. It even allows Ekopak to remotely tweak the water purification processes, hence increasing the performance of the installation to the benefit of the customer and Ekopak through its Internet of Things ("IoT")-applications (see also 8.6.5 "*Internet of Things (IoT) solution*" of this Prospectus, for more information).

### **8.2.5 OPERATIONAL EXCELLENCE: ENGINEERING EXPERTISE AND TECHNOLOGY AGNOSTIC APPROACH**

Ekopak's experience in implementing, operating and servicing water purification technologies is at the core of its water solutions. As a water consultant, Ekopak designs and builds tailored solutions that require (i) in depth knowledge of the customer's water processes and its specific needs, (ii) the capacity to identify the ideal technology (mechanical components) and chemicals required for the customer's specific solution, and (iii) solid knowhow with regard to the pressure and the temperature at which water has to flow through the different purifying processes in order to provide the customer with a solution. Ekopak's engineering experience and expertise is a critical advantage in developing WaaS solutions that meet each customers' specific requirements.

Ekopak's installations are technology agnostic, meaning that Ekopak can pick and choose the technologies it incorporates in each specific installation from a selection of market-leading and well-established brands, such as Pentair, Evoqua Water Technologies, DuPont and Polymem, which is not always the case for other water technology suppliers. Ekopak believes this freedom constitutes an important differentiating factor from its closest competitors, which are often dependent on, or limited to, in-house, or specific proprietary third party, solutions. For instance, some water treatment companies develop and patent their own underlying technology components, which can make it more difficult for them to offer competing third-party components. Instead of focusing on developing the underlying water purification technology in-house, Ekopak has developed strong expertise in using and combining different water purification techniques. Ekopak is not dependent on, or limited to, technologies that have been developed in-house. Ekopak can source the components it needs for its solutions from a wide range of suppliers. Even very specific and mission critical parts can be sourced from at least three or four specific third parties to provide its customers with the water solution they need. This freedom also allows Ekopak flexibility to (if it makes sense from a cost perspective) update its WaaS units as superior technology becomes available. Depending on the customer's situations (for example if more than one Ekopak unit is available on site), Ekopak is able to implement such new technologies without the need to halt the water purification processes.



The figure above shows some of the suppliers Ekopak uses for different key components and showcases the wide variety of technologies it can offer, depending on the customer's requirements.

#### **8.2.6 STRONG TRACK RECORD: DIVERSIFIED AND GLOBAL BLUE-CHIP CUSTOMER BASE**

Since its inception, Ekopak has developed a strong track record with several global blue-chip customers across different industries. Establishing trusted relationships with companies that have a global manufacturing footprint creates opportunities for Ekopak to build on the successful implementation of its solution at one of a customer's plants to provide similar solutions at other customer locations. For example, one client became a customer in 2016, with the purchase of 3 containerised solutions and subsequently bought 1 container in Portugal in 2017, 1 in England in 2018 and another one in Portugal in 2019.

#### **8.2.7 STRONGLY GROWING WAAS PIPELINE AS BASIS FOR GROWTH IN STEADY ANNUAL REVENUE STREAMS**

Each WaaS agreement Ekopak implements generates revenues in the form of a contractually agreed monthly fee over the term of the contract, as from the first m<sup>3</sup> of water supplied. The combination of minimum order quantities and long-term agreements is expected to allow Ekopak to generate predictable and steady annual revenue, earnings and cash flow over the life of the contract. The long-term nature of the contract also allows Ekopak to establish long-term relationships with its customers.

As of 15 March 2021, after only 8.5 months since the full launch of the service, Ekopak had an identified WaaS project pipeline representing EUR 16.0 million of capital expenditures, of which EUR 6.5 million relates to signed agreements and EUR 9.5 million relates to agreements in close negotiation<sup>12</sup>. Based on the minimum water quantity and pricing set forth in the agreements and assuming the contract runs for a 10 year term, the signed WaaS agreements are expected to generate a minimum of EUR 18.0 million of aggregate WaaS revenue over the term of the contracts. See Section 8.7.3.2 “*Identified Project Pipeline*” of this Prospectus for more detailed information in this respect.

### **8.2.8 HIGHLY EXPERIENCED AND DYNAMIC MANAGEMENT TEAM**

Ekopak has a strong, highly experienced and dynamic management team. Ekopak's CEO, Pieter Loose, has more than 15 years of experience in the industrial engineering industry and deep water purification expertise. Each of the members of the Ekopak's core operating management has over 10-15 years of experience in the water purification sector. See Section 10.5.3 “*Executive Management*” of this Prospectus for more information on the Executive Management of the Issuer and their past professional experience.

## **8.3 STRATEGY**

Ekopak intends to continuously and increasingly focus on promoting its recurring business model (WaaS), leveraging on green assets with long term stable returns.

### **8.3.1 CAPITALIZE ON THE STRUCTURAL MARKET OPPORTUNITY**

Ekopak believes demand for its ESG-driven off-grid water solutions will be driven in part by structural growth trends such as population growth, climate change and aging infrastructure that will place increasing strain on water resources. Ekopak believes these trends will increasingly lead government and private actors to seek new ways to optimize water use to combat water scarcity and extract useful byproducts such as heat from effluent water. Ekopak believes these structural trends will encourage governments to adopt increasingly stringent regulations designed to encourage and reward more efficient water use. Over time, Ekopak believes water scarcity will lead to new regulations and systems that enable decentralized water producers to reinject purified water into legacy water systems. Ekopak intends to capitalize on these trends by:

- Designing systems that allow industrial water consumers to capitalize on alternative water sources such as rain-, surface- and/or wastewater to create off-grid water supply solutions that protect against “blue out” risks. Rainwater has a high input purity and availability but is dependent on local climate conditions. Surface water can be river, channel or port water. In case surface water is needed, Ekopak does not provide the infrastructure to connect installations to clients processes but helps on the planning;

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<sup>12</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

- Offering solutions that allow companies to optimize their water use by creating circular water systems that clean and reuse the water produced by their industrial processes – Ekopak’s solutions allow industrial customers to reduce their water consumption up to 90%<sup>13</sup>, in a sustainable, reliable and cost-effective manner;
- Seizing opportunities to allow customers to recapture heat from their effluent water to make their operations even more energy efficient and reduce their CO<sub>2</sub> footprint;
- Leveraging the upgrade flexibility built into its WaaS units to capitalize on evolving technologies that enable improved ESG gains; and
- Taking advantage of potential opportunities to reinject purified water into legacy water systems by using the extra filtration capacity built into its containerized water purification solutions.

### **8.3.2 CONTINUE TO DELIVER A DIFFERENTIATED CUSTOMER EXPERIENCE**

Driven by water scarcity, increasing water demand, progressively stringent regulations and water-related ESG goals, Ekopak expects that industrial water consumers will increasingly seek ways to upgrade new and existing plants to make them more water efficient. To capitalize on this trend, Ekopak will continue to:

- Position itself as a trusted partner for customers offering sound advice and cost-effective solutions to optimize water use and meet ESG objectives;
- Offer end-to-end WaaS solutions that make it easy for customers to outsource the process of designing, building, financing, operating and maintaining ESG-friendly circular water systems to Ekopak under long-term contracts that reduce the need for large customer-side capital expenditures and technical staff; and
- Offer ‘pay by the drop’ pricing that makes it easy for customers to recognize and demonstrate immediate cost savings between 30-40% on average compared to the purification and use of legacy water sources.<sup>14</sup>

### **8.3.3 DRIVE GROWTH THROUGH INCREASED SALES TO EXISTING CUSTOMERS**

Ekopak benefits from strong relationships with international companies that have global manufacturing operations. By designing long-term customized solutions that help its customers address mission-critical water needs in a more cost-efficient and sustainable way, Ekopak positions itself as a trusted partner for meeting ESG-driven water objectives. By delivering reliable operating performances, high service quality, and attractive savings potential, Ekopak believes the word of mouth within large scale

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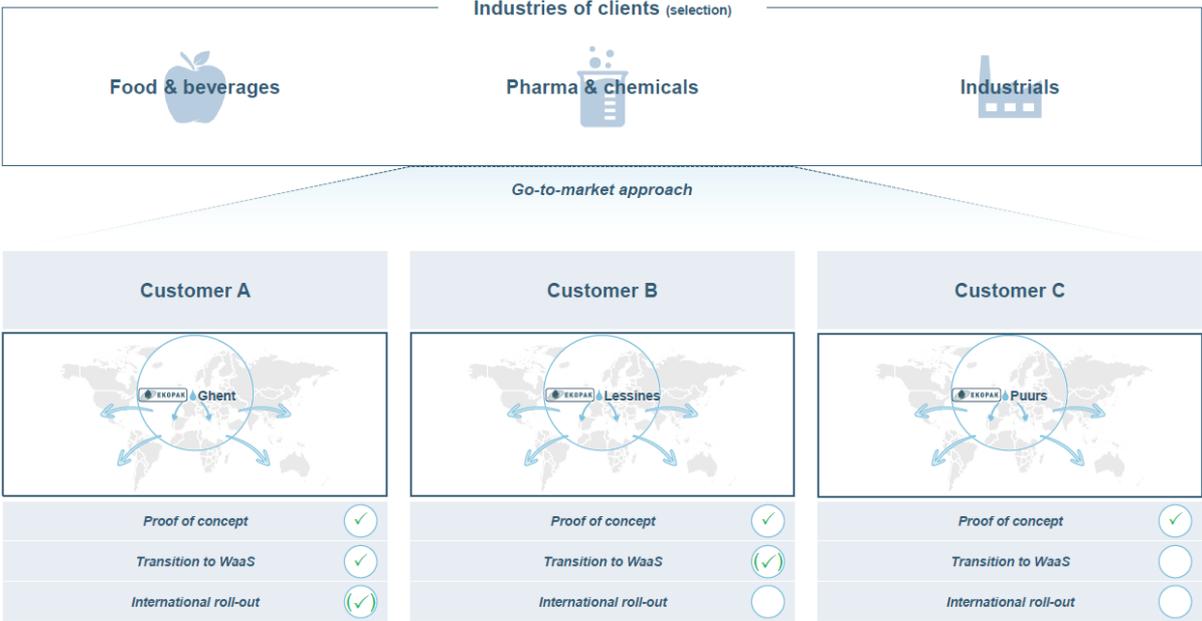
<sup>13</sup> Based on projected results from one of Ekopak’s WaaS projects currently being implemented.

<sup>14</sup> Based on projected results of Ekopak’s WaaS projects, of which 3 of the 4 are not yet operational.

international organizations will lead to new opportunities with existing customers, at different locations and production sites. To capitalize on this trend, Ekopak will:

- Continue to prioritize long-term WaaS solutions that create opportunities to create and reinforce long-term customer relationships;
- Remain flexible in its sales approach, allowing customers to begin with smaller proof-of-concept systems that can be upgraded to larger long-term WaaS contracts. Many of Ekopak’s currently signed WaaS contracts originate from non-WaaS solution customers shifting towards the WaaS solution for new sites/plants. Ekopak believes this is an upselling opportunity for most of its existing customer base; and
- Actively seek opportunities to build upon successful implementation of solutions at customer facilities by increasing the capacity of existing systems and offering similar solutions for other customer facilities.

The figure below illustrates the growth potential at existing customers.



Note(s): ✓ Achieved customer relationship milestone; (✓) Customer relationship milestone in progress; (\*) Includes commercial subsidiaries

Three of the four WaaS contracts of Ekopak (see also Section 8.7.3.4 “WaaS Agreements” of this Prospectus) have been entered into with clients with which Ekopak already had a business relationship.

**8.3.4 DRIVE GROWTH THROUGH NEW BUSINESS FROM CUSTOMER WINS**

So far, Ekopak’s growth has been mainly driven by word of mouth and a reactive sales approach. Today, customers mostly tend to contact Ekopak, not the other way around. Ekopak plans to accelerate its growth by implementing a proactive sales approach, actively targeting customers who would realize significant gains through acquiring an Ekopak installation or entering into a WaaS contract. In targeting new customers, Ekopak will:

- Recruit and train additional sales and marketing personnel to support its growth;
- Adopt a targeted sales strategy that focuses on industries that are large users of water or that have specialized water needs and companies with multiple locations that could benefit from Ekopak’s solutions. Focusing on large water consumers allows Ekopak to deliver larger water reduction and cost savings for its customers, while increasing the size of potential contracts; and
- Leverage existing contracts and customer references in the pharmaceutical and food and beverage industries, while pursuing an “industry-agnostic” approach overall to seize opportunities in other industries such as the datacentre sector.

At the date of this Prospectus, Ekopak has concrete plans to hire four extra sales employees in the coming months, with the plan to focus on extra geographies as well as dedicated industry sales.

### **8.3.5 DRIVE SUSTAINABLE AND PROFITABLE GROWTH**

Ekopak believes its differentiated WaaS business model results in attractive unit economics and, as a result, expects that its growth will further enhance operating leverage and drive margin expansion. Ekopak is focused on long-term, sustainable equity returns and intends to continue to deploy capital in attractive return opportunities. To enhance its ability to provide sustainable and profitable growth, Ekopak plans to:

- Prioritize long-term WaaS solutions;
  - Leverage the scalability of its containerized water purification units by continuing to standardize its containerized platform (i.e. a standardized layout through the use of internal modules – see also Section 8.6.3.1 “Overview” of this Prospectus for more details in this respect),
- Pursue opportunities to optimize its supply chain and obtain volume discounts for key components such as containers, filtration equipment and chemicals;
- Continue to pursue cost-efficient opportunities to outsource portions of its manufacturing process to expand its ability to scale its operations;
- Maximize value at existing customer locations by pursuing opportunities to expand capacity at existing sites;
- Proactively pursue target sectors and customers;
- Focus on organic growth, while selectively considering strategic acquisition opportunities that provide value add in terms of additional customer access, potential geographic reach or key personnel; and

- Diversify its client and revenue base, through the monetisation of adjacent value-added services.

### **8.3.6 SEIZE NEW MARKET OPPORTUNITIES IN ADJACENT MARKETS**

While Ekopak's solutions today focus primarily on the industrial water market, Ekopak believes the global, multibillion potable water market will continue to transform in the years to come, offering new opportunities in adjacent markets. Over time, Ekopak believes that the current model whereby potable water is produced centrally and subsequently transported through a highly inefficient network will increasingly be supplemented by new systems that allow decentralized water production by a larger number of players. Over time, Ekopak believes that opportunities will arise to re-inject drinking water into the network pursuant to the expected liberalization of the potable water market (see in this respect Section 8.5.4.2 "*The Flanders Blue Deal*" of this Prospectus). To better position itself to seize opportunities in these new markets, Ekopak will:

- Continue an active dialogue with government officials in the water sector and active participation in industry groups;
- Actively pursue opportunities to develop pilot projects for re-injecting water into the existing network; and
- Continue to seek opportunities to deploy the backup filtration capacity built into its solutions to meet unmet water needs.

Ekopak's containerized solutions are already designed in such a way that they can, if needed, be connected to the legacy water network.

## **8.4 BUSINESS HISTORY**

The following is a list of key milestones in Ekopak's organic development up to the date of this Prospectus:

- **Pre-2013** – Founded in 1997, the Issuer was originally owned by different shareholders and as from 2004 focused on providing local small businesses with water purification solutions primarily based on tap water as a water source. Pieter Loose joins Ekopak as sales engineer.
- **2013** – Pieter Loose, through his management company Pilovan BV, acquires 100% of the share capital of Ekopak BV, and refocuses the issuer's strategy on ESG-driven water solutions. See Section 8.7 "*The Ekopak Approach*" of this Prospectus;
- **2015** – The Issuer moves into its new HQ and production facility in Tiel, allowing additional organic growth;
- **2017** – The Issuer starts to provide containerized solutions, which becomes its main focus;

- **2019** – Alychlo NV, through a combination of acquiring shares from Pilovan BV and a capital increase (see Section 13.3.3 “*Development of the share capital*” of this Prospectus), takes a 49.03% equity stake in the Issuer;
- **2019** – The Issuer enters into its first pilot WaaS contract with a chemical company based in Belgium, financed through classical investment credit line (see Section 8.7.3.4 sub (A) “*WaaS agreement with a chemical company, based in Belgium*” of this Prospectus for more information on this WaaS agreement);
- **2020** – In July 2020, to build on the experience gained in the first pilot WaaS contract, WaaS NV, a 100% subsidiary of the Issuer, is established, to support new options for financing the WaaS model (see Section 7.2 “*Organizational Structure*” of this Prospectus for more information on WaaS NV).
- **2020** – WaaS NV enters into two new WaaS contracts with (i) a food company, based in Belgium and (ii) a chemical company, based in Belgium (see Section 8.7.3.4 “*WaaS Agreements*” of this Prospectus for more information on these agreements)
- **2021** – WaaS NV enters into a new WaaS contract with a pharmaceutical company based in Belgium (see Section 8.7.3.4 “*WaaS Agreements*” of this Prospectus for more information on this agreement)

## **8.5 INDUSTRY OVERVIEW AND COMPETITION**

### **8.5.1 OVERVIEW**

Water scarcity is a growing concern worldwide. According to the United Nations, global water use has increased by a factor of six over the past 100 years.<sup>15</sup> Today, nearly one-quarter of the world currently faces extremely high baseline water stress, where more than 80% of the available water supply is withdrawn each year, according to the World Resources Institute.<sup>16</sup> The United Nations estimates that about 4 billion people worldwide experience severe water scarcity during at least one month of the year.<sup>17</sup> The European Commission furthermore estimates more than 2 billion people lack safely managed drinking water.<sup>18</sup> Based on size of possible impact and likelihood of occurrence, the World Economic Forum’s Global Risks Report 2020 ranks the risk of water crises – i.e., a significant decline in the available quality and quantity of fresh water – among the top ten global risks.<sup>19</sup> Public awareness also grows, examples include the Netflix movie *Brave Blue World* from 2020 and various initiatives from e.g. *water.org* (supported by Matt Damon), the Bill and Melinda Gates Foundation, *Water For Life* (supported by Jay-Z) and *Projeto Agua Limpá* (supported by Gisele Bündchen).

<sup>15</sup> UNESCO, UN-Water, 2020: United Nations World Water Development Report 2020: Water and Climate Change, Paris, UNESCO.

<sup>16</sup> <https://www.wri.org/blog/2019/08/17-countries-home-one-quarter-world-population-face-extremely-high-water-stress>.

<sup>17</sup> UNESCO, UN-Water, 2020: United Nations World Water Development Report 2020: Water and Climate Change, Paris, UNESCO.

<sup>18</sup> European Commission – Optimising water reuse in the EU, 2015

<sup>19</sup> <https://www.weforum.org/reports/the-global-risks-report-2020>

Water scarcity levels are expected to increase significantly in the years ahead as demand for water grows, driven by economic development, population growth and climate change. Over the period 1992-2017, the renewable water resources per capita decreased 30% globally.<sup>20</sup> The OECD projects that global water demand will increase by about 55% between 2000 and 2050.<sup>21</sup> According to the World Resources Institute, water withdrawals globally have already more than doubled since the 1960s, and 44 countries, home to one-third of the world's population, already face high baseline levels of water stress, where more than 40% of available supply is withdrawn each year.<sup>22</sup> The United Nations estimates that current global withdrawals of water resources are already near maximum sustainable levels, at about 4,600 km<sup>3</sup> per year.<sup>23</sup>

Several key trends expected to have a major impact on water scarcity in the years ahead include:

- Climate Change. As temperatures rise, water use rises, predominantly driven by increased water needs for agriculture and household use, and more water evaporation from water reservoirs. Climate change also affects weather patterns and makes rainfall levels less predictable. A 20% decrease of renewable water resources is estimated for around 7% of the population for each degree of global warming.<sup>24</sup>
- Population Growth and Urbanisation. Renewable water per capita is directly linked to an increasing population because more people will demand more water not only for their direct consumption but also indirectly through their increased demand for goods and services. Publicly available data suggest that renewable freshwater per capita has declined by more than 50% since 1962 (from approximately 13,401 m<sup>3</sup> in 1962 to approximately 5,920 m<sup>3</sup> in 2014).<sup>25</sup> According to the United Nations, the world population will grow from approximately 7.7 billion people today to over 8.5 billion people in 2030 and 9.7 billion people in 2050<sup>26</sup>, which will even further stress the availability of freshwater resources per capita and population growth is expected to lead to an increase in water usage of 43%.<sup>27</sup> On the other hand, urbanisation is expected to increase urban water demand up to 80% by 2050.<sup>28</sup>
- Aging infrastructure. Aging water infrastructure represents a growing problem worldwide, with legacy systems plagued by water leaks that cause significant losses of drinking water. On a daily basis, 45 billion liters of water is lost in water systems globally.<sup>29</sup> Broken or outdated water infrastructure is costing communities billions of dollars and countless

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<sup>20</sup> Food and Agricultural Organisation of the United Nations – Aquastat Database, 2017

<sup>21</sup> UNESCO, UN-Water, 2020: United Nations World Water Development Report 2020: Water and Climate Change, Paris, UNESCO.

<sup>22</sup> <https://www.wri.org/blog/2019/08/17-countries-home-one-quarter-world-population-face-extremely-high-water-stress>

<sup>23</sup> WWAP (United Nations World Water Assessment Programme)/UN-Water. 2018. *The United Nations World Water Development Report 2018: Nature-Based Solutions for Water*. Paris, UNESCO.

<sup>24</sup> Freshwater Resources, 2018

<sup>25</sup> <https://data.worldbank.org/indicator/ER.H2O.INTR.PC>

<sup>26</sup> <https://www.un.org/en/sections/issues-depth/population/> (United Nations, Global Issues – Population).

<sup>27</sup> Credit Source Research Institute, 2020

<sup>28</sup> Florke M., Schneider C. and McDonald R. - Water competition between cities and agriculture driven by climate change and urban growth, 2018

<sup>29</sup> BCG - Thinking Globally About Local Water Crisis, 2019

hours of time.<sup>30</sup> In Flanders, on average 17% of potable water leaks into the surface, leading to higher costs for water consumers, which compares to a European average of 23%.<sup>31</sup> <sup>32</sup> Next to that, around 90% of available drinking water is not being used as drinking water in Flanders.<sup>33</sup> In the United States, the Center for Neighborhood Technology estimates that leaky, aging pipes cause nearly 22.7 million m<sup>3</sup> of water to be lost each day.<sup>34</sup> A recent study by the Chicago Metropolitan Agency for Planning found that leaking pipes in the Chicago area cause nearly 83.3 million m<sup>3</sup> of treated water to be lost every year.<sup>35</sup> In order to remedy the issue of aging infrastructure, sizeable investments are needed, estimated by Bluefield Research at USD 256 billion on a European level, a doubling of the current annual investment, and USD 6.7 trillion on a global level.<sup>36</sup> <sup>37</sup>

The increasing gap between water supply and demand leads to severe water crises. A number of cities worldwide have faced acute water shortages in recent years. In 2014, São Paulo, Brazil experienced a severe water crisis – at the height of the crisis, less than 20 days of water supply remained in the city’s reservoirs.<sup>38</sup> In 2018, Cape Town, South Africa narrowly averted what authorities called “day zero” – the day when the municipal water supply would be largely shut off – by imposing drastic restrictions on water use.<sup>39</sup> In 2019, Chennai, India faced an acute water crisis after its four main water reservoirs ran completely dry.<sup>40</sup>

Water scarcity is a phenomenon that varies significantly from country to country and region to region. While the highest levels of baseline water stress are found in the Middle East, Africa and the Indian subcontinent, baseline water stress is also a major problem in a number of European countries. Eight of the ten OECD countries with the lowest freshwater availability per capita are European (i.e., the Czech Republic, Poland, Belgium, Germany, Spain, the United Kingdom, Luxembourg and Italy).<sup>41</sup> The United Nations estimates that globally more than 2 billion people experience high water stress.<sup>42</sup> Furthermore, the European Commission forecasts 50% of the world population will live in water stressed areas by 2025.<sup>43</sup> Belgium, where Ekopak has its headquarters, is one of the countries with the highest levels of baseline water stress in Europe.<sup>44</sup> A lack of clean water furthermore limits economic growth by one third.<sup>45</sup>

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<sup>30</sup> Xylem, Inc. – 2017 Sustainability Report

<sup>31</sup> European Commission – EU Reference document Good Practices on Leakage Management WFD CIS WGG POM, 2015.

<sup>32</sup> EurEau - Europe's water in figures, 2017

<sup>33</sup> Vlaamse Milieumaatschappij, 2016

<sup>34</sup> <https://www.cnt.org/publications/the-case-for-fixing-the-leaks-protecting-people-and-saving-water-while-supporting>

<sup>35</sup> <https://www.cmap.illinois.gov/programs/water/supply-planning/loss>

<sup>36</sup> Bluefield Research - Europe to Increase Water Infrastructure Spend 23% by 2025 for \$526 Billion Total CAPEX, 2016

<sup>37</sup> uractiv - Time to invest in Europe's water infrastructure, 2018

<sup>38</sup> <https://www.circleofblue.org/2018/water-climate/drought/sao-paulo-heading-to-another-dry-spell/>

<sup>39</sup> <https://www.bloomberg.com/news/articles/2019-04-12/looking-back-on-cape-town-s-drought-and-day-zero>

<sup>40</sup> <https://www.bbc.com/news/world-asia-india-48672330>

<sup>41</sup> OECD Database, 2020

<sup>42</sup> United Nations - World Water Development Report 2019 Leaving no one behind, 2019

<sup>43</sup> European Commission - Water Scarcity, 2020

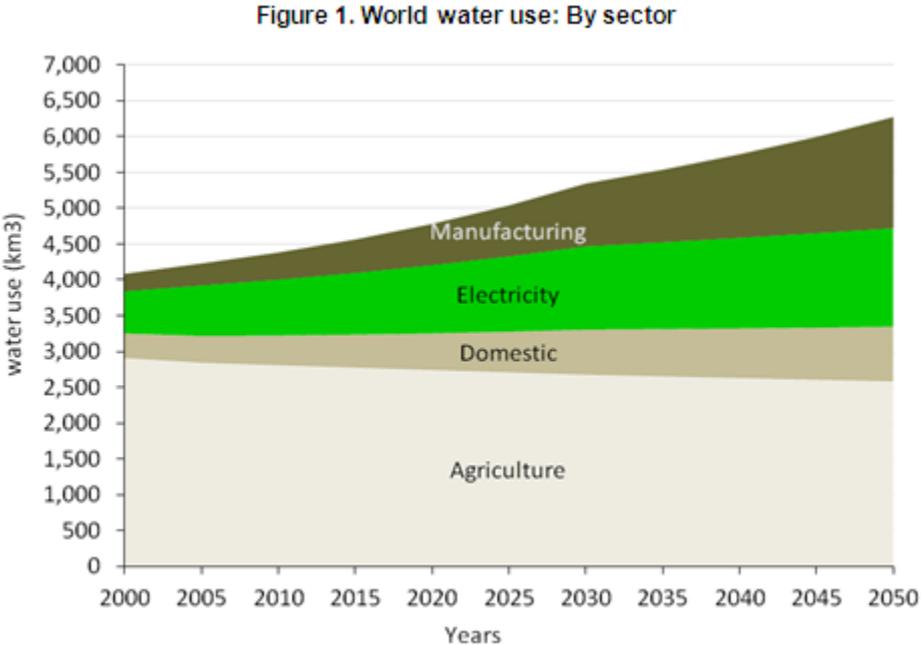
<sup>44</sup> <https://www.wri.org/blog/2019/08/17-countries-home-one-quarter-world-population-face-extremely-high-water-stress>

<sup>45</sup> CDP – Global Water Report, 2019

**8.5.2 THE ROLE OF INDUSTRIAL WATER USE**

Against the broader backdrop of water scarcity, the role industry plays in water demand has come under increased scrutiny. Water is a mission-critical input for many industrial applications. Some companies, such as food and beverage companies or pharmaceutical companies, use fresh water as an essential ingredient for their products. Industrial water withdrawal has increased its share in global water withdrawal by 100% since 2015.<sup>46</sup> Other industries use water as an integral part of their manufacturing process. Water is used in many applications, including the generation of steam heat as a cooling agent in the manufacturing process, as a solvent and cleaning agent and for many other uses.<sup>47 48</sup>

Around 50% of all water withdrawal in Europe comes from the industrial sector.<sup>49</sup> The OECD projects that water use by the manufacturing sector will be one of the largest drivers of growth in water use over the 2000 to 2050 period, as shown in the chart below.<sup>50</sup>



**8.5.3 INDUSTRY RESPONSE TO WATER SCARCITY**

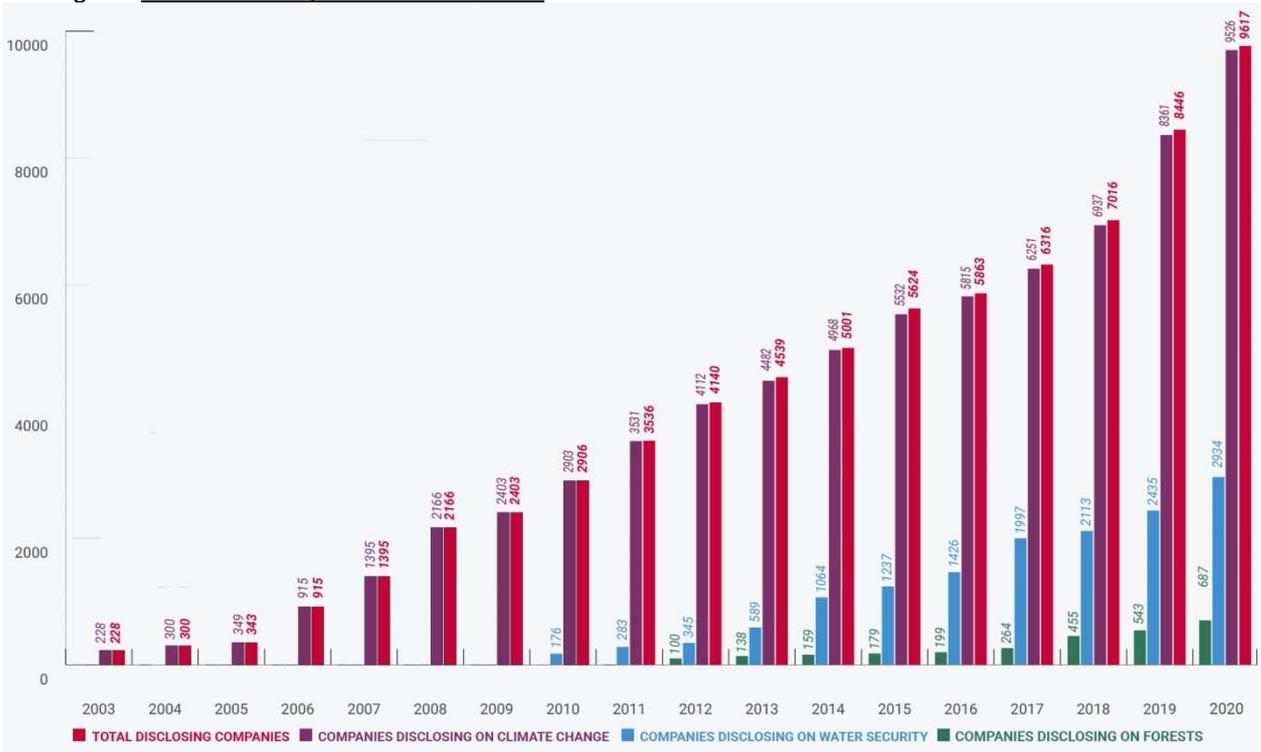
Water scarcity is an important risk for many industries. For many industrial applications, water has no readily available substitute. Water restrictions imposed during times of water stress can have a

<sup>46</sup> Aquatech, 2019; Our World in Data, 2018  
<sup>47</sup> <https://www.oecd.org/env/resources/water-the-right-price-can-encourage-efficiency-and-investment.htm>  
<sup>48</sup> [https://read.oecd-ilibrary.org/environment/water-resources-allocation\\_9789264229631-en#page23](https://read.oecd-ilibrary.org/environment/water-resources-allocation_9789264229631-en#page23)  
<sup>49</sup> Food and Agricultural Organisation of the United Nations – Aquastat Database, 2017  
<sup>50</sup> <https://www.oecd.org/env/resources/water-the-right-price-can-encourage-efficiency-and-investment.htm>

significant impact on a plant's operations. More than 65% of businesses have a substantial water stress risk in their direct operations or in their value chain.<sup>51</sup> While companies have long understood the risk of electricity blackouts, a “blue out” that results in an interruption to or reduction of the water supply can have an equally disruptive impact on a plant's operations.

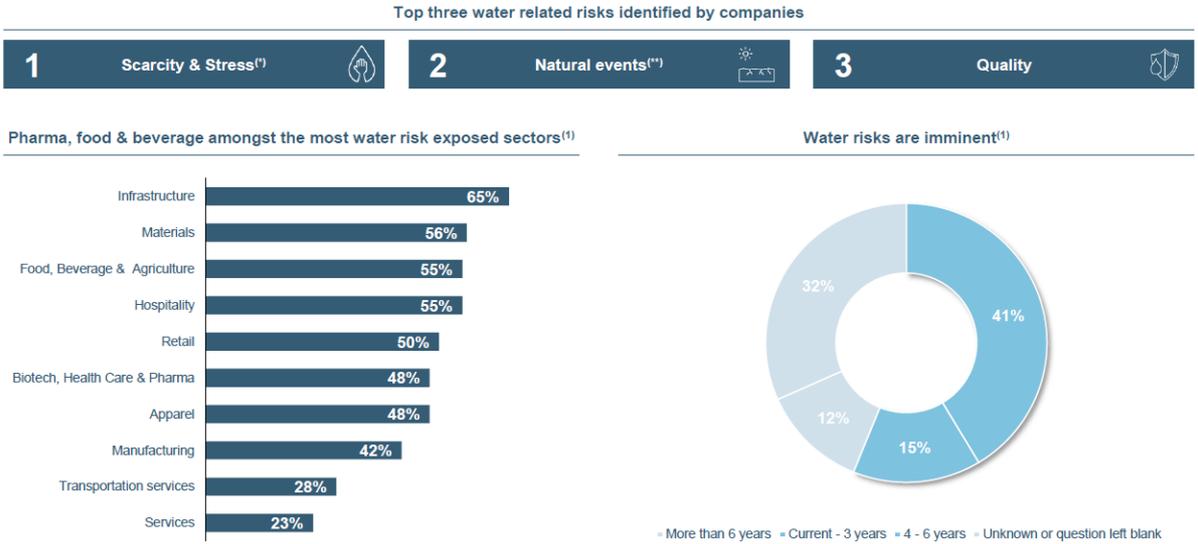
Beyond protecting against the risk of blue outs, companies worldwide increasingly include water use as part of their broader overall commitments to sustainability goals. Over 180 companies have adhered to the CEO Water Mandate, a United Nations Global Compact initiative that mobilizes businesses on water, sanitation and the Sustainable Development Goals set in 2015 by the United Nations General Assembly.<sup>52</sup> Endorsers of the mandate commit their companies to improvements in water use and annual reporting on progress toward the mandate's key goals. In March 2020, a subset of these companies formed the Water Resilience Coalition, which aims to preserve the world's freshwater resources through collective action in water-stressed basins through ambitious, quantifiable commitments.<sup>53</sup> Water use is also an increasingly important area of corporate reporting on sustainability. The following chart shows the increase in reporting by companies on water use to CDP, one of the largest internationally recognised climate and sustainability reporting frameworks.<sup>54</sup> The graph shows that water disclosure is gaining importance.

Figure: Water used reported to the CDP<sup>55</sup>



<sup>51</sup> McKinsey – Water: A human and business priority, 2020  
<sup>52</sup> <https://ceowatermandate.org/about/endorsing-companies/>  
<sup>53</sup> <https://ceowatermandate.org/resilience/>  
<sup>54</sup> <https://www.cdp.net/en/companies/companies-scores>  
<sup>55</sup> <https://www.cdp.net/en/companies/companies-scores>

In its Global Water Report of 2019, CDP asked companies about their risk perception related to water, which included risks as scarcity & stress, natural events and water quality, and its potential impact. 56% of respondents expected to be confronted with any of these risks within the next 6 years. In total, the combined risk value was USD 425 billion. On a sector level; Infrastructure (65%), Materials (56%), Food, Beverage & Agriculture (55%) and Hospitality (55%) face most water related risks.<sup>56</sup>



**» Companies globally are facing imminent water risks with up to \$425bn combined value at risk<sup>(1)</sup> «**

Note(s): (\*) Increase in water scarcity and water stress; (\*\*) Flooding and droughts; (1) % of companies responding "yes" to the question "Have you identified any inherent water related risks with the potential to have substantive financial or strategic impact on your business; (2) Companies anticipating water related risks to hit within the identified timeframe; Source(s): (1) CDP – Cleaning up their act, 2019

Industrial companies, driven by ecological, economical and ESG-related objectives respond by setting their own standards. Carlsberg aims to reduce its breweries' water usage by 50% by 2030.<sup>57</sup> Intel has announced goals to return 100% of its water to communities and watershed for local use.<sup>58</sup> Procter & Gamble aims to reduce water usage in its facilities by 20% by 2020.<sup>59</sup> Heineken aims to reduce water usage and to treat 100% of its water used.<sup>60</sup> Takeda has set the goal to reduce its fresh water use by 30% by 2020.<sup>61</sup> Pepsi has issued USD 1 billion in green bonds to replenish 100% of the water it consumes.<sup>62</sup>

**8.5.4 REGULATORY INITIATIVES**

**8.5.4.1 GLOBAL INITIATIVES**

In the European Union, a number of recent trends reflect a growing commitment to improving the use of water resources.

<sup>56</sup> CDP – Cleaning up their act, 2019  
<sup>57</sup> Carlsberg Group – IR Corporate Presentation, 2020  
<sup>58</sup> Intel Corporation – Annual Report, 2019  
<sup>59</sup> Procter & Gamble – Citizenship Report, 2018  
<sup>60</sup> Heineken Company Website – Heineken announces 'Every Drop' water ambition for 2030, 2019  
<sup>61</sup> Takeda – Sustainable Value Report, 2019  
<sup>62</sup> PepsiCo – Green Bond Report, 2020

- Water Reuse Regulation. In May 2020, the EU Parliament approved the Water Reuse Regulation, Regulation (EU) 2020/741, as part of the EU action plan for the circular economy. The new regulation defines minimum requirements at EU level to allow reclaimed water (i.e., urban wastewater that has been treated in a reclamation plant) to be used for agricultural purposes.
- EU Action plan for the circular economy. In March 2020, the EU Commission presented its second action plan for the circular economy. The plan includes more than 40 individual measures to improve waste management and promote circular economy processes throughout the life cycle of products. The EU Action Plan includes a commitment to circular approaches to water reuse in agriculture and facilitating water reuse and efficiency in industrial processes.

Together, the European Union and the Organisation for Economic Co-operation and Development have fostered USD 289 billion of water sustainability investments.<sup>63</sup>

In the United States of America, increased scrutiny on water usage and pollution, have, amongst others, resulted in the State of Minnesota settling water pollution claims for USD 850 million in 2018 against 3M and the Flint water crisis which led to a settlement of USD 600 million in 2020.<sup>64 65</sup>

#### **8.5.4.2 THE FLANDERS BLUE DEAL**

When it took office in 2019, the Flemish government, in its coalition agreement, expressed its explicit ambition to tackle water shortages in a structural way as well as its intention to liberalise the production of drinking water suitable for distribution from rainwater and waste water, subject to good quality control and government direction.<sup>66</sup> It also noted that the forthcoming European regulation on water reuse would be an important guiding principle for these efforts, and to become the rule.<sup>67</sup> In the implementation of this coalition agreement, the Flemish Minister for the Environment, Ms. Zuhail Demir, recently issued the Flanders Blue Deal.<sup>68</sup> The Blue Deal contains 70 measures and focuses on 6 tracks, which include, among others, a commitment to having circular water use become the rule, increasing the security of the water supply and investing in innovation to make the water system more robust and more sustainable. Among other specific initiatives, the Blue Deal includes:

- Third party access to the water grid. In order to increase the profitability of water reuse projects, the Blue Deal action plan seeks to ensure that any surplus drinking water can be supplied to the grid. To this end, the Blue Deal action plan asks drinking water companies to identify the current potential for such access and to develop a programme for targeted investments together with the companies in question, and explicitly states that it will

<sup>63</sup> European Commission Website – Cooperation agreement between EC and OECD, 2020

<sup>64</sup> Reuters – 3M, Minnesota settle water pollution claims for \$850 million, 2018

<sup>65</sup> New York Times – Flint Water Crisis, 2016

<sup>66</sup> Coalition Agreement of the Flemish Government 2019-2024 (Dutch), <https://www.vlaanderen.be/publicaties/regeerakkoord-van-de-vlaamse-regering-2019-2024>, page 229 and 230.

<sup>67</sup> Policy Declaration Environment 2019-2014 (Dutch), <https://docs.vlaamsparlement.be/pfile?id=1498784>, page 56.

<sup>68</sup> Flanders Blue Deal (Dutch), [https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue\\_deal\\_clean\\_0.pdf](https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue_deal_clean_0.pdf).

prepare a framework for liberalising the production of potable water out of reused water, with attention to government control and good quality control.<sup>69</sup>

- Encouraging water reuse. Building on experience in the energy sector, the Blue Deal includes plans to work with water companies to develop tariff structures that encourage rather than discourage users to invest in reuse and off-grid concepts.<sup>70</sup>
- Increased use of water audits. The Blue Deal action plan includes plans for new requirements for water use audits in key industries and when building permits and public financing are sought.<sup>71</sup>

Some intermediate deadlines for important action points have in the meantime been communicated by the Flemish government: (i) the mandatory waterscan or -audit as from 2022 for companies that are in process with the Flemish government for obtaining permits and for companies known as heavy water users, (ii) municipalities will be obliged to make plans regarding the containment of rain water and plans in case of drought and (iii) as from 2025, Flanders needs to have reduced leakage in its piping network to 0.5 according to the “Infrastructure Leak Index”.<sup>72</sup> See also Section 8.5.4.2 “The Flanders Blue Deal” of this Prospectus.

#### **8.5.5 GLOBAL WATER MARKET**

The current global water and wastewater total expenditures market by utilities and industrial water users accounted for 29% of the market in 2005 and grew to 40% in 2015.<sup>73</sup> The market is furthermore expected to grow from USD 770 billion in 2018 to USD 915 billion in 2023, showing an annual growth rate of 3.5%.<sup>74</sup> Furthermore, the global wastewater recovery systems market is forecasted to grow from USD 20 billion in 2016 to USD 50 billion in 2024, showing an annual growth rate of 8.0%, on the back of major growth catalysts, such as technology, regulation and awareness/education.<sup>75</sup> As the market is still dominated by centralized facilities with an extensive piping infrastructure, most of the historic growth in spending has come from investments to address deteriorating systems (capital costs) and increasing operating costs. Through its decentralized and off-grid focused water solution and by using and re-using alternative water sources, Ekopak addresses a newly emerging market segment that provides companies an alternative to the current centralized and legacy global water and wastewater market.

The existing market for using and re-using alternative water sources is still in its infancy. Today, only ~2% of total urban wastewater (defined as domestic wastewater or the mixture of industrial and

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<sup>69</sup>Flanders Blue Deal (Dutch), [https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue\\_deal\\_clean\\_0.pdf](https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue_deal_clean_0.pdf), page 20-21.

<sup>70</sup>Flanders Blue Deal (Dutch), [https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue\\_deal\\_clean\\_0.pdf](https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue_deal_clean_0.pdf), page 20-21.

<sup>71</sup>Flanders BlueDeal (Dutch), [https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue\\_deal\\_clean\\_0.pdf](https://www.zuhaldemir.be/sites/parlement.n-va.be/files/generated/files/news-attachment/blue_deal_clean_0.pdf), page 19-20.

<sup>72</sup> <https://vilt.be/nl/nieuws/75-miljoen-euro-voor-blue-deal-tegen-droogte>

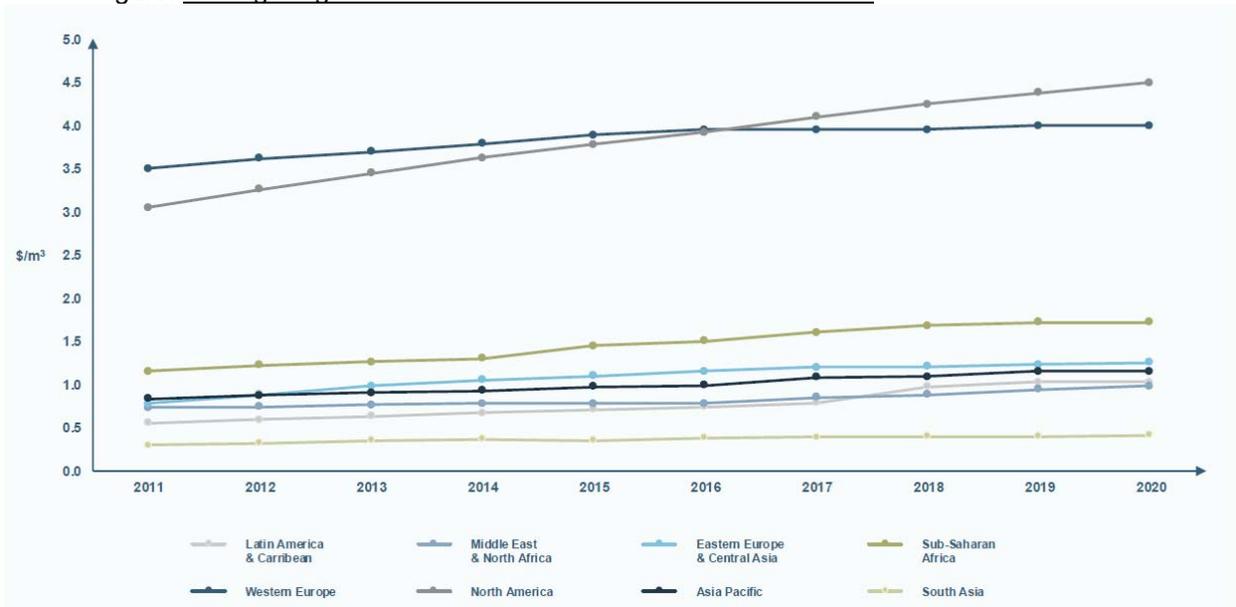
<sup>73</sup> Food and Agricultural Organisation of the United Nations – Aquastat Database, 2017

<sup>74</sup> *Global Water Intelligence (GWI)*

<sup>75</sup> *Global Market Insights – Global WasteWater Recovery Systems Market Size*

domestic wastewater and/or run-off rain water) has been re-used in the EU.<sup>76</sup> Ekopak believes the imminent problem of global water scarcity will drive the market for using and re-using alternative water sources in the industrial and potable water market, both in developing but also developed countries. In fact, 8 out of 10 OECD countries with lowest freshwater availability per capita are in Europe (Belgium, Spain, Poland, United Kingdom, Italy, Czech Republic, Luxembourg and Germany).<sup>77</sup> As a result of the increasing water scarcity and rising investment requirements into aging water infrastructure, the average cost of water on a cubic meter basis has increased over the last years (see the below figure). The relatively lower price in emerging markets compared to North America and Western Europe is a result of a heavy under-invested water infrastructure in those regions. It is expected that the required infrastructure investments and the fact that not all externalities are currently reflected in these tariffs will cause prices to increase further over time.<sup>78</sup> Around 10% of companies would face margin pressure if water was fairly priced.<sup>79</sup> At present, Ekopak realised in the years 2018, 2019 and 2020 respectively 90.5%, 93.5% and 75.2% of its turnover in Belgium, and respectively 93.3%, 94.7% and 95.9% of its turnover in the Benelux countries, but plans to expand internationally to neighbouring countries proactively, and to other countries if opportunities arise.

Figure: Average regional costs of water between 2011 and 2020<sup>80</sup>



**8.5.6 COMPETITION**

Ekopak offers its customers ESG-driven water solutions that allow them to optimize their water use, save money and make progress toward their sustainability goals by leveraging alternative sources of water and designing systems that allow them to clean and reuse water in their industrial processes.

<sup>76</sup> European Commission – Optimising water reuse in the EU, 2015  
<sup>77</sup> OECD Database  
<sup>78</sup> Circle of Blue – Price of Water, 2019  
<sup>79</sup> The Economist – An Expanding Pool, 2021  
<sup>80</sup> The Global Water Tariff Survey, 2020

Ekopak competes primarily on the basis of the unit price at which water is sold to its customers, its ability to tailor solutions to customers' specific water needs, ease of installation and ongoing monitoring services. Through its WaaS platform, Ekopak offers customers an end-to-end solution (from analysing the existing water cycle and identifying points of (process) optimizations, identifying on-site alternative water sources, to purification of influent water and recycling of process water) with "pay by the drop" pricing, which allows customers to secure an ESG-friendly water supply while avoiding the need for large customer-side capital expenditures.

Ekopak's main competitors in the market for water purification solutions include international water treatment companies such as Suez, Veolia and local engineering, procurement and construction (EPC) companies that contract to build plants that satisfy specific requirements. Ekopak provides a fixed price model through its WaaS proposition, which gives customers full visibility and transparency on future costs, while competitors such as Suez and Veolia focus on selling large installations and offering services typically without fixed price guarantee which usually do not provide customers with full visibility on future costs. Inherently due to its fixed price model, profit drivers for Ekopak are the reduction of the supply to consumers of consumables and chemicals and the optimization of aftermarket services. In contrast, larger competitors typically rely on the sale of these services in order to cover their fixed cost base. Ekopak's approach ultimately yields a more sustainable solution. While no assurance can be given that Ekopak's larger competitors will not begin offering WaaS solutions, Ekopak believes doing so would represent a major shift in business model for many of those competitors. Ekopak's solution required a number of years to develop, and while no assurance can be given that smaller competitors such as local engineering firms and consultants will not seek to offer WaaS type solutions, and could "smart copy" the WaaS model, Ekopak believes the time required for such competitors to develop an integrated solution similar to WaaS could make it more difficult for such competitors to deploy WaaS solutions.

To the extent Ekopak's water solutions provide customers with an alternative to using tap water, it also competes with legacy tap water providers in the regions where its customers are located. Players in this legacy water supply market are to a large extent public sector companies, which are estimated to hold an 86% market share globally, hence leaving 14% to the private sector.<sup>81</sup> Both the public and private part of the market are highly fragmented, with many regional players active. The private market is gaining in importance however. It is estimated the public water treatment market was worth USD 556 billion in 2018, or 80% of the total water treatment market.<sup>82</sup> Currently 14% of people globally lack access to water and 66% could face water shortages by 2025.<sup>83</sup> Ekopak believes that its technology agnostic approach and ability to rely on the latest technologies offers it more freedom in implementing solutions compared to legacy water providers, many of whom still rely in part on large installations that were originally built many years ago using older technologies.

While some European competitors offer custom water purification solutions through a Design & Build (Maintain) & (Operate) model, to Ekopak's knowledge, none of its European competitors currently

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<sup>81</sup> Robecosam – Water: the market of the future, 2015

<sup>82</sup> CREO – Distributed Wastewater Treatment and Water Reuse, 2018

<sup>83</sup> WWF Website – Water Scarcity, 2020

offers a WaaS package based on alternative water sources purified using a decentralized containerized solution. However, see Risk Factor 2.1.2 “*Ekopak faces competition from both established and new companies with similar strategies or similar offerings of products and services, which could make it difficult for Ekopak to maintain its current or expected margins or sustain its revenue growth.*” of this Prospectus.

## **8.6 EKOPAK’S WATER SUPPLY SOLUTIONS**

### **8.6.1 IDENTIFYING CUSTOMER NEEDS**

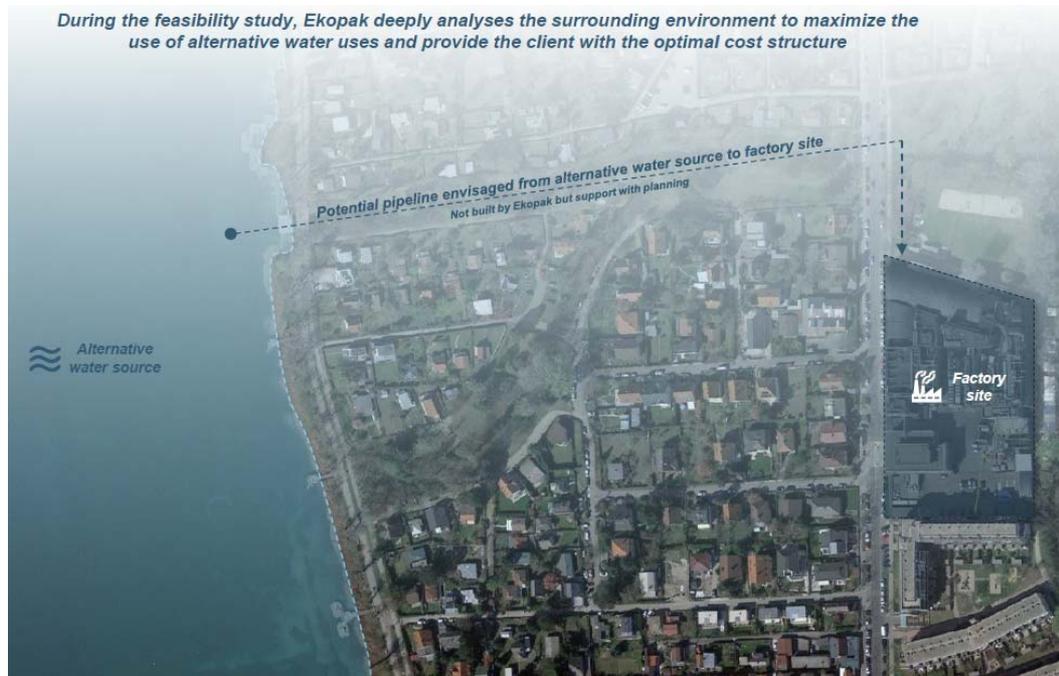
Ekopak acts as a water consultant for its customers. Driven by progressively more stringent regulations, ESG concerns and general water scarcity, Ekopak’s industrial water customers increasingly seek opportunities to optimize their water usage to save money, reduce the burdens associated with operating and maintaining water purification equipment, and to achieve ESG-objectives for water use. At the same time, because water supply is a mission critical resource, they seek to ensure constant availability and constant quality of their industrial water supply.

Many Ekopak customers seek off-grid solutions designed to eliminate or reduce the use of tap water. Securing off-grid water resources enables Ekopak’s customers to eliminate “blue out” risk, whereby the customer’s processes grind to a halt because the inflow of tap water is limited or closed off.

To understand specific customer needs and meet them with a customized solution, when working with a new customer, Ekopak begins with a detailed analysis of customer needs and proposes the design for a system to meet them.

1. **Analysis of existing processes:** Ekopak begins each project by (i) thoroughly analyzing the potential customer’s needs in terms of quality and quantity of water used in its processes, (ii) evaluating the existing water processes at the customer’s site, and (iii) proposing process related changes to the customer’s water processes, leading to a more efficient water processes on the client’s side and realizing “quick wins” regarding the water usage of the customer;
2. **Determining alternative water inflow:** Based on its analysis of the customer’s water needs, Ekopak subsequently conducts a feasibility study regarding the on-site potential to use alternative influent water sources, such as rain-, surface- and/or wastewater, in order to reduce the customer’s dependency on tap water as much as possible and possibly provide them with a truly off-grid solution. The primary alternative water source is always the wastewater created on the site itself, although as less than 100% can be recovered, this leaves a gap which must be made up with alternatives. One option includes the use of rainwater, which usually has a high input purity, though depending on local climate conditions may not be available in significant quantities. Another alternative is the use of surface water, for example, if a river is located near the client’s site, Ekopak might, for the benefit of the client, perform a feasibility study regarding the construction of a pipeline from such river to the client’s site. Ekopak would not be involved in the construction of the pipeline itself. Ekopak estimates it can enable the re-use 70-95% of their clients’ process

water, making up the 5-30% of water discharged with alternative water sources such as rain or raw water;



3. **Design:** When Ekopak has gathered all necessary information on the potential customer's specific situation, it designs a tailor-made system that purifies the customer's wastewater in order to reintroduce it in the customer's water-cycle. The water quality analysis described in points 1 and 2 above is crucial in order to design an installation that delivers the required water quality and in order for the installation to operate within pre-defined acceptable ranges for parameters such as pH, temperature, dissolved oxygen, etc. If the client requires a guaranteed uptime of above 98.5%, Ekopak includes a backup installation in case the main installation fails or requires servicing.

Lead time is dependent on the size of the project. For a water installation, around 2-6 months can be considered a reasonable manufacturing time of the installation, while the time between first analysis and effective installation of the installation on the client's site typically takes approximately 6-9 months. The total manufacturing cost per container can vary from EUR 100 thousand to EUR 300 thousand, while the number of containers varies from project by project. Ekopak has a lean manufacturing set-up which is highly scalable.

In certain specific situations (for example to demonstrate to a customer that the water quality delivered by Ekopak's solution meets the customer's expectations or to optimize the solution), Ekopak installs a temporary test lab on the potential customer's site to test which technologies are best-suited and then monitors the outcome, through its connection to the smart grid. It also allows Ekopak to check what consequences changes in quality of the influent water have on the purification process.



The test lab enables Ekopak to perform all the tests required in order to verify the quality and pro-actively identify any possible operational issues.

### **8.6.2 FILTRATION TECHNOLOGIES MOST COMMONLY USED**

The technologies most frequently used by Ekopak in its water purification processes are the following:

#### **8.6.2.1 REVERSE OSMOSIS**

Reverse Osmosis is a water purification process that uses a partially permeable membrane to remove ions, unwanted molecules and larger particles from water, which have been dissolved in it. Reverse osmosis can remove many types of dissolved and suspended chemical species as well as biological ones (principally bacteria) from water and is used in both industrial processes and in the production of potable water. In reverse osmosis, applied pressure is used to overcome osmotic pressure, a colligative property that is driven by chemical potential differences of the solvent, a thermodynamic parameter. The result is that the solute is retained on the pressurized side of the membrane and the pure solvent is allowed to pass to the other side. To be "selective", this membrane should not allow large molecules or ions through the pores (holes) but should allow smaller components of the solution (such as solvent molecules, i.e., water, H<sub>2</sub>O) to pass freely.

The reverse osmosis method can be done multiple times on the same substance and can be preceded by other filtration techniques such as classic filtration (capturing of loose elements) or usage of activated carbon (absorption of some elements). Reverse osmosis is mainly used to eliminate certain minerals or salts, which can ultimately result in drinking water or even more pure water. It provides for the most complete filtration. Client sectors are typically the food or pharma sector. The global reverse osmosis market is expected to grow at an annual rate of 8.7% from 2019 to 2024, to a total market size of USD 12.4 billion.<sup>84</sup> It is one of the techniques most frequently used by Ekopak.

<sup>84</sup> Allied Market Research – Reverse Osmosis Membrane Market Outlook - 2025, 2018

### **8.6.2.2 MICRO-FILTRATION (MF), ULTRA-FILTRATION (UF) AND NANO-FILTRATION (NF)**

Filtration processes all use the same methodology: water passes through a single or a combination of several semipermeable membranes which, depending on the pore size of the membrane, can capture certain elements and let other elements pass through. Suspended, non-dissolved solids and solutes of high molecular weight are retained in the so-called retentate, while water and low molecular weight solutes pass through the membrane in the permeate (filtrate). The process can be fine-tuned through the pressure put on the water.

MF has the largest pore size of the three mentioned techniques, approximately 0.1 micron, and basically only remove bacteria and suspended solids from water. MF can be applied as pre-treatment for another treatment process, wastewater treatment or sterilizing of beverages and pharmaceuticals.

Pore sizes in UF typically vary between 20 nanomicon to 0.1 micron. In addition to the substances cleared by MF, UF also tackles viruses in the water. This separation process is used in industry and in research for purifying and concentrating macromolecular (103 - 106 Da) solutions, especially protein solutions. The pressure on tap water is mostly enough pressure for UF to work, making it a popular treatment process in the drinking water sector. It requires less energy than reverse osmosis and needs little human intervention. The global UF market is expected to grow at an annual rate of 15.3% from 2019 to 2024, to a total market size of USD 2.6 billion.<sup>85</sup> Next to reverse osmosis, it is one of the techniques most frequently used by Ekopak.

NF has pore sizes of 0.001 micron, which, additionally to the above mentioned MF and UF, also remove certain ions, such as chlorides or sodium. The global NF market is forecasted to grow by 18.2% annually between 2019 and 2024, to USD 1.2 billion.<sup>86</sup>

### **8.6.2.3 UV FILTRATION**

UV filtration is a disinfection method that uses short-wavelength ultraviolet light (ultraviolet or UV), with a typical wavelength of 254 nanometer (called ultraviolet C or UVC). The light kills or inactivates disease causing microorganisms by destroying nucleic acids and disrupting their DNA, leaving them unable to perform vital cellular functions. This method is called Ultraviolet Germicidal Irradiation (UVGI) and can kill more than 99.9% of all pathogenic organisms in water, such as bacteria, viruses and molds. UVGI is used in a variety of applications, such as food, air, and water purification. To be effective, pre-filtration through reverse osmosis or ultra-filtration is recommended, as those methods can remove larger particles. Those large particles can contain harmful microorganisms, which would otherwise remain untreated as the UV light cannot shine on it. Other disinfection methods can be purely chemical (with for example chloride dioxide, hydrogen peroxide, ozone, etc.), instead of the above mentioned more mechanical method.

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<sup>85</sup> Reports and Data – Ultrafiltration Market Size, Share And Analysis By Type And By Applications, 2020

<sup>86</sup> bcc research – Nanotechnology, 2019

#### **8.6.2.4 ACTIVATED CARBON FILTRATION**

(Granular) activated carbon (GAC) is useful for the removal of taste- and odor-producing compounds, natural organic matter, volatile organic compounds (VOCs), synthetic organic compounds and disinfection byproduct precursors from water. Activated carbon filtering works by adsorption, in which pollutants, both absorbed and non-absorbed particles, in the fluid to be treated are trapped inside the pore structure of a carbon substrate. The substrate is made of many carbon granules, each of which is itself highly porous. As a result, the substrate has a large surface area within which contaminants can be trapped. Activated carbon is typically used in filters, as it has been treated to have a much higher surface area than non-treated carbon. One gram of activated carbon has a surface area in excess of 3,000 m<sup>2</sup>. Activated carbon filtration is a technology with high removal efficiencies (up to 99.9%) for many VOCs. In most cases, GAC can remove target contaminants to concentrations below 1 µg/l.

(Granular) activated carbon is mostly used in the production of drinking water.

Other technologies include electrical de-ionisation or are based on graphene or molecule membranes.

#### **8.6.3 CONTAINERIZED MODULAR SOLUTION**

##### **8.6.3.1 OVERVIEW**



Since 2017, Ekopak delivers most of its ESG off-grid water solutions using containerized water purification units. At the date of the Prospectus, Ekopak's containerised solutions process an equivalent of 5,000 Olympic swimming pools on an annual basis.

Key Advantages of Containerized Solutions:

- **Highly customizable to fit customer needs.** Thanks to the modular internal construction of the containers, the internal equipment can be mixed and matched, replaced and re-used. In

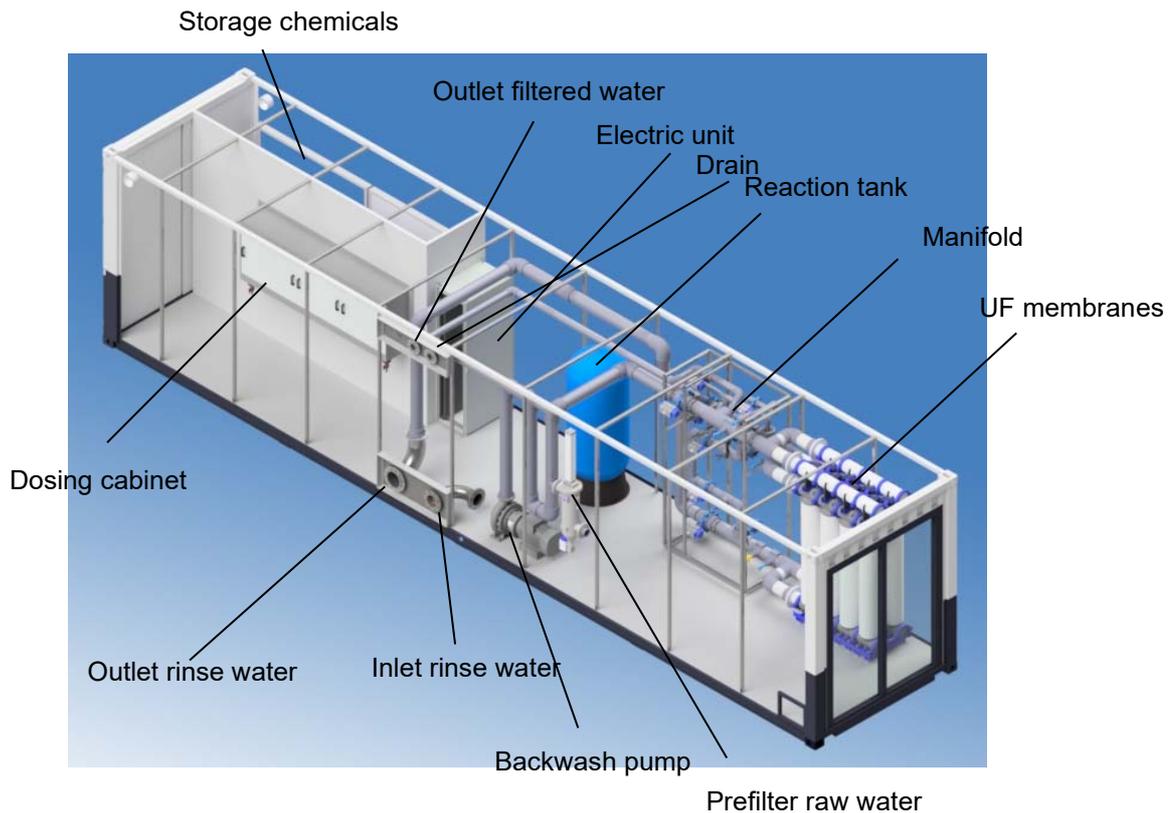
consultation with the customer, Ekopak can also provide different sized containers in height, length and width (e.g., 20 feet, 40 feet, 20 feet “high cube”, ...) and can customize the internal design of the container to meet customer’s wishes, for example with spaces for filtering, electricity, CIP (clean in place), chemical treatment, buffer and operation.

- **Scalable Purification Capacity.** By delivering its solutions in containerized form, the purification capacity of Ekopak’s units is only limited by the available space on the customer’s site. A variety of configurations are possible, as they can be located next to each other but can also be stacked in different levels.
- **A standardized layout, with customization options.** Ekopak’s containers, and their internal modules, are as standardized as possible. Where possible, a standard design mostly driven by the nature of the customers sector is used (an example of one (of several different) standardized container(s) is provided below). While this standard platform speeds implementation and reduces production costs, the filtering processes itself, mostly in terms of the use of chemicals or in terms of software and the exact configuration of the container’s internal modules can be tailor made and adapted to the specific needs of the customers.
- **Plug and Play Installation.** Ekopak assembles and manufactures its containerized solutions offsite. When it comes time to install the solution, the containers are transported to the customer’s location, and can be installed rapidly (the typical installation requires only a few days), minimizing disruption to customer operations. In addition, because the containers are installed outside the customer’s facility, they do not require reorganization of the internal space of the customer’s plant, which further limits disruption to existing processes.

#### **8.6.3.2 TYPICAL CONTAINER SOLUTION**

Ekopak typically delivers its solutions using ready-made and “ready to use” containers with all the equipment and functionality needed for the client’s water management (e.g., dosage and pressure control stations, disinfection units, water softeners, decarbonisation and demineralisation devices, reverse osmosis units and filtration devices, among others),

The following diagram shows an example of one (of several different) standardized Ekopak container:

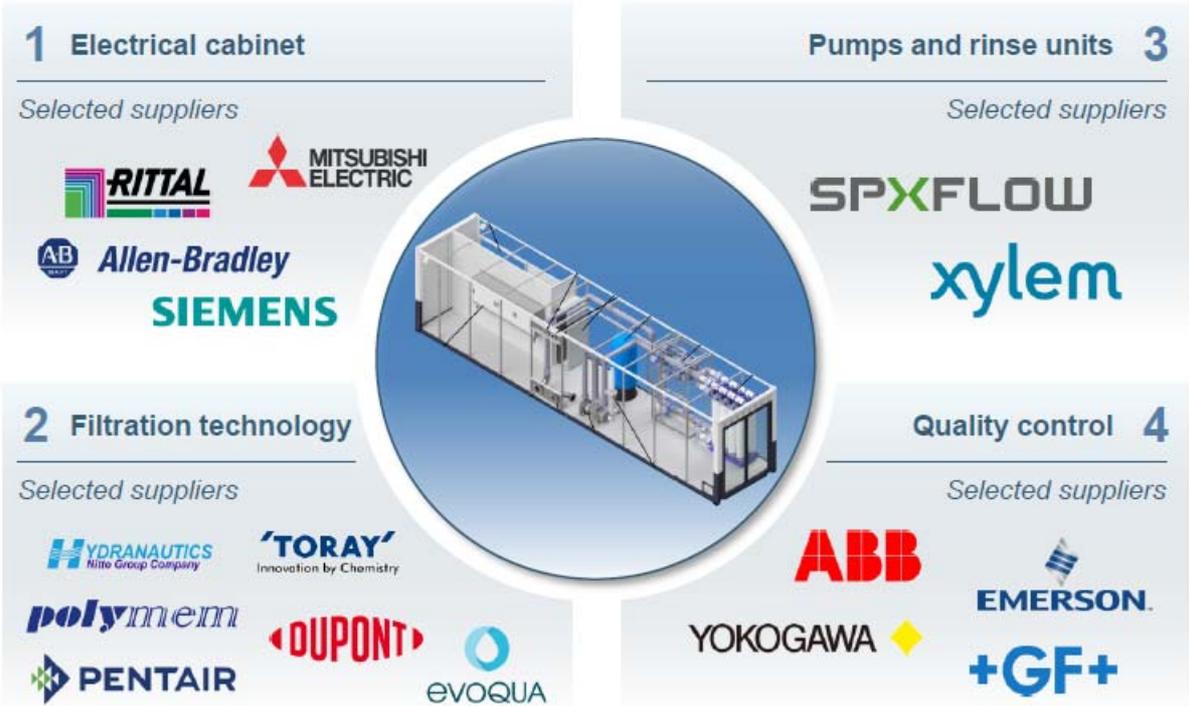


As set forth above in Section 8.2.5 “*Operational Excellence: Engineering Expertise And Technology Agnostic Approach*” of this Prospectus, Ekopak is not dependent on, or limited to, technologies that have been developed in-house, and can source the components it needs, even the mission critical ones, from a wide range of suppliers. Instead of focusing on developing the underlying water purification techniques itself, Ekopak has, through the years, developed a best-in-class expertise in using and combining different water purification techniques. Ekopak’s differentiating know-how lies in the combination of these different technologies relying on both chemical and mechanical engineering. Ekopak takes great care to actively cross-fertilize knowledge within its different departments, resulting in chemical engineers that are encouraged to, and have become, acquainted with electro mechanics, and electro mechanical engineers that are encouraged to, and have become, acquainted with chemistry. Ekopak believes this gives it significant insight into how to use pressure, temperature and a limited set of chemicals in the water purification process.

Ekopak’s installations are thus technology agnostic, meaning that Ekopak can pick and choose the technologies it incorporates in each specific installation from a selection of market-leading and well-established brands, such as Pentair, Evoqua Water Technologies, DuPont and Polymem, which is not always the case for other water technology suppliers. Ekopak believes this freedom constitutes an important differentiating factor from its closest competitors, which are often dependent on, or limited to, in-house, or specific proprietary third party, solutions. For instance, some water treatment companies develop and patent their own underlying technology components, which can make it more difficult for them to offer competing third-party components. Instead of focusing on developing the underlying water purification technology in-house, Ekopak has developed strong expertise in using and combining different water purification techniques. Ekopak is not dependent on, or limited to, technologies that have been developed in-house. Ekopak can source the components it needs for its solutions from a wide range of suppliers. Even very specific and mission critical parts can be sourced

from at least three or four specific third parties to provide its customers with the water solution they need. This freedom also allows Ekopak flexibility to (if it makes sense from a cost perspective) update its WaaS units as superior technology becomes available. Depending on the customer’s situations (for example if more than one Ekopak unit is available on site), Ekopak is able to implement such new technologies without the need to halt the water purification processes.

The figure below shows some of the suppliers Ekopak uses for different key components and showcases the wide variety of technologies it can offer, depending on the customer’s requirements.



Ekopak’s containers, and their internal modules, are as standardized as possible, a standard design mostly driven by the nature of the customers sector is used as much as possible, nevertheless the filtering processes itself, mostly in terms of the use of chemicals or in terms of software and the exact configuration of the container’s internal modules can be tailor made and adapted to the specific needs of the customers.

Ekopak uses IoT technology for smart sensing and metering (Smart Connectivity), in order to remotely monitor installations and to gather all necessary data about the purified water. This enables Ekopak to, in a labour efficient manner, and if so agreed with the customer, (i) provide its customer with value added reporting, (ii) proactively determine the need for maintenance, and (iii) remotely tweak the water purification process increasing the performance of the installation (see also Section 8.6.5 “Internet of Things (IoT) solution” of this Prospectus).

### **8.6.3.3 INSTALLATION**

The customer provides a flat (concrete) surface for the container to be placed upon. Ekopak then ships the container and puts it on the designated space (which, depending on the specific situations, typically takes only a few days). Subsequently, the customer connects the container to the electricity network and the water inflow and outflow tubes as set out in an installation guide provided by Ekopak. Once the container has been connected, Ekopak returns to the customer's site, checks the connects and starts up the purification unit.

### **8.6.4 *NON-CONTAINERIZED SOLUTIONS***

Prior to 2017, Ekopak's main focus was on fixed installations (such as the examples below) that are integrated in the client's facility. If requested, Ekopak still offers its water purification solutions to customers in a non-containerised way. Ekopak's non-containerized solutions are mostly requested by customers that are building a new facility or a new product line. When building a new facility, it makes more sense to integrate the water purification installation directly in the facility itself, which obviates the need for, for example, expensive additional piping and pump installations. In addition, the non-containerised solution is most popular in the field of boiler water solutions.



### **8.6.5 *INTERNET OF THINGS (IoT) SOLUTION***

In order to monitor its installations remotely, Ekopak uses a third-party cloud software tool with which it can collect and analyse data and track certain key parameters of the water purification installation through a wireless set-up network. Ekopak also installs many sensors in its equipment to allow for more off-site data analytics, with each container sending over 1 million data points per minute to be analysed internally.

The third-party cloud technology, combined with Ekopak's proprietary data analytics capabilities, results in detailed reports (which are shared with the customer as to keep them up to date) allowing for the engineers to (proactively) take action in order to safeguard the functioning of the installation and the quality of the output water. This data is used to monitor the containers in real time, constantly checking aspects such as input and output quality of the water and automatically alerting a service engineer if certain thresholds are passed. It also allows Ekopak to check if the customer honors its contractual obligation to supply inflow water of a certain quality. Furthermore, this data analysis allows

for engineers to service more installations than they could otherwise, as their time can be used on preventative maintenance rather than fixing issues after they have transpired.

## **8.7 THE EKOPAK APPROACH**

### **8.7.1 OVERVIEW**

Ekopak offers its customers a wide range of water purification and re-use solutions that can be tailored to their specific needs. Depending on the customer's needs and preferences, these solutions can be provided through Ekopak's end-to-end WaaS offering, or through a more traditional Design and Build, Maintain & Operate (DB(M)(O)) model in which the customer hires Ekopak to design and build a system that the customer purchases, and then either maintains and operates the system itself, or hires Ekopak or another service provider to maintain and operate the system.

Prior to June 2020, Ekopak offered its services primarily through the DB(M)(O) model. In June 2020, Ekopak introduced its end-to-end WaaS offering, which allows customers to secure the full range of Ekopak services under a "pay by the drop" pricing model in which Ekopak also finances, maintains and operates the equipment. Ekopak has seen strong interest in the new service and expects that over time, WaaS will become the predominant model for delivering its services.

### **8.7.2 DB(M)(O)**

Prior to the introduction of its WaaS solutions, Ekopak mainly focused on the DB(M)(O) model, pursuant to which Ekopak designs, builds, and if so agreed with the customer, also maintains and/or operates its containerized or non-containerized solutions that provide its customers with the water they need in their industrial processes.

Although Ekopak plans to focus on its containerized units through the application of its WaaS model, Ekopak also will continue to offer its containerized and non-containerized solutions through the "pick and choose" DB(M)(O) model if a potential customer prefers so, but expects that, taking into account the benefits of the WaaS model as set forth throughout this Prospectus, the WaaS model will gain importance in the revenue mix.

#### **8.7.2.1 DESIGN**

Based on the analysis of the customer's needs in terms of quantity and quality of water, and based on the availability of on-site alternative water sources as explained in more detail in Section 8.6.1 "*Identifying Customer Needs*" of this Prospectus, Ekopak designs the installation that will purify the influent water. This design typically consists of a containerized network of tubes, valves and pumps that allows the water to flow through one or more water purification components based on, among others, UV filtration, ultra filtration, reverse osmosis filtration, or activated carbon filtration (see Section 8.6.2 "*Filtration Technologies most commonly used*" of this Prospectus for more information on these filtration techniques).

### **8.7.2.2 BUILD**

Once the design is finalized, Ekopak builds the installation. This can be done through Ekopak's own people and, under the supervision of Ekopak's personnel, through subcontractors in Ekopak's facilities. Once the construction is completed, the containerized installation is shipped to the customer and installed on site. Ekopak subsequently invoices the customer on a "cost-plus" basis (i.e., the actual induced costs, increased with a % mark-up).

### **8.7.2.3 MAINTAIN**

Ekopak, if so agreed with the customer, maintains the installation, by monitoring its performance, enabling early detection of parts that could malfunction and pro-active replacement. Depending on the size of the installation regular on-site visits of the Ekopak engineers are done for pro-active maintenance. Ekopak currently has three maintain and/or operate agreements in place. See 8.7.2.5 "*Maintenance and/or Operations Agreement*" of this Prospectus for more information on the most material maintain and operate agreement the Company has entered into.

### **8.7.2.4 OPERATE**

Ekopak is able to remotely control the operations of its installations, and can, if so agreed with the customer, tweak, if needed, the installation's water purification processes from a distance. In order to purify water, chemicals, such as acids, caustics and salts are needed. In order to provide its customer with the quality of water it requires, Ekopak uses the chemicals needed to do so, it being understood that, through its in depth know-how, Ekopak tries and succeeds to reduce the use of such chemicals in its water purification processes as much as possible. By constantly measuring volumes Ekopak can also determine if and when additional chemicals are necessary. In addition to standard acids, caustics and salts, Ekopak typically uses the following three different categories of chemicals, which are produced externally on the basis of the Company's own formula's:

- (a) **Ekochem:** This range of products are utilized in Ekopak's installations to keep the installation's membranes free of scaling;
- (b) **Ekoboil:** These additives are introduced in the customer's water-cycle to keep the customer's steam boilers or warm water circuits free from corrosion and deposits; and
- (c) **EkoCool:** These additives are introduced in the customer's water-cycle to keep the customer's cooling towers or cooling circuits free of corrosion and deposits.

Even if the customer opts for a one-off design and build contract, Ekopak is always prepared to provide its customers with *ad hoc* after sales-services (e.g., delivery of chemicals, and replacement of parts) if so requested by the customer. See also Section 8.7.4.1 "*Provision of Chemicals*" of this Prospectus. As the Company grows, it expects to benefit from economies of scale when purchasing these products.

Due to economies of scale, an Ekopak employee can operate and maintain 10 different installations.

Ekopak currently has three maintain and/or operate agreements in place. See 8.7.2.5 “Maintenance and/or Operations Agreement” of this Prospectus for more information on the most material maintenance and/or operations agreement the Company has entered into.

#### **8.7.2.5 MAINTENANCE AND/OR OPERATIONS AGREEMENT**

Ekopak has three maintenance and/or operations agreements at the date of this Prospectus. The most material maintenance and operations agreement of Ekopak at the date of this Prospectus is described below.

In December 2020, Ekopak NV and a chemical company, based in Belgium (for purposes of this specific Section hereinafter referred to as the **Client**) entered into a “Maintain and Operate Agreement”. Under the agreement, Ekopak NV provides operation, maintenance and management services to a water purification installation of the Client (for purposes of this specific Section hereinafter referred to as the **Installation**) which it sold to (and was provisionally accepted by) the Client in February 2020.

The Installation is owned by the Client and converts canal water into demineralised water. Ekopak NV guarantees a certain quantity and quality of demineralised water.

The Client pays Ekopak NV an maintenance and operations fee and a consumables fee, both calculated as a price per m<sup>3</sup> of produced demineralised water. Ekopak NV is entitled to charge a minimum annual volume.

The agreement has an initial term starting from the provisional acceptance of the Installation until 31 December 2023. After expiration of this initial term, the agreement will be automatically extended twice for a period of three years, unless the Client gives six months’ notice.

The Client can terminate the agreement early for cause upon a 14 days’ notice, in the case of (i) force majeure, (ii) insolvency or non-performance of Ekopak NV or (iii) in the event of a merger, absorption, or a major change in the shareholders of Ekopak NV. In the event of early termination for cause, the Client will pay to Ekopak NV the value of the services performed, minus potential expenses incurred by a material breach and any remedy for any resulting prejudice.

The Client can also terminate the agreement early for convenience, i.e. at its sole discretion without cause or default on the part of Ekopak NV, upon prior written notice. Upon receipt of such notice, parties will determine what services are still required in order to terminate the agreement within reasonable time. In the event of early termination for convenience, the Client will pay to Ekopak NV the expenses incurred for the performance of the agreement and where appropriate, a compensation to be mutually agreed upon.

The Client is also entitled to cancel the agreement in the case of fraud or wilful misconduct by Ekopak NV. In such case, Ekopak NV must refund to the Client a lumpsum amount of EUR 50,000 without prejudice to other remedies available to the Client.

Ekopak NV can terminate the agreement early for cause upon a 14 days' notice, in the case of (i) failure by the Client to comply with its payment obligations within 60 days after the due date and 20 days of written notice or (ii) insolvency or non-performance by the Client.

Upon termination, Ekopak NV will leave the Installation in as good condition as it was on the date of final acceptance, except for normal wear and tear and casualty. All improvements, spare parts and records will become or remain property of the Client.

**8.7.3 WAAS APPROACH**

**8.7.3.1 GENERAL**

Ekopak’s WaaS service is a complete end-to-end service that includes designing, building, financing, maintaining and operating its installations, covering the full value chain in a “Design-Build-Finance-Maintain-Operate”, or “DBFMO” model. This allows customers to substantially reduce or eliminate the need for large capital expenditures and operational management of the installation, and to “pay by the drop” while still enjoying immediate P&L savings. Ekopak believes this new business model allows it to propose a highly differentiated and compelling value proposition to its customers. At the date of this Prospectus four WaaS contracts have been signed by the Company so far (see Section 8.7.3.4 “WaaS Agreements” of this Prospectus for more information thereon).

The figure below summarises the differences between the one-off (DB(M)(O)) and WaaS sales models:



To offer its WaaS solution, Ekopak typically seeks to follow the general approach described below. It should however be noted that, given the very early stage of the roll-out of the WaaS business model, and the fact that many financial and operational parameters are still unknown, untested or unstandardised, this approach is subject to changes in the future and also has not always been followed in the past (see also Risk Factor 2.1.1 “Ekopak is shifting its focus from a “one-off” project

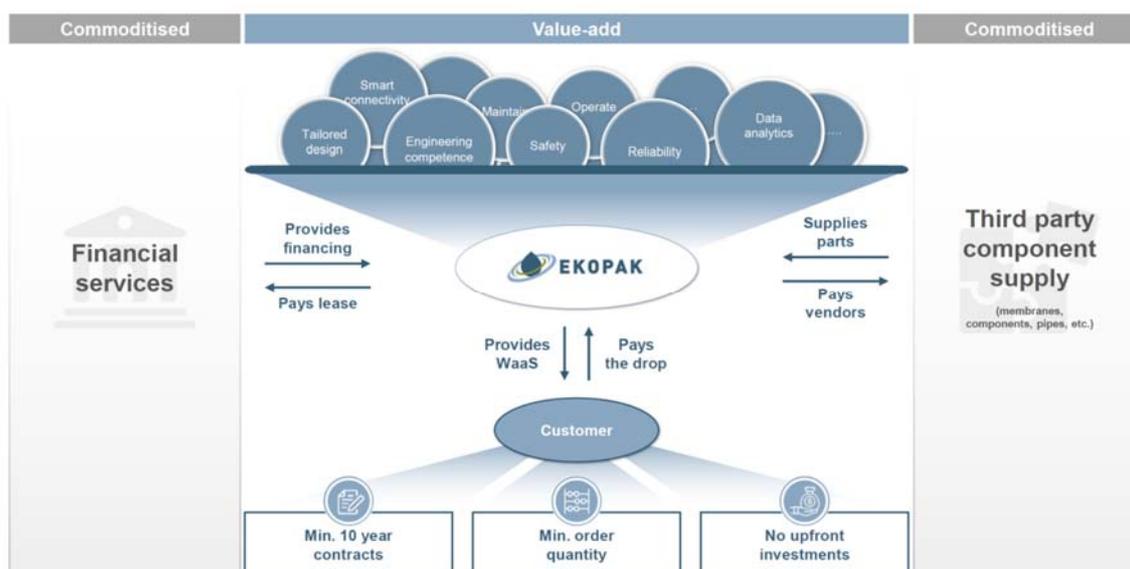
*business to a recurring WaaS business, which is in its early stage of roll-out and relatively untested, potentially making the shift unsuccessful.”* of this Prospectus). Furthermore, as each WaaS agreement needs to be negotiated with the counterparty concerned, the terms and conditions of each separate agreement may, and will almost certainly, differ between them. A description of the WaaS agreements in which the Company already entered into at the date of this Prospectus is set forth in Section 8.7.3.4 “*WaaS Agreements*” of this Prospectus:

1. WaaS NV, a 100% Ekopak subsidiary (see Section 7.2 “*Organizational Structure*” of this Prospectus), establishes a long-term contract with its clients based on the following principles:
  - A contract is entered into for a minimum period (the Company aims for an initial term of 10 years), with fixed €/m<sup>3</sup> prices;
  - The client guarantees the quality and quantity of the influent water, whereas WaaS NV guarantees the quality of the effluent water, and will typically indemnify the client for its losses resulting from the Installation not delivering the right quantity and/or quality of purified process water. In the event the client needs to tap municipal water in order to safeguard its processes due to malfunction with WaaS NV’s installation, WaaS NV pays the client for the difference between the price the client pays for the municipal water and the contractually agreed price;
  - Once operational, the client pays for the water that is purified by WaaS NV, based on a fixed price per m<sup>3</sup>, which price also includes the costs for maintenance and operating of the installation by Ekopak (cf. below) and will also depend on the water quality needed and the agreed uptime of the installation (desired uptimes of over 98.5% will require the installation of a backup container);
  - There is a contractually agreed upon yearly minimum m<sup>3</sup> order quantity. The service is designed to ensure a positive EBITDA contribution of the installation as from year 1. Because the installation is depreciated as from the moment the contract starts and the revenue from the contract covers not only the construction cost of the installation, but also future maintenance and spare parts, that monthly revenue part is bigger than the depreciation and potential maintenance costs. Hence, the EBITDA contribution is positive. Consequently, net WaaS project cash flow<sup>87</sup> will be positive as from the first year of operation, especially since the biggest cash outflow, the construction of the asset, will have been done;
2. Ekopak NV designs and builds the solution as described in Section 8.7.2 “*DB(M)(O)*”. Ekopak bears the full cost of financing the initial construction of the installation. The first WaaS solution built by Ekopak was financed through a specific debt facility. Ekopak expects to finance the initial construction of future installations using a combination of cash generated from operations, potential borrowings and the net proceeds from the Transaction;

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<sup>87</sup> Revenue generated by the project, minus the direct costs related to the project and after tax.

- If Ekopak opts to use a sale and lease-back financing structure, Ekopak NV (as seller) and WaaS NV (lessee) would enter into a sale and lease-back agreement with a financial institution (as lessor) upon finalization of the construction of the WaaS installation, and sell the installation to the financial institution, which would in turn would lease it back to WaaS NV for a specified period (Ekopak aims at 7 years). At the end of the sale and lease-back agreement, the installation could then be repurchased by WaaS NV pursuant to the exercise of the purchase option included therein, which would amount to 1% of the nominal value of the asset. During such finance lease, WaaS NV would be the economical owner and user of the installations until it exercises the purchase option, after which WaaS NV would also become the legal owner of the asset;



- Ekopak NV operates the installations and maintains them on behalf of WaaS NV and invoices WaaS NV for these services. The client is subsequently invoiced, as set forth under point 1 above, by WaaS NV on a €/m<sup>3</sup> basis;
- Subject to, as the case may be, the approval of the lessor, Ekopak NV would also be able to change software or hardware components in the installation;
- The client obtains the necessary environmental permits for the installation;
- In the event of early termination of the WaaS contract, the client must pay a termination fee equal to the residual value of the Installation, which decreases every year, and has the option to take over the installation.

As the WaaS Installation itself does not require large capital expenditures from the side of the customer, a WaaS project provides a solution for those customers that might currently be reluctant to engage in large capital expenditures. For the client, there might be some additional work in order for the installation to fit in his production process, which is then charged as a lump sum and is not part of the contractual WaaS payments. See Section 8.7.3.4 “WaaS Agreements” of this Prospectus for more information on the WaaS agreements which the Company has entered into at the date of this Prospectus.

Ekopak contemplates including a clear division of responsibilities in terms of environmental permits and prior notifications in its future WaaS agreements, pursuant to which the client will undertake the necessary steps and is responsible for obtaining and maintaining the permits and making the notifications (see also Section 2.5.1 “*Ekopak’s operations are subject to stringent environmental, health and safety laws and regulations, which could expose it to environmental liability and significant increased compliance costs and litigation*” of this Prospectus).

From a financial perspective for Ekopak, the management of Ekopak believes that the WaaS model has two built-in profit drivers:

1. **Revenue upside - Increasing volumes:** If, during the lifetime of the contract, the requested volume of m<sup>3</sup> needed by the customer exceeds the contracted minimum order quantity, this will lead to an increase in revenue from the installation, while the additional costs for the Company is expected to be very limited, leading to a positive impact on the EBITDA margin;
2. **Profitability drivers - Technology evolution, operational efficiency and financing conditions:** As the customer pays by “the drop”, and Ekopak is able to upgrade its installations as technology evolves, Ekopak can benefit from enhancements to the installation that increase the efficiency of the processes, and thereby reduce the associated recurring costs of such processes. This creates the potential for margin expansion over the life of the contract. Additionally, operational efficiency could lead to lower levels of consumables needed than initially expected, also allowing margin expansion. To conclude, if Ekopak would in the future have a longer track record in successfully operating WaaS projects, this could potentially lead to better financing conditions.

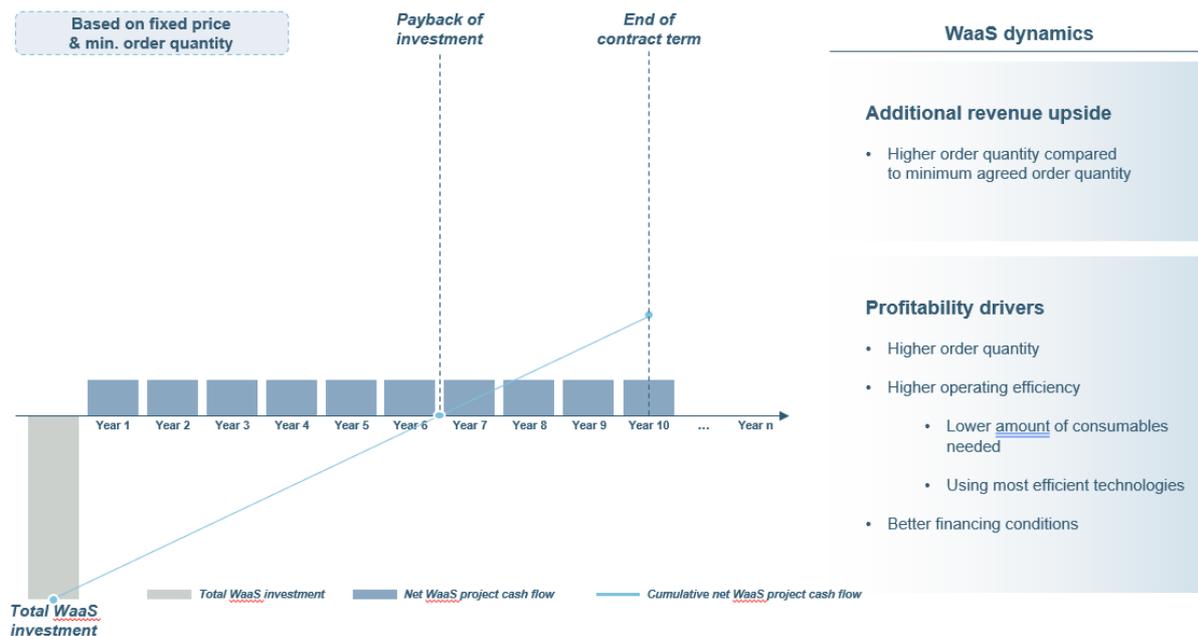
Based on calculations and simulations for one of its WaaS-projects that is in the process of being implemented, Ekopak should be able to reduce water consumption up to 90% for that specific client. This should yield the client with 30%-40% cost savings. Next to that, the client is expected to see a reduction of chemicals in its wastewater of up to 80% and should overall have a 70% reduction in the amount of wastewater flowing back to the environment (for the treatment of which the relevant client remains responsible).<sup>88</sup>

Ekopak’s WaaS solutions typically include a minimum ten-year contract term, and a fixed price per m<sup>3</sup> of water used. Customers pay a fixed fee per month for an agreed minimum order quantity and pay per m<sup>3</sup> used for any amount over that minimum order quantity. The following chart illustrates the net WaaS project cash flow<sup>89</sup> Ekopak would generate from an installation assuming a constant level of net WaaS project cash flow over the life of the project and a 6.6 year period to generate sufficient net WaaS project cash flow to cover the necessary initial capital expenditure to build the asset.

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<sup>88</sup> These figures are illustrative and subject to individual projects.

<sup>89</sup> Revenue generated by the project, minus the direct costs related to the project and after tax.



While the above illustration assumes a constant level of net WaaS project cash flow based on a constant minimum order quantity and a constant margin similar to the Adjusted EBITDA margin generated by the Group's WaaS segment in 2020, and assumes a payback at 6.6 years, the actual net WaaS project cash flow from each project and time to payback will vary. On the revenue side, while the above illustration assumes the customer purchases only the minimum order quantity, customers may in fact use more water. On the expenses side of the equation, while the above illustration assumes expenses remain at a fixed percentage of revenues generated, the actual expenses over the life of an asset will vary. Related expenses will typically be time spent for the necessary maintenance and surveillance, as well as any material costs associated with the operating of the installation. If the installation requires fewer repairs than originally assumed, or lower quantities of chemicals necessary to achieve the required water quality, or Ekopak is able to upgrade the installation over time with new equipment reflecting efficiency gains through new technology, the level of expenses may be lower than originally assumed, allowing for higher net WaaS project cash flow for Ekopak. In contrast, if the installation requires more repairs than anticipated, or personnel costs or chemical costs required to operate the installation are higher than expected, net WaaS project cash flow in a given period may decrease. As a result, the actual ratio of a project's operating expenses to the revenue it generates may be lower or higher than that assumed for purposes of the above illustration<sup>90</sup>.

In addition, the illustration above assumes a 100% equity financing, whereas Ekopak intends to finance its projects on a 3:1 debt to equity basis, which would generate tax savings due to interest deduction, not assumed in the illustration above.

<sup>90</sup> For example, this ratio for a given project could be lower or higher than the 67.3% segment Adjusted EBITDA margin of the WaaS segment for 2020, which reflects revenues and expenses of the specific WaaS and maintenance and operations contracts included in the WaaS segment in that period.

### **8.7.3.2 IDENTIFIED PROJECT PIPELINE**

#### **A Identified WaaS pipeline.**

Ekopak is still in the early stages of rolling out its WaaS solutions but has already identified a significant project pipeline. Ekopak's "Identified WaaS project pipeline" consists of (i) WaaS contracts that have been signed; and (ii) WaaS projects that are under close negotiation<sup>91</sup>. As of 15 March 2021, Ekopak had an identified WaaS project pipeline composed of:

- (i) a total of three signed WaaS contracts (i.e., the three WaaS projects that are not yet operational) representing EUR 6.5 million of planned capital expenditures. Based on (i) the minimum water quantity and pricing set forth in the agreements, (ii) assuming the contract runs for a 10 year term and is not extended or renewed thereafter and (iii) assuming no unforeseen circumstances arise, these three signed WaaS agreements are expected to generate a minimum of EUR 18.0 million of aggregate WaaS revenue over the term of the contracts. They are expected to begin operations in the course of 2021;
- (ii) contracts in close negotiation that would represent an estimated EUR 9.5 million in capital expenditures if they are ultimately signed. The estimated capital expenditures figure for these contracts are based on the figures set forth in the project proposals submitted to the potential clients in question. A contract is considered to be under close negotiation if Ekopak has performed the necessary calculations for the potential client and has compiled them in a comprehensive project report that includes a feasibility study and an indication of the price.

#### **B Identified Non-WaaS Pipeline.**

While Ekopak expects its WaaS projects to be an important driver of future growth and profitability, it also expects to continue generating significant revenues from its non-WaaS contracts. Ekopak's "Identified Non-WaaS project pipeline" consists of (i) signed non-WaaS contracts; and (ii) non-WaaS contracts that are in close negotiation<sup>92</sup>. As of 15 March 2021, Ekopak had an identified non-WaaS project pipeline composed of:

- (i) a total of eight signed non-WaaS contracts for which the installations have not yet been completed or delivered, representing an aggregate remaining contracted revenue of EUR 1.6 million to be recognized in 2021; and
- (ii) contracts in close negotiation that would represent an estimated EUR 23.1 million in aggregate potential revenue if they are ultimately signed. The potential revenue for

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<sup>91</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

<sup>92</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

these contracts is based on (i) the proposed sale price for the installation and (ii) management's estimates of the likelihood of entering into the contract. A non-WaaS contract is considered to be under close negotiation if Ekopak has performed the necessary calculations for the potential client and has compiled them in a comprehensive project report that includes a feasibility study and an indication of the price.

Contracts included in the 'in close negotiation' category are still under negotiation and have not been signed. No guarantee can be given as to when or whether any of the contract proposals include in the close negotiation pipeline will be accepted, or that the final terms of any agreement that may be entered into will not vary significantly from the amounts estimated.

Assuming all contracts in negotiation as set forth in this Section 8.7.3.2 "Identified Project Pipeline" will be effectively entered into, Ekopak estimates that, taking into account its current production capacity, it will need around 2 years to build construct the installations that are the subject of its identified project pipeline.

### **8.7.3.3 MID-TERM WAAS STRATEGY**

Ekopak began the full scale launch of its WaaS model in June 2020. As a strategic objective, Ekopak has set a mid-term target of (i) growing its total annual revenues to a level of around EUR 50 million in the mid-term, (ii) increasing the portion of its total revenues derived from WaaS contracts to around half of its total revenues in the mid-term and (iii) achieving a group adjusted EBITDA margin for its WaaS segment that approaches 50% in the mid-term. The mid term WaaS revenue target of around half of around EUR 50 million, i.e. around EUR 25 million, corresponds to an installed capacity of 308 to 463 containers, compared to 64 to 80 in for the current pipeline of both signed projects and projects under close negotiation.

### **8.7.3.4 WAAS AGREEMENTS**

Taking into account Ekopak's recent focus on WaaS agreements, it considers each of its four current WaaS agreements to be material to its business. This Section provides a high-level description of all the WaaS agreements of Ekopak at the date of this Prospectus.

#### ***A WaaS agreement with a chemical company, based in Belgium***

In Q1 2019, Ekopak NV and a chemical company based in Belgium (for purposes of this specific Section hereinafter referred to as the **Client**) entered into a DBFMO agreement. Under the agreement, which ultimately constituted the pilot project for Ekopak's WaaS program, the Client commissioned Ekopak NV to design, build, finance, operate and maintain a water purification installation.

The installation converts water from a canal into purified process water that the Client uses in its operations.

In the agreement, the parties specify quantity and quality requirements for the purified process water produced by the installation. These parameters are monitored and reported by Ekopak NV. Ekopak NV guarantees a certain quantity and quality of purified process water.

The Client pays Ekopak NV a fixed fee and a variable fee calculated as a price per m<sup>3</sup> (depending on the volume) of purified process water provided. Ekopak NV is entitled to charge a minimum guaranteed annual volume.

The agreement has an initial term of ten years as of Q1 2019. After expiration of the initial term, the agreement will be tacitly prolonged for consecutive periods of one year, unless previously terminated by either party subject to a six months' notice period.

During the initial term of ten years, both parties can terminate the agreement subject to a (reasonable) notice period. If the Client terminates the agreement, it must pay a termination fee that decreases per commenced year and is equal to the residual value of the installation. After expiration of the agreement or if the Client terminates the agreement and pays the corresponding termination fee, the ownership of the entire installation will be transferred to the Client.

The Installation became operational in Q4 2019.

#### ***B WaaS agreement with a food company, based in Belgium***

In Q3 2020, WaaS NV and a food company, based in Belgium (for purposes of this specific Section hereinafter referred to as the **Client**) entered into a DBFMO agreement. Under the agreement, the Client commissioned WaaS NV to design, build, finance, operate and maintain a water purification installation.

In addition to the provision of the installation, WaaS NV is, under the same agreement and as from Q1 2021, also responsible for the operation and management of the Client's existing river water purification installation, which was previously operated and maintained by a third party.

Parties have agreed on the quality and quantity requirements for the purified process water produced by the installation and by the existing river water purification installation. These parameters are monitored and reported by WaaS NV. WaaS NV guarantees a certain quantity and quality of purified process water. WaaS NV will indemnify the Client's for its losses resulting from the new installation not delivering the right quantity and quality of purified process water.

The Client pays WaaS NV a fee calculated as a price per m<sup>3</sup> (depending on the volume and on the type of purified process water to be provided). WaaS NV is entitled to charge a minimum guaranteed annual volume for each type of purified process water to be provided.

The agreement has an initial term of three years from the provisional acceptance of the installation, which will take place no later than Q2 2021 (and it being understood that WaaS NV will be responsible for the management and operation of the river water installation already as from Q1 2021). After expiration of the initial term, the agreement will tacitly be prolonged not more than twice for a period of three years each time, unless prior termination by either party subject to a (reasonable) notice period.

After the second tacit prolongation, the agreement will end, unless parties agree on a new prolongation of the agreement under the same conditions.

The Client can terminate the agreement subject to a one month's notice period prior to the expiration of the initial term or the extension. WaaS NV can terminate the agreement subject to a six months' notice period prior to the expiration of the initial term or the extension. If the Client terminates the agreement for convenience (i.e. at its sole discretion, without any overriding reason such as bankruptcy or material breach of contract), it must pay a termination fee equal to the residual value of the installation. In addition, the Client has the right to partially terminate the agreement with respect to the management and operation of the river water purification installation only subject to a one month's notice period and without any compensation. Such partial termination does not affect the other provisions relating to the Installation.

Upon termination of the agreement, for whatever reason, the Client has the right to buy the installation at its residual value.

The Client has a step-in right and can, at WaaS NV's expense, take over, in whole or in part, the delivery and the operation of the installation by itself or by a third party, in the event of (i) a breach by WaaS NV of its obligations that causes a disruption of continuity, (ii) force majeure, or (iii) a notice of termination of the agreement and WaaS NV fails to operate the installation or provide assistance until termination.

Ekopak NV has undertaken to provide a parent (company) guarantee for the benefit of the Client until all obligations of WaaS NV towards the Client have been fulfilled. WaaS NV has undertaken to provide also provided a bank guarantee to cover the losses, costs, damages suffered by the Client and caused by WaaS NV or to cover the compensation in the event of failure of the agreed service level agreement.

The installation is expected to start operating at the client in the course of Q2 or Q3 of 2021.

### **C      *WaaS agreement with a chemical company, based in Belgium***

In Q4 2020, WaaS NV and a chemical company, based in Belgium (for purposes of this specific Section hereinafter referred to as the **Client**) entered into a DBFMO agreement. Under the agreement, the Client commissioned WaaS NV to design, build, finance, operate and maintain a water purification installation.

The Client already has a water purification installation active on its site. WaaS NV will dismantle and evacuate the old water installation and replace it with its new installation.

The Parties have agreed on quality and quantity requirements for the process water to be provided by the installation. These parameters are monitored and reported by WaaS NV. WaaS NV guarantees a certain quantity and quality of purified process water. WaaS NV will indemnify the Client for losses resulting from the Installation not delivering the right quantity and quality of purified process water.

The Client pays WaaS NV a monthly lump sum.

The agreement has an initial term of ten years from the date of the first invoice. No possibility for extension has been contractually agreed.

After the first year, the Client can terminate the agreement, subject to a three month's notice period before the anniversary of the agreement and provided that the Client pays a termination fee equal to the residual value of the installation, whereupon the Client has a purchase option of the installation. No possibility for termination on WaaS NV's side has been contractually agreed.

Close to the expiration of the initial term, the Client can decide to buy the installation at its residual value or enter into a new agreement with WaaS NV.

The installation is expected to start operating at the client in Q2 of 2021.

#### ***D WaaS agreement with a pharmaceutical company, based in Belgium***

In Q1 2021, WaaS NV and a pharmaceutical company located in Belgium (for purposes of this specific Section hereinafter referred to as the **Client**) entered into a set of general terms and conditions and a corresponding set of specific terms and conditions. Under this WaaS-agreement, the Client commissioned WaaS NV to design, build, finance, operate and maintain a water purification installation (for purposes of this specific Section hereinafter referred to as the **Installation**).

Parties have agreed on quality and quantity requirements for the purified process water produced by the Installation. These parameters are monitored and reported by WaaS NV. WaaS NV guarantees a certain quantity and quality of purified process water.

The Client pays WaaS NV a fixed fee calculated as a price per m<sup>3</sup> (depending on the volume) of purified process water provided. WaaS NV is entitled to charge a minimum guaranteed annual volume.

As agreed in the specific terms and conditions, the WaaS agreement has an initial term of ten years as of the date of provisional acceptance (scheduled in the summer of 2021). After expiration of the initial term, the agreement will be tacitly extended for maximum five consecutive periods of one year, unless prior termination by either party subject to a three months' notice period. During the extension of maximum five years, the price per m<sup>3</sup> is lower than the price during the initial term.

The general terms and conditions also determine additional termination rights with respect to the WaaS agreement prior to the end of its initial term with a limited notice, in which case WaaS NV can claim its incurred expenses from the Client.

Close to the expiration of the initial term of ten years, the Client can decide to buy the installation at its residual value. The Client can also purchase the Installation at its residual value during the extension of maximum five years. Upon termination of the WaaS-agreement, if the Client does not decide to buy the installation, the right to use the installation returns to WaaS.

The installation is expected to start operating at the client in Q3 of 2021.

### **8.7.3.5 WAAS - FINANCING**

In order to recover its pre-financing expenditures for the construction of the three WaaS installations currently under construction (i.e., Ekopak's signed WaaS pipeline), Ekopak intends to enter into sale and lease-back agreements with financial institutions. Taking into account that Ekopak expects to finance the construction of its WaaS projects through equity and debt financing, targeting a 3.0x debt/equity ratio for its WaaS segment, Ekopak aims to secure additional debt financing for the construction of the WaaS projects under close negotiation<sup>93</sup>, and any future WaaS projects.

As set forth in Section 8.7.3.1 "*General*" of this Prospectus, if the financing of a WaaS is structured as a sale and lease-back, Ekopak NV would construct the installation, sell it to a financial institution, which would subsequently lease the installation back to WaaS NV for a specified period (Ekopak aims at 7 years). At the end of the sale and lease-back agreement, the installation could then be repurchased by WaaS NV pursuant to the exercise of the purchase option included therein, which would amount to 1% of the nominal value of the asset. During such finance lease, WaaS NV would be the economical owner and user of the installations until it exercises the purchase option, after which WaaS NV would also become the legal owner of the asset. Inherent to sale and lease-back agreements is that they can only be entered into once the WaaS installation, is fully constructed and operational.

At the date of this Prospectus, Ekopak has only entered into a framework agreement with KBC Bank under which individual sale and lease-back arrangements can be drawn in an aggregate amount of up to EUR 5 million, as further described below. Ekopak currently has three WaaS contracts for which the related water purification installations are being built (i.e., Ekopak's signed WaaS pipeline), and currently intends to cover its pre-financing expenditures in relation to the construction of some of these installations by way of entering into individual sale and lease-back agreements under the sale and lease-back framework agreement with KBC Bank. The signing of any such individual sale and lease-back agreement will only be possible after the installation is built and operational and will require lender approval by KBC Bank on an installation by installation basis. Reference is also made to Risk Factor 2.4.2 "*Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or future WaaS project, and may, in general, not be able to secure the debt financing necessary to support its growth objectives for the WaaS business*" of this Prospectus in this respect.

Ekopak intends to finance the initial construction of the three WaaS projects currently under construction from its current cash resources, the net proceeds of the Private Placement, the remaining capacity under its financing facilities with BNPPF and KBC Bank (see Section 9.5.1 "*Sources of Funding*" and Section 9.10.1 "*Facility Agreements*" of this Prospectus) and/or drawings under the financing currently under negotiation as described below.

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<sup>93</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

## **A Sale and lease-back framework agreement with KBC Bank NV**

On 25 February 2021, the Issuer and its subsidiary WaaS NV have, as lessees, entered into a sale and lease-back framework agreement with KBC Bank NV (**KBC Bank**), as lessor. Pursuant to this framework agreement, KBC Bank grants a leasing line limited to a total amount of EUR 5,000,000.00 (excluding VAT) to the lessees, which are jointly and severally bound but are each able to use the leasing line individually, for, and only for, the purchase of water cleaning installations. It further stipulates that the individual lease agreements entered into under it must have a minimum duration of 2 years, with a maximum duration of 7 years, that the materials that are subject to the lease may not be exported from Belgium, and that upon expiry, the lessees will be granted a purchase option for a residual value of 1% of the individual leasing transaction.

This framework agreement has a duration of 364 days, as of signing, but can be terminated with immediate effect and without statement of reasons by both the lessor and the lessees. Such early termination of the framework agreement will however not prejudice any individual lease agreements that have been entered into under the framework agreement, as they will provide in their terms their own individual term and termination mechanics, and will, as is also the case for the framework agreement, be governed by the “*General Leasing and Renting Conditions*” of KBC Bank. The total amount of EUR 5 million available to be drawn under the framework agreement is not sufficient to fully cover Ekopak’s pre-financing expenditures for the construction costs of the three WaaS installations currently under construction pursuant to Ekopak’s signed pipeline of WaaS agreements or any of its pipeline that is currently under close negotiation<sup>94</sup>. Moreover, the framework agreement is subject to early termination and any individual lease agreement under the framework agreement may be terminated upon certain conditions, which will be negotiated at the moment they are entered into.

The framework agreement further stipulates the following in respect of the individual lease agreements that can be entered into under it, it being understood that additional security interest and (financial) covenants may be agreed upon in each such individual lease agreement:

- The leasing amount per project will be determined on the basis of the total construction cost of the installation, plus a 15% mark-up;
- The receivables from the distribution contract between WaaS NV and the end client will be pledged to KBC Bank;
- The Issuer must retain a consolidated solvency ratio of 25%<sup>95</sup>;
- The lease interest ratio will be based on EURIBOR (3 months) at the time the individual agreement is entered into, increased with a fixed margin;

and furthermore provides for the following conditions precedents that need to be realized before an individual sale and lease-back agreement under the framework agreement can be entered into:

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<sup>94</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

<sup>95</sup> Defined as the ratio between the consolidated equity (minus items such as immaterial fixed assets, positive consolidation differences, and claims on members of the board of directors) and the consolidated balance total (minus items such as immaterial fixed assets, positive consolidation differences, reserves for own shares, and claims on members of the board of directors).

- The submission to KBC Bank of a cash flow cycle calculation showing the repayment capacity of the project;
- The submission to KBC Bank of the necessary insurance contracts;
- The submission to KBC Bank of proof that the relevant installation has been commissioned;
- The submission to KBC Bank of proof that the term of the relevant WaaS contract is at least equal to the term of the individual sale and lease-back agreement;
- Screening of the relevant client by KBC Bank, to the satisfaction of KBC Bank.

The sale and lease-back framework agreement and the individual sale and lease-back agreements are subject to customary negative covenants and conditions, cross-default clauses, a change of control and certain restrictions on disposals and restructurings.

At the date of this Prospectus, KBC Bank has confirmed that the WaaS projects set forth in Sections 8.7.3.4 sub (B) “*WaaS agreement with a food company, based in Belgium*” and sub (C) “*WaaS agreement with a chemical company, based in Belgium*”, will be able to be financed under the sale and lease-back framework agreement, subject to some of the conditions precedent set forth above (i.e., continued compliance with the solvency ratio, the submission to KBC Bank of a cash flow cycle calculation showing the repayment capacity of the project, of the necessary insurance contracts, of proof that the relevant installation has been commissioned, and of proof that the term of the relevant WaaS contract is at least equal to the term of the individual sale and lease-back agreement). The individual sale and lease-back agreement, including the exact amount of financing, will be worked out in the run-up to the delivery and commissioning of the installation at the client.

## **B Ongoing negotiations with large Belgian banks**

Taking into account that:

- (i) the framework sale and lease-back agreement with KBC Bank (see also Risk Factor 2.4.2 “*Ekopak has not yet entered into any definitive financing agreements in relation to a specific current WaaS project under construction or future WaaS project, and may, in general, not be able to secure the debt financing necessary to support its growth objectives for the WaaS business*” of this Prospectus):
  - provides for a general framework for the sale and lease-back agreements, meaning that additional terms could, pursuant to further negotiations, be incorporated in the individual sale and lease-back agreements entered into under the framework agreement;
  - can be terminated by either party with immediate effect and without statement of reasons; and
  - is not sufficient to cover the full EUR 6.5 million of capital expenditures for the three signed WaaS contracts (i.e., the three not yet operational WaaS project) in Ekopak’s identified project pipeline;
- (ii) the amount still available under Ekopak’s mixed facilities with KBC Bank and BNP Paribas Fortis (see Sections 9.5.1 “*Sources of Funding*” and 9.10.1 “*Facility Agreements*” of this Prospectus); and
- (iii) no specific debt financing has been secured for the other WaaS project currently under construction (described in Section 8.7.3.4 sub (D) “*WaaS agreement with a pharmaceutical company, based in Belgium*” of this Prospectus) or for any of the contracts that are under

close negotiation<sup>96]</sup>

Ekopak will need to secure additional debt financing in order to attain the growth of its WaaS business as envisaged.

As of the date of this Prospectus, although no agreements have yet been reached, Ekopak has begun discussions with several potential lenders concerning the possibility of arranging additional project-specific financing and/or sale and lease-back arrangements.

Ekopak has been informed that the WaaS project as set forth under Section 8.7.3.4 sub (D) “*WaaS agreement with a pharmaceutical company, based in Belgium*” of this Prospectus, will, in the near future, be presented to the credit committee of BNPPF for formal approval for financing through a sale and lease-back agreement, after which, and assuming the credit committee has given positive feedback, the specific terms and conditions of the individual sale and lease-back agreement will be further negotiated in the run-up to the delivery and commissioning of the installation at the client.

#### **8.7.4 OTHER SERVICES**

##### **8.7.4.1 PROVISION OF CHEMICALS**

As set forth in Section 8.2.1 “*Clear ESG Impact for Customers: Using Off-Grid, Alternative Water Sources in a Sustainable and Reliable Way*” of this Prospectus, in order to purify water, chemicals, such as acids, caustics and salts are needed, and so also Ekopak’s water purification solutions require the use of chemicals. As set forth in Section 8.7.2.4 “*Operate*” of this Prospectus, Ekopak, when it is entrusted with the operation of its installation, administers such chemicals to the water cycle of its customer. However, Ekopak also delivers such chemicals to customers on a stand-alone basis and irrespective of whether such customer owns an installation installed by Ekopak.

Ekopak buys a white-labeled end-product and applies its own brand. As the Company solely acts as a reseller of the chemicals, which it sources from third parties within the European Union, the Company qualifies as a “distributor” within the meaning of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation<sup>97</sup>. Bulk chemicals are directly transported by the supplier to the client. The chemicals branded by Ekopak, first pass through Ekopak’s facilities in Tielt as transit stock. When the chemicals are stored (on its own premises, as transit stock, or on the site of its client, if the water purification installation is operated by Ekopak), Ekopak ensures that these chemicals are stored in accordance with the VLAREM (“*Vlaams Reglement betreffende de Milieuvergunning*”) guidelines, and its compliance with the applicable rules is audited on a periodic basis by outside experts.

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<sup>96</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

<sup>97</sup> Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, as amended.

Next to that, Ekopak also performs periodic on-site control of the customer's water cycle with a mobile laboratory, so Ekopak can immediately adjust the dosing in order for an optimal use. These chemicals are mainly used in boiler water or cooling water purification.



Ekopak does not manufacture these chemicals itself, but buys such chemicals from third parties who manufacture the chemicals to the Company's specifications.

The provision of standalone sale of chemicals and services in relation thereto made up 21.9% of Ekopak's annual revenue in 2020, 18.5% in 2019.

#### **8.7.4.2 DISINFECTATION**

Another part of Ekopak's business consists of water-disinfection. Ekopak's solutions eliminate disease-causing organisms, guarantying a complete solution against legionella and other type of microbiological contamination.

As is the case for its purification solutions, Ekopak is also technology agnostic in the field of disinfection, and applies the best available technique for the problem at hand.

The technologies that Ekopak provides to its customers in the field of disinfection include:

- Chemical disinfection:
  - o Chloride dioxide dosing

- Hydrogen peroxide dosing
- Onzone dosing
- Free chlorine dosing
- Mechanical disinfection:
  - Ultra-filtration
  - Nano-filtration
  - UV filtration
- Combination of both by using an advanced oxidation process (high-end requirements)

In addition to the initial disinfection, Ekopak also delivers the necessary chemicals and performs the microbiological analysis of the water on set intervals. The provision of stand alone disinfection services made up 6.9% of Ekopak's annual revenue in 2020 and 5.1% in 2019.

## **8.8 OPERATIONAL STRUCTURE**

Ekopak's operations are currently organized under the following departments: "Business Development", "Sales and Purchase", "Operations", and "Shared Services".

The purpose of Business Development department is to build out the brand of Ekopak, by representing Ekopak at fairs, networking and specific industry events. Through these events, Ekopak is able to spot trends and opportunities in the market, which can give potential client leads. This department is also responsible for defining the long term strategy of Ekopak. On 28 February 2021, , 2 FTEs worked in this department.

The Sales and Purchase department is responsible for the purchase of raw materials and contracting with subcontractors. Subcontractors may be engaged by this department, on a case by case basis, for piping and electrical works, as well as for the assembly of installations for very large projects. Next to that, this department determines the sales price to be set. On 28 February 2021, 5 FTEs worked as in this department.

The bulk of Ekopak's personnel, 28 FTE's on 28 February 2021,, is employed in the Operations department, which can be subdivided into "Projects", "Production" and "Customer services". The Projects subdepartment is responsible for the mechanical and electrical design of a water purification installation, as well as the process design. After this phase, the water purification installation is built by the Production subdepartment, which is responsible for, among other things, the welding and assembling of the electric components. The Customer service subdepartment is responsible for the analyses of gathered information at existing or potential new client's sites, as well as the maintenance of Ekopak's installed water purification installations (as the case may be).

The Shared Services department includes the “Admin” subdepartment, which gives support for accounting, invoicing, ordering and logistics, the “Facility” subdepartment, the “HR” subdepartment, the “Prevention and safety” subdepartment, the “IT” subdepartment and the “Technology” subdepartment (which includes the R&D department). On 28 February 2021, 5.9 FTE’s worked in this department.

At the date of this Prospectus, all of Ekopak’s employees are located in Ekopak’s headquarters in Tielt.

## 8.9 GEOGRAPHIC MARKET

The following table summarizes the breakdown of Ekopak’s sales by geographic region based on customer domicile for the periods indicated.

In 000€	2020	2019	2018
Belgium	7,129	9,546	5,986
France	217	443	167
Netherlands	309	113	182
United Kingdom	7	4	209
Luxembourg	1,651	1	--
Other countries	166	98	69
<b>Total revenue</b>	<b>9,479</b>	<b>10,205</b>	<b>6,613</b>

Most of Ekopak’s revenue to date has been generated in Belgium, which accounted for 75.2%, 93.5% and 90.5% of its revenues in 2020, 2019 and 2018 respectively. In 2020, 2019 and 2018, the Benelux countries accounted for 95.9%, 94.7% and 93.3% of Ekopak’s revenues. Outside the EU and the United Kingdom, Ekopak has provided services to customers in Brazil, Ghana, Cuba, Indonesia and Pakistan. Sales outside the EU and the UK represented 1.8%, 1.0% and 1.0% of the Ekopak’s total revenues in 2020, 2019 and 2018, respectively.

## 8.10 SALES PROCESS AND SALES CYCLE

In the past, client leads were mainly obtained through informal networking, presence on trade-fairs, referrals, word of mouth and leverage on reference projects. Ekopak plans for its senior management to continue looking for new business opportunities and maintaining strong ties with relevant public and private stakeholders, amongst others through networking, in the future. However, to accelerate its growth, Ekopak, within its “Sales and Purchase” department, is building out a dedicated sales force with key account managers and account managers for specific industries, such as the food & beverage, textiles and chemicals. Ekopak plans to hire additional sales employees in the coming months, with the plan to focus on extra geographies (including international sales) as well as dedicated industry sales.

Once a potential client has contacted Ekopak, or has shown interest in Ekopak’s water purification solutions, Ekopak visits the client in order to investigate the necessary works to be done and can, additionally, identify other potential improvement opportunities. If the wastewater cannot be treated

with a known installation set-up, Ekopak can temporarily install a testing lab at the client's facilities and hence investigate the most efficient treatment process.

See Section 8.8 "*Operational Structure*" of this Prospectus for more information on the operational structure within Ekopak and Section 8.6.1 "*Identifying Customer Needs*" of this Prospectus for more information on how Ekopak typically gathers the necessary information at a potential client's site.

#### **8.11 SUPPLIERS**

Ekopak aims to maintain a cost-effective, diversified procurement program. Ekopak sources its supply from multiple suppliers and believes that its supply chain is well positioned to remain stable and cost-effective. Ekopak designs its systems using technology solutions that are typically available from a diversified supplier network, even for specific and mission critical parts. Selected suppliers for the following key components include:

- Electrical cabinet: Rittal, Mitsubishi Electric, Allen-Bradley and Siemens.
- Pumps and rinse units: SPX Flow and Xylem.
- Filtration technology: Toray, Dupont, Polymem, Pentair, Hydranautics and Evoqua.
- Quality control: ABB, Yokogawa, Emerson and GF.

#### **8.12 FACILITIES**

Ekopak operates its business from its owned headquarters and production facility located in Tielt, Belgium. The facility includes:

- an internal lab used for testing water quality;
- a production hall fully equipped to assemble all sizes of containers;
- a storage facility for chemicals and for (spare) parts used in Ekopak's solutions; and
- offices and meeting rooms for; the engineering and R&D teams, administration and the management;

Ekopak also rents a small number of offices and meeting rooms in Ghent, Belgium.



### **8.13 RESEARCH AND DEVELOPMENT**

Ekopak's research and development consists of finding new applications/combinations of existing technologies in order to solve specific problems of (potential) customers through the design and testing process described in Sections 8.7.2 "*DB(M)(O)*" and 8.6.1 "*Identifying Customer Needs*" of this Prospectus.

Ekopak is recognised by the Belgian government for its research capacity. Ekopak is audited yearly by Federal Public Planning Service Science Policy (**BELSPo**) [https://www.belspo.be/belspo/index\\_nl.stm](https://www.belspo.be/belspo/index_nl.stm) and needs to communicate on its research projects to Belspo.

See also Section 8.19 "*Grants and Subsidies*" of this Prospectus.

### **8.14 INTELLECTUAL PROPERTY**

As mentioned throughout this Section 8 "*Business*" of this Prospectus, Ekopak is not dependent on, or limited to, technologies that have been developed in-house, or need to be sourced from a limited number of third parties, but instead applies its knowhow in water purification processes it has built up through the years to combine existing technologies and methods in order to provide its customers with solutions that meet their specific needs. None of Ekopak's developments/combinations are protected by registered intellectual property rights such as patents. Ekopak currently does not own any patents or patent applications, nor does it own any design registrations or applications, and does not consider itself to be dependent on patents held by third parties. However, Ekopak has a few licensing agreements with third parties with regard to software, such as the monitoring software used to monitor Ekopak's water purification installations (see Section 8.6.5 "*Internet of Things (IoT) solution*" of this Prospectus).

Ekopak is the owner of the following trademarks:

- The figurative Benelux trademark “Ekopak industrial water treatment” registered on 10/10/2012 for the goods and services of class 1, 11, 37, 40, 42.
- The figurative Benelux trademark “WaaS Water-as-a-Service” registered on 02/12/2020 for the goods and services of class 11;

Ekopak has not yet filed an application for the registration of “Ekopak sustainable water” as a trademark and, therefore, holds no trademark rights over its logo and/or tagline.

Ekopak NV holds the following principal domain names for its websites:

- [www.ekopaksustainablewater.com](http://www.ekopaksustainablewater.com) (main website)
- [www.ekopak.be](http://www.ekopak.be)
- [www.ekopack.be](http://www.ekopack.be) (Ekopack is Ekopak’s specific brand for its containerized solutions, with an own logo and an own tagline “Containerised industrial water treatment”. The Ekopack logo and tagline are typically printed on Ekopak’s containers. Ekopack can be considered a brand name of Ekopak and as such does not represent any legal entity nor does it act as a contracting party. Ekopak does not own any trademark rights in relation to the brand “Ekopack”, the logo or the tagline)

WaaS NV holds the following principal domain names for its websites:

- [water-as-a-service.be](http://water-as-a-service.be) (main website)
- [www.water-as-a-service.eu](http://www.water-as-a-service.eu) (refers website-user to [water-as-a-service.be](http://water-as-a-service.be))

## **8.15 INSURANCE**

Ekopak maintains insurance policies to help cover its potential exposure for liabilities arising from its operations. Ekopak’s insurance programs have varying coverage limits (including geographical) and exclusions, deductibles and policy limits for covered claims.

Ekopak maintains, among others, the following insurance policies:

- a civil liability insurance (“*BA Uitbating*”) for its business operations insuring its non-contractual civil liability for damage caused to third parties during the operation of the business that forms as part of the insured activities. The insured amount of this insurance policy amounts up to EUR 5 million per claim. The insurance covers bodily harm, material damage and immaterial consequential damage. However, different limitations do apply. The insurance coverage for purely immaterial damage is limited to EUR 1,250,000 per claim. The provided coverage for material damage and immaterial damage that is caused by fire, explosion, smoke or water, is limited to EUR 1,250,000 per claim. The insurance coverage for material damage and immaterial consequential damage to goods that have been entrusted to the insured persons for working on them and/or to goods, whether or

not entrusted, that were used by the insured persons as tools, is limited to EUR 100,000 per claim. Finally, the insurance coverage for material damage and immaterial consequential damage caused by environmental degradation and nuisance is limited to EUR 1,250,000 per claim.

- a professional civil liability insurance for its activities as an engineering firm ("*BA Beroep*") insuring its contractual and extra-contractual civil liability for damage of any kind caused to third parties as a result of errors, omissions or negligence committed by Ekopak in the course of the insured activities. The insured amount of this insurance policy amounts up to EUR 1 million per claim and per year. The insurance covers all engineering activities carried out at the Company's business office that must be located in Belgium. The insurance policy covers claims, made on account of the aforementioned engineering activities, from anywhere in the world, with the exception of claims that (i) were introduced in the United States of America or Canada or (ii) arising from services that were provided or intended for outside Europe.
- a civil product liability ("*BA na levering*") insuring its contractual and extra-contractual civil liability as regulated by Belgian and foreign legal provisions for damage caused to third parties by its products (after their delivery) or works (after their completion). The insured amount of this insurance policy amounts up to EUR 5 million per claim and per year. The insurance covers bodily harm, material damage and immaterial consequential damage, it being understood that the insurance coverage for material and immaterial consequential damage caused by accidental environmental degradation is limited to EUR 1,250,000 per claim and per year. The insurance does not cover any damage resulting from products or works delivered or performed outside Europe to the knowledge of the insurance holder.

#### **8.16 REGULATORY FRAMEWORK**

Ekopak builds its solutions to meet the specific needs of its customers. In particular, the client can request certain water output parameters, which in most cases relate to the presence of certain minerals, such as calcium, copper, sodium, iron, etc. For certain end markets, such as the chemicals sector, there are very strict requirements regarding the presence of certain minerals. For other end markets, such as the food sector, drinking water is preferably used in production processes.

Once installed, Ekopak's water purification solutions are subject to various regulations, standards and certifications, either imposed by supranational bodies, local governments or dedicated organisations on such relevant customer and its water processes.

In 2020, 98.2% of Ekopak's turnover was generated in the European Union, while 70.7% in turn is realized within Flanders (Belgium)

Therefore, the regulatory framework that is most material to Ekopak’s business consists of European and Belgian (more precisely, Flemish<sup>98</sup>) legislation relating to the use of water (by industries). In addition, as per the request of Ekopak’s customers, Ekopak’s water purification solutions might have to comply with specific standards and standardizations.

### **8.16.1 EUROPEAN WATER LEGISLATION**

Within the European Union the regulation regarding water is mostly regulated by way of Directives, which need to be transposed into national legislation by each member state, and thus leave room for such member states to deviate from, and “gold plate”, the provision included in such Directives.

The water legislation on a European level focuses on the quality and preservation of groundwater and surface water, the availability of drinking water that meets certain standards and the treatment of wastewater.

European legislation is kept up to date in line with the European Green Deal of 2019<sup>99</sup>, which, among other things, targets the European Union to become climate-neutral (no net emission of greenhouse gasses) and a “pollution-free environment” whether in air, soil or water, by 2050, and provides an action plan to boost the efficient use of resources by moving to a clean, circular economy restore biodiversity and cut pollution.

A high level overview of the European legislation in relation to water is set forth below.<sup>100</sup>

#### **8.16.1.1 WATER FRAMEWORK DIRECTIVE (WFD) AND SPECIFIC SUPPORTING WATER DIRECTIVES**

The EU Water Framework Directive (the **WFD**)<sup>101</sup> establishes a framework for the protection of inland surface waters, transitional waters, coastal waters and groundwater, since 2020. It aims to prevent and reduce pollution, promote sustainable water use, protect and improve the aquatic environment and mitigate the effects of floods and droughts. The WFD recommends water usage and its impact to be analysed on an economic basis and establishes the polluter-payer principle, which states that the party responsible for the pollution is also responsible for paying the damage done by that pollution to the environment.

The overall objective is to achieve good environmental status for all waters. European member states are therefore requested to draw up so-called River Basin Management Plans based on natural geographical river basins, as well as specific programmes of measures to achieve the objectives.

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<sup>98</sup> As environmental legislation (which includes legislation in relation to water) in Belgium is a regional authority.

<sup>99</sup> COM/2019/640 final, <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1596443911913&uri=CELEX:52019DC0640#document2>

<sup>100</sup> Fact Sheets on the European Union – Water protection and management, <https://www.europarl.europa.eu/factsheets/en/sheet/74/water-protection-and-management#:~:text=The%20EU%20Water%20Framework%20Directive%20establishes%20a%20framework%20for%20the,eff%20of%20floods%20and%20droughts.>

<sup>101</sup> European Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy, as amended.

The WFD is supported by more targeted directives, i.e. the Groundwater Directive<sup>102</sup>, the Drinking Water Directive<sup>103</sup> and the Bathing Water Directive<sup>104</sup>, the Environmental Quality Standards Directive<sup>105</sup>, the Urban Waste Water Treatment Directive<sup>106</sup>, the Nitrates Directive<sup>107</sup>, and the Floods Directive<sup>108</sup>:

The Groundwater Directive provides for specific criteria for the assessment of good chemical status, the identification of significant and sustained upward trends, and the definition of starting points for trend reversals. All threshold values for pollutants (with the exception of nitrates and pesticides, for which the limits are set by specific EU legislation) are set by the European member states.

The Drinking Water Directive defines essential quality standards for water intended for human consumption, and has a particular focus on water polluted by lead (e.g., the abolishment of lead pipes). It requires European member states to regularly monitor the quality of water intended for human consumption by using a 'sampling points' method. European member states can include additional requirements specific to their territory but only if this leads to setting higher standards. The directive also requires the provision of regular information to consumers. Furthermore, the quality of drinking water has to be reported to the Commission every three years. On 1 February 2018, and in response to the European Citizens' Initiative 'Right2Water', the Commission published a proposal<sup>109</sup> to renew the 20-year-old directive. The reviewed directive would update existing safety standards (by among other things, updating the parametric values and substances set forth in/defined by the Drinking Water Directive, which have become outdated, and, for example, do not include standards relating to pesticides) and improve access to safe drinking water along the lines of the latest recommendations of the World Health Organisation. It would furthermore increase transparency for consumers on the quality and supply of drinking water (including monitoring of and transparency related to water leakages in the network), thereby helping to reduce the number of plastic bottles through increased confidence in tap water. An EU-wide risk-based water safety assessment should help to identify and address possible risks to water sources already at the distribution level.

The Bathing Water Directive aims to enhance public health and environmental protection by laying down provisions for the monitoring and classification (in four categories) of bathing water and informing the public about it. During bathing season, European member states have to take samples of bathing water and assess the concentration of at least two specific bacteria once a month at each

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<sup>102</sup> Directive 2006/118/EC of the European Parliament and of the Council of 12 December 2006 on the protection of groundwater against pollution and deterioration, as amended

<sup>103</sup> Council Directive 98/83/EC of 3 November 1998 on the quality of water intended for human consumption, as amended.

<sup>104</sup> Directive 2006/7/EC of the European Parliament and of the Council of 15 February 2006 concerning the management of bathing water quality and repealing Directive 76/160/EEC, as amended.

<sup>105</sup> Directive 2008/105/EC of the European Parliament and of the Council of 16 December 2008 on environmental quality standards in the field of water policy, amending and subsequently repealing Council Directives 82/176/EEC, 83/513/EEC, 84/156/EEC, 84/491/EEC, 86/280/EEC and amending Directive 2000/60/EC of the European Parliament and of the Council, as amended.

<sup>106</sup> Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment, as amended.

<sup>107</sup> Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources, as amended.

<sup>108</sup> Directive 2007/60/EC of the European Parliament and of the Council of 23 October 2007 on the assessment and management of flood risks, as amended.

<sup>109</sup> Proposal for a Directive of the European Parliament and of the Council on the quality of water intended for human consumption (recast).

bathing water site. They have to inform the public through 'bathing water profiles' containing for instance information on the kind of pollution and sources that affect the quality of the bathing water. There is a standard symbol for informing the public about the bathing water classification and any bathing prohibition. A summary report on the quality of bathing water is published annually by the Commission and the European Environment Agency (EEA).

The Environmental Quality Standards Directive (also called the Priority Substances Directive) establishes since 2019 limits on concentrations of 33 priority substances presenting a significant risk to, or via, the aquatic environment at EU level and eight other pollutants in surface waters. During a review, 12 new substances were added to the existing list and an obligation was introduced for the Commission to establish an additional list of substances to be monitored in all European member states (watch list) to support future reviews of the priority substances list.

The Urban Waste Water Treatment Directive, in force since 1991, aims to protect the environment from the adverse effects of urban waste water discharges and discharges from industry. The directive sets minimum standards and timetables for the collection, treatment and discharge of urban waste water, introduces controls on the disposal of sewage sludge, and requires the dumping of sewage sludge at sea to be phased out. The Urban Waste Water Treatment Directive is key in achieving Europe's zero pollution ambition as part of Europe's Green Deal. End 2019, it was estimated the EU (including the United Kingdom) still needs to spend EUR 253 billion to achieve full compliance by 2030.<sup>110</sup>

New rules are under discussion to counter water scarcity by facilitating the reuse of treated waste water for agricultural irrigation.

The Nitrates Directive aims to protect waters from nitrates from agricultural sources. A complementary regulation requires European member states to send a report to the Commission every four years, providing details of codes of good agricultural practice, designated nitrate vulnerable zones (NVZ), water monitoring and a summary of action programmes. Both the directive and the regulation aim to safeguard drinking water and prevent damage from eutrophication.

The Floods Directive aims to reduce and manage the risks posed by floods to human health, the environment, infrastructure and property. It requires European member states to carry out preliminary assessments to identify the river basins and associated coastal areas at risk and then prepare flood risk maps and management plans focused on prevention, protection and preparedness. All of these tasks are to be carried out in accordance with the WFD and the river basin management plans set out therein.

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<sup>110</sup> European Commission, 2019

### **8.16.1.2**      **WATER REUSE REGULATION**

In May 2020, the EU parliament approved the Water Reuse Regulation<sup>111</sup> This regulation provides requirements to operators of facilities that treat urban wastewater. These requirements primarily concern water quality monitoring and risk management for the safe use of reclaimed water, to ensure that water is safe for use in agricultural irrigation, both from a human, an ecological and animal perspective. Next to that, it promotes the circular economy and contributes to WFD goals, and is to be situated within the new European Circular Economy Action Plan (see below). The EU aims to grow the annual amount of water reused in the EU from 1.1 billion m<sup>3</sup> to 6.6 billion m<sup>3</sup> by 2025.<sup>112</sup> Reclaimed water is water that has been treated in compliance to the Urban Waste Water Treatment Directive. Reclamation facilities that want to use the reclaimed, treated water for agricultural irrigation, must hold a valid permit. The regulation will become effective in June 2023.

### **8.16.1.3**      **EU ACTION PLAN FOR THE CIRCULAR ECONOMY**

As part of the European Green Deal, a second Circular Economy Action Plan has been adopted by the European Commission in the beginning of 2020, after the first Circular Economy Action Plan of 2015. The new plan includes 35 initiatives along the entire life cycle of products, from their design to their disposal, which should ultimately lead to less waste and less usage of resources. The plan focuses on renewable water sources and on sectors where the usage of resources is high and where the potential for reuse is high as well, such as construction, packaging, electronics, but also the water industry. The plan entails amongst others the metering and controlling of leakages.

### **8.16.1.4**      **INDUSTRIAL EMISSIONS DIRECTIVE**

Industrial production processes account for a considerable share of the overall pollution in Europe due to their emissions of air pollutants, discharges of waste water and the generation of waste.

The Industrial Emissions Directive (IED)<sup>113</sup> is the main EU instrument regulating pollutant emissions from industrial installations. The IED aims to achieve a high level of protection of human health and the environment taken as a whole by reducing harmful industrial emissions across the EU, in particular through better application of Best Available Techniques (BAT). Around 50,000 installations undertaking the industrial activities listed in Annex I of the IED are required to operate in accordance with a permit (granted by the authorities in the European member states). This permit should contain conditions set in accordance with the principles and provisions of the IED.

The directive emphasizes on an integrated approach regarding the environmental performance of an industrial plant, covering e.g. energy efficiency, emissions to air, land and water, waste reduction, use of raw materials and noise limitation. Limit values and permit conditions must be based on BATs, albeit with some economic rationale. Compliance is enforced through environmental inspections (the

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<sup>111</sup> Regulation (EU) 2020/741 of the European Parliament and of the Council of 25 May 2020 on minimum requirements for water reuse, as amended.

<sup>112</sup> European Commission, 2019

<sup>113</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control), as amended.

IED requires a site visit to take place at least every one to three years, using risk-based criteria), of which the results can be consulted by the public in the European Pollutant Release and Transfer Register.<sup>114</sup>

### **8.16.2 BELGIAN (FLEMISH) WATER LEGISLATION AND RELEVANT AGENCIES**

In addition to European Legislation and its transposition into local legislation, local governments can impose extra legislation not covered by the European Directives, c.q., or through the freedom provided for in such Directives.

In Belgium, environmental legislation is a regional authority. In Flanders, most of the water legislation is bundled in a separate code, the Flemish Water Code (“*Waterwetboek*”), which came into force in 2019. The bulk of this Code is made up by the Decree of the Flemish Government of 18 July 2003 regarding the integrated water policy. This decree is further refined through the Decision of the Flemish Government of 9 September 2005 regarding the geographical subdivision of the territory, the Decision of the Flemish Government of 20 July 2006 regarding instructions for the “*watertoets*”, which measures the impact of construction or other works on ground- and surface water, and the Decision of the Flemish Government of 24 July 2009 regarding the implementation of the expropriation for public benefit, the right of pre-emption, the purchase obligation, the compensation obligation and the delimitation of flood plains of Title I of the Decree of the Flemish Government of 18 July 2003 regarding the integrated water policy.

Potable water in Flanders is distributed by a number of different local entities that each own the water network in their region, and are each responsible for the sanitation and supply of water to households and industry within their region. However, through the Flemish Blue Deal (see Section 8.5.4.2 “*The Flanders Blue Deal*” of this Prospectus), the Flemish government has indicated that it will prepare a framework for liberalising the production of potable water out of reused water, with attention to government control and good quality control.

In September 2020, the public consultation process started concerning the river basin management plans 2022-2027 for the rivers Scheldt and Maas. The plan contains measurements and action points for the improvement of the waterways, the quality of the groundwater and to protect the population against flood and drought. This is a catch-up to be in line with the European WFD.

In July 2020, the Flemish Government agreed on an action plan against water shortage and drought, called “Blue Deal”. It is comprised of 70 action point and 6 tracks. This ‘Blue Deal’ forms part of the Flemish Government collaboration agreement of 2019. Relevant action points for Ekopak’s business are:

- Circular water usage will be the rule rather than the exception: Sectors must undergo a compulsory waterscan, which determines its usage pattern. Sectors that use much water, must come to an agreement on a sectorial level regarding measures to reduce the water

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<sup>114</sup> <https://prtr.eea.europa.eu/#/home>.

consumption, outside a legal framework. These sectorial agreements are called 'Green Deal'. An example is the Green Deal of the brewing sector of 2018.

- To increase the profitability of water treatment projects, excess output water should be injected in the water grid. Water companies must come to an agreement with these companies in order to facilitate such injection of treated water. Next to that, the potential for injection of rainwater into the grid must be examined. The government fulfills a control task hereon.
- Tariff structures should encourage the investment in water reuse installations and off-grid structures.
- Given the high degree of paved surfaces in Flanders, capturing, storing and buffering rainwater can help prevent water shortages. These alternative water sources will need treatment when using them for example in production processes or when injecting them in the water network.

An important instance Flemish water agency is the Flanders Environment Agency ("*Vlaamse Milieu Maatschappij*" – VMM), which is, in respect of water, responsible for (i) checking the quality of groundwater and surface water, (ii) limiting the damage caused by flooding, (iii) the ecological management of the large unnavigable waterways, (iv) monitoring of the drinking water supply and sanitation, (v) the provision of advice on environmental permits and (vi) the coordination of the integrated water policy. The VMM also levies taxes on water usage. When Ekopak wants to discharge certain fluids into the surface water, an approval of VMM is necessary.

### **8.16.3 STANDARDISATION – LEGISLATION IN RELATION TO THE PROVISION OF CHEMICALS – EXPORT**

In relation to the production of its water purification solutions, Ekopak has adopted VCA-certification, which stands for "*Veiligheid, gezondheid en milieu Checklist Aannemers*", and is awarded on the basis of a checklist regarding a safe, healthy and environmental friendly job exercise on-site. The certification is not mandatory, but can however be requested by clients. In addition, all produced machines are CE marked, which indicates conformity of the product with health, safety, and environmental protection standards for products sold within the European Economic Area.

As set forth in Section 8.7.4.1 "*Provision of Chemicals*" of this Prospectus, Ekopak also sells, stores, and handles, chemicals used for the purification of water. Ekopak buys a white-labeled end-product and applies its own brand. As the Company solely acts as a reseller of the chemicals, which it sources from third parties within the European Union, the Company qualifies as a "distributor" within the meaning of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation<sup>115</sup>. Bulk chemicals are directly transported by the supplier to the client. The chemicals branded by Ekopak, first pass through Ekopak's facilities in Tielt as transit stock. When the chemicals are stored (on its own premises, as transit stock, or on the site of its client, in case the water purification installation is operated by Ekopak), Ekopak ensures that these chemicals are stored in

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<sup>115</sup> Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, as amended.

accordance with the VLAREM (“*Vlaams Reglement betreffende de Milieuvergunning*”) guidelines, ratified by an independent control organism.]

With regards to the electric components in the Ekopak installation, at the initiative of Ekopak, an inspection for compliance with the AREI (“*Algemeen Reglement op de Elektrische Installaties*”) is performed by an independent inspector, before the actual start-up of the Installation. The inspector only certifies the electric network within Ekopak’s water purification installation, and not the rest of the client’s electric network.

When exporting its installations to certain countries, Ekopak might be subject to custom controls by the EU regarding dual-use goods.

### 8.17 HUMAN RESOURCES

The following table presents a break-down of Ekopak’s full-time equivalents as at the date of this Prospectus (approximately), 31 December 2020, 31 December 2019 and 31 December 2018:

	28 February 2021	31 December 2020	31 December 2019	31 December 2018
Managers	5	5	4	4
Engineers <sup>(1)</sup>	13	13	8	7
Other staff <sup>(2)</sup>	22.9	22.5	16.5	11.3
<b>Total</b>	<b>40.9</b>	<b>40.5</b>	<b>28.5</b>	<b>22.3</b>

Notes:

- (1) skilled labor in a number of different fields, such as chemical, mechanical and electronic engineers
- (2) administrative personnel, electricians, welding/construction technicians

Ekopak intends to considerably increase the current number of its employees and/or self-employed persons, during the coming years in order to manage the expected increase in its activities, and aims to grow the number of its FTEs by 15% in 2021.

### 8.18 LEGAL AND ARBITRATION PROCEEDINGS

Other than as set forth below, there are no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which Ekopak is aware), during the previous 12 months that may have, or have had in the recent past, significant effects on Ekopak and/or Ekopak’s financial position or profitability.

Ekopak is currently involved in one pending litigation. This dispute is linked to the sale by Ekopak of a water purification installation to Dejaeghere NV in 2014, which, according to the latter, has shut down at multiple occasions and did not deliver the agreed water flow rate.

After lengthy negotiations, the parties agreed to voluntarily appear before the Enterprise Court (“*Ondernemingsrechtbank*”/“*Tribunal de l’Entreprise*”) of Ghent, Bruges Division. Ekopak claimed the payment of the amounts outstanding amounting to EUR 51,664.76. Dejaeghere NV claimed the

dissolution of the agreement, the reimbursement of paid sums amounting to EUR 162,400 and compensation for damages amounting to EUR 41,581.76.

In a judgment dated 6 December 2018, the Enterprise Court (“*Ondernemingsrechtbank*”/“*Tribunal de l’Entreprise*”) of Ghent, Bruges Division, upheld Dejaeghere NV’s claim and dissolved the agreement to the detriment of Ekopak. Ekopak was ordered to repay the amount of EUR 162,400 paid for the installation, the crediting of outstanding invoices as well as a compensation for damages of EUR 10,684.96. In turn Dejaeghere NV was ordered to return the installation to Ekopak. Ekopak was also ordered to pay the court and expert fees amounting to EUR 30,336.86.

Ekopak appealed against this decision and claims the payment of the amounts outstanding amounting to EUR 51,664.76. Dejaeghere NV requests the confirmation of the judgment in first instance and claims, in addition to the compensation of EUR 10,684.96 to which Ekopak was ordered in first instance, an additional compensation for damages amounting to EUR 7,839.77. The case is currently pending before the Court of Appeal (“*Hof van Beroep*”/“*Cour d’appel*”) of Ghent, and Ekopak has made provisions in its accounts for the litigation. (see Section 9.6 “*Contractual obligations*” of this Prospectus).

#### **8.19 GRANTS AND SUBSIDIES**

Ekopak benefits from a tax measure provided for in Section 275 (3) of the Income Tax Code (“*Wetboek Inkomstenbelastingen*” / “*Code des Impôts sur les Revenus*”). Companies benefiting from this tax measure can, within the limits and under the conditions provided by law, be exempted from the payment of up to 80% of the withholding tax (“*bedrijfsvoorheffing*” / “*précompte professionnel*”) they withhold from the salaries of personnel members active in research and development programs. In 2018 the above-mentioned exemption amounted to EUR 38.190. In 2019 the exemption amounted to EUR 69,961.67. In 2020 the exemption amounted to EUR 80,259.

#### **8.20 POST-TRANSACTION ACQUISITION**

Ekopak has entered into a binding letter of intent, subject to certain conditions, to negotiate the sale and purchase of 100% of the shares a target company active in the water treatment industry as further described below (the “Post-Transaction Target Company”).

In this agreement, dated 25 January 2021, Ekopak agreed to purchase, and the current shareholders of the Post-Transaction Target Company agreed to sell, 100% of the shares in the Post-Transaction Target Company, according and subject to customary terms and conditions (including a right to “walk away” for both parties in case material issues with a pre-specified relative impact on the agreed upon maximum price for the shares would arise).

The Post-Transaction Target Company is a specialized service provider in the water treatment industry based in Flanders, Belgium. More particularly, the Post-Transaction Target Company specialises in the areas of industrial, pure and ultra-pure water processed by ion exchange, reverse osmosis, membrane technology, (ultra-)filtration and softening techniques. The Post-Transaction Target Company offers “soft” services (e.g. consultancy, project support, audit, due diligence, logistical support, cost calculation, education, training, monitoring and operations support) as well as “hard”

services (e.g. on-site maintenance, spare parts supply, reparations, replacements, demin supply, on- and off- site filtration and operations support) in these expertise areas.

More specifically, the Post-Transaction Target Company has around 10 FTEs. Core clients are situated in the pharma, metal and food & beverages industries, diversly spread geographically. The Post-Transaction Target Company is exclusively active in maintenance service contracts of installations that are expected to require replacement within the next years. The Post-Transaction Target Company ensures an expansion of Ekopak's service offering and provides additional personnel. Based on the revenues and total assets shown in the preliminary unaudited Belgian GAAP financial information provided to Ekopak by the Post Transaction Target Company, which remains subject to further due diligence, the Post Transaction Target Company generated revenues of less than 20% of Ekopak's Belgian GAAP revenues in 2020 and had total assets of less than 10% of the total assets of Ekopak under Belgian GAAP.

## 9 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

### 9.1 OVERVIEW

Ekopak is an ESG-driven off-grid water solution company. The Company's solutions allow industrial customers to reduce their water consumption in a sustainable, reliable and cost-effective manner. The Company focuses on optimizing customer water use through containerized water purification units that transform off-grid water sources such as rain-, surface- and/or wastewater into cleaner water that can be used and reused in the customer's industrial processes. By allowing water to be cleaned and reused, Ekopak's systems turn water consumers into water producers. The resulting circular water systems save customers money by producing clean water for industrial processes at a substantially lower cost per cubic meter than traditional tap water sources. At the same time, by using water more efficiently, and in many cases recapturing heat from wastewater that would otherwise be lost upon discharge, Ekopak's solutions allow industrial water consumers to make measurable progress toward their water-related and CO<sub>2</sub> reduction ESG targets.

In June 2020, building on the success of a pilot WaaS project launched in 2019, the Company introduced its WaaS solutions package, which combines Ekopak's design, build, operation and maintenance services in a "one stop shop" end-to-end solution, delivered under a long-term contract with "pay by the drop" pricing. WaaS contracts allow Ekopak's customers to upgrade their water supply, achieve cost savings and secure measurable ESG gains without ongoing operational management and maintenance of the installation or the need for large up-front customer side capital expenditures. Alongside this WaaS solution, and in line with its proven go to market approach, Ekopak also continues to offer standalone design & build services and operations and maintenance options.

Prior to the introduction of its WaaS solutions, Ekopak mainly focused on the DB(M)(O) model, pursuant to which Ekopak designs, builds, and if so agreed with the customer, also maintains and/or operates its containerized or non-containerized solutions that provide its customers with the water they need in their industrial processes. Notwithstanding Ekopak envisages to focus on its containerized units through the application of its WaaS model, Ekopak will continue to offer its containerized and non-containerized solutions through the "pick and choose" DB(M)(O) model if a potential customer would prefer so, but expects that, taking into account the benefits of the WaaS model as set forth throughout this Prospectus, the WaaS model will gain importance in the revenue mix.

While Ekopak's WaaS offering is new, and represents a new business model for the Company that is still in the early stages of roll-out, Ekopak believes it offers a compelling value proposition, and has set a mid-term target of growing the WaaS business to a point where it represents over half of Ekopak's total revenues. As of 15 March 2021, after only 8.5 months since the full launch of the service, Ekopak had an identified WaaS project pipeline representing EUR 16.0 million of capital expenditures, of which EUR 6.5 million relates to the agreements already signed to date, and EUR 9.5 million relates to agreements in close negotiation<sup>116</sup>. Based on the minimum water quantity and pricing set forth in the

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<sup>116</sup> This means that Ekopak has performed the necessary calculations for the client and has compiled them in a comprehensive project report that has been provided to the client.

agreements and assuming the contract runs for a 10 year term, once the related installations are built, financed<sup>117</sup> and put into operation, the signed WaaS agreements are expected to generate a minimum of EUR 18.0 million of aggregate WaaS revenue over the term of the contracts. Of the four WaaS contracts signed to date, one is already operational, and generated EUR 380 thousand of revenues in 2020. Installations for the three remaining contracts are currently under construction, and are expected to become operational and to obtain sale and lease-back financing during the course of 2021.

For the year ended 31 December 2020, Ekopak generated EUR 9,479 thousand in revenue, EUR 27 thousand of operating profit and a net loss of EUR 93 thousand.

## **9.2 KEY FACTORS AFFECTING RESULTS OF OPERATIONS**

Set forth below is a discussion of key factors that Ekopak believes have affected or may in the future affect Ekopak's results of operations.

### **9.2.1 GENERAL ECONOMIC ENVIRONMENT**

Macroeconomic conditions affect industrial confidence and spending, which in turn impact demand for Ekopak's products and its results of operations. Important macroeconomic factors that can affect industrial confidence include economic growth, population growth, consumer confidence, employment rates, interest rates, tax rates, the availability and access to capital and regulatory changes. On a country level, over the period 2018-2020, 83.0% of Ekopak's revenue was realised in Belgium. Hence, the company is highly dependent on the economic conditions in Belgium.

Since Ekopak's clients operate in various industries, their cyclicity varies, which could result in specific industrial downturns only having a modest impact on Ekopak's business.

### **9.2.2 WATER TREATMENT MARKET GROWTH**

Many industries utilize water as a critical part of their operations, such as the food & beverage, chemicals and pharmaceuticals industries. As a supplier of water purification installations, Ekopak's growth will largely depend on the future growth of these industries that are large consumers of water

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<sup>117</sup> Ekopak plans to bear the initial costs of the construction of the three WaaS installations currently under construction, and then to recover its pre-financing expenditures through sale and lease-back arrangements that will be entered into once the installations are built and operational. In this context, Ekopak has entered into a framework agreement with KBC Bank for the sale and lease-back of WaaS installations. The framework agreement will govern and is expected to allow the signature of final sale and lease-back documentation upon completion of the construction of the WaaS installations and approval of the individual projects by the KBC Bank credit committee, it being understood that in respect of the two WaaS projects currently under construction as set forth in Sections 8.7.3.4 sub (B) "*WaaS agreement with a food company, based in Belgium*" and sub (C) "*WaaS agreement with a chemical company, based in Belgium*" of this Prospectus, KBC Bank has confirmed that, subject to certain conditions precedent (e.g., continued compliance with the solvency ratio, the submission to KBC Bank of a cash flow cycle calculation showing the repayment capacity of the project, of the necessary insurance contracts, of proof that the relevant installation has been commissioned, and of proof that the term of the relevant WaaS contract is at least equal to the term of the individual sale and lease-back agreement), they will be able to be financed through individual sale and lease-back agreements under the framework agreement. As the amount available under the framework agreement is currently capped at EUR 5 million, it can currently only support a portion of the total EUR 6,5 million of capital expenditures expected for the three WaaS installations currently under construction, and would not be available for any of its pipeline that is currently under close negotiation.

for their industrial processes. Next to that, the water treatment market is gaining importance in the water market as a whole, underpinned by some global, long-term trends, such as increasingly stringent regulation regarding effluent water, a growing population, a growing focus on circularity and reuse and depleting natural water resources.

**9.2.3 GOVERNMENT POLICIES AND THE SUPPLY OF CLEAN WATER**

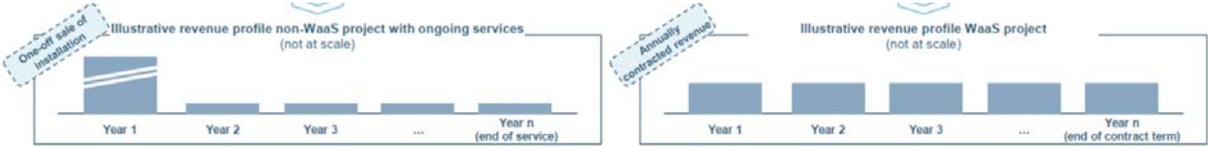
More stringent regulations on existing and emerging contaminants in water, circularity and reuse of water, should drive demand for Ekopak’s products and services. A slowdown in the implementation of such regulation could however result in lower spending by Ekopak’s potential customers.

The supply of clean water could be adversely affected by certain factors, including an aging water infrastructure, inadequate water storage options or a lack of treatment installations. If the supply of clean water suffers from these factors, demand for Ekopak’s products and technologies should increase.

**9.2.4 WAAS VS. NON-WAAS SPLIT**

In 2019, Ekopak entered into its first WaaS contract on a pilot basis, and in June 2020, it launched its current WaaS business model. While Ekopak’s WaaS business today represents a small portion of its overall revenues, the Company’s objective is to achieve significant growth in WaaS contracts in the years ahead. From a revenue perspective, when an installation is sold under a DB(M)(O) model, the one-time revenue from the sale of the installation is recognised over the relatively short period of time it takes to build the installation. If the same installation is instead used to deliver WaaS services, revenue for the service will be spread out over the longer (usually 10 year) life of the WaaS contract, and the resulting annual revenues in any given year will be lower than the one-time sale price. As a result, it is expected to take several years for the cumulative revenues generated by the WaaS contract to reach the value the Company could have generated by selling the asset. After that breakeven point, however, the total value generated by the cumulative annual revenues generated by the WaaS contract over the life of the WaaS contract is expected to significantly exceed the value at which the Company could have sold the installation in a one-time sale at the outset, thanks to the inclusion of maintenance and operations services.

For illustrative purposes, the following charts illustrate the revenue profile for a non-WaaS project with ongoing services, compared to the revenue profile for a WaaS project assuming a fixed price and minimum order quantities.

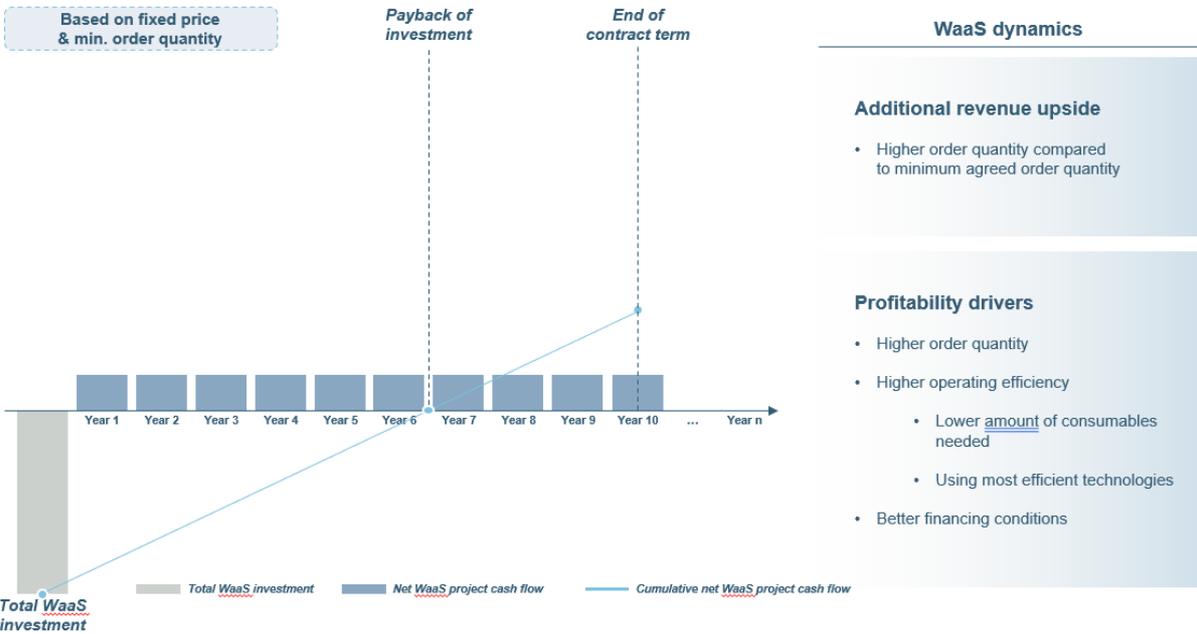


Given that Ekopak offers its customers the option of choosing between the traditional DB(M)(O) model and the WaaS model, the relative weight of these two revenue streams in Ekopak’s overall revenue will depend in part on customer preferences. Demand for WaaS solutions may adversely affect demand for DB(M)(O) projects or vice versa. Initially, to achieve the same level of sales as under the DB(M)(O) sales business in a single year, Ekopak will need to finance and install significantly more

individual water treatment installations under its WaaS model (around 4 to 6, contributing for a full year period), for each one-off installation that is not sold. However, over time, as the installed base of WaaS installations grows, the aggregate revenues from previously-installed WaaS installations will grow, offsetting the impact of the initial transition from the one-off sales model.

**9.2.5 KEY FACTORS AFFECTING THE OPERATING PROFIT GENERATED BY WAAS SERVICES**

Ekopak’s WaaS solutions typically include a minimum ten-year contract term, and a fixed price per m<sup>3</sup> of water used. Customers pay a fixed fee per month for an agreed minimum order quantity and pay per m<sup>3</sup> used for any amount over that minimum order quantity. The following chart illustrates the net WaaS project cash flow<sup>118</sup> Ekopak would generate from an installation assuming a constant level of net WaaS project cash flow over the life of the project and a 6.6 year period to generate sufficient net WaaS project cash flow to cover the necessary initial capital expenditures to build the asset.



While the above illustration assumes a constant level of net WaaS project cash flow based on a constant minimum order quantity and a constant margin similar to the Adjusted EBITDA margin generated by the Group’s WaaS segment in 2020, and assumes a payback at 6.6 years, the actual net WaaS project cash flow from each project and time to payback will vary. On the revenue side, while the above illustration assumes the customer purchases only the minimum order quantity, customers may in fact use more water. On the expenses side of the equation, while the above illustration assumes expenses remain at a fixed percentage of revenues generated, the actual expenses over the life of an asset will vary. Related expenses will typically be time spent for the necessary maintenance and surveillance, as well as any material costs associated with the operating

<sup>118</sup> Revenue generated by the project, minus the direct costs related to the project and after tax. Ekopak uses this measure in evaluating the payback profile of individual projects.

of the installation. If the installation requires fewer repairs than originally assumed, or lower quantities of chemicals necessary to achieve the required water quality, or Ekopak is able to upgrade the installation over time with new equipment reflecting efficiency gains through new technology, the level of expenses may be lower than originally assumed, allowing for higher net WaaS project cash flow for Ekopak. In contrast, if the installation requires more repairs than anticipated, or personnel costs or chemical costs required to operate the installation are higher than expected, net WaaS project cash flow in a given period may decrease. As a result the actual ratio of a project's operating expenses to the revenue it generates may be lower or higher than that assumed for purposes of the above illustration<sup>119</sup>.

In addition, the illustration above assumes a 100% equity financing, whereas Ekopak intends to finance its projects on a 3:1 debt to equity basis, which would generate tax savings not assumed in the illustration above.

#### **9.2.6 PRODUCT AND TECHNOLOGICAL DEVELOPMENT**

Ekopak develops its products and technologies through in-house research and development and engineering. At present, Ekopak's water treatment technologies mainly comprise reverse osmosis, ultra-filtration, activated carbon and UV filtration. In the future, Ekopak's value proposition for clients will depend on these existing technologies, as well as its ability to offer new product and technologies when demanded by the market. An increase in water usage by industrial customers, as well as innovation in their own installations and processes, will drive innovation in the water treatment market and Ekopak will need to respond to this. Furthermore, Ekopak's ability to provide products and technologies that comply with evolving government regulations will also determine Ekopak's appeal to customers.

#### **9.2.7 OPERATIONAL INVESTMENT AND IMPROVEMENT**

Ekopak has invested in its operations and will continue to do so in the future, more specifically in its research and development capacity, service offering, information systems and sales force. These initiatives should enhance efficiency and result in future cost savings for Ekopak, while simultaneously maintaining or improving the customer service level. Current initiatives include smart connectivity, which should improve customer service level and yield operational efficiencies at Ekopak, and the roll-out of WaaS, which enables Ekopak to maintain and operate installations at the client, ensuring more adequate maintenance and operation of an installation. There is a continuous focus within the company to successfully identify and remedy any inefficiencies.

#### **9.2.8 CHANGES IN COSTS**

Ekopak has exposure to certain commodities, such as steel and chemicals, and, as a price taker, might be vulnerable to market price volatility of these products. If Ekopak is not able to mitigate price

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<sup>119</sup> For example, this ratio for a given project could be lower or higher than the 67.3% segment Adjusted EBITDA margin of the WaaS segment for 2020, which reflects revenues and expenses of the specific WaaS and maintenance and operations contracts included in the WaaS segment in that period.

increases through alternative sourcing, enhanced productivity or increased pricing to its customers, it might have a negative impact on Ekopak's profit and profit margins. Next to that, growth initiatives, such as expansion to other geographies or sales force expansion, could place increased demands on Ekopak's resources.

### **9.3 DESCRIPTION OF KEY COMPONENTS OF THE INCOME STATEMENT**

#### **9.3.1 REVENUE**

Ekopak generates its revenues from two main operating segments:

- Ekopak's Sales segment generates revenue from one-off sales of water treatment installations on a design, build (maintain & operate) (DB(M)(O)) basis. Under this model, Ekopak designs, builds and manufactures a process water installation for a customer who purchases it in exchange for an agreed transaction price.

For the sale of installations, revenue from the design and build is recognized over time during the design and build process, based on the actual progress and expected margin on that specific project at the end of the reporting period. The amount of revenue Ekopak generates from the sale of installations in any given reporting period is primarily a function of the number of installations under construction during the period, the stage of advancement of the various projects and the size of the installations. While Ekopak at one time generated a significant portion of its revenues from the sale of chemicals for water treatment, in recent years, more emphasis has been put on the sale of installations, both in size and in amount of projects. Installation sales accounted for 63% of Ekopak's revenue growth from 2018 to 2020. Because Sales segment revenue depends to a large extent on the number and size of the projects under construction at any given time, revenues can fluctuate from one period to the next. In 2019, for example, Ekopak built a large project in Belgium that accounted for 32% of the Sales segment revenue in 2019, driving a significant increase in Sales segment revenues compared to 2018. In 2020, no one-off projects of a similar size were delivered, which contributed to lower revenues from installation sales in 2020.

Revenue from this segment also includes revenue from the sale of spare parts, chemicals and disinfection services, which can be sold on their own or as a by-product used in operating water process installations. The revenue from this segment is driven by the quantity and average price of chemicals delivered in a particular period. The quantity of chemicals delivered is affected to a significant degree by the installed base of installations sold by Ekopak to customers in prior years. As the number of Ekopak installations delivered to clients grows, the recurring revenues from chemicals Ekopak sells to customers to allow them to operate the installations generally increases. While customers typically have the ability to source chemicals from other suppliers, the relationship built with the customer and Ekopak's knowledge of the systems it has installed often makes it a supplier of choice for the chemicals required to operate the system.

Revenue from this segment also includes revenue from the rental of test containers to customers that are considering purchasing a container from Ekopak or potentially

implementing a WaaS solution (see Section 8.6.1 “*Identifying Customer Needs*” of this Prospectus). Because these containers are typically provided to customers for a limited time as part of the initial marketing process for the sale of installations or WaaS services, they represent a small portion of Ekopak’s revenue.

- Water as a Service segment. Under the WaaS model, Ekopak furnishes a customer with process water using a “pay by the drop” pricing model that is based primarily on the quantity of water delivered. Ekopak delivers these services using installations it designs, builds, operates, maintains and finances. Revenue is recognised over the contractual term of the operating agreement based on the quantity of water delivered. The rendered services are typically invoiced monthly. The amount of WaaS revenue generated in any given reporting period is primarily a function of the number of WaaS contracts in operation, their size, which drives the volume of water supplied, and the average price per m<sup>3</sup> charged for the water delivered.

Ekopak implemented its first WaaS arrangement with a customer on a pilot basis beginning in 2019, and substantially all of its WaaS revenues in 2019 and 2020 came from that first WaaS contract. In June 2020, it began marketing WaaS contracts as part of a dedicated offering, and has since signed 3 additional contracts, the first of which are scheduled to begin generating revenues in the first half of 2021 (see Section 8.7.3.4 “*WaaS Agreements*” for more information on these agreements).

WaaS segment revenue also includes maintenance and operation revenue generated from contracts to service installations sold under the DB(M)(O) model. When Ekopak sells an installation to a customer, depending on the customer’s needs, Ekopak may also deliver maintenance & operations services for the installation after the initial sale, in a separate agreement. Revenue from the maintenance and operation of an installation is recognized over time, on a monthly basis, as services are performed. Fees for operation and maintenance are typically invoiced monthly and include a monthly fixed fee and a variable fee based on output. At present, Ekopak has three such agreements (the most material one of which is described in more detail in Section 8.7.2.5 “*Maintenance and/or Operations Agreement*” of this Prospectus). In line with its WaaS proposition, the Company started promoting these maintenance and operations services to clients who have already bought an installation under the one-off sales model.

### **9.3.2 PURCHASES OF MATERIALS**

Purchases of materials are expenses incurred by Ekopak in purchasing raw materials, necessary for the manufacturing of its installations (capital goods), as well as for other products Ekopak sells, such as spare parts, chemicals or disinfection material. The raw materials are expensed on a gross basis, including changes in inventory, which only includes goods held for resale, such as spare parts or chemicals.

### **9.3.3 SERVICES AND OTHER GOODS**

Services and other goods mainly include utility costs, interim labour expenses, management fees, consultancy costs and insurance premiums.

#### **9.3.4 EMPLOYEE BENEFIT EXPENSE**

Employee benefit expenses consist of wages and salaries, social security charges related to pension plans and other personnel related charges such as clothing and company events. Employee benefit expenses are primarily driven by the average number of FTEs and the average level of compensation. Employee benefit expense also includes share based compensation expenses. In December 2020, Ekopak adopted a new employee stock option plan.

#### **9.3.5 OTHER OPERATING CHARGES AND INCOME**

Other operating charges include non-deductible taxes and contributions, car taxes and write-offs. Other operating income includes subsidies, gains on disposals of assets and other items such as social security incentives.

#### **9.3.6 DEPRECIATION AND AMORTIZATION**

Depreciation includes depreciation of property, plant and equipment and of right of use assets. Amortization of intangible fixed assets mainly relate to software and capitalised expenses.

#### **9.3.7 REMUNERATION TO THE SOLE SHAREHOLDER**

Remuneration to the sole, (executive) shareholder was defined as a fixed percentage of Ekopak's revenue during the year. This arrangement was terminated in September 2019 and replaced with a compensation contract

#### **9.3.8 FINANCIAL EXPENSES AND INCOME**

Financial expenses include interest expenses on bank borrowings and lease liabilities, including bank charges, and the fair value measurement of interest swaps, as well as foreign exchange losses, if any. Financial income relates to interest income on current assets, including the fair value measurement for interest swaps, as well as foreign exchange gains, if any.

#### **9.3.9 INCOME TAX BENEFIT / (EXPENSE)**

Income tax benefit / (expense) comprises both current and deferred taxes.

#### **9.3.10 NON-IFRS MEASURES**

This Prospectus contains certain financial measures that are not recognized financial measures under IFRS, such as Adjusted Operating Profit, Adjusted EBITDA and Net Financial Debt ("**Alternative Performance Measures**" or **APMs**").

The Company is of the view that these APMs provide additional information to investors and enhance their understanding of its results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS. These APMs are non-IFRS financial measures and have not been audited or reviewed and are not recognized measures of financial performance under IFRS, but are used by management to monitor the underlying performance of the Company's business and operations.

The Company has presented these APMs in this Prospectus for the following reasons:

- Adjusted Operating Profit, because the Company believes that this profit measure gives a better insight in the underlying drivers of the business and hence fosters comparability across different years.
- Adjusted EBITDA, because the Company believes that this profit measure gives a better insight into the underlying drivers of the business, aside from any investment and related depreciation accounting and hence fosters comparability across different years.
- Net Financial Debt, because the Company believes that gives a comprehensive insight in Ekopak's financial position.

However, not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other companies under the same or similar names. Investors should read them in conjunction with the Financial Statements included in the F-Pages of this Prospectus.

The APMs are defined as follows or based on the following defined terms:

- **Adjusted Operating Profit** is defined as operating profit / (loss), plus expenses from legal claims, plus the remuneration to the sole shareholder, minus the current remuneration package to that shareholder.
- **Adjusted EBITDA** is defined as profit (loss) before tax plus financial expenses, minus financial income, plus the remuneration to the sole shareholder, minus the current remuneration package to that shareholder, plus expenses from legal claims and plus depreciation and amortisation charges.
- **Net Financial Debt** is defined as the sum of bank borrowings, other borrowings, less cash and cash equivalents.

#### **9.4 ANALYSIS OF OPERATING RESULTS**

The following table presents Ekopak's consolidated income statement and statement of comprehensive income for the years ended 31 December 2020, 2019 and 2018:

	for the year ending December 31		
in 000€	2020	2019	2018
Sales segment revenue	9,014	10,185	6,613
<i>Chemicals</i>	2,072	1,885	1,771
<i>Water process installations</i>	6,289	7,775	4,493
<i>Disinfection</i>	653	525	348
WaaS segment revenue	465	20	-
<b>Revenue</b>	<b>9,479</b>	<b>10,205</b>	<b>6,613</b>
Purchases of materials	-6,394	-6,050	-3,552
Services and other goods	-1,006	-1,113	-729
Employee benefit expense	-1,580	-1,327	-1,273
Depreciation and amortization	-623	-474	-331
Remuneration to the sole shareholder	0	-711	-624
Other operating charges	-151	-40	-26
Other operating income	302	134	145
<b>Operating profit</b>	<b>27</b>	<b>624</b>	<b>223</b>
Financial expenses	-149	-148	-106
Financial income	4	3	2
<b>(Loss)/Profit before taxes</b>	<b>-118</b>	<b>479</b>	<b>119</b>
Income taxes	25	-161	-68
<b>Net profit for the year</b>	<b>-93</b>	<b>318</b>	<b>51</b>
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations, net of tax	-11	-17	-8
<b>Other comprehensive loss, net of tax</b>	<b>-11</b>	<b>-17</b>	<b>-8</b>
<b>Total comprehensive income for the year, net of tax *</b>	<b>-104</b>	<b>301</b>	<b>43</b>
<b>Adjusted EBITDA</b>	<b>709</b>	<b>1,689</b>	<b>1,058</b>
<b>Adjusted Operating profit</b>	<b>86</b>	<b>1,215</b>	<b>727</b>

#### 9.4.1 REVENUE

##### 9.4.1.1 CONSOLIDATED

For the years ended 31 December 2020 and 31 December 2019

Ekopak's revenue decreased from EUR 10,205 thousand for the year ended 31 December 2019 to EUR 9,479 thousand for the year ended 31 December 2020, a decrease of 7.1%. The decrease was driven by:

- a EUR 1,171 thousand decrease in Sales Segment revenue, which can be broken down to lower revenue from water process installations of EUR 1,486 thousand, and an increase in the chemicals and disinfection revenue by EUR 187 thousand and EUR 128 thousand respectively. The lower revenue from water process installations primarily reflects the impact in 2019 of the commissioning of a large water project that contributed 32% of Sales segment revenue in 2019. In 2020, there was no Sales segment project of comparable size. It also reflects the ramp-up of the WaaS business. While design work began 2020 under three new WaaS contracts that were signed in 2020 and will generate annual revenue of EUR 2 million (based on contractually agreed minimum order quantities) once operational, these contracts will not become operational until mid 2021. Given that revenue under WaaS contracts is recognized over the life of the contract as water is delivered, instead of on a percentage completion basis, no revenue or margin is earned during the construction phase. Finally, the lower revenues also reflect, to a limited extent, delays in the building of water process installations and/or delays in the clients' decision process due to Covid-19 related restrictions.
- Revenue from the WaaS segment increased by EUR 445 thousand, from EUR 20 thousand to EUR 465 thousand. The EUR 465 thousand can be split in revenue from WaaS contracts of EUR 380 thousand and the contribution of M&O contracts for EUR 86 thousand.

#### For the years ended 31 December 2019 and 31 December 2018

Ekopak's revenue increased from EUR 6,613 thousand for the year ended 31 December 2018 to EUR 10,205 thousand for the year ended 31 December 2019, an increase of 54%. Substantially all of the increase came from the Sales Segment, thanks to an increase in the sale of water process installations by EUR 3,282 thousand, driven by an increased amount of water process installations sold, as well as the commissioning of one large project which contributed 32% of the Sales segment for the year ended 31 December 2019.

#### **9.4.1.2 REVENUE BY GEOGRAPHY**

Ekopak's revenue by geographical area, based on the country in which the customer is domiciled, for the years ended 31 December 2020, 2019 and 2018, can be presented as follows:

in 000€	2020	2019	2018
Belgium	7,129	9,546	5,986
France	217	443	167
Netherlands	309	113	182
United Kingdom	7	4	209
Luxembourg	1,651	1	-
Other countries	166	98	69
<b>Total revenue by geography</b>	<b>9,479</b>	<b>10,205</b>	<b>6,613</b>

#### From the year ended 31 December 2019 to the year ended 31 December 2020

In 2020, geographically, an increase was noted in Luxembourg (+ EUR 1,650 thousand), the Netherlands (+ EUR 196 thousand or +173.5%) and Other countries (+ EUR 68 thousand or +69.4%), while a decrease was noted in Belgium (- EUR 2,417 thousand or -25.3%) and France (- 226 EUR thousand or -51.0%). In Belgium, the revenue decrease was mainly attributable to the completion in 2019 of a single contract which represented 32% of the Company's turnover for the year ended 31 December 2019. Other countries include amongst others Ghana, Indonesia, Pakistan and Brazil.

#### From the year ended 31 December 2018 to the year ended 31 December 2019

In 2019, the Ekopak generated sufficient revenue growth in Belgium, its largest market, driven by an increase in the number of sold water process installations and more specifically, the impact of a single large contract that, represented 32% of the Company's turnover in the year ended 31 December 2019. In France, revenues increased by EUR 276 thousand or +165.3%. In Other countries revenues increased by EUR 29 thousand or +42.0%). A decrease was noted in the Netherlands (- EUR 69 thousand or -37.9%), and the United Kingdom (- EUR 205 thousand or -98.1%). Other countries include amongst others Ghana, Indonesia, Pakistan and Brazil.

#### **9.4.1.3 REVENUE BY OPERATING SEGMENT**

Reference is made to Section 9.4.12 "*Adjusted Operating Profit and Adjusted EBITDA*" of this Prospectus in this respect.

#### **9.4.2 PURCHASES OF MATERIALS**

The following table sets forth Ekopak's expenses related to the purchases of materials for the years ended 31 December 2020, 2019 and 2018:

in 000€	2020	2019	2018
Purchase of raw materials	-6,966	-6,121	-3,576
Inventory change	576	71	29
Other purchases	-4	-	-5
<b>Total purchases of materials</b>	<b>-6,394</b>	<b>-6,050</b>	<b>-3,552</b>

#### From the year ended 31 December 2019 to the year ended 31 December 2020

Expenses related to purchases of materials increased from EUR 6,050 thousand to EUR 6,394 thousand, an increase of 5.7%. As a percentage of revenue, purchases of materials increased from 59.3% in 2019 to 67.5% in 2020. This increase in percentage can be explained by the fact that Ekopak is shifting its business model to include WaaS projects and the different accounting treatment that comes with that shift. Under IFRS, Ekopak is able to capitalise work in progress costs, including material costs, on its balance sheet related to projects under construction that are sold under the one-off sales model including the assumed profit margin, as a percentage of completion. However, Ekopak is not allowed to include such a profit margin for the capitalisation of costs related to WaaS projects and internally manufactured "test" containers provided to customers on a rental basis, as these

installations stay on Ekopak's balance sheet (see also Section 9.4.12 "Adjusted Operating Profit and Adjusted EBITDA" of this Prospectus). In 2020, Ekopak had a higher number of WaaS and rental containers under construction than in 2019. Because these installations do not generate an assumed profit margin, they had a negative impact on Ekopak's overall gross margin, leading to a higher amount of costs as a percentage of revenue.

#### From the year ended 31 December 2018 to the year ended 31 December 2019

Expenses related to purchases of materials increased from EUR 3,552 thousand to EUR 6,050 thousand, an increase of 70.3%. The increase was driven by higher purchases of equipment materials, which relate to materials purchased for the build of the water process installations. As a percentage of revenues, purchases of materials increased 53.7% in 2018 to 59.3% in 2019, as Ekopak started the construction of its first WaaS project in 2019, which started end 2019 and for which there is no additional profit margin capitalised, aside from the actual costs (see also Section 9.4.12 "Adjusted Operating Profit and Adjusted EBITDA" of this Prospectus).

#### **9.4.3 PURCHASES OF SERVICES AND OTHER GOODS**

The following table sets forth Ekopak's expenses related to purchases of services and other goods for the years ended 31 December 2020, 2019 and 2018:

in 000€	2020	2019	2018
Rental expenses	-31	-9	-36
Repair and maintenance	-76	-79	-78
Utilities	-16	-16	-15
Fuel	-72	-72	-73
Small materials	-37	-44	-35
Postage and website costs	-52	-53	-36
Professional fees	-204	-119	-86
Insurance fees	-59	-67	-44
Transport related expenses	-16	-117	-101
Fees for outsourcing and interim personnel	-37	-290	-9
Management fees	-266	-136	-140
Other services	-140	-111	-76
<b>Total purchases of services and other goods</b>	<b>-1,006</b>	<b>-1,113</b>	<b>-729</b>

#### From the year ended 31 December 2019 to the year ended 31 December 2020

Expenses related to purchases of services and other goods decreased from EUR 1,113 thousand to EUR 1,006 thousand, a decrease of 9.6%. The decrease was mainly caused by lower fees for outsourcing and interim personnel, as Ekopak significantly increased its number of employees during 2020 (an increase in average FTEs from 21.4 during 2019 to 32.3 during 2020). That decrease was partly offset by higher professional fees for the accountant, the auditor, a recruitment agency and higher management fees. The higher management fees in 2020 also reflects a change in the manner in which Ekopak's CEO is compensated. Until the end of 2019, Ekopak's CEO, as the sole shareholder of the company, earned no salary, but received a fixed percentage of revenue for each

year. That compensation was recorded under a separate line in the income statement called 'Remuneration to the Sole Shareholder'. Following the entry into the capital of the Company by Alychlo, this arrangement was replaced in 2019 with a new compensation arrangement (See Section 12.2.1 "Pilovan BV (Mr. Pieter Loose – General Manager and CEO)" and Section 10.5.3 "Executive Management" of this Prospectus) which is recorded under management fees. 2020 reflects a full year of compensation under the new arrangement, which contributed to the increase in management fees in 2020. As a percentage of revenue, expenses related to purchases of services and other goods amounted to 10.6% in 2020 and 10.9% in 2019.

#### From the year ended 31 December 2018 to the year ended 31 December 2019

Expenses related to purchases of services and other goods increased from EUR 729 thousand to EUR 1,113 thousand, an increase of 52.7%. The increase was mainly caused by higher expenses for outsourcing and interim personnel due to the increase in water process installations produced and sold in 2019. As a percentage of revenue, expenses related to purchases of services and other goods were relatively stable at 10.9% in 2019 and 11.0% in 2018.

#### **9.4.4 EMPLOYEE BENEFIT EXPENSE**

The following table sets forth Ekopak's employee benefit expenses for the years ended 31 December 2020, 2019 and 2018:

in 000€	2020	2019	2018
Gross salaries	-1,089	-905	-873
Social security charges	-204	-201	-220
Group insurance	-70	-41	-32
Other insurance	-18	-21	-16
Payroll charges	-199	-159	-132
<b>Total employee benefit expenses</b>	<b>-1,580</b>	<b>-1,327</b>	<b>-1,273</b>

#### From the year ended 31 December 2019 to the year ended 31 December 2020

Expenses related to employee benefits increased by EUR 253 thousand, from EUR 1,327 thousand to EUR 1,580 thousand, an increase of 19.1%. This increase was primarily driven by the net effect of an the increase in FTEs, from an average of 21.4 in 2019 to an average of 32.3 in 2020, and capitalisation of the wage component included in contract assets on the balance sheet. As a percentage of revenue, employee benefit expense increased from 13.0% in 2019 to 16.7% in 2020.

#### From the year ended 31 December 2018 to the year ended 31 December 2019

Expenses related to employee benefits increased from EUR 1,273 thousand to EUR 1,327 thousand, an increase of 4.24%. The increase was mainly caused by the higher number of FTEs in 2019 vs. 2018 (21.4 FTEs in 2019 on average vs. 19.3 FTEs in 2018 on average). As a percentage of revenue, employee benefit expenses decreased from 19.2% in 2018 to 13.0% in 2019, reflecting a higher revenue base over which to spread the costs.

#### 9.4.5 OTHER OPERATING CHARGES AND INCOME

##### From the year ended 31 December 2019 to the year ended 31 December 2020

Other operating charges increased from EUR 40 thousand to EUR 151 thousand, mainly caused by interest costs for a legal claim. Other operating income increased from EUR 134 thousand to EUR 302 thousand, an increase of 125.4%. This increase was mainly caused by increased social security subsidies.

##### From the year ended 31 December 2018 to the year ended 31 December 2019

Other operating charges increased from EUR 26 thousand to EUR 40 thousand, while the other operating income decreased from EUR 145 thousand to EUR 134 thousand.

#### 9.4.6 DEPRECIATION AND AMORTIZATION

The following table sets forth Ekopak's depreciation and amortization for the years ended 31 December 2020, 2019 and 2018:

in 000€	2020	2019	2018
Depreciation of property plant & equipment and ROU assets <sup>(1)</sup>	-593	-448	-327
Amortization of intangible assets	-29	-25	-4
<b>Total depreciation and amortization</b>	<b>-623</b>	<b>-474</b>	<b>-331</b>

Notes:

(1) ROU assets are right-of-use assets, which relate to assets leased by Ekopak, mainly vehicles.

##### From the year ended 31 December 2019 to the year ended 31 December 2020

Total depreciation and amortization increased from EUR 474 thousand to EUR 623 thousand, an increase of 31.4%. The increase was caused by depreciation on the DBFMO installation, which remains on Ekopak's balance sheet in the WaaS business model.

##### From the year ended 31 December 2018 to the year ended 31 December 2019

Total depreciation and amortization increased from EUR 331 thousand to EUR 474 thousand, an increase of 43.20%, mainly due to higher investments in materials used for servicing clients with whom Ekopak has maintenance and operations contracts.

#### 9.4.7 Remuneration to the Sole Shareholder

Until September 2019, Ekopak's CEO was its sole shareholder, and received a fixed percentage of Ekopak's revenue during the year. This arrangement was terminated in September 2019 and replaced with a compensation contract. In 2018, this expense amounted to EUR 624 thousand and in 2019 it amounted to EUR 711 thousand. The increase from 2018 to 2019 reflects the higher revenue in 2019 than 2018. Because the arrangement was terminated in September 2019, no expense was recorded under this item in 2020.

#### 9.4.8 OPERATING PROFIT

##### From the year ended 31 December 2019 to the year ended 31 December 2020

Reflecting the factors above, Ekopak's operating profit decreased from EUR 624 thousand to EUR 27 thousand, a decrease of 95.7%. As a percentage of revenue, operating profit declined from 6.1% to 0.3% from 2019 to 2020.

##### From the year ended 31 December 2018 to the year ended 31 December 2019

Reflecting the factors above, Ekopak's operating profit increased from EUR 223 thousand to EUR 624 thousand, an increase of 179.8%.

#### 9.4.9 FINANCIAL EXPENSES AND INCOME

The following table sets forth Ekopak's net financial result for the years ended 31 December 2020, 2019 and 2018:

in 000€	2020	2019	2018
Interest charges - borrowings	-89	-90	-65
Interest charges - lease liabilities	-33	-25	-25
Bank charges	-19	-24	-12
Other financial expenses	-8	-9	-4
<b>Financial expenses</b>	<b>-149</b>	<b>-148</b>	<b>-106</b>
Exchange differences	1	-	-
Payment discounts and differences	2	-	-
Interest income	1	3	2
<b>Financial income</b>	<b>4</b>	<b>3</b>	<b>2</b>
<b>Net financial result</b>	<b>-145</b>	<b>-145</b>	<b>-104</b>

##### From the year ended 31 December 2019 to the year ended 31 December 2020

Financial expenses remained quasi stable in 2020, increasing from EUR 148 thousand in 2019 to EUR 149 thousand in 2020. Financial income increased slightly, from EUR 3 thousand in 2019 to EUR 4 thousand in 2020.

##### From the year ended 31 December 2018 to the year ended 31 December 2019

Financial expenses increased from EUR 106 thousand to EUR 148 thousand, an increase of 39,6%. This increase was caused by an increase in bank charges and an increase in interest charges due to a higher amount of borrowings outstanding. Financial income increased from EUR 2 thousand in 2018 to EUR 3 thousand in 2019.

#### 9.4.10 INCOME TAX EXPENSES

The following table sets forth Ekopak's income tax expenses for the years ended 31 December 2020, 2019 and 2018:

in 000€	2020	2019	2018
Current tax expense	-5	-110	-50
Deferred tax expense	30	-51	-18
<b>Income tax expense</b>	<b>25</b>	<b>-161</b>	<b>-68</b>

The income tax expense reported by Ekopak in its income statement amounted to EUR -25 thousand, EUR 161 thousand and EUR 68 thousand for the years ended 31 December 2020, 2019 and 2018. Profit before taxes amounts to EUR -118 thousand, EUR 479 thousand and EUR 119 thousand, resulting in an effective tax rate of 21%, 34% and 57% in 2020, 2019 and 2018 respectively. The increase in current income tax expense in 2019 primarily reflects Ekopak's higher taxable profit in 2019. In 2020, there was deferred tax income of EUR 30 thousand, thanks to a bigger decline in deferred tax assets compared to the decline in deferred tax liabilities.

#### 9.4.11 NET PROFIT

##### From the year ended 31 December 2019 to the year ended 31 December 2020

As a result of the foregoing, Ekopak's net profit decreased by EUR 411 thousand, from EUR 318 thousand to EUR -93 thousand.

##### From the year ended 31 December 2018 to the year ended 31 December 2019

As a result of the foregoing, Ekopak's net profit increased by EUR 267 thousand, from EUR 51 thousand to EUR 318 thousand.

#### 9.4.12 ADJUSTED OPERATING PROFIT AND ADJUSTED EBITDA

As described above under Section 9.3.10 "Non-IFRS measures" of this Prospectus, in evaluating the performance of Ekopak's business, management uses certain alternative performance measures. These include Adjusted Operating Profit and Adjusted EBITDA. The table below provides a reconciliation of Adjusted Operating Profit and Adjusted EBITDA to Operating Profit as reported under IFRS for the periods indicated.

in 000€	2020	2019	2018
<b>Operating profit</b>	<b>27</b>	<b>624</b>	<b>223</b>
Remuneration to the sole shareholder	/	711	624
Current remuneration to the sole shareholder	/	-120	-120
Costs related to legal claims	59	0	0
<b>Adjusted Operating Profit</b>	<b>86</b>	<b>1,215</b>	<b>727</b>
Total depreciation and amortization	623	474	331
<b>Adjusted EBITDA</b>	<b>709</b>	<b>1,689</b>	<b>1,058</b>

The first adjustment made relates to the remuneration of the former sole shareholder, who is still today the CEO of the Company. In the former management agreement, he was entitled to a fixed percentage of revenue for that year. In September 2019, that agreement came to an end and the current management agreement was implemented. In order to foster comparability across the years, in calculating Adjusted Operating Profit and Adjusted EBITDA the costs of the old contract are removed and replaced by the cost recorded for the CEO under the current contract.

To foster comparability, Adjusted Operating Profit and Adjusted EBITDA also exclude costs relating to litigation. In 2020, there were costs related to the settlement of one claim and ongoing costs in relation to another claim.

Finally, Adjusted EBITDA is calculated by removing depreciation and amortization costs from Adjusted Operating Profit.

#### **9.4.13 SEGMENT REPORTING**

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:

- Sales Segment: The Sales Segment includes the traditional sales and the DB(M)(O) contracts. The contracts with the customer are to design and build a process water installation, after which ownership and control over this installation is transferred to the customer. Revenue from this segment can be further split up in revenue from chemicals, disinfection and water process installations. A small portion of the segment's revenue is also generated by short-term rentals of test containers.
- Water-As-A-Service ("WAAS") segment: The WaaS segment covers the Ekopak's WaaS services, under which it delivers during the contractual period, a certain volume of water which meets the contractual quality requirements. It also includes services delivered under maintenance and operations contracts.

For segment reporting purposes, as the contribution of the WaaS segment was only very minor in 2019 and 2020, there was no accounting system set up to split the indirect costs in between the Sales and WaaS segments in those years. Accordingly, all head office and other indirect costs were allocated to the Sales Segment. Only the direct costs related to the WaaS contracts were included in the WaaS segment for the financial statements for the years 2019 and 2020. As from 2021, indirect costs will be allocated to both segments. In assessing the segment figures reported for 2019 and 2020, it should be noted that to the extent that no indirect costs were allocated to the WaaS segment

in 2019 and 2020, the resulting Operating Profit, Profit (loss) before Tax, Adjusted EBITDA and Adjusted Operating Profit for the WaaS segment and related margins are higher than they would have been had such an allocation been made and once such costs are allocated.

in 000€	2020		2019		2018
	SALES	WAAS	SALES	WAAS	
Revenue	9,014	465	10,185	20	6,613
<i>Chemicals</i>	2,072		1,885		1,771
<i>Water process installations</i>	6,289		7,775		4,493
<i>Disinfection</i>	653		525		348
Purchases of materials, services and other goods	-7,264	-136	-7,158	-5	-4,281
Employee benefit expense	-1,564	-16	-1,326	-1	-1,273
Other operating charges	-151	-	-40	-	-26
Other operating income	302	-	134	-	145
Depreciation and amortization	-447	-176	-470	-4	-331
Remuneration to sole shareholder	-	-	-711	-	-624
<b>Operating profit</b>	<b>-110</b>	<b>137</b>	<b>614</b>	<b>10</b>	<b>223</b>
Financial expense	-128	-21	-135	-13	-106
Financial income	4	-	3	-	2
<b>Profit (loss) before tax</b>	<b>-234</b>	<b>116</b>	<b>482</b>	<b>-3</b>	<b>119</b>
<b>Adjusted EBITDA</b>	<b>396</b>	<b>313</b>	<b>1.675</b>	<b>14</b>	<b>1.058</b>
<b>Adjusted Operating profit</b>	<b>-51</b>	<b>137</b>	<b>1.205</b>	<b>10</b>	<b>727</b>

The 'Sales' segment generated EUR 6,613 thousand, EUR 10,185 thousand and EUR 9,014 thousand of segment revenue for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively.

- Revenue from Chemicals for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 amounted to EUR 1,771 thousand, EUR 1,885 thousand and EUR 2,072 thousand, showing year-on-year growth of 6.4% and 9.9%. As chemicals are frequently used by clients who have a water process installation, revenue from chemicals generally increases in line with the growing installed base of the company. Next to that, chemicals are also sold on a stand alone basis.
- Revenue from Water process installations for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 amounted to EUR 4,493 thousand, EUR 7,775 thousand and EUR 6,289 thousand, showing year-on-year growth of 73.0% and -19.1%. The revenue evolution was strongly influenced by a large project, which accounted for 32% of Ekopak's revenue in 2019.
- Revenue from Disinfection amounted to EUR 348 thousand, EUR 525 thousand and EUR 653 thousand for the years ended 31 December 2018, 31 December 2019 and 31 December 2020, resulting in year-on-year growth of 50.9% and 24.4%. Revenue growth in Disinfection is mainly driven by an increased demand for cooling water treatment and for corrosion combatting solutions.

Segment Operating Profit was EUR 223 thousand, EUR 614 thousand and EUR -110 thousand, for 2018, 2019 and 2020, respectively. As a percentage of revenues segment operating profit for the Sales segment for 2018, 2019 and 2020 was 3.4%, 6.0% and -1.2%, respectively. The improvement in segment operating profit as a percentage of segment revenues in 2019 was primarily linked to the revenue increase. The decline in segment operating profit in absolute terms and as a percentage of segment revenues in 2020 was primarily linked to the impact of EUR 59 thousand of costs related to legal claims in 2020 and ramp-up costs to support future growth that increased the Group's fixed cost basis.

Segment adjusted EBITDA for 2018, 2019 and 2020 was EUR 1,058 thousand, EUR 1,675 thousand and EUR 396 thousand, respectively. As a percentage of revenues, segment adjusted EBITDA was 16.0%, 16.4% and 4.4% in 2018, 2019 and 2020 respectively. The decrease in adjusted EBITDA in absolute terms in 2020 and as a percentage of segment revenues was primarily driven by ramp up costs to support future growth that increased the Group's fixed cost basis.

The 'WaaS' segment generated EUR 20 thousand of segment revenue, with EUR 14 thousand of Adjusted EBITDA for the year ended 31 December 2019. In 2019, there was only one active WaaS project, operational since December 2019. The full year contribution of the first WaaS project was the primary driver of increased WaaS segment revenue in 2020, which rose to EUR 465 thousand for the year ended 31 December 2020. WaaS segment revenue for 2020 also included revenue from maintenance and operation contracts.

WaaS Segment Operating Profit amounted to EUR 10 thousand in 2019 and EUR 137 thousand in 2020. As a percentage of segment revenues, WaaS segment operating profit amounted to 50.0% in 2019 and 29.5% in 2020.

Segment Adjusted EBITDA for the WaaS segment amounted to EUR 313 thousand for the year ended 31 December 2020 (67.3% of segment revenues) compared to EUR 14 thousand (70,0% of segment revenues) for the prior year.

## **9.5 LIQUIDITY AND CAPITAL RESOURCES**

### **9.5.1 SOURCES OF FUNDING**

Ekopak's main cash uses are the building of water process installations, the servicing of debt requirements and meeting its working capital needs. These have historically been financed with cash from operating activities, debt financing and equity capital.

In the WaaS-model, and contrary to the sale of installations in the Sales segment, Ekopak does not receive any advance payments by the client. Sale and lease-back financing for a project is typically available only after the project has been completed can be sold to the financing institution. As a result, Ekopak must fund the initial construction of the installation. To date, Ekopak has financed the initial construction of its WaaS projects using a combination of cash on hand, equity contributions from its shareholders and debt financing. As the number of WaaS installations expands, Ekopak plans to finance the construction of WaaS projects primarily through cash on hand, the net proceeds of the

sale of new shares in the Private Placement, draws under debt facilities, and other debt financing to be secured after the Private Placement. Ekopak seeks to implement a balanced financing structure on a group level and currently targets a debt/equity ratio of around 3.0x for the WaaS segment.

On 31 December 2020, Ekopak had a Net Financial Debt position of EUR 2,360 thousand, comprised of cash and cash equivalents for EUR 1,300 thousand and interest-bearing debt of EUR 3,660 thousand, with a current portion of EUR 709 thousand. Of this interest-bearing liabilities, EUR 562 thousand relates to leasing liabilities. See Section 9.10 “*Events after 31 December 2020*” of this Prospectus for an overview of all amendments made to Ekopak’s facility agreements set forth below, c.q., new facility agreements entered into, since 31 December 2021.

On 18 September 2019, a capital increase of EUR 5.1 million was executed.

The following table summarizes Ekopak’s borrowings and lease liabilities at the dates indicated.

in 000€	At 31 December		
	2020	2019	2018
Leasing liabilities	562	484	478
Investment borrowings	1,563	1,792	1,711
Straight loan	–	100	500
Government loan	222	259	300
Investment borrowing for specific customer projects	1,313	1,500	–
Other borrowings	–	62	128
<b>Total borrowings and lease liabilities</b>	<b>3,660</b>	<b>4,197</b>	<b>3,117</b>
of which current	709	855	2,066
of which non-current	2,951	3,342	1,051

#### Lease liabilities

‘Leasing liabilities’ have historically related to leasing of company vehicles and IT infrastructure.

#### Investment borrowings

On December 31, 2020, Ekopak’s ‘Investment borrowings’ is comprised of the following:

- **Facility agreement for Headquarters Building.** On 11 March 2014, the Issuer and BNP Paribas Fortis NV (BNPPF) entered into a facility agreement for the construction of an industrial building at Careelstraat 13, 8700 Tielt, Belgium (i.e., the Issuer’s headquarters, see Section 8.12 “*Facilities*” of this Prospectus) for a total amount of EUR 1,145,000, which matures in 2029. On 31 December 2020, the amount outstanding under this facility agreement amounted to EUR 772,560. In the context of this facility agreement the Issuer granted BNPPF a EUR 55,000 first ranking mortgage and a EUR 1,595,000 mortgage mandate on the aforementioned property.
- **KBC Secured Facility Agreement.** On 15 July 2019, the Issuer and KBC Bank NV (KBC) entered into a EUR 1,178,040 secured facility agreement (the “**KBC Secured Facility Agreement**”), consisting of (i) a EUR 225,000 (originally EUR 300,000 under the credit

contract of 3 April 2018) investment facility for the financing of Ekopak's working capital, (ii) a EUR 400,000 mixed facility (see below), a EUR 350,000 guarantee facility (see below), and a EUR 203,040 guarantee facility (see below). On 31 December 2020, the amount outstanding under the EUR 225,000.00 facility amounted to EUR 140,000.00. Pursuant to this secured facility agreement, KBC was granted multiple pledges on Ekopak's business ("*pand op de handelszaak*") c.q., pledge on the current and future business assets ("*pand op de ondernemingsgoederen*")<sup>120</sup> for a total maximum secured amount of EUR 850,000.00 and multiple mandates to pledge Ekopak's business ("*volmacht tot vestiging van een pand op de handelszaak*") for a total maximum secured amount of EUR 250,000.00 (ranking after any securities *in rem* granted to KBC Bank, and the EUR 50,000.00 pledge granted to BNPPF (which has been released in the meantime)

- **BNPPF Secured Facility Agreement.** On 20 November 2020, the Issuer and BNPPF entered into a secured facility agreement of EUR 650,000, used for the refinancing of 3 previously outstanding investment borrowings with BNPPF. These 3 investment borrowings related to the Issuer's acquisition of the land, the construction of its warehouse and the enlargement of its buildings at Careelstraat 13, 8700 Tielt, Belgium in 2014, 2014 and 2015 respectively. The maturity of the EUR 650,000 agreement is 10 years during which the loan is repaid over time. On 31 December 2020, the full amount of this facility was still outstanding. Next to the security interests granted to BNPPF in connection with the EUR 1,145,000 investment facility, an additional EUR 330,000 mortgage mandate has been granted on the property located at the Issuer's headquarters.

#### Mixed facilities

The mixed facilities consist of two mixed facilities (which can be used as straight loans or guarantees).

One mixed facility has been entered into by the Issuer with BNPPF on 2 April 2020, for a total amount of EUR 1,000,000.00 secured facility agreement that may be used for straight loans or to issue guarantees. On 31 December 2020, no amount has been drawn under this BNPPF facility agreement.

The second mixed facility has been entered into by the Issuer with KBC Bank under the EUR 995,000 KBC Secured Facilities Agreement (see above, Section 9.5.1 "*Sourcing of Funding*", sub "*Investment borrowings*"), for a total amount of EUR 400,000.00 secured mixed facility. On 31 December 2020, no amount has been drawn under this EUR 400,000.00 mixed facility.

#### Guarantee facilities

The Issuer and KBC Bank have also entered into a EUR 350,000 guarantee facility guarantee facility under the KBC Secured Facilities Agreement (see above, Section 9.5.1 "*Sourcing of Funding*", sub

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<sup>120</sup> Pursuant to the entry into force on 1 January 2018 of the Act of 11 July 2013 amending the Civil Code as regards collateral security for movable property and repealing various provisions in this regard (also known as the Belgian Act on Pledges ("*Pandwet*")), the legal concept of a pledge on the business ("*pand op de handelszaak*") was replaced with the legal concept of a pledge on business assets ("*pand op de ondernemingsgoederen*").

“*Investment borrowings*”), in order to grant the necessary guarantees typically requested by clients when they make advance payments. As of 31 December 2020, an amount of EUR 164,350 of the EUR 350,000 guarantee facility was outstanding.

#### Government loan

The Government loan consists of the loan between the Issuer and Participatiemaatschappij Vlaanderen (PMV), entered into on 6 April 2018. It is a subordinated loan agreement of EUR 300,000.00 for the development of the Issuer’s industrial water purification activities. On 31 December 2020, the amount outstanding under this subordinated loan agreement amounted to EUR 222 thousand.

Pilovan BV has granted a EUR 300,000.00 guarantee (“*borgtocht*”), dated 6 April 2018, to ensure the payment of any sums due by Ekopak to PMV under the subordinated loan entered into with PMV on 6 April 2018.

#### Investment borrowing for specific customer project

On 20 February 2019, the Issuer and BNPPF entered into a secured facility agreement to finance the design, construction, installation and operation of a customer water purification installation (i.e., in the context of the first WaaS agreement entered into by Ekopak, as described in Section 8.7.3.4 sub (A) “*WaaS agreement with a chemical company, based in Belgium*” of this Prospectus) for a total amount of EUR 1,500,000.00. On 31 December 2020, the amount outstanding under this facility agreement amounted to EUR 1,313 thousand.

#### Covenants and conditions

In the context of the above-mentioned agreements, the Issuer is bound to certain customary negative covenants (including negative pledges) and conditions, cross-default clauses, change of control clauses, as well as restrictions on certain disposals and restructurings, which would have a significant impact on the financial situation of the Issuer. Reference is also made to Section 9.10.1 “*Facility Agreements*” of this Prospectus, for an update since 31 December 2020. In particular, a negative pledge applies under the KBC Secured Facilities Agreement, which prevents the Issuer from granting any security with respect to part or all of its assets for the duration of the KBC Secured Facilities Agreement (with the exception of any security included in the KBC Secured Facilities Agreement or previously allowed by it).

### **9.5.2 CASH FLOWS**

The table below sets forth the principal components of Ekopak’s cash flows for the years ended 31 December 2020, 2019 and 2018.

in 000€	2020	2019	2018
Net cash flow from operating activities	-539	421	24
Net cash flow used in investing activities	-1,289	-2,306	-85
Net cash flow from financing activities	-1,109	6,009	132
<b>Net cash flow</b>	<b>-2,937</b>	<b>4,124</b>	<b>71</b>
Cash and cash equivalents at beginning of year	4,237	113	42
<b>Cash &amp; cash equivalents at end of year</b>	<b>1,300</b>	<b>4,237</b>	<b>113</b>

### **9.5.2.1 CASH FLOW PROVIDED BY / (USED IN) OPERATING ACTIVITIES**

From the year ended 31 December 2019 to the year ended 31 December 2020

Ekopak's net cash flow from operating activities decreased from EUR 421 thousand to EUR -539 thousand, a decrease of EUR 960 thousand. The decrease is a result of lower net profit (EUR 318 thousand in 2019 and EUR -93 thousand in 2020) and a higher trade working capital (= inventories + trade receivables – trade payables) increase (EUR 1.749 thousand vs. EUR -12 thousand). The increase in trade working capital can be split up in an increase of trade receivables of EUR 239 thousand, an increase in inventories of EUR 575 thousand and a decrease in trade payables of EUR 935 thousand.

From the year ended 31 December 2018 to the year ended 31 December 2019

Ekopak's net cash flow from operating activities increased from EUR 24 thousand to EUR 421 thousand, an increase of EUR 397 thousand. The increase was primarily thanks to a higher contribution from the income statement, as net income increased from EUR 51 thousand in 2018 to EUR 318 thousand in 2019 and despite a lower trade working capital (= inventories + trade receivables – trade payables) decrease (EUR -12 thousand vs. EUR -288 thousand). The increase in trade working capital can be split up in an increase of trade receivables of EUR 1.877 thousand, an increase in inventories of EUR 72 thousand and an increase in trade payables of EUR 1.961 thousand.

### **9.5.2.2 CASH FLOW PROVIDED BY / (USED IN) INVESTING ACTIVITIES**

Ekopak's net cash flow used in investing activities amounted to EUR 1,289 thousand, EUR 2,306 thousand and EUR 85 thousand in 2020, 2019 and 2018, respectively. The amount in 2020 primarily relates to WaaS contracts contracted in 2020 that will begin operations in 2021 as well as the construction of additional test containers that will be provided to clients on a rental basis. The amount in 2019 primarily reflects investments in the Ekopak's first WaaS water process installations and the expansion of the Company's production facility.

### **9.5.2.3 CASH FLOW PROVIDED BY / (USED IN) FINANCING ACTIVITIES**

Ekopak's net cash flow from financing activities amounted to a net cash outflow of EUR 1,109 thousand in 2020, a cash inflow of EUR 6,009 thousand in 2019 and a cash inflow of EUR 132 thousand in 2018. The net cash outflow in 2020 primarily reflects a dividend payment of EUR 300 thousand and a higher net repayment of debt to financial institutions in 2020 (net repayment of EUR

783 thousand in 2020 vs. net proceeds of EUR 940 thousand in 2019). In 2019, the cash inflow of EUR 6,009 thousand primarily reflects a EUR 1.5 million project borrowing for Ekopak's first WaaS installation and the proceeds from the capital increase of EUR 5.1 million.

## **9.6 CONTRACTUAL OBLIGATIONS**

The Issuer has 2 Belgian branche 21 insurance schemes for management and employees, for which the employer has to make monthly contributions. The employer's contributions are subject to a minimum guaranteed return of 1.75%, hence the Issuer's these insurance schemes are classified as a defined benefit plan. As at 31 December 2020, there was a net liability of EUR 80 thousand.

The company has recognised a provision on its balance sheet related to a litigation of EUR 320 thousand, which originated in 2015, and was pending before court at 31 December 2020 (see Section 8.18 "*Legal and arbitration proceedings*" of this Prospectus for more information on this pending legal procedure).

## **9.7 CRITICAL ACCOUNTING POLICIES**

For additional information regarding Ekopak's accounting policies, please see Note 2 "Significant accounting policies" to the Financial Statements included in the F-Pages of this Prospectus.

## **9.8 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS**

### **9.8.1 LIQUIDITY RISK**

Liquidity risk is the risk that Ekopak is not able to meet its financial obligations as they fall due. This risk is countered by regular liquidity management at the corporate level. Ekopak expects to meet those obligations through net cash flow from operating activities and if it is unable to do that, Ekopak has additional financing resources it can use. On 31 December 2020, Ekopak has not drawn under its mixed facilities with BNPPF and KBC Bank, with a combined capacity of EUR 1,400,000. On 28 February 2021, Ekopak had cash and cash equivalents of EUR 1,311 thousand and a remaining capacity of EUR 900 thousand under its then existing existing facilities (see also Section 9.10.1 "*Facility Agreements*" of this Prospectus for more recent information on the existing facilities). In addition to its facilities, the Company has in the past entered into dedicated financing and lease agreements with the purpose of financing specific significant projects (see Section 9.5.1 "*Sources of Funding*") The range of contracted obligations (undiscounted cash flows, including interest payments) are as follows:

in 000€	Less than 1 year	2 to 3 years	4-5 years	More than 5 years	Total
<b>At December 31, 2020</b>					
Borrowings	540	1,021	791	1.028	3,380
Lease liabilities	243	317	80	-	640
Trade payables	2,449	-	-	-	2,449
Other current liabilities and advances received	35	-	-	-	35
<b>Total</b>	<b>3,267</b>	<b>1,338</b>	<b>871</b>	<b>1,028</b>	<b>6,504</b>

## 9.8.2 **MARKET RISK**

### 9.8.2.1 **INTEREST RATE RISK**

As the majority of Ekopak's borrowings have a fixed interest rate, the Company is not subject to immediate changes in interest rates. One investment borrowing, with an outstanding amount of EUR 773 thousand at 31 December 2020, has a fixed interest rate which is subject to a revision every 5 years. The next possible revision is 2024. Straight loans have a variable interest rate.

### 9.8.2.2 **FOREIGN EXCHANGE RISK**

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

## 9.8.3 **CREDIT RISK**

### 9.8.3.1 **TRADE RECEIVABLES**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Historically, Ekopak has had no significant credit losses and currently has accounted for a credit loss allowance only for a limited number of customers.

in 000€	Total	Non-due	Less than 30 days	31-60 days	>61 days
At December 31, 2020	3,297	2,782	142	160	213

### 9.8.3.2 **CONTRACT ASSETS**

Contract assets relate to sold assets, which are still under construction at year end. As per 31 December 2018, 31 December 2019 and 31 December 2020, these amounted to EUR 600 thousand, EUR 1,039 thousand and EUR 562 thousand respectively.

### 9.8.3.3 **CASH AND CASH EQUIVALENTS**

Ekopak places its cash and cash equivalents at financial institutions, such as KBC Bank and BNP Paribas Fortis. The Company does not invest its excess cash in financial instruments other than cash equivalents.

## 9.9 RELATED PARTY DISCLOSURES

This disclosure provides an overview of all transactions with related parties with the Pilovan BV as ultimate benefit owner, Alychlo NV as shareholder and key management. Key management is employed through management agreements and payroll. In addition, the Company has a group insurance plan in favor of key management.:

in 000€	2020	2019	2018
Short-term employee benefits	349	853	763
Post-employment benefits	11	8	6
Termination benefits	-	-	-
<b>Total</b>	<b>360</b>	<b>861</b>	<b>769</b>
Warrants granted	30,000	-	-
Warrants outstanding	30,000	-	-

The short-term employee benefit includes the remuneration for the sole shareholder and CEO of Ekopak as presented separately in the income statement. Part of this remuneration was a determined percentage of the revenues of the Company in the year, but this has been terminated in September 2019. Ekopak also has a group insurance plan for its management.

Furthermore, the Company had current account receivables with SportHotel Ten Hotond BV, Pilovan BV and management of the Company. As at 31 December 2018, 2019 and 2020, Ekopak had a net receivable of respectively EUR 69 thousand, EUR 8 thousand and EUR 7 thousand. These current accounts are interest bearing. See also Section 12.3 “*Business Agreements*” of this Prospectus.

## 9.10 EVENTS AFTER 31 DECEMBER 2020

### 9.10.1 FACILITY AGREEMENTS

Since 31 December 2020, the Issuer’s debt financing (as set forth under Section 9.5.1 “*Sources of Funding*” of this Prospectus) has changed as follows:

#### *Sale and lease-back framework agreement*

On 25 February 2021, the Issuer and its subsidiary WaaS NV have, as lessees, entered into a sale and lease-back framework agreement with KBC Bank, as lessor. For more information on the sale and lease-back framework agreement with KBC Bank, reference is made to Section 8.7.3.5 sub (A) “*Sale and lease-back framework agreement with KBC Bank NV*” of this Prospectus.

#### *Amendments to KBC Secured Facility Agreement*

In March 2021, the Issuer has entered into credit contracts with KBC which amended the KBC Secured Facility Agreement (see above, Section 9.5.1 “*Sourcing of Funding*”, sub “*Investment borrowings*” of this Prospectus), as a result of which the total facilities under the KBC Secured Facility Agreement that amounted to EUR 1,178,040 on 31 December 2020 have been increased to EUR

3,125,000. The security interests, covenants and other conditions which were granted in relation to the KBC Secured Facility have not been changed by this amendment.

- Reduction of KBC investment borrowing: As part of the amendment of the KBC Secured Facility Agreement, the investment facility for the financing of Ekopak's working capital which amounted to EUR 245,000 and had an outstanding amount of EUR 140,000 on 31 December 2020 (see above, Section 9.5.1 "Sourcing of Funding", sub "Investment borrowings"), has been reduced to EUR 125,000.
- Amendment to KBC guarantee facility: As part of the amendment of the KBC Secured Facility Agreement, the guarantee facility which amounted to EUR 350,000 on 31 December 2020 (see above, Section 9.5.1 "Sourcing of Funding", sub "Guarantee facilities" of this Prospectus), has been increased to EUR 1,600,000.
- Amendment to KBC mixed facilities: As part of the amendment of the KBC Secured Facility Agreement, the mixed facility which amounted to EUR 400,000 on 31 December 2020 (see above, Section 9.5.1 "Sourcing of Funding", sub "Mixed facilities" of this Prospectus), has been increased to EUR 1,400,000..

#### Covenants and conditions

In the context of the above-mentioned agreements, the Issuer is bound to certain customary negative covenants (including negative pledges) and conditions, cross-default clauses, change of control clauses, as well as restrictions on certain disposals and restructurings, which would have a significant impact on the financial situation of the Issuer. In addition, Ekopak is, pursuant to these agreements, also bound by the following solvency ratios:

- a consolidated solvency ratio of at least 25%, pursuant to the sale and lease-back framework agreement between the Issuer and its subsidiary WaaS NV, as lessees, and KBC Bank NV, as lessor (see Section 8.7.3.5 sub (A) "Sale and lease-back framework agreement with KBC Bank NV" for more information on this framework agreement). This consolidated solvency ratio amounted to 42.4% at 31 December 2020; and
- a statutory solvency ratio of at least 20%, as part of an amendment of the conditions of the facility agreements in which Ekopak entered into with BNPPF (see above, Section 9.5.1 "Sourcing of Funding", sub "Investment borrowings"). This statutory solvency ratio amounted to 42.8% at 31 December 2020

#### **9.10.2 POST TRANSACTION TARGET COMPANY ACQUISITION**

On 25 January 2021, Ekopak entered into a binding letter of intent, subject to certain conditions, to negotiate the sale and purchase of 100% of the shares in the Post-Transaction Target Company. For more information on specificities of the binding letter of intent, the business of the Post-Transaction Target Company, and why the Issuer is contemplating to acquire the Post-Transaction Target Company, reference is made to Section 8.20 "Post-Transaction Acquisition" of this Prospectus. For more information on the corporate history of the Post-Transaction Target Company, reference is made to Section 7.2.2 "The Post-Transaction Target Company" of this Prospectus.

## 10 MANAGEMENT AND CORPORATE GOVERNANCE

This Section summarizes the rules and principles by which the Issuer's corporate governance will be organized, and which are contained in the Belgian Code of Companies and Associations (the **BCCA**), other relevant legislation, and the Issuer's Articles of Association, corporate governance charter (the **CG Charter**) and dealing code (the **Dealing Code**), each entering into force subject to the completion of the Transaction and with effect as from the Listing Date.

### 10.1 CORPORATE GOVERNANCE

The CG Charter is in line with the 2020 Belgian Code on Corporate Governance (the **CG Code 2020**), which the Issuer needs to apply, in accordance with a 'comply or explain' approach, as its corporate governance code pursuant to Article 3:6, §2, 1° BCCA and the Royal Decree of 12 May 2019 specifying the corporate governance code to be complied with by listed companies.

The CG Charter describes the main aspects of the corporate governance of the Issuer, including its governance structure, the terms of reference of the Board of Directors and its committees and other important topics. The CG Charter must be read together with the Issuer's Articles of Association, which have been amended by the Extraordinary General Shareholders' Meeting of 2021.

The Issuer will apply the ten corporate governance principles contained in the CG Code 2020 and intends to comply with the corporate governance provisions set forth in the CG Code 2020, except in relation to the following:

- 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 perform their functions under the leadership of the CEO, to whom the day-to-day management and additional well-defined powers were delegated by the Board of Directors.
- Provision 3.4: the Board of Directors only include 2 independent directors. This deviation is explained by the small size of the current Board of Directors. The Issuer furthermore intends to have a third independent director appointed within a period of 18 months after the closing of the Transaction.
- Provision 4.14: no independent internal audit function has been established. This deviation is explained by the size of the Issuer. 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 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 Issuer. However, the Issuer intends to review this provision in the future in order to align its corporate governance with the provisions of the CG Code 2020.

- Provision 7.8: the members of the Executive Committee do not receive any variable remuneration linked to the overall corporate and individual performance. The Issuer justifies the absence of a variable remuneration of the members of the Executive Committee in the light of the fact that their interests are already sufficiently aligned with the sustainable value-creation objectives of the Issuer, also taking into account the Shares and ESOP Warrants held by certain of the members of the Executive Committee (see Sections 10.4.5 “*Shares and ESOP Warrants held by Executive Management and/or senior management of the Issuer*” and 13.4 “*ESOP Warrants*” of this Prospectus).
- Provision 7.9: no minimum threshold of Shares to be held by the members of the Executive Committee has yet been set. This deviation is explained by the fact that the interests of the members of the Executive Committee are currently considered to be sufficiently oriented to the creation of long-term value for the Issuer, also considering the fact that some of them hold ESOP Warrants, the value of which is based on the value of the Shares (see Sections 10.4.5 “*Shares and ESOP Warrants held by Executive Management and/or senior management of the Issuer*” and 13.4 “*ESOP Warrants*” of this Prospectus). Therefore, setting a minimum threshold of 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 the CG Code 2020.

What constitutes good corporate governance will evolve with the changing circumstances of a company and with the standards of corporate governance globally and must be tailored to meet those changing circumstances. The Board of Directors intends to update the CG Charter as required to reflect changes to the Issuer’s corporate governance.

The Articles of Association and the CG Charter will be made available on the Issuer’s website ([www.ekopaksustainablewater.com](http://www.ekopaksustainablewater.com)). The Board of Directors shall, in accordance with Article 3:6, §2 BCCA, include a corporate governance statement in its annual report for the financial year ending on 31 December 2021, to be published in 2022 (and any financial year thereafter).

Additionally, and in accordance with Article 3:6, §3 BCCA, the corporate governance statement shall include a separate remuneration report, prepared by the Nomination and Remuneration Committee, for the financial year ending on 31 December 2021, to be published in 2022 (and any financial year thereafter).

The Annual General Shareholders’ Meeting, deciding upon the Board of Director’s annual report, shall also decide, by separate advisory vote, on the remuneration report. In addition, the General Shareholders’ Meeting shall decide on the remuneration policy as further described below in Section 10.5.1 “*Remuneration Practices*” of this Prospectus.

## **10.2 BOARD OF DIRECTORS**

### **10.2.1 GENERAL**

The Issuer has opted for a “one tier” governance structure in accordance with Article 7:85 BCCA and following, whereby the Board of Directors is the ultimate decision making body, with the overall responsibility for the management and control of the Issuer, and is authorized to carry out all actions

that are considered necessary or useful to achieve the Issuer's purpose. The Board of Directors has all powers except for those reserved to the General Shareholders' Meeting by law. The Board of Directors acts as a collegiate body.

Pursuant to the Issuer's CG Charter, the role of the Board of Directors is to pursue sustainable value creation by the Issuer by setting the Issuer's strategy, putting in place effective, responsible and ethical leadership and monitoring the Issuer's performance. The Board of Directors decides on the Issuer's medium and long-term strategy based on proposals from the Executive Management and determines the risk appetite of the Issuer in order to achieve its strategic objectives.

The Board of Directors is assisted by a number of committees in relation to specific matters. The committees advise the Board of Directors on these matters, but the decision making remains with the Board of Directors as a whole.

The Board of Directors has the power to appoint and dismiss the Chief Executive Officer and other members of the Executive Management of the Issuer. When other members of the Executive Management of the Issuer than the CEO are being appointed or dismissed, the Board of Directors has to consult with the CEO thereon, and shall take into account the need for a balanced executive team.

Pursuant to the BCCA and the Issuer's Articles of Association, the Board of Directors must consist of at least three directors. The Issuer's CG Charter provides that the composition of the Board of Directors should be (i) appropriate to the Issuer's purpose, its operations, phase of development, structure of ownership, (ii) on the one hand, small enough for efficient decision-making and, on the other hand, large enough for its board members to contribute experience and knowledge from their different fields and for changes to the board's composition to be managed without undue disruption and (iii) determined so as to gather sufficient expertise in the Issuer's areas of activity as well as sufficient diversity of skills, background, age and gender.

Pursuant to the CG Code 2020, the Board of Directors should be composed of a majority of non-executive directors, and should include an appropriate number of, and at least three, directors that can be qualified as independent directors. As stated below, there are two independent directors on the Issuer's Board of Directors as of the date of this Prospectus. By 1 January 2026, at least one third of the members of the Board of Directors must be of the opposite gender. For further details on the criteria to be evaluated in order to be qualified as an independent director, reference is made to Section 10.2.3 "*Independent Directors*" of this Prospectus.

The term of the directors' mandates cannot exceed four years. Resigning directors can be re-elected for a new term, without limitation. Proposals by the Board of Directors for the appointment or re-election of any director must be based on a recommendation by the Remuneration and Nomination Committee, without prejudice to the nomination right of Pilovan and Alychlo set out below. The directors are elected by the Issuer's General Shareholders' Meeting, casting a vote on each proposed appointment separately. However, in accordance with Article 7:88, §1 the BCCA and the Articles of Association of the Issuer, 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 can 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 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 of Directors up to that point in time.

If Pilovan BV and/or one or more of the legal entities directly or indirectly controlled by Pilovan BV and/or one or more of their respective legal successors or legal entities directly or indirectly controlled by their respective legal successors (together, the "**Pilovan Group**") own, in aggregate, at least 20% of the Shares, two directors shall be appointed by the General Shareholders' Meeting upon proposal by Pilovan BV (or its legal successor). If the Pilovan Group owns, in aggregate, less than 20% of the Shares but, in aggregate, at least 10% of the Shares, one director shall be appointed by the General Shareholders' Meeting upon proposal by Pilovan BV (or its legal successors).

If Alychlo NV and/or one or more of the legal entities directly or indirectly controlled by Alychlo NV and/or one or more of their respective legal successors or legal entities directly or indirectly controlled by their respective legal successors (together, the "**Alychlo Group**") own, in aggregate, at least 20% of the Shares, two directors shall be appointed by the General Shareholders' Meeting upon proposal by Alychlo NV (or its legal successor). If the Alychlo Group owns, in aggregate, less than 20% of the Shares but, in aggregate, at least 10% of the Shares, one director shall be appointed by the General Shareholders' Meeting upon proposal by Alychlo NV (or its legal successors).

The General Shareholders Meeting can dismiss the directors at any time.

A meeting of the Board of Directors is validly constituted if there is a quorum, consisting of at least a majority of the members present in person or represented at the meeting. If this quorum is not present, a new board meeting may be convened to deliberate and decide on the matters on the agenda of the board meeting for which a quorum was not present, provided that at least two members are present. Meetings of the Board of Directors are convened by the Chairperson of the Board whenever the interests of the Issuer so require or if at least two directors so request.

The Chairperson of the Board of Directors shall not have a casting vote on matters submitted to the Board of Directors in the event of a tied vote.

The board should meet sufficiently regularly, and at least four times per year, to discharge its duties effectively. The Issuer may organize – where necessary and appropriate – board meetings using video, telephone or internet-based means. The number of board and board committee meetings and the individual attendance record of board members should be disclosed in the corporate governance statement. Non-executive directors should meet at least once a year in the absence of the CEO and the other executives.

#### **10.2.2 CHAIRPERSON**

The Issuer's CG Charter provides that the Board of Directors elects a chairperson from among its non-executive members on the basis of his or her knowledge, skills, experience and mediation strength. The chairperson of the Board of Directors and the CEO cannot be the same individual. The chairperson of the Board of Directors should be a person trusted for their professionalism, independence of mind, coaching capabilities, ability to build consensus, and communication and meeting management skills.

The chairperson of the Board of Directors is responsible for the leadership and the proper and efficient functioning of the Board of Directors. The chairperson of the Board of Directors ensures that there is sufficient time for consideration and discussion before decision-making. The chairperson of the Board of Directors sets the agenda of the board meetings, in consultation with the CEO and Company secretary, and ensures that procedures relating to preparatory work, deliberations, the passing of resolutions and the implementation of decisions are properly followed.

The chairperson of the Board of Directors, assisted by the company secretary, ensures that board members are provided with accurate, concise, timely and clear information before the meetings and, where necessary, between meetings so that they can make a knowledgeable and informed contribution to board discussions. All board members should receive the same board information.

The chairperson of the Board of Directors establishes a close relationship with the CEO, providing support and advice, while respecting the executive responsibilities of the CEO, and ensures effective interaction between the Board of Directors and the Executive Management of the Issuer.

The chairperson of the Board of Directors ensures effective communication with shareholders and that board members develop and maintain an understanding of the views of the shareholders and other significant stakeholders.

The statutory auditor of the Issuer has direct and unrestricted access to the chairperson of the Board of Directors.

As of the date of this Prospectus, Mr. Pieter Loose (acting through Pilovan BV) is the CEO and Mr. Pieter Bourgeois (acting through Crescemus BV) is chairperson of the Board of Directors. If the Board of Directors envisages appointing a former chief executive officer as chairperson, it should carefully consider the positive and negative implications of such a decision and disclose in the CG Statement why such appointment will not hamper the required autonomy of the CEO.

### **10.2.3 INDEPENDENT DIRECTORS**

In accordance with Article 7:87, §1, subsection 1 BCCA, a director in a listed company is considered to be independent if he/she does not have any relationship with the Issuer or with an important shareholder of the Issuer that compromises his or her independence (which is the general independence criterion), and that if a director is a legal entity, such independence must be assessed both on the part of the legal entity and on the part of its permanent representative.

Article 7:87, §1, subsection 2 BCCA further states that in order to verify whether a candidate director meets this general independence criterion, the specific independence criteria set out in (provision 3.5 of) the CG Code 2020 are applied, and a candidate who meets these criteria is presumed to be independent, unless proven otherwise.

Provision 3.5 of the CG Code 2020 provides for the following criteria in order for a director to be able to be qualified as an independent director:

1. Not be an executive, or exercising a function as a person entrusted with the daily management of the Issuer or a related company or person, and not have been in such a

position for the previous three years before their appointment. Alternatively, no longer enjoying stock options of the Issuer related to this position;

2. Not have served for a total term of more than 12 years as a non-executive directors;
3. Not be an employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry) of the Issuer or a related company or person, and not have been in such a position for the previous three years before his or her appointment. Alternatively, no longer enjoying stock options of the Issuer related to this position;
4. Not be receiving, or having received during their mandate or for a period of three years prior to their appointment, any significant remuneration or any other significant advantage of a patrimonial nature from the Issuer or a related company or person, apart from any fee they receive or have received as a non-executive directors;
5. (a) Not hold shares, either directly or indirectly, either alone or in concert, representing globally one tenth or more of the Issuer's capital or one tenth or more of the voting rights in the Issuer at the moment of appointment; (b) Not having been nominated, in any circumstances, by a shareholder fulfilling the conditions covered under (a);
6. Not maintain, nor have maintained in the past year before his or her appointment, a significant business relationship with the Issuer or a related company or person, either directly or as partner, shareholder, board member, member of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry) of a company or person who maintains such a relationship;
7. Not be or have been within the last three years before their appointment, a partner or member of the audit team of the Issuer or person who is, or has been within the last three years before his or her appointment, the external auditor of the Issuer or a related company or person;
8. Not be an executive of another company in which an executive of the Issuer is a non-executive director, and not have other significant links with executive directors of the Issuer through involvement in other companies or bodies;
9. Not have, in the Issuer or a related company or person, a spouse, legal partner or close family member to the second degree, exercising a function as board member or executive or person entrusted with the daily management or employee of the senior management (as defined in article 19,2° of the law of 20 September 1948 regarding the organization of the business industry), or falling in one of the other cases referred to in 1. to 8. above, and as far as point 2. is concerned, up to three years after the date on which the relevant relative has terminated their last term.

When the Board of Directors submits to the General Shareholders' Meeting the appointment of an independent director who does not meet the aforementioned specific independence criteria of the CG

Code 2020, it should explain the reasons why it assumes that the candidate meets the general independence criterion laid down in article 7:87 of the BCCA.

The Board of Directors has not further quantified or specified the aforementioned criteria set out in provision 3.5 of the CG Code 2020.

The Issuer is of the view that the independent directors comply with each of the aforementioned criteria.

The Board of Directors will also disclose in its annual report which directors it considers to be independent directors. An independent director who ceases to satisfy the requirements of independence must immediately inform the Board of Directors thereof.

Ms. Regine Slagmulder and Ms. Kristina Loguinova are the Issuer's independent directors. The Issuer is of the view that all of them meet the general independence criterion laid down in article 7:87 of the BCCA and the specific independence criteria set out in (provision 3.5 of) the CG Code 2020.

#### **10.2.4 COMPOSITION OF THE BOARD OF DIRECTORS**

##### **10.2.4.1 COMPOSITION**

The Board of Directors consists of 7 members (with a minimum set out in the Articles of Association of three), 3 of which are executive directors (as member of the Executive Management team) and 4 of which are non-executive directors, including 2 independent directors. The table below gives an overview of the members of the Issuer's Board of Directors and their terms as of the date of this Prospectus:

Name	Age	Position	Start of term	End of term
Mr. Pieter Loose <sup>(1)(4)</sup>	38	Executive director	2021	2025
Mr. Tim De Maet <sup>(4)</sup>	40	Executive director	2021	2025
Mr. Pieter Bourgeois <sup>(2)(5)</sup>	43	Non-executive director/Chairperson of the Board of Directors	2021	2025
Mr. Ben Jansen <sup>(5)(6)</sup>	46	Non-executive director	2021	2025
Ms. Els De Keukelaere <sup>(3)</sup>	50	Executive director	2021	2025
Ms. Kristina Loguinova	29	Independent director	2021	2025
Ms. Regine Slagmulder <sup>(7)</sup>	54	Independent director	2021	2025

Notes:

(1) Acting through Pilovan BV.

(2) Acting through Crescemus BV.

- (3) Acting through EDK Management BV.
- (4) Appointed pursuant to the binding proposal right of Pilovan BV (see Section 10.2.1 “General” of this Prospectus)
- (5) Appointed pursuant to the binding proposal right of Alychlo NV (see Section 10.2.1 “General” of this Prospectus)
- (6) Acting through BVJS BV.
- (7) Acting through Regine Slagmulder BV.

The following paragraphs contain brief biographies of each of the Directors, or in the case of legal entities being director, their permanent representatives, with an indication of other relevant mandates as member of administrative, management or supervisory bodies in other companies during the previous five years.

#### **Mr. Pieter Loose**

For a description of Mr. Pieter Loose’s Curriculum vitae, reference is made to Section 10.4.4 “*Composition of the Executive Management*” of this Prospectus.

#### **Mr. Tim De Maet**

For a description of Mr Tim De Maet’s Curriculum vitae, reference is made to Section 10.4.4 “*Composition of the Executive Management*” of this Prospectus.

#### **Mr. Pieter Bourgeois**

Mr. Pieter Bourgeois has almost 20 years of experience in different financial roles and responsibilities. Before joining Alychlo NV, he worked as Chief Financial Officer at DHL Express Luxembourg and YouBuild, focusing on M&A and strategic projects gaining business acumen in different sectors and different sizes of companies. He started his career as controller at Banksys and thereafter at Worldline. Pieter joined Alychlo NV in 2015 as investment manager and is a board member of several of Alychlo NV’s portfolio companies. When Alychlo NV acquired 49.03% of the shares in Ekopak in 2019, Pieter joined the Board of Directors of Ekopak.

Pieter holds a Master in Electro-Mechanical Industrial Engineering from Groep T as well as an MBA from the Solvay Brussels School of Economics.

#### **Mr. Ben Jansen**

Mr. Ben Jansen started his career at Unilever, a global company selling fast-moving consumer goods with the purpose of making sustainable living commonplace. Between 1997-2006, he held various positions in Marketing, Sales and Category Management. In 2007, he joined Medialaan (formerly known as Vlaamse Media Maatschappij) as Commercial Director. After the takeover by De Persgroep, Ben became CCO and member of the BENE board at DPG Media. DPG Media is a leading media group in Flanders. On 1 May 2021, Ben will join Alychlo as CSO.

#### **Ms. Els De Keukelaere**

For a description of Ms. Els De Keukelaere’s Curriculum vitae, reference is made to Section 10.4.4 “*Composition of the Executive Management*” of this Prospectus.

#### **Ms. Kristina Loguinova**

Ms. Kristina Loguinova has a strong academic background, combining teaching and research in the field of financial law. After completing her doctoral study on Solvency II and the importance of ESG considerations for institutional investors, she provided consulting services to a broad range of financial companies on innovation. In 2020, Kristina left consulting to unite with the Operations Team and the ESG Committee of Value Square NV as a compliance counsel. Outside of Value Square NV, she conducts research and teaches about the cross-sections of ESG, law and the financial sector (sustainable finance) at the Free University of Brussels. Kristina is often invited as a speaker or expert on sustainability. Kristina joined Ekopak as an independent director in 2021.

Kristina holds a Master of Laws from the Free University of Brussels as well as PhD in financial law from the same university.

### **Ms. Regine Slagmulder**

Prof. dr. ir. Regine Slagmulder is a partner and full professor in accounting & control at Vlerick Business School (Belgium). Previously, she was a faculty member at INSEAD (France & Singapore) and Tilburg University (The Netherlands), and also worked for McKinsey & Company's strategy practice. Her research and teaching work lies within the area of risk & performance management, company strategy, and board effectiveness. She is a non-executive director and audit committee chair of the Belgium-based investment company Quest for Growth (since 2011) and of MDxHealth, a commercial-stage multinational healthcare company (since 2020), both listed on Euronext.

Regine graduated in electrotechnical engineering and in management sciences from the University of Ghent, and holds a PhD in Management from Vlerick Business School. As part of her research activities, she was a research fellow at INSEAD, Boston University (USA), and the P. Drucker Graduate Management Center at Claremont University (USA).

### **10.2.4.2 ADDITIONAL INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS**

Reference is made to Section 10.7.2 "*Statements concerning Directors or their permanent representatives or members of the Executive Management*" of this Prospectus for the litigation statement concerning the members of the Board of Directors.

Reference is made to Section 10.7.3 "*Other Mandates of the Directors and the members of the Executive Management and/or senior management*" of this Prospectus for an overview of the names of all companies and partnerships in which the abovementioned members of the Board of Directors are, or have been in the previous five years, a member of the administrative, management or supervisory bodies or partner at any time (excluding any mandates held within the subsidiaries of the Issuer).

The business address of each of the members of the Board of Directors for the purpose of their mandate is Careelstraat 13, 8700 Tielt (Belgium).

### 10.2.5 SHARES HELD BY DIRECTORS

The table below provides an overview (as of the date of this Prospectus) of the Shares held by the members of the Board of Directors. This overview must be read together with the notes referred to below.

Member of the Board of Directors	Shares owned before the closing of the Transaction	
	Number (#)	Pct. (%) <sup>(1)</sup>
Mr. Pieter Loose <sup>(2)</sup>	5,495,000	50.97
<b>TOTAL</b>	5,495,000	50.97

Notes:

(1) Percentage of all existing Shares before the closing of the Transaction on a non-diluted basis *i.e.*, 10,780,000 Shares.

(2) Acting through Pilovan BV. All securities listed are held by Pilovan BV.

For the intentions of the members of the Board of Directors of the Issuer to participate in the Private Placement, reference is made to Section 15.5 “*Intentions of the shareholders, members of the Board of Directors and of the Executive Management of the Issuer*” of this Prospectus.

### 10.2.6 PERFORMANCE REVIEW OF THE BOARD OF DIRECTORS

The Board of Directors will assess its own performance and its interaction with the Executive Management, as well as its size, composition, functioning and that of its committees, on a continuous basis and at least every three years.

The Board of Directors will review the Executive Management’s performance and the realization of the Ekopak’s strategic objectives annually against agreed performance measures and targets.

The evaluation will assess how the board of directors and its committees operate, will check that important issues are effectively prepared and discussed, will evaluate each director’s contribution and constructive involvement, and will assess the composition of the board of directors and its committees against the desired composition. This evaluation will take into account the members’ general role as director, and specific roles as chairperson or member of a committee of the Board of Directors, as well as their relevant responsibilities and time commitment.

Non-executive directors will assess their interaction with the Executive Management on a continuous basis.

## 10.3 COMMITTEES OF THE BOARD OF DIRECTORS

### 10.3.1 GENERAL

In accordance with Article 7:98 BCCA, the Board of Directors may from among its members and under its responsibility establish one or more advisory committees, and shall define their composition and their mission. Such committees are advisory bodies only, and the decision-making remains the collegial responsibility of the Board of Directors.

Only “large” listed companies (as defined in Article 7:99, §3 BCCA (Audit Committee) and Article 7:100, §4 BCCA (Remuneration Committee) are legally obliged to establish a separate Audit Committee and a Remuneration Committee within their Board of Directors. The Issuer, as of the date

of this Prospectus, does not qualify as a “large” listed company, but has nonetheless decided to establish a separate Audit Committee and a separate Remuneration Committee, subject to the completion of the Transaction and with effect as from the Listing Date. As the Remuneration Committee will also performs the tasks of a nomination committee in accordance with the provisions 4.19 – 4.23 of the CG Code 2020, it is called the Remuneration and Nomination Committee.

The specialized board committees are responsible for assisting the Board of Directors and making recommendations in specific fields: the Audit Committee (in accordance with Article 7:99 BCCA and provision 4.10 – 4.16 of the CG Code 2020) and the Remuneration and Nomination Committee (in accordance with Article 7:100 BCCA and 4.17 – 4.23 of the CG Code 2020).

The terms of reference of these board committees are primarily set out in the CG Charter.

**10.3.2 AUDIT COMMITTEE**

The Audit Committee will consist of three directors.

According to Article 7:99, §2 BCCA, all members of the Audit committee must be non-executive directors, and at least one member must be independent. The chairperson of the Audit Committee is to be appointed by the members of the Audit Committee. Subject to the completion of the Transaction and with effect as from the Listing Date, the following directors will be the members of the Audit committee:

Name	Position
Ms. Regine Slagmulder <sup>(1)</sup>	Independent director/Chairperson of the Audit committee
Mr. Pieter Bourgeois <sup>(2)</sup>	Non-executive director
Ms. Kristina Loguinova	Independent director

Notes:  
 (1) Acting through Regine Slagmulder BV.  
 (2) Acting through Crescemus BV.

The members of the audit committee must have a collective competence in the business activities of the Issuer, and at least one member of the Audit Committee must have the necessary competence in accounting and auditing. According to the Board of Directors, the members of the Audit Committee satisfy this requirement, as evidenced by the different senior management and director mandates that they have held in the past and currently hold (see also Sections 10.2.4 “Composition of the Board of Directors” and 10.7.3 “Other Mandates of the Directors and the members of the Executive Management and/or senior management” of this Prospectus for more information on their curriculum vitae and mandates held in other companies). Ms. Regine Slagmulder and Mr. Pieter Bourgeois have been identified as having the necessary competence in accounting and auditing.

In accordance with Article 7:99, §4 BCCA, the Audit Committee, without prejudice to the legal duties of the Board of Directors, has at least the following tasks:

- inform the Board of Directors of the result of the legal audit of the annual accounts and of the consolidated annual accounts and explain how the legal audit of the annual accounts and of the consolidated annual accounts contributed to the integrity of the financial reporting and what role the Audit Committee has played in this process;
- monitor the financial reporting process and make recommendations or proposals to guarantee the integrity of the process;
- monitor the effectiveness of the Issuer's internal control and risk management systems and monitor the internal audit and its effectiveness;
- monitor the statutory audit of the annual accounts and the consolidated annual accounts, including follow-up of the questions and recommendations formulated by the statutory auditor;
- assess and monitor the independence of the statutory auditor, in particular as to whether the provision of additional services to the Issuer is appropriate. In particular, the Audit Committee analyses, together with the statutory auditor, the threats to the statutory auditor's independence and the security measures taken to mitigate these threats when the total amount of fees exceed the criteria set out in Article 4, §3 of Regulation (EU) no. 537/2014; and
- make reasoned recommendations to the Board of Directors regarding the appointment of the statutory auditor of the Issuer in accordance with Article 16, §2 of Regulation (EU) No 537/2014.

The Audit Committee shall meet whenever it deems it necessary for the proper performance of its duties and at least four times a year. The Audit Committee shall regularly report to the Board of Directors on the performance of its duties, and in any event when the Board of Directors prepares the annual accounts, the consolidated annual accounts and the condensed financial statements intended for publication.

The members of the Audit Committee shall have full access to the Executive Management and to any other employee to whom they may require access in order to carry out their responsibilities. The statutory auditor of the Issuer has direct and unrestricted access to the chairperson of the Audit Committee.

### **10.3.3 REMUNERATION AND NOMINATION COMMITTEE**

The Remuneration and Nomination Committee will consist of three directors.

According to Article 7:100, §2 BCCA, all members of the Remuneration Committee must be non-executive directors, and the majority of its members have to be independent. The chairperson of the Board of Directors or another non-executive director is the chair of the Remuneration and Nomination Committee. Subject to the completion of the Transaction and with effect as from the Listing Date, the following directors will be the members of the Remuneration and Nomination committee:

Name	Position
Mr. Ben Jansen <sup>(1)</sup>	Non-executive director/Chairperson of the Remuneration and Nomination committee
Ms. Regine Slagmulder <sup>(2)</sup>	Independent director
Ms. Kristina Loguinova	Independent director

Notes:

(1) Acting through BVJS BV.

(2) Acting through Regine Slagmulder BV.

The members of the Remuneration Committee must have the necessary expertise in terms of remuneration policy, which is evidenced by the experience and previous roles of its current members (see also Sections 10.2.4 “*Composition of the Board of Directors*” and 10.7.3 “*Other Mandates of the Directors and the members of the Executive Management and/or senior management*” of this Prospectus for more information on their curriculum vitae and mandates held in other companies).

The CEO participates in the meetings of the Remuneration Committee in an advisory capacity each time the remuneration of another member of the Executive Management is being discussed.

The role of the Remuneration and Nomination Committee consists of making recommendations to the Board of Directors with regard to the appointment and remuneration of directors and members of the Executive Management and, and has in particular the following tasks:

1. Pursuant to its function as Remuneration Committee:

- make recommendations to the Board of Directors on the remuneration policy and other remuneration proposals that the Board of Directors must submit to the General Shareholders’ Meeting;
- make recommendations to the Board of Directors in line with the remuneration policy approved by the General Shareholders’ Meeting on the individual remuneration of the directors and members of the Executive Management, including variable remuneration and long-term performance bonuses, whether or not linked to Shares, in the form of stock options or other financial instruments, and severance pay, and, where applicable, the resulting proposals that the Board of Directors must submit to the General Shareholders’ Meeting;
- prepare the remuneration report, in line with the remuneration policy approved by the General Shareholders’ Meeting, that the Board of Directors has to include in its corporate governance statement, which in turn forms a part of the Issuer’s annual report; and
- explain the remuneration report at the Annual General Shareholders’ Meeting.

2. Pursuant to its function as Nomination Committee:

- make recommendations to the Board of Directors with regard to the appointment of board members and members of the Executive Management;
- prepare plans for the orderly succession of board members;
- lead the re-appointment process of board members;
- ensure that sufficient and regular attention is paid to the succession of members of the Executive Management; and
- ensure that appropriate talent development programs and programs to promote diversity in leadership are in place.

The Remuneration and Nomination Committee shall meet whenever it deems it necessary for the proper performance of its duties and at least twice a year. The Remuneration and Nomination Committee shall regularly report to the Board of Directors on the performance of its duties.

At the end of each board member's term, the Remuneration and Nomination Committee shall evaluate the relevant board member's presence at the meetings of the Board of Directors or committee meetings, their commitment and their constructive involvement in discussions and decision-making, and shall also assess whether the contribution of each board member is adapted to changing circumstances. The Board of Directors shall act on the results of the performance evaluation, and shall, where appropriate, propose new board members for appointment, propose not to re-appoint existing board members or take any measure deemed appropriate for the effective operation of the Board of Directors.

## **10.4 EXECUTIVE MANAGEMENT**

### **10.4.1 GENERAL**

Subject to the completion of the Transaction and with effect as from the Listing Date, the Board of Directors has established an "Executive Management", which is an advisory committee to the Board of Directors. The Issuer's Executive Management does not constitute a "*conseil de direction*" / "*directieraad*" within the meaning of Article 7:104 BCCA.

The Board of Directors appoints the members of the Executive Management in consultation with the CEO, based on the recommendations made by the Remuneration and Nomination Committee. The Board of Directors will take into account the need for a balanced executive team.

### **10.4.2 THE EXECUTIVE MANAGEMENT**

The Executive Management will discuss and consult with the Board of Directors and advise the Board of Directors on the day-to-day management of the Issuer in accordance with the Issuer's values, strategy, general policy and budget, as determined by the Board of Directors.

Each member of the Executive Management can be made individually responsible for certain aspects of the day-to-day management of the Issuer and its business (in the case of the CEO, by way of a

delegation from the Board of Directors; in the case of the other Executive Management members, by way of a delegation from the CEO).

Each member of the Executive Management is individually competent to decide on the matters which may be delegated to him or her. However, each member of the Executive Management will ensure that any decision to be taken by that member in respect of the powers so delegated that could be material to the Issuer's day-to-day management (prior to taking such decision if possible, or otherwise after that decision has been taken) is presented and discussed at a meeting of the Executive Management.

The further tasks for which the Executive Management is responsible are described in greater detail in the terms of reference of the Executive Management as set out in the CG Charter.

#### **10.4.3 CHIEF EXECUTIVE OFFICER**

The chief executive officer is charged by the Board of Directors with the day-to-day management of the Issuer and is therefore also managing director of the Issuer within the meaning of Article 7:121 BCCA. He may be granted additional well-defined powers by the Board of Directors. He has direct operational responsibility for the Issuer. The chief executive officer is responsible for the execution and management of the outcome of all decisions of the board of directors.

The chief executive officer leads the Executive Management within the framework established by the Board of Directors and under its ultimate supervision. The chief executive officer is appointed and removed by the board of directors and reports directly to it.

The chief executive officer also has responsibility for other specific tasks, which are described in greater detail in the terms of reference of the chief executive officer, as set out in the CG Charter.

#### **10.4.4 COMPOSITION OF THE EXECUTIVE MANAGEMENT**

##### **10.4.4.1 COMPOSITION**

Subject to the completion of the Transaction and with effect as from the Listing Date, the Executive Management will consist of the following members:

<b>Name</b>	<b>Position</b>
Mr. Pieter Loose <sup>(1)</sup>	CEO
Ms. Els De Keukelaere <sup>(2) (4)</sup>	CFO
Mr. Tim De Maet	COO
Mr. Joost Van Der Spurt	CTO
Ms. Anne-Mie Veermeer	CDO <sup>(3)</sup>

Notes:

- (1) Acting through Pilovan BV
- (2) Acting through EDK Management BV
- (3) Chief Disinfection Officer
- (4) Member of the Ekopak Board of Directors

The following paragraphs contain brief biographies of each of the members of the Executive Management, or in the case of legal entities being director, their representatives.

Mrs. Els De Keulaere (acting through EDK Management BV) is expected to resign, in common agreement with the Company, due to personal circumstances, as CFO of the Company at the beginning of 2022. The Company will start looking for a replacement in due time, taking into account the aforementioned timing. Until a replacement is found, Mrs. Els De Keulaere (acting through EDK Management BV) will continue to exercise her function as CFO.

#### **Mr. Pieter Loose**

Mr. Pieter Loose started his career at Hertel Services, an industrial service provider in the fields of scaffolding construction, sheeting, rope access, insulation, electrical and steam tracing (now part of Altrad Services Benelux, part of the Altrad Group), as a project manager (2005 – 2007) and as technical director (2007-2010). In 2010 Pieter Loose left Hertel Services and started working for Ekopak as sales engineer. In 2013 Pieter Loose acquired Ekopak and became its CEO. Since 2019, Pieter Loose is also vice-chair of Watercircle, an interest group for water technology companies in Belgium.

Pieter has over 15 years of experience in the industrial engineering industry and holds a Degree in Industrial civil Engineering from the Hogeschool Ghent (KU Leuven).

#### **Ms. Els De Keukelaere**

Ms. Els De Keukelaere has more than 20 years of experience in financial auditing. Prior to joining Ekopak in October 2020 as Chief Financial Officer, she was leading multinational audits as a representative of KPMG. Els was audit leader in KPMG's regional office in Ghent and was also active as instructor in internal KPMG training programs as well as in recruiting and business development. Between 2014 and 2016, Els was Chief Financial Officer at Concordia NV, an insurance broker located in Ghent, and member of the Supervisory Board at Concordia De Keizer B.V. in Rotterdam.

Els holds a Master in Applied Economics from the University of Ghent, as well as an MBA in Financial Management from Vlerick Management School and is a Registered Accountant since 2004.

#### **Mr. Tim De Maet**

Mr. Tim De Maet has 15 years of experience in the water solutions industry. Before joining Ekopak, Tim worked as a project engineer at Entaco NV where he designed a wastewater recuperation system for car-washes and as a technical sales engineer at Micron NV where he designed and quoted industrial water purification solutions. In 2011 Tim joined Ekopak as Operations Manager and was promoted to Chief Operation Officer in 2020.

Tim holds a Degree in Industrial Engineering Chemistry (specialization: environmental biotechnology) from the Hogeschool Ghent.

#### **Mr. Joost Van Der Spurt**

Mr. Joost Van der Spurt has 8 years of experience in the water industry, focusing on process management, research and development, as well as automation, and is with Ekopak since the launch of the company's own production line seven years ago. Before joining Ekopak, Joost worked at the University of Leuven. In cooperation with Eastman Ghent North, he was responsible for the purification of an ammonium rich product stream used in agriculture.

Joost holds a Master in Chemical Engineering from the University of Leuven.

#### **Ms. Anne-Mie Veermeer**

Ms. Anne-Mie Veermeer joined the Issuer in 2007 and since then helped building and expanding its water disinfection department. Before joining the Issuer, Anne-Mie worked for four years as a quality manager in R&D at Kwalitey Belgium NV, a company specialised in the preparation of ready-to-eat vacuum-packed dishes and meal components, where she was responsible for building up a quality division and obtaining and maintaining the HACCP quality-label as well as for the R&D of new dishes and converting them into recipes for industrial production.

Anne-Mie holds a Master of Engineering with a specialization in Chemistry and Biochemistry from the University of Leuven (KULeuven – Odisee Technology Campus Ghent).

#### **10.4.4.2 ADDITIONAL INFORMATION ON THE MEMBERS OF THE EXECUTIVE MANAGEMENT**

Reference is made to Section 10.7.2 "*Statements concerning Directors or their permanent representatives or members of the Executive Management*" of this Prospectus for the litigation statement concerning the members of the Executive Management.

Reference is made to Section 10.7.3 "*Other Mandates of the Directors and the members of the Executive Management and/or senior management*" of this Prospectus for an overview of the names of all companies and partnerships in which the abovementioned members of the Executive Management are, or have been in the previous five years, a member of the administrative, management or supervisory bodies or partner at any time (excluding any mandates held within the subsidiaries of the Issuer).

The business address of each of the members of the Executive Management for the purpose of their mandate is Careelstraat 13, 8700 Tielt (Belgium).

#### **10.4.5 SHARES AND ESOP WARRANTS HELD BY EXECUTIVE MANAGEMENT AND/OR SENIOR MANAGEMENT OF THE ISSUER**

The table below provides an overview (as of the date of this Prospectus) of the Shares and ESOP Warrants held by the Executive Management of the Issuer. This overview must be read together with the notes referred to below.

Member of the Executive Management	Shares owned before the closing of the Transaction		ESOP Warrants <sup>(1)</sup> owned before the closing of the Transaction	
	Number (#)	Pct. (%) <sup>(2)</sup>	Number (#)	Pct. (%) <sup>(3)</sup>
Mr. Pieter Loose <sup>(4)</sup>	5,495,000	50.97	0	0
Mr. Tim De Maet	0	0	10,000	33.33
Mr. Joost Van Der Spurt	0	0	10,000	33.33
Ms. Anne-Mie Veermeer	0	0	10,000	33.33
<b>TOTAL</b>	<b>5,495,000</b>	<b>50.97</b>	<b>30,000</b>	<b>100</b>

Notes:

- (1) In terms of number of new Shares to be issued upon exercise; each ESOP Warrant entitles its holder to subscribe for one new Share (see Section 13.4 “ESOP Warrants” of this Prospectus).
- (2) Percentage of all existing Shares before the closing of the Transaction on a non-diluted basis, *i.e.*, 10,780,000 Shares.
- (3) Percentage of Shares to be issued upon exercise of all outstanding ESOP Warrants before the closing of the Transaction.
- (4) Acting through Pilovan BV. All securities listed are held by Pilovan BV.

For more information on the ESOP Warrants reference is made to Section 13.4 “ESOP Warrants” of this Prospectus. Each ESOP Warrant entitles its holder to subscribe for one new Share.

For the intentions of the members of the Executive Management of the Issuer to participate in the Private Placement, reference is made to Section 15.5 “Intentions of the shareholders, members of the Board of Directors and of the Executive Management of the Issuer” of this Prospectus.

## 10.5 REMUNERATION AND BENEFITS

### 10.5.1 REMUNERATION PRACTICES

The Issuer’s current remuneration practices are designed to:

- to attract, reward and retain the necessary talent;
- to promote the achievement of strategic objectives in accordance with the Issuer’s risk appetite and behavioral norms; and
- to promote sustainable value creation.

The current remuneration practices in relation to the directors and members of the Executive Management are further described below in Section 10.5.2 “Directors”, respectively Section 10.5.3 “Executive Management” this Prospectus respectively.

The Issuer will prepare a remuneration policy pursuant to Article 7:89/1 BCCA and intends to submit this policy to the General Shareholders’ Meeting approving the annual accounts for the financial year ending on 31 December 2021. Upon every material change to the remuneration policy and in any case at least every four years, the remuneration policy will be submitted to the General Shareholders’ meeting for approval. The Shareholders’ vote on the remuneration policy is binding. The Issuer will only pay remuneration in accordance with the remuneration policy approved by the General Shareholders’ Meeting. If the remuneration policy is not approved, remuneration will be paid in accordance with the most recently approved remuneration policy or, if there is no approved remuneration policy, the existing remuneration practices.

Until the approval of the remuneration policy pursuant to Article 7:89/1 BCCA, the directors and members of the Executive Management will be remunerated pursuant to the current remuneration

practices as described below in Section 10.5.2 “*Directors*”, respectively Section 10.5.3 “*Executive Management*” of this Prospectus.

## **10.5.2 DIRECTORS**

### **10.5.2.1 GENERAL**

Upon recommendation and proposal of the Remuneration and Nomination Committee, the Board of Directors determines the remuneration of the directors to be proposed to the General Shareholders’ Meeting.

Pursuant to Belgian law, the General Shareholders’ Meeting approves the remuneration of the directors, including *inter alia*, each time as relevant:

- (i) in relation to the remuneration of executive (and non-executive directors), the exemption from the rule that Shares and Share options (or any other rights to acquire Shares) can only be acquired definitively or exercised after a period of at least three years as of their grant (Article 7:91, first subsection BCCA);
- (ii) in relation to the remuneration of executive directors, the exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years (Article 7:91, second to fourth subsection BCCA);
- (iii) in relation to the remuneration of non-executive non-independent directors, any variable part of the remuneration (independent directors can never receive a variable remuneration) (Article 7:92, fourth and fifth subsection BCCA); and
- (iv) any service agreements to be entered into with executive directors providing for severance payments exceeding 12 months’ remuneration (or, subject to a reasoned opinion by the remuneration and nomination committee, eighteen months’ remuneration) (Article 7:92, first subsection BCCA).

Notwithstanding point (i) and (ii) above, pursuant to the Issuer’s Articles of Association, the Board of Directors is explicitly authorized to deviate from the provisions of Article 7:91 BCCA.

### **10.5.2.2 REMUNERATION AND COMPENSATION IN 2020 AND UP TO MARCH 2021**

In 2020 and up to March 2021, no remuneration or compensation was paid to the members of the Board of Directors in that capacity, except to Pilovan BV and Crescemus BV, which each received an annual fixed fee of EUR 20,000 for the performance of their director’s mandate in 2020.

### **10.5.2.3**      **REMUNERATION AND COMPENSATION AS OF MARCH 2021**

The remuneration and compensation of the non-executive and executive directors that has been determined by the General Shareholders' Meeting as of March 2021, is as follows:

- Annual fixed fees:
  - o All directors, with exception of the Chairperson of the Board of Directors, will receive an annual fixed fee of EUR 15,000.
  - o The Chairperson of the Board of Directors will receive an annual fixed fee of EUR 25,000.

There are currently no plans to change the remuneration and compensation of the directors. However, the Issuer will continuously review the remuneration of its directors against market practice.

The Issuer also reimburses reasonable out of pocket expenses of directors (including travel expenses) incurred in performing the activity of director. Without prejudice to the powers granted by law to the General Shareholders' Meeting, the Board of Directors sets and revises the rules for reimbursement of directors' business-related out of pocket expenses.

The directors who will also be a member of the Audit Committee and/or the Remuneration and Nomination Committee will not receive additional remuneration for the latter mandate. The directors who will also be member of the Executive Management will receive additional remuneration for this mandate under their respective employment or service agreements (see also Section 10.5.3 "*Executive Management*" of this Prospectus).

### **10.5.3**      ***EXECUTIVE MANAGEMENT***

#### **10.5.3.1**      **GENERAL**

The remuneration of the chief executive officer and the other members of the Executive Management will be based on recommendations made by the Remuneration and Nomination Committee. The chief executive officer participates in the meetings of the Remuneration and Nomination Committee in an advisory capacity each time the remuneration of another member of the Executive Management is being discussed.

The remuneration will be determined by the Board of Directors in accordance with the current remuneration practices. After approval by the Issuer's General Shareholders' Meeting of a remuneration policy pursuant to Article 7:89/1 BCCA, the remuneration will be determined by the Board of Directors in accordance with the remuneration policy.

As an exception to the foregoing rule, Belgian law provides that the General Shareholders' Meeting must approve, as relevant:

- (i) in relation to the remuneration of members of the Executive Management and certain other executives (if any), an exemption from the rule that Shares and Share options

(or any other rights to acquire Shares) can only be acquired definitively or exercised after a period of at least three years as of their grant (Article 7:121, last subsection *jo*. Article 7:91, first subsection BCCA);

- (ii) in relation to the remuneration of members of the Executive Management and certain other executives (if any), an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years (Article 7:121, last subsection *jo*. Article 7:91, second to fourth subsection BCCA); and
- (iii) any service agreements to be entered into with members of the Executive Management and certain other executives (if any) (as the case may be) providing for severance payments exceeding 12 months' remuneration (or, subject to a reasoned opinion by the Remuneration and Nomination Committee, eighteen months' remuneration) (Article 7:121, last subsection *jo*. Article 7:92, first subsection BCCA).

Notwithstanding point (i) and (ii) above, pursuant to the Issuer's Articles of Association, the Board of Directors is explicitly authorized to deviate from the provisions of Article 7:91 BCCA.

The remuneration of the members of the Executive Management who are bound by an employment agreement (*i.e.* Mr. Tim De Maet, Mr. Joost Van Der Spurt and Ms. Anne-Mie Veermeer – see also Section 12.2 “*Employment and Services Agreements*” of this Prospectus) currently consists of the following main remuneration components:

- annual base salary/fee (fixed);
- a pension scheme (defined contribution);
- other compensation components (company car and fuel card, laptop, phone, luncheon voucher etc.); and
- a hospitalization insurance as well as a group insurance.

The remuneration of the members of the Executive Management that are bound by a services agreement (*i.e.* Pilovan BV and EDK Management BV – see also Section 12.2 “*Employment and Services Agreements*” of this Prospectus) consists of an annual base salary/fee (fixed).

The members of the Executive Management are not entitled to any variable remuneration (*i.e.* remuneration linked to performance criteria).

All members of the Executive Management, other than the CEO, are entitled to a one-time success fee of EUR 15,000 each following the successful admission of the Shares of the Issuer on the regulated market of Euronext Brussels during 2021.

The members of the Executive Management (both the employees and the consultants) are also reimbursed for certain costs and “out-of-pocket” expenses made in the performance of their function.

There are currently no plans to change the remuneration of the members of the Executive Management. However, the Issuer will continuously review the remuneration of the members of the Executive Management against market practice.

### **10.5.3.2**      **REMUNERATION AND COMPENSATION IN 2020**

In 2020 the following remuneration and compensation was paid or accrued to the CEO and the other members of the Executive Management as members of the Executive Management:

	<b>CEO (EUR)</b>	<b>Other members of the Executive Management (EUR)</b>
Annual base salary.....	120,000	192,772.69
Variable remuneration.....	-	-
Supplementary pension plan.....	-	9,717.96
Other compensation components (company car and fuel card, laptop, phone, luncheon voucher etc.) .....	-	16,491.96
Insurance (health)	-	1,538.09
<b>Total</b> .....	<b>120,000</b>	<b>220,520.70</b>

### **10.5.3.3**      **PAYMENTS UPON TERMINATION**

#### **A**      ***Mr. Pieter Loose (General Manager and Chief Executive Officer)***

The current consultancy agreement with Mr. Pieter Loose has been entered into between Mr. Pieter Loose’s Belgian incorporated management company, Pilovan BV, and the Issuer, effective as from 1 September 2019, for an indefinite period. It can be terminated by Pilovan BV subject to a three months’ notice period. It can be terminated by the Issuer subject to a three months’ notice period or by paying Pilovan BV a final and one-time termination and settlement fee of EUR 36,000.

The agreement also provides that immediate termination without compensation by either party is possible in the case of a serious breach of contract by the other party.

During the term of the consultancy agreement and for an additional period of 1 year following its termination, Pilovan BV/Mr. Pieter Loose, may not:

- Solicit or attempt to induce any potential or existing customer or supplier of the Issuer not to trade or to trade on different terms or conditions with the Issuer;
- Seek to employ or seek to engage any person who is, in any capacity, employed by, or delivers services to, the Issuer, or seek to induce any such person to leave the Issuer;

- Directly or indirectly operate or be involved in any business that is directly competitive with the business carried out by the Issuer in the Benelux, France, Germany, Poland, Ireland, the United Kingdom, Portugal, Ghana, Cuba, Indonesia, Pakistan and/or Brazil.

**B Ms. Els De Keukelaere (Chief Financial Officer)**

The current consultancy agreement with Ms. Els De Keukelaere has been entered into between Ms. Els De Keukelaere's Belgian incorporated management company, EDK Management BV, and the Issuer effective as from 1 October 2020 until 28 February 2022. It can be terminated by EDK Management subject to a one month's notice period. It can be terminated by the Issuer subject to a one month's notice period or by paying EDK Management BV a final and one-time termination and settlement fee equaling EUR 850.

The agreement also provides that immediate termination without compensation by either party is possible in the case of a serious breach of contract by the other party.

During the term of the consultancy agreement and for an additional period of 3 months following its termination, EDK Management BV/Ms. Els De Keukelaere may not:

- Solicit or attempt to induce any potential or existing customer or supplier of the Issuer not to trade or to trade on different terms or conditions with the Issuer;
- Seek to employ or seek to engage any person who is, in any capacity, employed by, or delivers services to, the Issuer, or seek to induce any such person to leave the Issuer;

Ms. Els De Keukelaere is not subject to a contractual non-compete obligation.

**C Mr. Joost Van der Spurt (Chief Technical Officer)**

The current employment agreement between Mr. Joost Van der Spurt and the Issuer has been entered into for an indefinite period as from 25 November 2013.

The termination of this agreement is governed by standard termination provisions under Belgian employment law (more specifically the Act on Employment contracts from 3 July 1978).

Mr. Joost Van der Spurt is not subject to a contractual non-compete obligation.

**D Ms. Anne Mie Veermeer (Chief Disinfection Officer)**

The current employment agreement between Ms. Anne-Mie Veermeer and the Issuer has been entered into for an indefinite period as from 16 August 2007.

The termination of this agreement is governed by standard termination provisions under Belgian employment law (more specifically the Act on Employment contracts from 3 July 1978).

Ms. Anne-Mie Veermeer is not subject to a contractual non-compete obligation.

**E Mr. Tim De Maet (Chief Operation Officer)**

The current employment agreement between Mr. Tim De Maet and the Issuer has been entered into for an indefinite period as from 1 December 2011.

The termination of this agreement is governed by standard termination provisions under Belgian employment law (more specifically the Act on Employment contracts from 3 July 1978).

Mr. Tim De Maet is not subject to a contractual non-compete obligation.

**10.5.4 INDEMNIFICATION AND INSURANCE OF DIRECTORS AND EXECUTIVE MANAGEMENT**

The Issuer has implemented directors' and officers' insurance coverage in order to cover liability they may incur in the exercise of their mandates.

**10.6 CONFLICTS OF INTEREST**

**10.6.1 GENERAL**

Each board member has the duty to place the Issuer's interests above their own. The board members have the duty to look after the interests of all shareholders on an equivalent basis. Each board member should act according to the principles of reasonableness and fairness (copy of provision 6.6 CG Code 2020).

The Board of Directors should act in such a manner that a conflict of interest, or the appearance of such a conflict, is avoided (copy of provision 6.9 CG Code 2020).

Each board member should, in particular, be attentive to conflicts of interests that may arise between the Issuer, its board members, its significant or controlling shareholder(s) and other shareholders. The board members who are proposed by significant or controlling shareholder(s) should ensure that the interests and intentions of these shareholder(s) are sufficiently clear and communicated to the Board of Directors in a timely manner (copy of provision 6.8 CG Code 2020).

When the board takes a decision, board members should disregard their personal interests. They should not use business opportunities intended for the Issuer for their own benefit (copy of provision 6.10 CG Code 2020).

The Issuer has put in place a number of procedures, pursuant to the BCCA and the CG Code 2020, with a view to mitigating the risk of any adverse impact on the Issuer pursuant to conflicts of interest.

The Issuer will comply with the above mentioned corporate governance provisions set forth in the CG Code 2020 by applying the procedures set forth under Sections 10.6.2 "*Conflicts of interest in relation to directors*", 10.6.3 "*Additional functional conflict of interest rules in relation to the directors and members of the Executive Management*", 10.6.4 "*Conflicts of interest in relation to related parties*" and 10.6.5 "*Corporate Opportunities*" of this Prospectus.

### **10.6.2 CONFLICTS OF INTEREST IN RELATION TO DIRECTORS**

Article 7:96 BCCA provides for a special procedure within the Board of Directors in the event of a personal financial conflict of interest of one or more directors with one or more decisions or transactions by the Board of Directors. A director with such a conflict of interest shall be considered present for the purpose of calculating the attendance quorum.

In the event of such a conflict of interest, the director concerned must inform his or her fellow directors of his or her conflict of interest before the Board of Directors deliberates and takes a decision in the matter concerned. Furthermore, the conflicted director may not participate in the deliberation and voting by the Board of Directors on the matter that gives rise to the conflict of interest and will therefore not be taken into account for the calculation of the majority. The minutes of the meeting of the Board of Directors must contain the statement and explanation of the nature of this conflicting interest of the conflicted director.

The Board of Directors is not allowed to delegate decisions in respect of which one or more directors have a personal financial conflict of interest to, for example, special proxyholders in order to avoid the application of the procedure of Article 7:96 BCCA. If all directors, or all but one, have a conflict of interest, the decision or transaction is submitted to the General Shareholders' Meeting; if the General Shareholders' Meeting approves the decision or transaction, the Board of Directors may execute it.

The minutes must also contain a justification by the Board of Directors for the decision or transaction, and a description of the nature and the financial consequences thereof for the Issuer. The relevant minutes must be included in the statutory annual report of the Board of Directors or, in the absence of such report, be deposited together with the statutory financial statements.

The conflicted director must also notify the Statutory Auditor of the conflict. The Statutory Auditor must describe the financial consequences of the decision or transaction that gave rise to the potential conflict in its statutory annual audit report.

Any person having an interest in this rule being complied with can request the annulment or suspension of the of the decision of the Board of Directors before the (president of the) enterprise court, and also the Issuer can request the annulment of the decision or the transaction that have taken place in breach of Article 7:96 BCCA, if the counterparty to the decision or the transaction was, or should have been, aware of such breach.

This procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions. It also does not apply to transactions or decisions between companies of which one holds (directly or indirectly) at least 95% of the votes linked to the outstanding securities of the other, and transactions or decisions between companies whereby at least 95% of the votes linked to the aggregate outstanding securities of both companies are (directly or indirectly) held by another company.

### **10.6.3 ADDITIONAL FUNCTIONAL CONFLICT OF INTEREST RULES IN RELATION TO THE DIRECTORS AND MEMBERS OF THE EXECUTIVE MANAGEMENT**

The Issuer imposes on each member of the Board of Directors and of the Executive Management that he/she must try to avoid as much as possible the creation of conflicts of interest.

To protect the interests of the Issuer and its shareholders, the Board of Directors has furthermore decided, on a voluntary basis, through the CG Charter, to apply a conflict of interest procedure for functional conflicts of interest of members of the Board of Directors or of the Executive Management with respect to matters falling within the competence of the Board of Directors or the Executive Management. This procedure is without prejudice to procedures of Articles 7:96 and 7:97 BCCA.

More specifically, there is a functional conflict of interest on the part of a member of the Board of Directors or of the Executive Management when:

- i. one of the close relatives of the member concerned has a personal financial interest that is in conflict with a decision or transaction that falls within the authority of the Board of Directors or the Executive Management; or
- ii. a company that does not belong to the group and in which the member or one of his or her close relatives holds a board or executive management position, has a personal financial interest that is in conflict with a decision or a transaction that falls within the authority of the Board of Directors or the Executive Management.

When such a functional conflict of interest arises with respect to a member of the Board of Directors, the member concerned shall inform his or her fellow directors of this at the beginning of the meeting of the Board of Directors. They will then decide whether or not the member concerned can vote on the matter to which the conflict of interest relates and whether or not he/she can participate in the discussion of this matter.

When such a functional conflict of interest arises with respect to a member of the Executive Management, the matter is submitted to the Board of Directors.

### **10.6.4 CONFLICTS OF INTEREST IN RELATION TO RELATED PARTIES**

The Board of Directors must comply with the procedure set out in Article 7:97, §3-4/1 BCCA if it takes a decision or carries out a transaction that relate to a related party within the meaning of the International Accounting Standard 24, as adopted by the European Union (IAS 24), unless the exemptions of Article 7:97, §1, section 4 apply.

The procedure set out in Article 7:97, §3-4/1 BCCA also applies to certain proposals that the Board of Directors submits to the General Shareholders' Meeting. The procedure does not apply when the related party is a subsidiary of the Issuer, unless it concerns a subsidiary in which the natural or legal person who has direct or indirect control over the Issuer (if any) holds, directly or indirectly through other natural or legal persons than the Issuer, a participation representing at least 25% of the capital of the subsidiary in question or which entitles him to at least 25% of that capital in the event of a distribution of profits by that subsidiary.

In accordance with the procedure set out in Article 7:97, §3-4/1 BCCA, all decisions or transactions to which the procedure applies must first be subject to the assessment of a committee of three independent directors (at the date of this Prospectus only two independent directors are member of the Board of Directors of the Issuer, see Section 10.1 “*Corporate Governance*” of this Prospectus for the explanation in relation thereto), which, if it so chooses, shall be assisted by one or more independent experts of its choice. The committee issues a written and reasoned opinion to the Board of Directors on the proposed decision or transaction, in which it addresses at least the elements set out in Article 7:97,§3, section 2 BCCA.

After having taken note of the advice of the committee provided, and applying, where necessary the conflict of interest procedure set forth in Article 7:96 BCCA, the Board of Directors shall deliberate on the intended decision or transaction. If a director is involved in the decision or operation, that director may not participate in the deliberation and voting. If all directors are involved, the decision or transaction is submitted to the General Shareholders’ Meeting; if the General Shareholders’ Meeting approves the decision or transaction, the Board of Directors may execute it. The Board of Directors confirms in the minutes of the meeting that the procedure described above has been complied with, and, if necessary, justifies why it deviates from the committee’s opinion.

The statutory auditor assesses whether there are no material inconsistencies in the financial and accounting information included in the minutes of the Board of Director and in the committee’s opinion with respect to the information available to it within the scope of its mission. This opinion shall be attached to the minutes of the Board of Directors.

The Issuer will publicly announce the decisions or transaction In accordance with Article 7:97, §4/1 BCCA.

Any person having an interest in this rule being complied with can request the annulment or suspension of the of the decision of the Board of Directors before the (president of the) enterprise court, and the Issuer can also request the annulment of the decision or the transaction that have taken place in breach of Article 7:97 BCCA, if the counterparty to the decision or the transaction was, or should have been, aware of such breach.

This procedure does not apply to customary decisions and transactions at market conditions or to decisions and transactions the value of which is less than 1% of the net assets of the Issuer on a consolidated basis. In addition, decisions and transactions on the remuneration of the directors or the members of the Executive Management are exempted as are acquisitions or transfers of own shares, interim dividend payments and capital increases under the authorized capital without limitation or cancellation of the preferential subscription right of the Shareholders.

The Issuer shall state in the annual report any material restrictions or burdens imposed on it by its controlling shareholder during the year under review, or of which it has requested the preservation.

#### **10.6.5 CORPORATE OPPORTUNITIES**

It may happen that a transaction submitted to the Board of Directors may arouse the interest of another company in which a director holds a mandate. For such cases the Board of Directors has decided, on a voluntary basis, through the CG Charter, to apply a procedure derived, to a certain

extent, from the procedure of Article 7:96 BCCA on conflicts of interest. This procedure is without prejudice to procedures of Articles 7:96 and 7:97 BCCA. If such a situation arises, the director concerned informs the chairperson of the Board of Directors and the chief executive officer.

Once the risk has been identified, the director concerned and the chairperson of the Board of Directors shall examine together, taking into account the interest of the Issuer, whether or not the director concerned should withdraw from the deliberation and decision-making process concerning the transaction, in which case the preparatory notes shall not be sent to him or her and he or she shall withdraw from the meeting of the Board of Directors as soon as the matter in question is being discussed. Compliance with this procedure does not of course release the director concerned from his or her obligation of confidentiality vis-à-vis the Issuer.

The minutes of the Board of Directors shall in such case establish, in general terms, the compliance with this procedure or explain, in general terms, the reasons why it was not applied. As soon as the risk no longer exists, this procedure shall no longer apply. No publicity will be given to the application of the procedure.

#### **10.6.6 SPECIFIC CONFLICTS OF INTERESTS**

As of the date of this Prospectus, as far as the Issuer is aware, none of the directors or the members of the Executive Management have a conflict of interest within the meaning of Article 7:96 BCCA that has not been disclosed to the Board of Directors. Where such a conflict of interest has occurred Ekopak has applied (or ratified the application of) the statutory conflicts of interest procedure of Article 7:96 BCCA.

None of the other members of the Board of Directors and the members of the Executive Management have a family relationship with any other of the members of the Board of Directors or the members of the Executive Management, as of the date of this Prospectus.

#### **10.7 OTHER INFORMATION**

##### **10.7.1 DEALING CODE**

With a view to preventing market abuse (insider dealing and market manipulation), and pursuant to the Market Abuse Regulation, the Board of Directors has established the Dealing Code. The Dealing Code describes amongst others the declaration and conduct obligations of directors and members of the Executive Management with respect to transactions in Shares and other financial instruments of the Issuer. The Dealing Code sets limits on carrying out transactions in Shares and other financial instruments of the Issuer, and allows dealing by the directors and the members of the Executive Management only during certain windows. The Dealing Code is attached to the Issuer's CG Charter.

##### **10.7.2 STATEMENTS CONCERNING DIRECTORS OR THEIR PERMANENT REPRESENTATIVES OR MEMBERS OF THE EXECUTIVE MANAGEMENT**

Each of the members of the Board of Directors (see Section 10.2.4 "*Composition of the Board of Directors*" of this Prospectus) and each of the members of Executive Management, confirmed to the Issuer that neither he or she nor the company through which he or she acts (as the case may be) was

subject to (i) any convictions in relation to fraudulent offenses during the past five years or (ii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years. In addition, each of them has confirmed to the Issuer that neither he or she nor the company through which he or she acts (as the case may be) is or has been subject to any bankruptcies, receiverships or liquidations of any entities in which he, she or it held any office, directorships, or partner or senior management positions during the past five years.

### **10.7.3 OTHER MANDATES OF THE DIRECTORS AND THE MEMBERS OF THE EXECUTIVE MANAGEMENT AND/OR SENIOR MANAGEMENT**

In the five years preceding the date of this Prospectus, the directors (based on the membership before and after the completion of the Transaction) and members of the Executive Management have held the following directorships (apart from their functions within the Issuer and its subsidiaries) and memberships of administrative, management or supervisory bodies and/or partnerships:

<b>Name</b>	<b>Current</b>	<b>Past (5 years)</b>
Mr. Pieter Loose (CEO)	Director of Sporthotel Ten Hotond BV Director of Pilovan BV	N/A
Ms. Els De Keukelaere (CFO)	Director of EDK Management BV	N/A
Mr. Tim De Maet (COO)	N/A	N/A
Mr. Joost Van Der Spurt (CTO)	N/A	N/A
Ms. Anne-Mie Veermeer (CDO)	N/A	N/A
Mr. Pieter Bourgeois	Director of Crescemus BV  Director of Idylls BV  Director, acting through Crescemus BV, of Energy Vision NV  Director, acting through Crescemus BV, of Adventure Valley Durbuy NV  Director, acting through Crescemus BV, of ARE2 NV  Director, acting through Crescemus BV, of ARE3 NV  Chairman and Managing Director, acting through Crescemus BV, of ARE 3 Development NV  Director, acting through Crescemus BV, of Ceres Pharma NV	N/A

	<p>Non-Executive Director, acting through Crescemus BV, of Crescent NV</p> <p>Director, acting through Crescemus BV, of Durbuy Shopping BV</p> <p>Director, acting through Crescemus BV, of Golf de Durbuy BV</p> <p>Director, acting through Crescemus BV, of Immo Sanglier des Ardennes NV</p> <p>Director, acting through Crescemus BV, of Immobilière de la Ferme au Chêne BV</p> <p>Managing Director, acting through Crescemus BV, of Le Sanglier des Ardennes NV</p> <p>Director, acting through Crescemus BV, of LPM Holding NV</p> <p>Director, acting through Crescemus BV, of LPM Sporthotel NV</p> <p>Director, acting through Crescemus BV, of miDiagnostics NV</p> <p>Director, acting through Crescemus BV, of M.S. Durbuy NV</p> <p>Chairman, acting through Crescemus BV, of Orava CVBA</p> <p>Director, acting through Crescemus BV, of Sanglier des Ardennes by Bru NV</p> <p>Director, acting through Crescemus BV, of Thiry &amp; Cie NV</p> <p>Director, acting through Crescemus BV, of Versluys Invest NV</p> <p>Director, acting through Crescemus BV, of Triginta Real</p>	
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	<p>Estate Fund NV</p> <p>Advisory Board Member of Volta Ventures Arkiv Comm.VA</p> <p>Advisory Board Member of Smartfin Capital II Comm.V.</p>	
Mr. Ben Jansen	<p>Chief Commercial Officer (CCO) of DPG Media BV</p> <p>Director of BVJS BV</p>	N/A
Ms. Kristina Loguinova	N/A	N/A
Ms. Regine Slagmulder	<p>Director of Regine Slagmulder BV</p> <p>Non-executive director &amp; Chair of the Audit Committee of Quest for Growth NV</p> <p>Independent director and Chair of the Audit Committee, acting through Regine Slagmulder BV, of MDxHealth NV</p> <p>Director of KRB Invest BV</p>	N/A

## 11 SIGNIFICANT SHAREHOLDERS

The following table presents the ownership of the Shares immediately (i) prior to the closing of the Transaction; (ii) after the closing of the Transaction, assuming the placement of the maximum number of (3,571,428) New Shares offered in the Private Placement (*i.e.*, assuming no exercise of the Increase Option); (iii) after the closing of the Transaction, assuming the placement of the maximum number of Offer Shares (*i.e.*, assuming the exercise in full of the Increase Option); (iv) after the closing of the Transaction, assuming the placement of the maximum number of Offer Shares and exercise in full by the Stabilization Manager of the Over-allotment Option; and (v) after the closing of the Transaction, assuming the placement of the maximum number of Offer Shares and exercise in full by the Stabilization Manager of the Over-allotment Option, on a fully diluted basis, and each time assuming the Placement Price is the lower-end of the Price Range, *i.e.*, EUR 14.00. See the notes to the table below for more information.

The Issuer has not received any indication from the Existing Shareholders that they have the intention to subscribe for the Private Placement (see Section 15.5 “*Intentions of the shareholders, members of the Board of Directors and of the Executive Management of the Issuer*” of this Prospectus). Hence, an assumption has been made that the Existing Shareholders will not participate in the Private Placement (other than Pilovan BV as Selling Shareholder in the context of the Increase Option).

The persons holding less than 3%<sup>121</sup> of the outstanding Shares prior to the closing of the Offering and listing of the Shares and who will not hold 3% or more of the Shares following closing of the Private Placement and Listing pursuant to Pre-commitments have been presented together under “other”.

Significant shareholder		Before the closing of the Transaction <sup>(1)</sup>		On an undiluted basis, assuming placement of all of the offered New Shares in the Private Placement <sup>(2)</sup>		On an undiluted basis, assuming the exercise in full of the Increase Option and full placement of the Offer Shares in the Private Placement <sup>(3)</sup>		On an undiluted basis, assuming the exercise in full of the Increase Option and full placement of the Offer Shares in the Private Placement and an exercise in full of the Over-allotment Option <sup>(4)</sup>		On a fully diluted basis <sup>(5)</sup>	
								Number	%	Number	%
Name	Origin of Shares	Number	%	Number	%	Number	%	Number	%	Number	%
Pilovan BV <sup>(6)</sup>	Existing Shares	5,495,000	50.97%	5,495,000	38.29%	5,137,858	35.80%	5,137,858	34.39%	5,137,858	34.32%
	<b>Subtotal</b>	5,495,000	50.97%	5,495,000	38.29%	5,137,858	35.80%	5,137,858	34.39%	5,137,858	34.32%
Alychlo NV <sup>(7)</sup>	Existing Shares	5,285,000	49.03%	5,285,000	36.83%	5,285,000	36.83%	5,285,000	35.37%	5,285,000	35.30%

<sup>121</sup> The Issuer has introduced an additional disclosure threshold of 3% in its Articles of Association.

	<b>Subtotal</b>	5,285,000	49.03%	5,285,000	36.83%	5,285,000	36.83%	5,285,000	35.37%	5,285,000	35.30%
Pre-committed Investors:											
AXA Investment Managers Paris <sup>(6)</sup>	New Shares	-	-	428,569	2.99%	428,569	2.99%	428,569	2.87%	428,569	2.86%
KBC Asset Management NV <sup>(9)</sup>	New Shares	-	-	357,142	2.49%	357,142	2.49%	357,142	2.39%	357,142	2.39%
Lazard Asset Management (Deutschland) GmbH	New Shares	-	-	285,714	1.99%	285,714	1.99%	285,714	1.91%	285,714	1.91%
UBS Asset Management <sup>(10)</sup>	New Shares	-	-	214,285	1.49%	214,285	1.49%	214,285	1.43%	214,285	1.43%
	<b>Subtotal</b>	<b>0</b>	<b>0%</b>	<b>1,285,710</b>	<b>8.96%</b>	<b>1,285,710</b>	<b>8.96%</b>	<b>1,285,710</b>	<b>8.61%</b>	<b>1,285,710</b>	<b>8.59%</b>
Other	Existing Shares	0	0%	0	0%	357,142	2.49%	357,142	2.39%	357,142	2.39%
	New Shares	-	-	2,285,718	15.93%	2,285,718	15.93%	2,875,002	19.24%	2,875,002	19.20%
	Exercise of ESOP Warrants	-	-	-	-	-	-	-	-	30,000	0.20%
	<b>Subtotal</b>	<b>0</b>	<b>0%</b>	<b>2,285,718</b>	<b>15.93%</b>	<b>2,642,860</b>	<b>18.42%</b>	<b>3,232,144</b>	<b>21.63%</b>	<b>3,262,144</b>	<b>21.79%</b>
Total		10,780,000	100%	14,351,428	100.00%	14,351,428	100.00%	14,940,712	100.00%	14,970,712	100.00%

**Notes:**

- (1) It is assumed that none of the ESOP Warrants have been exercised.
- (2) It is assumed that (a) the Placement Price is the lower-end of the Price Range, i.e., EUR 14.00, (b) the maximum number of (3,571,428) New Shares offered in the Private Placement has been subscribed for, (c) the Increase Option has not been exercised, (d) the Stabilization Manager has not exercised the Over-allotment Option, and (e) none of the ESOP Warrants have been exercised.
- (3) It is assumed that (a) the Placement Price is the lower-end of the Price Range, i.e., EUR 14.00, (b) the maximum number of (3,571,428) New Shares offered in the Private Placement has been subscribed for, (c) the Increase Option has been fully exercised and the maximum number of (357,142) existing Shares of the Selling Shareholder has been placed in the Private Placement, (d) the Stabilization Manager has not exercised the Over-allotment Option, and (e) none of the ESOP Warrants have been exercised.
- (4) It is assumed that (a) the Placement Price is the lower-end of the Price Range, i.e., EUR 14.00, (b) the maximum number of (3,571,428) New Shares offered in the Private Placement has been subscribed for, (c) the Increase Option has been fully exercised and the maximum number of (357,142) existing Shares of the Selling Shareholder has been placed in the Private Placement, (d) the Stabilization Manager has exercised its Over-allotment Option in full, leading to the additional issuance of 589,284 new Shares (i.e., 15% of the number of Offer Shares subscribed for in the Private Placement), and (e) none of the ESOP Warrants have been exercised.
- (5) It is assumed that (a) the Placement Price is the lower-end of the Price Range, i.e., EUR 14.00, (b) the maximum number of (3,571,428) New Shares offered in the Private Placement has been subscribed for, (c) the Increase Option has been fully exercised and the maximum number of (357,142) existing Shares of the Selling Shareholder has been placed in the Private Placement, (d) the Stabilization Manager has exercised its Over-allotment Option in full, leading to the additional issuance of 589,284 new Shares (i.e., 15% of the number of Offer Shares subscribed for in the Private Placement), and (e) all of the 30,000 ESOP Warrants have been exercised.
- (6) Mr. Pieter Loose is the ultimate controlling shareholder of Pilovan BV.
- (7) Mr. Marc Coucke is the ultimate controlling shareholder of Alychlo NV.
- (8) Advising certain mutual funds and segregated portfolios.
- (9) On behalf of multiple undertakings for collective investment.
- (10) Acting as discretionary asset manager acting for and on behalf of certain funds.

Each Share entitles its holder to one vote, except in the cases of suspension of the voting right provided for by law. For further details of the Issuer's share capital as well as outstanding ESOP Warrants, reference is made to Section 13 "*Share capital and Articles of Association*" of this Prospectus. As of the date of this Prospectus, the Issuer is, pursuant to the Shareholders' Agreement (see Section 12.1 "*Shareholders' Agreement*" of this Prospectus), being jointly controlled in the sense of Article 1:14 BCCA by Mr. Pieter Loose and Mr. Marc Coucke.

Taking into account that (i) the Shareholders' Agreement will be terminated as of the closing of the Transaction and (ii) the Issuer is not aware of shareholders entering into a shareholders' agreement or agreeing to act in concert following the closing of the Transaction (other than certain lock up arrangements as described in Section 16.3 "*Lock-up*" of this Prospectus), the Issuer will, to its knowledge, no longer be under a (joint) control in the sense of Article 1:14 BCCA as of the closing of the Transaction.

## 12 RELATED PARTY TRANSACTIONS

As part of its business, the Issuer has entered into several transactions with related parties, including its significant shareholders. The Issuer reasonably believes that all related party transactions have been concluded and executed at arm's length.

The following is a summary of the Issuer's most significant transactions with related parties for the period covered by the historical financial information and as of the date hereof. See also Note 23 "Related party disclosures" to the Financial Statements.

### 12.1 SHAREHOLDERS' AGREEMENT

As of the date of this Prospectus, all of the Existing Shareholders of the Issuer and the Issuer itself have entered into a Shareholders' Agreement, containing, amongst other things, terms regarding the Issuer's governance, as well as transfer restrictions regarding the Shares. The Shareholders' Agreement was entered into on 18 September 2019 and amended on 23 February 2021. The Shareholders' Agreement was entered into for an initial term of ten years, but will be terminated as of the closing of the Transaction. The Issuer is not aware of shareholders entering into a new shareholders' agreement or agreeing to act in concert following the closing of the Transaction (other than certain lock up arrangements as described in Section 16.3 "Lock-up" of this Prospectus).

### 12.2 EMPLOYMENT AND SERVICES AGREEMENTS

#### 12.2.1 PILOVAN BV (MR. PIETER LOOSE – GENERAL MANAGER AND CEO)

The Issuer and Pilovan BV have entered into a consultancy agreement effective as from 1 September 2019, pursuant to which the latter must assist the Issuer on a self-employed basis as General Manager and CEO of the Issuer, for an indefinite term. In performing the services, Pilovan BV must be represented by Mr. Pieter Loose and cannot replace Mr. Pieter Loose without the prior written consent of the Issuer. In consideration of the services, the Issuer must pay to Pilovan BV a yearly fixed service fee of EUR 120,000 (excl. VAT). The agreement further provides that Pilovan BV will be reimbursed for the reasonable and "out-of-pocket" expenses incurred abroad on behalf of the Issuer in performing the agreement.

See also Section 10.5.3.2 "Remuneration and compensation in 2020" of this Prospectus for an overview of the Executive Management's remuneration and compensation in 2020 and Section 10.5.3.3 "Payments upon Termination" of this Prospectus for more information on the payments and other obligations upon termination of the services agreement with Pilovan BV.

#### 12.2.2 EDK MANAGEMENT BV (MS. ELS DE KEUKELAERE – CHIEF FINANCIAL OFFICER)

The Issuer and EDK Management BV have entered into a consultancy agreement effective as from 1 October 2020, pursuant to which the latter must assist the Issuer on a self-employed basis as Chief Financial Officer of the Issuer, for a period ending at 28 February 2022. In performing the services, EDK Management BV must be represented by Mr. Els De Keukelaere and cannot replace Ms. De Keukelaere without the prior written consent of the Issuer. In consideration of the services, the Issuer must pay to EDK Management BV a monthly fixed fee. The agreement further provides that EDK

Management BV will be reimbursed for the reasonable and “out-of-pocket” expenses incurred abroad on behalf of the Issuer in performing the agreement.

EDK Management BV is entitled to a one-time success fee of EUR 15,000 following the successful admission of the Shares of the Issuer on the regulated market of Euronext Brussels during 2021.

See also Section 10.5.3.2 “*Remuneration and compensation in 2020*” of this Prospectus for an overview of the Executive Management’s remuneration and compensation in 2020 and Section 10.5.3.3 “*Payments upon Termination*” of this Prospectus for more information on the payments and other obligations upon termination of the services agreement with EDK Management BV.

Mrs. Els De Keulaere (acting through EDK Management BV) is expected to resign, in common agreement with the Company, due to personal circumstances, as CFO of the Company at the beginning of 2022. The Company will start looking for a replacement in due time, taking into account the aforementioned timing. Until a replacement is found, Mrs. Els De Keulaere (acting through EDK Management BV) will continue to exercise her function as CFO.

#### **12.2.3 MR. JOOST VAN DER SPURT (CHIEF TECHNICAL OFFICER)**

The current employment agreement between Mr. Joost Van der Spurt and the Issuer has been entered into for an indefinite period as from 25 November 2013. Mr. Van der Spurt’s serves as Chief Technical Officer of the Issuer and, in practice, he is responsible for the existing technology, the exploration of new technology, R&D, the test lab and supports the process and sales engineers. On the date of this Prospectus, Mr. Van der Spurt is entitled to a monthly salary and certain fringe benefits (such as a company car, lunch vouchers, smartphone, laptop). The agreement is governed by standard provisions under Belgian employment law and contains standard provisions as to the terms of employment, such as with regard to working time and annual holidays.

Mr. Joost Van der Spurt is entitled to a one-time success fee of EUR 15,000 following the successful admission of the Shares of the Issuer on the regulated market of Euronext Brussels during 2021.

See also Section 10.5.3.2 “*Remuneration and compensation in 2020*” of this Prospectus for an overview of the Executive Management’s remuneration and compensation in 2020 and Section 10.5.3.3 “*Payments upon Termination*” of this Prospectus for more information on the payments and other obligations upon termination of the employment agreement with Mr. Joost Van der Spurt.

#### **12.2.4 MR. TIM DE MAET (CHIEF OPERATION OFFICER)**

The current employment agreement between Mr. Tim De Maet and the Issuer has been entered into for an indefinite period as from 1 December 2011. Mr. De Maet serves as COO of the Issuer and his tasks consist mainly of operation management. On the date of this Prospectus, Mr. De Maet is entitled to a monthly salary and certain fringe benefits (such as a group insurance and hospitalization insurance). The agreement is governed by standard provisions under Belgian employment law and contains standard provisions as to the terms of employment, such as with regard to working time and annual holidays.

Mr. Tim De Maet is entitled to a one-time success fee of EUR 15,000 following the successful admission of the Shares of the Issuer on the regulated market of Euronext Brussels during 2021.

See also Section 10.5.3.2 “*Remuneration and compensation in 2020*” of this Prospectus for an overview of the Executive Management’s remuneration and compensation in 2020 and Section 10.5.3.3 “*Payments upon Termination*” of this Prospectus for more information on the payments and other obligations upon termination of the employment agreement with Mr. Tim De Maet.

#### **12.2.5 MS. ANNE-MIE VEERMEER (CHIEF DISINFECTION OFFICER)**

The current employment agreement between Ms. Anne-Mie Veermeer and the Issuer has been entered into for an indefinite period as from 16 August 2007. Ms. Veermeer serves as CDO of the Issuer and her tasks consist mainly of sampling and analyses at the client’s site. On the date of this Prospectus, Ms. Anne-Mie Veermeer is entitled to a monthly salary and certain fringe benefits. The agreement is governed by standard provisions under Belgian employment law and contains standard provisions as to the terms of employment, such as with regard to working time and annual holidays.

Ms. Anne-Mie Veermeer is entitled to a one-time success fee of EUR 15,000 following the successful admission of the Shares of the Issuer on the regulated market of Euronext Brussels during 2021.

See also Section 10.5.3.2 “*Remuneration and compensation in 2020*” of this Prospectus for an overview of the Executive Management’s remuneration and compensation in 2020 and Section 10.5.3.3 “*Payments upon Termination*” of this Prospectus for more information on the payments and other obligations upon termination of the employment agreement with Ms. Veermeer.

### **12.3 BUSINESS AGREEMENTS**

Mr. Pieter Loose, CEO and shareholder (through his management company Pilovan BV) of the Issuer, holds 50% of the Shares in Sporthotel Ten Hotond BV. In May 2019, the Issuer sold a water purification solution to Sporthotel Ten Hotond BV and installed it on its premises in Kluisbergen (Belgium). In January 2020, the Issuer sold another water purification solution to Sporthotel Ten Hotond BV and installed it in the restaurant located on its premises in Kluisbergen (Belgium). Since then, the Issuer has kept on providing water purification services to Sporthotel Ten Hotond BV in the form of selling purification treatment chemicals and selling test equipment to check water quality.

The total amount of the transactions between the Issuer and Sporthotel Ten Hotond BV amounted to EUR 1,905.15 as per 31 December 2019 and EUR 19,331.68 as per 31 December 2020. There are no outstanding balances vis-à-vis Sporthotel Ten Hotond BV or the Issuer relating to these transactions.

Aside from the above-mentioned revenue streams, there also exists a current account receivable between the Issuer and Sporthotel Ten Hotond BV and between the Issuer and Pilovan BV, that amounted to EUR 69 thousand as per 31 December 2018, EUR 8 thousand as per 31 December 2019 and EUR 7 thousand as per 31 December 2020.

## **12.4 ESOP WARRANTS**

On 30 December 2020, the Issuer issued 30,000 ESOP Warrants to certain members of the Executive Management. The ESOP Warrants have been granted free of charge. Reference is made to Section 13.4 “*ESOP Warrants*” of this Prospectus for more information on the ESOP Warrants, and to Section 10.4.5 “*Shares and ESOP Warrants held by Executive Management and/or senior management of the Issuer*” of this Prospectus for an overview of the ESOP Warrants offered to, and subscribed for by, the Executive Management.

## 13 SHARE CAPITAL AND ARTICLES OF ASSOCIATION

### 13.1 GENERAL

The Issuer has the legal form of a public limited liability company (“*naamloze vennootschap*” / “*société anonyme*”) organized under the laws of Belgium.

The Issuer was originally established in September 1997 by Mr. Jean-Pierre Denutte, Ms. Ann-Sophie Casier and Mr. Christophe Broequevielle, as a private limited liability company (then still called a “*besloten vennootschap met beperkte aansprakelijkheid*” / “*société privée à responsabilité limitée*”) organized under the laws of Belgium.

On 24 December 2003, the Issuer was converted into a public limited liability company (“*naamloze vennootschap*” / “*société anonyme*”) organized under the laws of Belgium.

On 30 March 2012, the Issuer was converted into a private limited liability company (then still called a “*besloten vennootschap met beperkte aansprakelijkheid*” / “*société privée à responsabilité limitée*”) organized under the laws of Belgium, which was on 18 September 2019, through the early application of the new Belgian Code of Companies and Associations, converted to a “*besloten vennootschap*” / “*société à responsabilité limitée*”.

In view of the Transaction, the Issuer has been converted into a public limited liability company (“*naamloze vennootschap*” / “*société anonyme*”) organized under the laws of Belgium, on 19 February 2021.

Pursuant to the provisions of the Belgian Code of Companies and Associations, the liability of the shareholders of the Issuer is in principle limited to the amount of their respective committed contribution to the capital of the Issuer. The Issuer is registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0461.377.728, and has 87550056W07X17IRQG83 as Legal Entity Identifier (LEI).

This Section summarizes information relating to the Issuer’s share capital, the Articles of Association, certain material rights of its shareholders under Belgian law and the Issuer’s Articles of Association. The contents of this Section are derived primarily from the Issuer’s Articles of Association, which were adopted by the General Shareholders’ Meeting of 17 March 2021, and which will enter into force subject to the completion of the Transaction and, except as otherwise indicated, with effect as from the Listing Date.

The description provided hereafter is only a summary and does not purport to provide a complete overview of the Articles of Association or the relevant provisions of Belgian law. Neither should it be considered as legal advice regarding these matters.

### 13.2 CORPORATE PURPOSE

The Issuer has as its corporate purpose, for its own account, for the account of third parties or in participation with third parties:

- (a) the purchase and sale, import and export of, wholesale and retail trade, commission trade and representation in, and the design, manufacture, placement, renting and leasing, repair, overhaul and maintenance of all installations and equipment related to water treatment and to treatments related to ion exchange and related applications;
- (b) the purchase and sale, import and export of, wholesale and retail trade, commission trade and representation in and the manufacture of all chemical products and synthetic materials related to the aforementioned disciplines;
- (c) the carrying out of anti-corrosion treatments, including the detection of leaks in pipes, and the carrying out of controls and studies of water and steam-containing systems;
- (d) the purchase and sale, import and export, wholesale and retail trade, commission trade and representation in, of boats and ship's equipment and other vessels and their supplies;
- (e) the acquisition of participations in any form in any existing or future legal persons and companies, the promotion, planning, coordination; development of and investment in legal persons and companies in which it may or may not hold a participation;
- (f) granting loans and credit in any form whatsoever to legal persons, enterprises or individuals; in this context, it may also act as guarantor or surety party, in the broadest sense, for all commercial and financial operations other than those reserved by law for credit institutions;
- (g) to provide advice of a financial, technical, commercial or administrative nature; in the broadest sense, with the exception of advice on investments and placements of funds; to provide assistance and services directly or indirectly in the fields of administration and finance, sales, production and general administration;
- (h) the performance of all management assignments and instructions of liquidators, the exercise of assignments and functions;
- (i) the development, purchase, sale, acquiring licences or licensing of patents, know-how and related intangible durable assets;
- (j) the provision of administrative and computer services;
- (k) the purchase and sale, import and export, commission trade and representation of any goods, in short being an intermediary in trade;
- (l) the research, development, manufacture, installation, realisation, marketing and financing of new products, new forms of technology and their applications;
- (m) the research, development, financing, installation, realisation and management of projects in alternative, sustainable, renewable and/or efficient energy;
- (n) acting as a study office, engineering office, consultancy office and market research office for projects in water treatment and in alternative, sustainable, renewable and/or efficient energy;
- (o) the production, distribution and sale of water and alternative, sustainable, renewable and/or efficient energy.

The Issuer also has as corporate purpose, for its own account:

- (a) the construction, judicious development and management of immovable property; all transactions connected with immovable property and immovable property rights, such as leasing immovable property to third parties, the purchase, sale, exchange, construction, renovation, maintenance, letting, subdivision, prospecting and exploitation of immovable

property, the purchase and sale, letting and renting of movable property, as well as all actions directly or indirectly connected with this object which are likely to promote the proceeds of the movable and immovable property, as well as being a guarantee for the proper performance of obligations entered into by third persons who would have the use of such movable and immovable property;

(b) entering into and granting loans, credits, financing and entering into leasing contracts;

(c) the creation, prudent development and management of a movable patrimony, all transactions relating to movable property and rights of any kind, such as the acquisition by subscription or purchase and the management of shares, bonds, treasury bonds or other movable instruments, of any kind, of Belgian or foreign legal persons and enterprises, existing or to be created.

Related to the corporate purpose of the Issuer, the following special provisions apply:

(a) The company may carry out all transactions of a commercial, industrial, immovable, movable or financial nature which are directly or indirectly related or connected with its object or which may promote its realisation.

(b) The company may act as guarantee for its own commitments as well as for the obligations of third parties, among other things by mortgaging or pledging its assets, including its own business. It may provide personal or immovable securities for the benefit of third parties, in the broadest sense of the word.

(c) The company may be involved by way of contribution, fusion, subscription or in any other way, in the enterprises, associations or companies, which have a similar, similar or related object or which are useful for the realisation of all or part of its object. It may exercise the functions of director or liquidator in other companies.

(d) The above enumeration is not exhaustive, so that the company may perform all acts that may in any way contribute to the realisation of its object.

(e) The company may accomplish its object both in Belgium and abroad, in any way and manner it deems most appropriate.

(f) The company may in no way engage in asset management or investment advice as referred to in the relevant Acts and Royal Decrees.

(g) The company shall refrain from activities that are subject to regulatory provisions to the extent that the company itself does not comply with these provisions.

### **13.3 SHARE CAPITAL AND SHARES**

#### **13.3.1 CURRENT AMOUNT AND COMPOSITION**

As of the date of this Prospectus, the share capital of the Issuer amounts to EUR 4,851,000, represented by 10,780,000 Shares, without nominal value, each representing 1/10,780,000<sup>th</sup> of the share capital of the Issuer. The share capital of the Issuer is fully and unconditionally subscribed for and is fully paid up.

### 13.3.2 AMOUNT AND COMPOSITION UPON CLOSING OF THE TRANSACTION

Assuming the Placement Price is the lower end of the Price Range, *i.e.*, EUR 14.00, and taking into account the assumptions made in the notes referred to below as well as the assumption that for each New Share EUR 0,45 of the Placement Price is allocated to the share capital, the below table shows the amount and composition of the share capital of the Issuer upon closing of the Transaction:

Origin of Shares	On an undiluted basis, assuming placement of all of the New Shares in the Private Placement <sup>(1)</sup>			On an undiluted basis, assuming full placement of the Offer Shares in the Private Placement <sup>(2)</sup>			On an undiluted basis, assuming full placement of the Offer Shares in the Private Placement and an exercise in full of the Over-allotment Option <sup>(3)</sup>			On a fully diluted basis <sup>(4)</sup>		
	# Shares	Share capital (excl. issue premium) (€)	Share capital (incl. issue premium) (€)	# Shares	Share capital (excl. issue premium) (€)	Share capital (incl. issue premium) (€)	# Shares	Share capital (excl. issue premium) (€)	Share capital (incl. issue premium) (€)	# Shares	Share capital (excl. issue premium) (€)	Share capital (incl. issue premium) (€)
Existing Shares	10,780,000	4,851,000.0	4,851,000.0	10,780,000	4,851,000.0	4,851,000.0	10,780,000	4,851,000.0	4,851,000.0	10,780,000	4,851,000.0	4,851,000.00
New Shares	3,571,428	1,607,142.6	49,999,992.00	3,571,428	1,607,142.6	49,999,992.00	3,571,428	1,607,142.6	49,999,992.00	3,571,428	1,607,142.6	49,999,992.00
Exercise of Over-allotment Option							589,284	265,177.80	8,249,976.00	589,284	265,177.80	8,249,976.00
Exercise of ESOP Warrants										30,000	13,500.00	486,000.00

<b>Total</b>	<u>14,351,428</u>	<u>6,458,143</u>	<u>54,850,992</u>	<u>14,351,428</u>	<u>6,458,143</u>	<u>54,850,992</u>	<u>14,940,712</u>	<u>6,723,320</u>	<u>63,100,968</u>	<u>14,970,712</u>	<u>6,736,820</u>	<u>63,586,968</u>
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Notes:

- (1) It is assumed that (a) the maximum number of (3,571,428) New Shares offered in the Private Placement have been subscribed for, (b) the Increase Option has not been exercised, (c) the Stabilization Manager has not exercised the Over-allotment Option, and (d) none of the ESOP Warrants have been exercised.
- (2) It is assumed that (a) the maximum number of (3,571,428) New Shares offered in the Private Placement have been subscribed for, (b) the Increase Option has been fully exercised and the maximum number of (357,142) existing Shares of the Selling Shareholder has been placed in the Private Placement, (c) the Stabilization Manager has not exercised the Over-allotment Option, and (d) none of the ESOP Warrants have been exercised.
- (3) It is assumed that (a) the maximum number of (3,571,428) New Shares offered in the Private Placement have been subscribed for, (b) the Increase Option has been fully exercised and the maximum number of (357,142) existing Shares of the Selling Shareholder has been placed in the Private Placement, (c) the Stabilization Manager has exercised its Over-allotment Option in full, leading to the additional issuance of 589,284 new Shares (i.e., 15% of the number of Offer Shares subscribed for in the Private Placement), and (d) none of the ESOP Warrants have been exercised.
- (4) It is assumed that (a) the maximum number of (3,571,428) New Shares offered in the Private Placement have been subscribed for, (b) the Increase Option has been fully exercised and the maximum number of (357,142) existing Shares of the Selling Shareholder has been placed in the Private Placement, (c) the Stabilization Manager has exercised its Over-allotment Option in full, leading to the additional issuance of 589,284 new Shares (i.e., 15% of the number of Offer Shares subscribed for in the Private Placement), and (d) all 30,000 ESOP Warrants have been exercised.
- (5) The exercise price that has been determined for all ESOP Warrants is equal to EUR 16.20 per ESOP Warrant (see also Section 13.4 "ESOP Warrants" of this Prospectus).

### 13.3.3 DEVELOPMENT OF THE SHARE CAPITAL

The changes to the Issuer's actual share capital since its incorporation on 5 September 1997, can be summarized as follows (a more detailed description of each event is set forth further below):

Date	Transaction	Increase of share capital (€)	Number of securities issued	Issue price / share (€, rounded, excl. issue premium)	Share capital after the transaction	Number of Shares after the transaction
5 September 1997	Incorporation	-	140 Shares	247.8935	EUR 34,705.09	140 Shares
24 December 2003	Capital Increase	EUR 18,096.23	73 Shares	247.8936	EUR 52,801.32	213 Shares
24 December 2003	Capital Increase	EUR 9,198.68	-	-	EUR 62,000	213 Shares
18 September 2019	Capital Increase	EUR 5,100,000	95 Shares	53,684.21	EUR 5,162,000	308 Shares
18 September 2019	Conversion	-	-	-	EUR 5,168,200 <sup>(1)</sup>	308 Shares
30 December 2020	Share split	-	Share split with ratio 1:35,000	-	EUR 5,168,200 <sup>(1)</sup>	10,780,000 Shares
30 December 2020	Issue of ESOP Warrants	-	30,000 ESOP Warrants	-	-	-
19 February 2021	Conversion	-	-	-	EUR 4,851,000 <sup>(2)</sup>	10,780,000 Shares

Notes:

- (1) In the context of the conversion of Ekopak of 18 September 2019, the share capital and the legal reserves were transformed into statutory non-distributable equity by operation of law.
- (2) In the context of the conversion of Ekopak of 19 February 2021, an amount of EUR 4,851,000 of the statutory non-distributable equity was allocated to the share capital.

At the time of incorporation of the Issuer in September 1997 (see Section 7.1.3 “*Incorporation*” of this Prospectus), the share capital was set at BEF 1,400,000 (approximately EUR 34,705.09) represented by 140 Shares without nominal value, each representing an equal part of the share capital, which were fully and unconditionally subscribed and fully paid up.

On 24 December 2003, the share capital was increased by a contribution in cash in the amount of EUR 18,096.23 with issuance of 73 new Shares without nominal value. The new Shares were issued at a price of EUR 373.9029 per Share (including issuance premium). Following the capital increase, the share capital amounted to EUR 52,801.32 and was represented by 213 (fully and unconditionally subscribed and fully paid-up) Shares without nominal value, each representing an equal part of the share capital.

On the same date, the share capital was subsequently increased by an incorporation of issuance premium in the amount of EUR 9,198.68 without issuance of any new Shares. Following the capital increase, the share capital amounted to EUR 62,000 and was represented by 213 (fully and

unconditionally subscribed and fully paid-up) Shares without nominal value, each representing an equal part of the share capital.

On 18 September 2019, Alychlo NV stepped into the share capital of the Issuer. On this date the share capital was increased by a contribution in cash in the amount of EUR 5,100,000 with issuance of 95 new Shares without nominal value. The new Shares were issued at a price of EUR 53,684.21 per Share (including issuance premium). Following the capital increase, the share capital per 31 December 2019 amounted to EUR 5,162,000 and was represented by 308 (fully and unconditionally subscribed and fully paid-up) Shares without nominal value, each representing an equal part of the share capital.

At the same date, the Issuer was converted into a private limited liability company ("*besloten vennootschap*" / "*société à responsabilité limitée*") organized under the laws of Belgium, as a result of which the share capital and the legal reserves were transformed into statutory non-distributable equity by operation of law, and two classes of Shares were created, whereby 151 Shares were allocated to "Class A" and the 157 Shares were allocated to "Class B". Following these decisions, the statutory non-distributable equity amounted to EUR 5,168,200 and 308 (fully and unconditionally subscribed and fully paid-up) Shares without nominal value were outstanding.

On 30 December 2020, an Extraordinary General Shareholders' Meeting of the Issuer decided a share split, pursuant to which each then outstanding Share was "divided" into 35,000. Furthermore, at the event of this meeting, in view of the issue of the ESOP Warrants, the creation of a third class of Shares, the "ordinary" Shares, was decided. Finally, also at the event of this meeting, the Issuer issued 30,000 ESOP Warrants, each ESOP Warrant entitling its holder to subscribe for one new "ordinary" Share. Pursuant to the issue of the ESOP Warrants, the distributable equity was increased, subject to the condition precedent and to the extent that the ESOP Warrants are exercised, for a maximum amount resulting from the multiplication of the number of new Shares issued pursuant to the exercise of the ESOP Warrants, with the exercise price of the ESOP Warrants. Reference is made to Section 13.4 "*ESOP Warrants*" of this Prospectus for more details in relation to the ESOP Warrants. Following these decisions, the statutory non-distributable equity amounted to EUR 5,168,200 and 10,780,000 (fully and unconditionally subscribed and fully paid-up) Shares without nominal value were outstanding.

On 19 February 2021, an Extraordinary General Shareholders' Meeting of the Issuer decided the conversion of the Issuer into a public limited liability company ("*naamloze vennootschap*" / "*société anonyme*") organized under the laws of Belgium, whereby an amount of EUR 4,851,000 of the statutory non-distributable equity was allocated to the share capital. Following these decisions, the share capital amounted to EUR 4,851,000 and was represented by 10,780,000 (fully and unconditionally subscribed and fully paid-up) Shares without nominal value, each representing an equal part of the share capital.

On 17 March 2021, an Extraordinary General Shareholders' Meeting of the Issuer decided to cancel the Issuers' classes of Shares, subject to and with effect as from the completion of the Transaction.

#### **13.3.4 LEGISLATION UNDER WHICH THE SHARES ARE CREATED**

The Shares are subject to Belgian law.

#### 13.4 ESOP WARRANTS

On 30 December 2020, the Issuer 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.

Each ESOP Warrant entitles its holder to subscribe for one new Share at an exercise price determined in line with a report on the real value of the underlying Share at the date of the offering of the ESOP Warrants in accordance with article 43, §4, 2° of the Belgian Stock Option Act of 26 March 1999. The exercise price so determined for all ESOP Warrants is equal to EUR 16.20 per ESOP Warrant. The new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants, will be ordinary shares representing the capital, 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 Transaction is not such a liquidity event. ESOP Warrants that are not exercised in such special exercise period will automatically become null and void unless otherwise decided by the Board of Directors.

For an overview of the ESOP Warrants offered to, and subscribed for by, members of the Executive Management, reference is made to the overview under Section 10.4.5 “*Shares and ESOP Warrants held by Executive Management and/or senior management of the Issuer*” of this Prospectus.

## **13.5 RIGHTS ATTACHED TO THE SHARES**

### **13.5.1 RIGHTS IN RELATION TO THE GENERAL SHAREHOLDERS' MEETINGS**

#### **13.5.1.1 GENERAL SHAREHOLDERS' MEETING**

##### **A General**

Generally, the General Shareholders' Meeting has sole authority with respect to:

- the approval of the annual financial statements of the Issuer;
- the distribution of profits (except interim dividends (see Section 13.5.2 "*Dividend Rights*" of this Prospectus));
- the appointment (at the proposal of the Board of Directors and upon recommendation by the Remuneration and Nomination Committee) (without prejudice to the nomination right of Pilovan and Alychlo (see Section 10.2.1 "*General*" of this Prospectus)) and dismissal of directors of the Issuer;
- the appointment (at the proposal of the Board of Directors and upon recommendation by the Audit Committee) and dismissal of the Statutory Auditor of the Issuer;
- the granting of release from liability to the members of the Board of Directors and the Statutory Auditor of the Issuer;
- the determination of the remuneration of the members of the Board of Directors and of the Statutory Auditor for the exercise of their mandate;
- the approval of the remuneration policy;
- the advisory vote on the remuneration report included in the annual report of the Board of Directors and the determination of the certain features of the remuneration or compensation of directors, members of the Executive Management and certain other executives (if any) (as the case may be) (see Section 10.5 "*Remuneration and Benefits*" of this Prospectus);
- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other reorganizations of the Issuer; and
- the approval of amendments to the Articles of Association.

##### **B Annual General Shareholders' Meeting**

The Annual General Shareholders' Meeting is held in Tielt or at the place determined in the notice convening the General Shareholders' Meeting. As of the date of this Prospectus, the meeting is held every year on the second Tuesday of May at 18.00 (Belgian time). If this day is a public holiday, the

meeting will be held on the next business day. At the Annual General Shareholders' Meeting, the Board of Directors submits to the shareholders the audited non-consolidated and consolidated annual financial statements and the reports of the Board of Directors and of the Statutory Auditor with respect thereto.

The General Shareholders' Meeting then decides on the approval of the statutory annual financial statements, the proposed allocation of the Issuer's profit or loss, the release from liability of the members of the Board of Directors and the Statutory Auditor, the advisory vote on the remuneration report included in the annual report of the Board of Directors and, when applicable, the (re-)appointment or dismissal of the Statutory Auditor and/or of all or certain directors. In addition, as relevant, the General Shareholders' meeting must also decide on the approval of the remuneration policy, the approval of the remuneration of the directors and statutory auditor for the exercise of their mandate, and on the approval of provisions of service agreements to be entered into with executive directors, members of the Executive Management and certain other executives (if any) providing (as the case may be) for severance payments exceeding 12 months' remuneration (or, subject to a reasoned positive opinion by the Remuneration and Nomination Committee, 18 months' remuneration).

### **C Special and Extraordinary General Shareholders' Meetings**

The Board of Directors or the Statutory Auditor (or the liquidators, if appropriate) may, whenever the interest of the Issuer so requires, convene a Special or Extraordinary General Shareholders' Meeting. The Board of Directors and the Statutory Auditor are required to convene such a General Shareholders' Meeting within three weeks if shareholders representing 10% of the share capital so request, including at least the agenda items proposed by the shareholders concerned.

### **D Convening Notices**

The notice convening the General Shareholders' Meeting must state the place, date and hour of the meeting and must include an agenda indicating the items to be discussed and the proposed resolutions (or updates of the agenda if shareholders have put additional items or draft resolutions on the agenda). The notice needs to contain a clear description of the formalities that shareholders must fulfil in order to be admitted to the General Shareholders' Meeting and exercise their voting right, the proposal of the Audit Committee on the appointment of a Statutory Auditor (as the case may be), information on the manner in which shareholders can put additional items on the agenda and table draft resolutions, information on the manner in which shareholders can ask questions prior and during the General Shareholders' Meeting, information on the procedure to participate to the General Shareholders' Meeting by means of a proxy or, if specifically allowed in the notice convening the meeting, to vote by means of a remote vote, and, as applicable, the registration date for the General Shareholders' Meeting. The notice must also mention where shareholders can obtain a copy of the documentation that will be submitted to the General Shareholders' Meeting, the forms to vote by proxy, if specifically allowed in the notice convening the meeting, or by means of a remote vote, and the address of the webpage on which the documentation and information relating to the General Shareholders' Meeting will be made available. This documentation and information, together with the notice and the total number of outstanding voting rights, must also be made available on the Issuer's

website at the same time as the publication of the notice convening the meeting, for a period of five years after the relevant general shareholders' meeting.

The notice convening the General Shareholders' Meeting has to be published at least 30 calendar days prior to the General Shareholders' Meeting in the Belgian Official Gazette ("*Belgisch Staatsblad*" / "*Moniteur Belge*"), in a newspaper that is published nation-wide in Belgium on paper or digitally, in media that can be reasonably relied upon for the dissemination of information within the EEA in a manner ensuring fast access to such information on a non-discriminatory basis and on the Issuer's website. A publication in a nation-wide newspaper is not needed for Annual General Shareholders' Meetings taking place on the date, hour and place indicated in the Articles of Association of the Issuer if the agenda is limited to the treatment and approval of the financial statements, the annual report of the Board of Directors and the report of the Statutory Auditor, the remuneration report and the severance pay for executive directors, members of the Executive Management, and certain other executives (if any) (as the case may be) and the discharge from liability of the members of the Board of Directors and Statutory Auditor. The term of 30 calendar days prior to the General Shareholders' Meeting for the publication and distribution of the convening notice can be reduced to 17 calendar days for a second meeting if, as the case may be, the applicable quorum for the meeting is not reached at the first meeting, the date of the second meeting was mentioned in the notice for the first meeting and no new item is put on the agenda of the second meeting. See also Section 13.5.1.1 sub (E) "*Quorum and Majorities*" of this Prospectus.

At the same time as its publication, the convening notice must also be sent to the holders of registered Shares, holders of registered convertible bonds, holders of registered warrants, holders of registered certificates issued with the co-operation of the Issuer (if any), and, as the case may be, to the directors and statutory auditor of the Issuer. In accordance with Article 7:128 *jo.* Article 2:32 BCCA, this communication needs to be made by letter or e-mail (in the event the Issuer possess the relevant e-mail addresses).

### ***E Quorum and Majorities***

In general, there is no attendance quorum requirement for a General Shareholders' Meeting and decisions are generally passed with a simple majority of the votes of the Shares present or represented.

However, capital increases (other than those decided by the Board of Directors pursuant to the authorized capital (see Section 13.5.4.2 "*Capital increases decided by the Board of Directors*" of this Prospectus), decisions with respect to the Issuer's dissolution, mergers, de-mergers and certain other reorganizations of the Issuer, amendments to the Articles of Association (other than an amendment of the corporate purpose), and certain other matters referred to in the Belgian Code of Companies and Associations do not only require the presence or representation of at least 50% of the share capital of the Issuer but also a majority of at least 75% of the votes cast. An amendment of the Issuer's corporate purpose requires the approval of at least 80% of the votes cast at a General Shareholders' Meeting, which can only validly pass such resolution if at least 50% of the share capital of the Issuer and at least 50% of the profit certificates (if any) are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second General Shareholders' Meeting may validly deliberate

and decide regardless of the number of Shares present or represented. The special majority requirements, however, remain applicable.

### **13.5.1.2**      **THE RIGHT TO ATTEND AND VOTE**

Shareholders may participate in the General Shareholders' Meeting of the Issuer and exercise their voting rights during such meetings, provided the following requirements are met (article 26 of the Articles of Association of the Issuer):

- (i) the registration for accounting purposes of the Shares in the shareholder's name at midnight (Belgian time) on the 14<sup>th</sup> day prior to the relevant General Shareholders' Meeting (the "record date"), by their entry in the Issuer's share register, their entry in the accounts of a recognized account holder or settlement institution, regardless of the number of Shares that the shareholder holds on the day of the relevant General Shareholders' Meeting.
- (ii) Owners of registered Shares who wish to participate in the General Shareholders' Meeting must communicate their intention to the Issuer, or the person appointed for that purpose by the Issuer, via the Issuer's e-mail address or the specific e-mail address mentioned in the notice convening the General Shareholders' Meeting, to be sent no later than the sixth day prior to the date of the relevant General Shareholders' Meeting.
- (iii) Owners of dematerialized Shares who wish to participate in the meeting must submit a certificate issued by a recognized account holder or settlement institution which indicates with how many dematerialized Shares, as entered in the name of the shareholder in his accounts on the record date, the shareholder has indicated that he wishes to participate in the relevant General Shareholders' Meeting. This certificate must be sent to the Issuer's e-mail address or to the specific e-mail address mentioned in the notice convening the General Shareholders' Meeting, no later than the sixth day prior to the date of the General Shareholders' Meeting.

The formalities for the registration of securities holders, and the notification of the Issuer must be further described in the notice convening the General Shareholders' Meeting.

Holders of non-voting Shares, non-voting profit-sharing certificates, convertible bonds, warrants or certificates issued with the cooperation of the Issuer (if any) may attend the General Shareholders' Meeting, but only in an advisory capacity. The Articles of Association lay down the formalities that they must fulfil in order to be admitted to the General Shareholders' Meeting.

Each Share entitles its holder to one vote, except in the cases of suspension of the voting right provided for by law. Voting rights in relation to Shares may be suspended, inter alia, in the following cases:

- If several persons have rights in rem in respect of the same Share, until a single person has been designated as the holder of the voting right vis-à-vis the Issuer (see also below);

- when a shareholder hold Shares which entitle it to voting rights above the threshold of 5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Issuer on the date of the relevant General Shareholders' Meeting, in the event that the relevant shareholder has not notified the Issuer and the FSMA at least 20 calendar days prior to the date of the General Shareholders' Meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- when the voting right was suspended by a competent court or the FSMA.

Pursuant to the Belgian Code of Companies and Associations, the voting rights attached to Shares owned by the Issuer, as the case may be, are suspended.

Vis-à-vis the Issuer, the Shares are indivisible. If several persons have rights in rem in respect of the same Share, the Board of Directors may, in accordance with article 9 of the Articles of Association of the Issuer, suspend the exercise of the rights attached to such Shares until a single person has been designated vis-à-vis the Issuer as the holder of the voting rights. If a Share is encumbered with a usufruct or a pledge, the exercise of the voting right attached to that Share will be exercised by the usufructuary and by the owner constituting the pledge, unless otherwise jointly notified to the Issuer by the parties involved.

Each shareholder has, subject to compliance with the requirements set forth above, the right to attend a General Shareholders' Meeting and to vote at the General Shareholders' Meeting in person or through a proxy holder, who need not be a shareholder. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders (see Article 7:143 BCCA). The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). The originally signed paper or electronic form must be received by the Issuer at the latest on the sixth calendar day preceding the meeting. It will be sent to the Issuer via the Issuer's e-mail address or the specific e-mail address mentioned in the notice convening the Shareholders' Meeting. The appointment of a proxy holder must be made in accordance with the applicable rules of Belgian law, including in relation to conflicts of interest and the keeping of a register.

The notice convening the meeting may allow shareholders to vote remotely in relation to the General Shareholders' Meeting, by sending a paper form and/or via the Issuer's website. The form shall be made available by the Issuer. The signed paper form must be received by the Issuer at the latest on the sixth calendar day preceding the date of the meeting. Voting via the website may occur until the last calendar day before the meeting.

The notice convening the meeting may also allow shareholders to participate in the General Shareholders' Meeting remotely.

### **13.5.1.3**      **THE RIGHT TO PUT ITEMS ON THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING AND TO TABLE DRAFT RESOLUTIONS**

Shareholders who hold alone or together with other shareholders at least 3% of the Issuer's share capital have the right to put additional items on the agenda of a General Shareholders' Meeting that has been convened and to table draft resolutions in relation to items that have been or are to be included in the agenda. This right does not apply to General Shareholders' Meetings that are being convened on the grounds that a legal quorum was not met at the first duly convened meeting (see Section 13.5.1.1 sub (E) "*Quorum and Majorities*" of this Prospectus). Shareholders wishing to exercise this right must prove on the date of their request that they own at least 3% of the outstanding share capital. The ownership must be based, for dematerialized Shares, on a certificate issued by a certified account holder or by a settlement institution, confirming the number of Shares that have been registered in the name of the relevant Shareholders and, for registered Shares, on a certificate of registration of the relevant Shares in the share register of the Issuer. In addition, the Shareholder concerned must register for the meeting concerned with at least 3% of the outstanding share capital (see also Section 13.5.1.2 "*The right to attend and vote*" of this Prospectus). A request to put additional items on the agenda and/or to table draft resolutions must be submitted in writing, and must contain, in the event of an additional agenda item, the text of the agenda item concerned and, in the event of a new draft resolution, the text of the draft resolution. The request must reach the Issuer at the latest on the twenty second calendar day preceding the date of the General Shareholders' Meeting concerned, and the Issuer acknowledges receipt of these requests to the postal or e-mail address provided by the relevant shareholders within a period of forty-eight hours as from such receipt. If the Issuer receives a request, it will have to publish an update of the agenda of the meeting with the additional agenda items and draft resolutions at the latest on the fifteenth calendar day preceding the General Shareholders' Meeting.

### **13.5.1.4**      **THE RIGHT TO ASK QUESTIONS**

Within the limits of Article 7:139 BCCA, shareholders have a right to ask questions to the members of the Board of Directors in connection with the items on the agenda of such General Shareholders' Meeting. Shareholders can also ask questions to the statutory auditor in connection with the items on the agenda on which it reports. Such questions can be submitted in writing prior to the meeting or can be asked at the meeting. Written questions must be received by the Issuer no later than the sixth calendar day prior to the meeting. Written and oral questions will be answered during the meeting concerned in accordance with applicable law. In addition, in order for written questions to be considered, the shareholders who submitted the written questions concerned must comply with the formalities to attend the meeting, as explained above in Section 13.5.1.2 "*The right to attend and vote*" of this Prospectus. Shareholders participating in a General Shareholders' Meeting remotely through electronic means of communication (if allowed in the notice convening the General Shareholders' Meeting) can, until 30 June 2021, be deprived from their right to ask questions during the meeting provided that the Board of Directors justifies in the notice convening the meeting why the Issuer does not have adequate electronic means of communication at its disposal allowing for those shareholders to ask questions remotely.

### **13.5.2 DIVIDEND RIGHTS**

All of the Shares will participate equally in the Issuer's profits (if any). Pursuant to the BCCA, the Shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the Annual General Shareholders' Meeting, based on the most recent statutory audited financial statements, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Issuer's Board of Directors. The Issuer's Articles of Association also authorize the Board of Directors to declare interim dividends without Shareholder.

Under Belgian law (Article 2277 of the Belgian Civil Code), the right to receive dividends payable on shares lapses five years after their distribution date. From that date onwards, the Issuer is no longer required to pay-out such dividends.

In accordance with Article 7:212 BCCA, the Issuer's ability to distribute dividends is subject to availability of sufficient distributable profits as defined under Belgian law on the basis of the Issuer's statutory unconsolidated financial statements rather than its consolidated financial statements. In particular, dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Issuer's net assets on the date of the closing of the last financial year as follows from the statutory non-consolidated financial statements (*i.e.*, summarized, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all in accordance with Belgian accounting rules), and, save in exceptional cases, to be mentioned and justified in the notes to the annual accounts, decreased with the non-amortized costs of incorporation and extension and the non-amortized costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Issuer's share capital. The Issuer's legal reserve currently does not meet this requirement nor will it do so at the completion of the Transaction. Accordingly, 5% of its Belgian GAAP annual net profit during the next years will have to be allocated to the legal reserve, limiting the Issuer's ability to pay out dividends to its shareholders.

Furthermore, additional financial restrictions and other limitations may be contained in future credit agreements. While no restrictions of this nature currently exist, certain covenants may be included in future credit agreements that, for example, may require debt service payments to be satisfied before dividends are paid.

For further information in relation to the Issuer's dividend policy, see Section 6.6 "*Dividends and dividend policy*" of this Prospectus.

### **13.5.3 RIGHTS IN THE EVENT OF LIQUIDATION**

All Shares represent an equal part of the Issuer's share capital and have the same rank in the event of insolvency of the Issuer.

The Issuer can only be voluntarily dissolved by way of a shareholders' resolution passed with a majority of at least 75% of the votes cast at an Extraordinary General shareholders' Meeting where at least 50% of the share capital is present or represented.

Pursuant to Article 7:228 BCCA, if, as a result of losses incurred, the ratio of the Issuer's net assets (determined in accordance with Belgian legal and accounting rules for non-consolidated financial statements) to share capital is less than 50%, the Board of Directors must convene a General Shareholders' Meeting within two months as of the date upon which the Board of Directors discovered or, by virtue of the provisions of the Articles of Associations or legal provision, should have discovered this undercapitalization. At this General Shareholders' Meeting the Board of Directors needs to propose either the dissolution of the Issuer or the continuation of the Issuer, in which case the Board of Directors must propose measures to redress the Issuer's financial situation. The Board of Directors must justify its proposals in a special report to the shareholders. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the Issuer, provided that at least 50% of the Issuer's share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Issuer's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event shareholders representing 25% of the votes validly cast at the meeting can decide to dissolve the Issuer.

Pursuant to Article 7:229 BCCA, if the amount of the Issuer's net assets has dropped below EUR 61,500 (the minimum amount of share capital of a public limited liability company organized under the laws of Belgium ("*naamloze vennootschap*" / "*société anonyme*")), any interested party is entitled to request the competent court to dissolve the Issuer. The court can order the dissolution of the Issuer or grant a grace period within which the Issuer is to remedy the situation.

These same rules apply to the Issuer's subsidiaries, who are also public limited liability companies organized under the laws of Belgium ("*naamloze vennootschap*" / "*société anonyme*").

If the Issuer is dissolved for any reason, the liquidation must be carried out by one or more liquidators, unless the Articles of Association state otherwise, appointed by the General Shareholders' Meeting with a simple majority. In some cases, the appointment of the liquidator(s) must be ratified by the president of the enterprise court (see Article 2:84 BCCA). Any balance remaining after discharging all debts, liabilities, liquidation costs and taxes must first be applied to reimburse, in cash or in kind, the paid-up capital of the Shares not yet reimbursed. Any remaining balance shall be equally distributed amongst all the shareholders.

#### **13.5.4 CHANGES TO THE SHARE CAPITAL**

##### **13.5.4.1 CHANGES TO THE SHARE CAPITAL DECIDED BY THE SHAREHOLDERS**

In principle, changes to the share capital are decided by the shareholders. The General Shareholders' Meeting may at any time decide to increase or reduce the share capital of the Issuer. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the Articles of Association, as described in Section 13.5.1.1 sub (E) "*Quorum and Majorities*" of this Prospectus).

##### **13.5.4.2 CAPITAL INCREASES DECIDED BY THE BOARD OF DIRECTORS**

Subject to the same quorum and majority requirements, the General Shareholders' Meeting may authorize the Board of Directors, within certain limits, to increase the Issuer's share capital once or several times without any further approval of the shareholders. This is the so-called authorized capital.

This authorization needs to be limited in time (*i.e.*, it can only be granted for a renewable period of maximum five years) and scope (*i.e.* the authorized capital may not exceed the amount of the registered capital at the time of the authorization).

On 17 March 2021, the Issuer's General Shareholders' Meeting authorized, subject to and with effect as from the completion of the Transaction, the Board of Directors to increase the registered share capital of the Issuer within the framework of the authorized capital with a maximum of 100% of its amount as at the completion of the Transaction.

In this context, the Issuer's General Shareholders' Meeting also decided, in application of Article 7:200 BCCA, that the Board of Directors, when exercising its powers under the authorized capital, will be authorized to restrict or cancel the statutory preferential subscription rights of Shareholders (within the meaning of Article 7:188 and following BCCA, see also Section 13.5.4.3 "*Statutory preferential subscription right*" of this Prospectus). This authorization includes the restriction or cancellation of preferential subscription rights of Shareholders for the benefit of one or more specific persons (whether or not employees of the Issuer or its subsidiaries). The authorization is valid for a term of five years as from the date of the publication of the authorization in the Annexes to the Belgian State Gazette.

See also Section 13.7 "*Applicable regulation regarding mandatory public takeover bids and public squeeze-out bids*" of this Prospectus.

### **13.5.4.3**        **STATUTORY PREFERENTIAL SUBSCRIPTION RIGHT**

#### **A**        **General**

In the event of a capital increase for cash with the issue of new Shares, or in the event of an issue of convertible bonds or warrants, the Shareholders have a statutory preferential right to subscribe, *pro rata*, for such new Shares, convertible bonds or warrants. These statutory preferential subscription rights are transferable during the subscription period.

The General Shareholders' Meeting may decide to limit or cancel this statutory preferential subscription right, subject to special reporting requirements. Such decision by the General Shareholders' Meeting needs to satisfy the same quorum and majority requirements as are required for a decision to amend the Issuer's Articles of Association.

The shareholders may also decide to authorize the Board of Directors to limit or cancel the statutory preferential subscription right within the framework of the authorized capital, subject to the terms and conditions set forth in the BCCA.

Generally, unless expressly authorized in advance by the General Shareholders' Meeting, the authorization of the Board of Directors to increase the share capital of the Issuer through contributions in cash with cancellation or limitation of the statutory preferential subscription right of the Shareholders is suspended as of the notification to the Issuer by the FSMA of a public takeover bid on the financial instruments of the Issuer.

On 17 March 2021, the Extraordinary General Shareholders' Meeting of the Issuer decided to authorize the Board of Directors to increase the Issuer's share capital, including with limitation or cancellation of the Shareholders' statutory preferential subscription rights, in one or more times and including the authorization to make use of such authorized capital in the framework of a public tender offer.

See also Section 13.5.4.2 "*Capital increases decided by the Board of Directors*" of this Prospectus.

## **B Foreign Shareholders**

Certain shareholders of the Issuer who do not reside in Belgium, such as those in the United States, Australia, Switzerland, Canada or Japan, may be restricted in their ability to exercise similar such rights as Belgian shareholders.

The exercise of statutory preferential subscription rights by certain shareholders not residing in Belgium requires compliance with applicable securities laws in the jurisdictions where the holders of those securities are located. The Issuer may be unable or unwilling to take steps to permit the exercise of rights under such securities laws. Accordingly, foreign shareholders in jurisdictions that require steps to be taken to permit the exercise of subscription rights under the securities laws of such jurisdictions may be unable or not permitted to exercise their statutory preferential subscription rights in the event of a future offering and therefore, such foreign investors may suffer dilution of their shareholdings in contrast to Belgian shareholders who would not suffer such dilution.

### **13.5.4.4 ACQUISITION, ACCEPTANCE IN PLEDGE AND TRANSFER OF OWN SHARES**

The Issuer may acquire and accept in pledge its own Shares in accordance with the Belgian Code of Companies and Associations and article 10 of its Articles of Association. The Issuer must inform the FSMA of any such contemplated transactions.

Pursuant to the resolution of the General Shareholders' Meeting of 17 March 2021, and subject to and with effect as from the completion of the Transaction, the Board of Directors of the Issuer is authorized to acquire and accept in pledge its own Shares provided that the total number of own Shares, held or accepted in pledge by the Issuer does not exceed 30% of the total number of Shares, for a consideration of at least EUR 0,01 and at most 30% above the arithmetic average of the closing price of the Issuer's Share during the last thirty days of stock exchange listing prior to the decision of the Board of Directors to acquire or accept in pledge. This authorization has been granted for a renewable period of five years as from the date of publication of the minutes of the Extraordinary General Shareholders' Meeting of 17 March 2021 in the Annexes to the Belgian Official Gazette.

The Board of Directors is furthermore authorized, subject to and with effect as from the completion of the Transaction, to acquire or accept in pledge own Shares where such acquisition or acceptance in pledge is necessary to prevent imminent serious harm to the Issuer. This authorization has been granted for a renewable period of three years as from the date of publication of the minutes of the Extraordinary General Shareholders' Meeting of 17 March 2021 in the Annexes to the Belgian Official Gazette.

The Issuer may transfer of its own Shares in accordance with the Belgian Code of Companies and Associations and article 11 of its Articles of Association.

Pursuant to the resolution of the General Shareholders' Meeting of 17 March 2021, and subject to and with effect as from the completion of the Transaction, the Board of Directors of the Issuer is authorized to transfer its own Shares to one or more specific persons whether or not personnel.

The Board of Directors is furthermore authorized, subject to and with effect as from the completion of the Transaction, to transfer own Shares where such transfer is necessary to prevent serious imminent harm to the Issuer. This authorization has been granted for a renewable period of three years as from the date of publication of the minutes of the Extraordinary General Shareholders' Meeting of 17 March 2021 in the Annexes to the Belgian Official Gazette.

The authorizations referred to above also apply to the Issuer, the direct subsidiaries of the Issuer, insofar as necessary, the indirect subsidiaries of the Issuers, and, insofar as necessary, every third party acting in its own name but on behalf of those companies.

### **13.6 RESTRICTIONS ON THE FREE TRANSFERABILITY OF THE SHARES**

The Shares are freely transferable. This is without prejudice to certain restrictions that may apply pursuant to applicable securities laws requirements which are further described in Section 16.6.2 "*Selling Restrictions*" of this Prospectus. In addition, the Existing Shareholders entered into certain contractual restrictions. See Section 16.3 "*Lock-up*" of this Prospectus.

### **13.7 APPLICABLE REGULATION REGARDING MANDATORY PUBLIC TAKEOVER BIDS AND PUBLIC SQUEEZE-OUT BIDS**

#### **13.7.1 GENERAL PROVISIONS**

The Issuer is subject to the Belgian regulations on public takeover bids and public squeeze-out bids. This concerns Article 7:82, §1 BCCA, the Law of 1 April 2007 on takeover bids and the two Royal Decrees of 27 April 2007, namely the Royal Decree on takeover bids on the one hand and the Royal Decree on public squeeze-out bids on the other hand, the main principles of which are summarized and completed below.

#### **13.7.2 MANDATORY PUBLIC BID**

Any public takeover bid is subject to the supervision of the FSMA and requires the preparation of a prospectus that must be submitted to the FSMA for prior approval.

The Law of 1 April 2007 obliges anyone who, directly or indirectly, as a result of an acquisition by himself or by other persons with whom he acts in concert or by persons acting on his behalf or on behalf of such other persons, holds more than 30% of the securities with voting rights in a company whose registered office is located in Belgium and of which at least part of the securities with voting rights is admitted to trading on a regulated market, to make a public takeover bid on all securities with voting rights, or granting access to voting rights, issued by the Issuer.

Generally, and subject to the application of certain exceptions, the simple exceedance of the 30% threshold after an acquisition of securities leads to the obligation to make a bid, regardless of whether or not the consideration paid for the acquisition exceeds the market price.

The regulations provide for a number of derogations from the obligation to make a public takeover bid, such as (i) a capital increase with the statutory preferential subscription rights of Shareholders decided by the General Shareholders' Meeting, (ii) where it is shown that a third party controls the Issuer or holds a holding larger than the person who, alone or acting in concert, holds 30% of the voting rights of the Issuer and (iii) in certain cases in the event of a merger.

The price of the mandatory bid shall be at least equal to the higher of the following amounts: (i) the highest price paid for the securities by the bidder or a person acting in concert with him during the 12 months preceding the announcement of the bid and (ii) the weighted average of the market prices on the most liquid market for the relevant securities over the period of 30 calendar days preceding the date on which the obligation to make the bid arose.

In principle, the bid can be made in cash, in securities or in a combination of both. If the offered consideration consists of securities, then the bidder must propose a cash price as an alternative in two cases: (i) in the event the bidder or a person acting in concert with him has acquired or committed to acquire securities for cash during the period of 12 months preceding the announcement of the bid or during the period covered by the bid, or (ii) in the event the price does not consist of liquid securities admitted to trading on a regulated market.

The mandatory takeover bid must relate to all securities with voting rights or granting access to voting rights, such as convertible bonds or warrants, and must be unconditional in nature.

The BCCA, other regulations (such as the regulations on the disclosure of major shareholdings (see Section 13.8 "*Statutory disclosure of major shareholdings*" of this Prospectus) and the regulations on the control of concentrations, include other provisions that may apply to the Issuer and that may have an impact on, or make it more difficult to implement, a hostile takeover bid or a change of control.

In accordance with the BCCA and the provisions of its Articles of Association, the Issuer is permitted to acquire its own Shares and to increase its capital through the authorized capital (see in this respect Sections 13.5.4.4 "*Acquisition, acceptance in pledge and transfer of own Shares*" and 13.5.4.2 "*Capital increases decided by the Board of Directors*" of this Prospectus), which could deter or frustrate public takeover bids through dilutive issuances of equity securities.

The Issuer is a party to the following significant agreements or instruments which, upon a fundamental change in shareholders or change of control of the Issuer or following a takeover bid can be terminated by the other parties thereto:

- All credit agreements of the Issuer and its subsidiary, as they contain so-called change of control clauses, which allows the relevant financial institution to request the full repayment of the credits prematurely in the event of a change of control of the Issuer;
- The sale-and-lease back framework agreement with KBC Bank (see Section 8.7.3.5 sub (A) "*Sale and lease-back framework agreement with KBC Bank NV*" of this Prospectus for

more information thereon) and all individual lease agreements that would be entered into thereunder, contains, respectively, will contain, a change of control clause, which allows KBC Bank to terminate the framework agreement, respectively, such individual lease agreement in case of a change in the management which has a significant impact on KBC Bank's general risk assessment; and

- The maintenance and operations agreement with a chemical company, based in Belgium, as described in further detail in Section 8.7.2.5 "*Maintenance and/or Operations Agreement*" of this Prospectus.

In addition, the ESOP Warrants include a change of control clause, see Section 13.4 "*ESOP Warrants*" of this Prospectus.

### **13.7.3 PUBLIC SQUEEZE-OUT BID**

In accordance with Article 7:82, §1 BCCA and the Royal Decree of 27 April 2007 on public squeeze-out bids, a natural person or a legal entity, or several natural persons or legal entities acting in concert, who, together with the listed company own(s) 95% of the securities with voting rights in a listed company, can, by way of a public squeeze-out bid, acquire all securities with voting rights, or granting access to voting rights (the "ordinary squeeze-out").

The securities not offered voluntarily in the context of such bid will be deemed to have been automatically transferred to the bidder, with consignment of the price, and the Issuer will then no longer be considered as a listed company. The price must be an amount in cash representing the fair value of the securities (verified by an independent expert) in a manner that safeguards the interests of the holders of the securities.

Moreover, if, as a result of a voluntary or mandatory takeover bid, the bidder (or any person acting in concert with it) holds 95% of the capital to which voting rights are attached and 95% of the securities with voting rights, he may require all other holders of securities with voting rights or granting access to voting rights to sell him their securities at the price of the takeover bid (the "simplified squeeze-out"). In the event of a voluntary takeover bid, a simplified squeeze-out is only possible provided that the bidder, as a result of the voluntary bid, has acquired securities representing at least 90% of the voting capital covered by the voluntary bid. The bidder shall then reopen the bid within three months as of the end of the acceptance period of the bid. Such reopening of the bid shall take place under the same conditions as the original bid, and is regarded as an squeeze-out within the meaning of Article 7:82, §1 BCCA, to which the Royal Decree of 27 April 2007 on public squeeze-outs does not apply. The securities that have not been offered after the expiry of the acceptance period of the thus reopened bid are deemed to have been automatically transferred to the bidder. After the closing of the bid, the market operator of a Belgian regulated market or the operator of a Belgian multilateral trading facility will ex-officio proceed to the delisting of the securities admitted to trading on such market.

### **13.7.4 MANDATORY REPURCHASE OFFER (SELL-OUT)**

Within three months after the end of an acceptance period related to a public takeover bid, holders of securities with voting rights or granting access to voting rights may require a bidder, who, acting alone or in concert with others, after a voluntary or mandatory public takeover bid, or re-opening thereof,

holds 95% of the capital to which voting rights are attached and 95% of the securities with voting rights in a listed company, to take over their securities with voting rights, or granting access to voting rights, at the price of the bid (the “sell-out”). In the event of a voluntary takeover bid, a sell-out is only possible provided that the bidder, as a result of the voluntary bid, has acquired securities representing at least 90% of the voting capital covered by the voluntary bid.

### **13.8 STATUTORY DISCLOSURE OF MAJOR SHAREHOLDINGS**

Belgian legislation (the Law of 2 May 2007 on the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market, and the Royal Decree of 14 February 2008 on the disclosure of major shareholdings) imposes disclosure requirements on each natural person or legal entity (including registered business associations without legal personality and trusts) that acquires or transfers, directly or indirectly, (i) securities with voting rights or (the right to exercise) voting rights, (ii) securities granting the right to acquire existing securities with voting rights, or (iii) securities that are referenced to existing securities with voting rights and with economic effect similar to that of the securities referred to in (ii), whether or not they confer a right to a physical settlement, if, as a result of such acquisition or transfer, the total number of voting rights ((deemed to be) linked to securities referred to in (i) through (iii)) directly or indirectly held by such natural person or legal entity, acting alone or in concert with others, reaches, rises above or falls below a threshold of 5%, or a multiple of 5%, of the total number of voting rights attached to the securities of the Issuer. A notification duty applies also if (a) the voting rights (linked to securities) referred to in (i) or (b) the voting rights deemed to be linked to securities referred to in (ii) and (iii), taken separately, reaches, rises above or falls below the threshold.

The Issuer has introduced an additional disclosure threshold of 3% in its Articles of Association.

The disclosure obligations mentioned above arise each time the above-mentioned thresholds are reached or crossed (downwards or upwards) as a result of, among other things:

- (i) the acquisition or transfer of securities with voting rights or securities granting the right to acquire existing securities with voting rights, regardless of how the acquisition or transfer takes place, e.g., by purchase, sale, exchange, contribution, merger, division, or succession;
- (ii) events that have changed the distribution of voting rights, even if no acquisition or transfer took place (i.e., passively crossing these thresholds);
- (iii) the conclusion, amendment or termination of an agreement for acting in concert;
- (iv) the holding of a participation when shares of an issuer are admitted to trading on the regulated market for the first time; or
- (v) the acquisition or transfer of voting rights or the right to exercise voting rights.

The disclosure provisions apply to any natural person or legal entity that “directly” or “indirectly” acquires, transfers or holds securities mentioned in the first paragraph of this Section 13.8. In this

respect, a natural person or legal entity is deemed to “indirectly” acquire, transfer or hold securities with voting rights of the Issuer:

- (i) when voting rights ((deemed to be) linked to securities) mentioned in the first paragraph of this Section 13.8 are acquired, transferred or held by a third party that, whether acting in its own name or not, acts for the account of such natural person or legal entity;
- (ii) when voting rights ((deemed to be) linked to securities) mentioned in the first paragraph of this Section 13.8 are acquired, transferred or held by an enterprise controlled (within the meaning of Articles 1:14 and 1:16 BCCA) by that natural person or legal entity; or
- (iii) when that natural person or legal entity acquires or transfers control over an enterprise holding voting rights ((deemed to be) linked to securities) mentioned in the first paragraph of this Section 13.8 in the Issuer.

When the law requires a transparency notification, such notification must be communicated as soon as possible to the FSMA and to the Issuer, and at the latest within four trading days. This period commences on the trading day following the day on which the event that caused the notification obligation occurred.

Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA can also impose administrative sanctions.

The Issuer must publish the information received by way of such notification within three trading days after receiving the notification. Furthermore, the Issuer must state its shareholder structure (as it appears from the notifications received) in the notes to its annual accounts. In addition, the Issuer must publish the total share capital, the total number of securities and voting rights and the total number of voting securities and voting rights for each class (if any) at the end of each calendar month in which one of these numbers has changed. In addition, the Issuer must, where appropriate, publish the total number of bonds convertible in voting securities (if any) as well as the total number of rights, whether or not included in securities, to subscribe for not yet issued voting securities (if any), the total number of voting securities that can be obtained upon the exercise of these conversion or subscription rights, and the total number of shares without voting rights (if any). All transparency notifications received by the Issuer can be consulted on the Issuer’s website ([www.ekopak sustainablewater.com](http://www.ekopak sustainablewater.com)), where they are published in their entirety.

## 14 TAXATION

### 14.1 PRIOR WARNING

As the country of incorporation of the Issuer is Belgium, and the country of incorporation of the Issuer may have an impact on the tax consequences of the acquisition, ownership and transfer of Shares, the following paragraphs summarize certain Belgian income tax consequences of the acquisition, ownership and transfer of Shares under Belgian tax law.

This summary is based on the tax laws, regulations and administrative interpretations applicable in Belgium as in force at the date of the preparation of this Prospectus and is provided subject to changes, including retroactive changes.

Applicable laws, treaties and regulatory interpretations in effect in the investors' respective European member state or country of residence or incorporation may also have an impact on the income received from the Shares.

Investors should appreciate that, as a result of evolutions in law or practice, the possible tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the investment in, ownership in and disposal of the Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, Shares as a position in a straddle, Share repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions. This summary does not address the tax regime applicable to Shares held by Belgian tax residents through a fixed basis or a permanent establishment situated outside Belgium. This summary does in principle not address the local taxes that may be due in connection with an investment in the Shares, other than Belgian local surcharges which generally vary from 0% to 9% of the investor's income tax liability.

For purposes of this summary, a Belgian resident is (i) a person subject to Belgian personal income tax (*i.e.*, an individual who has his domicile or seat of fortune in Belgium, or an equivalent person), (ii) a company subject to Belgian corporate income tax (*i.e.*, a company who has its main establishment or its seat of management or administration in Belgium), or (iii) a legal person subject to Belgian income tax on legal entities (*i.e.*, a legal person other than a company subject to Belgian corporate income tax, having its main establishment or seat of management or administration in Belgium). A non-resident is a person who is not a Belgian resident.

Potential investors who would like more information about the Issuer's tax regime and/or more information, both in Belgium and abroad, regarding the acquisition, holding and transfer of Shares and the collection of dividends or proceeds from Shares, are invited to consult their usual financial and tax advisers.

## **14.2 BELGIAN TAXATION**

### **14.2.1 DIVIDENDS**

#### **14.2.1.1 BELGIAN WITHHOLDING TAX**

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Code of Companies and Associations is not treated as a dividend distribution to the extent that such repayment is imputed to the fiscal paid-up capital and the amounts assimilated to the paid-up capital. This fiscal paid-up capital includes, in principle, the actual paid-up contributions in cash or in kind (other than contributions of labor) to the extent that no reimbursement or reduction has been made and, subject to certain conditions, the paid-up share premiums and the other amounts representing actual paid-up contributions in cash or in kind (other than contributions of labor), at the time of the issue of shares or profit sharing certificates. However, a repayment of capital or amounts assimilated to the paid-up capital, decided by the general meeting of shareholders as of 1 January 2018 and carried out in accordance with the Belgian Code of Companies and Associations is partly considered to be a dividend distribution, more specifically with respect to the portion that is deemed to be the distribution of the existing taxed reserves (irrespective of whether they are incorporated into capital) and/or of the tax-free reserves incorporated into the capital. Such portion is determined on the basis of the ratio of certain taxed reserves and tax-free reserves incorporated into the capital over the aggregate of such reserves and the fiscal paid-up capital.

Belgian withholding tax of 30% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In the event of redemption of the Shares, the redemption gain (*i.e.*, the redemption proceeds after deduction of the portion of fiscal paid-up capital represented by the redeemed Shares) will be treated as a dividend subject to a Belgian withholding tax of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if such redemption is carried out on Euronext or a similar stock exchange and meets certain conditions.

In the event of liquidation of the Issuer, the liquidation gain (*i.e.*, the amount distributed in excess of the fiscal paid-up capital) will in principle be subject to Belgian withholding tax at a rate of 30%, subject to such relief as may be available under applicable domestic or tax treaty provisions.

Non-Belgian dividend withholding tax, if any, will neither be creditable against any Belgian income tax due nor reimbursable to the extent that it exceeds Belgian income tax due.

#### **14.2.1.2 BELGIAN RESIDENT INDIVIDUALS**

For Belgian resident individuals who acquire and hold the Shares as a private investment, the Belgian dividend withholding tax (at a tax rate of 30%) fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where such individual opts to report them, dividends will normally be taxable at the lower of the generally applicable 30% withholding tax rate on dividends or at the progressive personal income tax rates applicable to the taxpayer's overall declared income (local surcharges will not apply). The first EUR

800 (amount applicable for income year 2021 up to 2023) of reported ordinary dividend income will be exempt from tax. For the avoidance of doubt, all reported dividends (hence, not only dividends distributed on the Shares) are taken into account to assess whether said maximum amount is reached. The aforementioned exempted amount is not applicable to redemption and liquidation dividends. In addition, if the dividends are reported, the dividend withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on the Shares. This condition is not applicable if the individual can demonstrate that he has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the attribution of the dividends.

For Belgian resident individuals who acquire and hold the Shares for professional purposes, the Belgian withholding tax does not fully discharge their personal income tax liability. Dividends received must be reported by the investor and will, in such case, be taxable at the investor's personal income tax rate increased with local surcharges. Withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is identified and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if the investor can demonstrate that he has held the full legal ownership of the Shares for an uninterrupted period of 12 months prior to the attribution of the dividends.

#### **14.2.1.3 BELGIAN LEGAL ENTITIES**

For taxpayers subject to the Belgian income tax on legal entities, the Belgian dividend withholding tax (at a tax rate of 30%) in principle fully discharges their income tax liability.

#### **14.2.1.4 BELGIAN RESIDENT COMPANIES**

##### **Corporate income tax**

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. For such companies, the gross dividend income (including the withholding tax) must be declared in the corporate income tax return and will be subject to corporate income tax. As of assessment year 2021 (for financial years starting on or after 1 January 2020) the ordinary corporate income tax rate amounts to 25%. Subject to certain conditions, a reduced corporate income tax rate of 20% may apply for small companies (as defined by Article 1:24, §1 to §6 of the Belgian Code of Companies and Associations) on the first EUR 100,000 of taxable profits.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is identified; and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable (a) if the company can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the attribution of the dividends; or (b) if, during said period, the Shares never belonged to a taxpayer other

than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a permanent establishment (**PE**) in Belgium.

As a general rule, Belgian resident companies can (subject to certain limitations) deduct 100% of gross dividends received from their taxable income (dividend received deduction), provided that at the time of a dividend payment or attribution: (1) the Belgian resident company holds Shares representing at least 10% of the share capital of the Issuer or a participation in the Issuer with an acquisition value of at least EUR 2,500,000; (2) the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (3) the conditions relating to the taxation of the underlying distributed income, as described in article 203 of the Belgian Income Tax Code (the **Article 203 ITC Taxation Condition**) are met (together, the **Conditions for the application of the dividend received deduction regime**). Under certain circumstances the conditions referred to under (1) and (2) do not need to be fulfilled in order for the dividend received deduction to apply.

The Conditions for the application of the dividend received deduction regime depend on a factual analysis, upon each distribution, and for this reason the availability of this regime should be verified upon each distribution.

### **Withholding tax**

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the share capital of the Issuer and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian resident company must provide the Issuer or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions. If the Belgian resident company holds the required minimum participation for less than one year, at the time the dividends are paid on or attributed to the Shares, the Issuer will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the Belgian resident company certifies its qualifying status, the date from which it has held such minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year. The Belgian resident company must also inform the Issuer or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the share capital of the Issuer before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the Belgian resident company.

Please note that the above described dividend received deduction and withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements (*“rechtshandeling of geheel van rechtshandelingen”/“acte juridique ou un ensemble d’actes juridiques”*) for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine (*“kunstmatig”/“non authentique”*) and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the EU Parent-Subsidiary Directive of 30 November 2011 (2011/96/EU) (**Parent-Subsidiary Directive**) in another EU Member State. An

arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

#### **14.2.1.5 NON-RESIDENTS**

##### **Non-resident income tax**

For non-resident individuals and companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds the Shares in connection with a business conducted in Belgium through a fixed base in Belgium or a Belgian PE.

If the Shares are acquired by a non-resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable non-resident personal or corporate income tax rate, as appropriate. Belgian withholding tax levied at source may be credited against non-resident personal or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (1) the taxpayer must own the Shares in full legal ownership on the day the beneficiary of the dividend is identified and (2) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable if (a) the non-resident individual or the non-resident company can demonstrate that the Shares were held in full legal ownership for an uninterrupted period of 12 months prior to the attribution of the dividends or (b) with regard to non-resident companies only, if, during said period, the Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a Belgian PE.

Non-resident companies whose Shares are invested in a Belgian PE may deduct 100% of the gross dividends received from their taxable income if, at the date the dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met (see Section 14.2.1.4 “*Belgian Resident Companies*” of this Prospectus). Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

##### **Belgian dividend withholding tax relief for non-residents**

Dividends distributed to non-resident individuals who do not use the Shares in the exercise of a professional activity, may be eligible for the newly introduced tax exemption with respect to ordinary dividends in an amount of up to EUR 800 (amount applicable for income year 2021) per year. For the avoidance of doubt, all dividends paid or attributed to such non-resident individual (and hence not only dividends paid or attributed on the Shares) are taken into account to assess whether said maximum amount is reached. Consequently, if Belgian withholding tax has been levied on dividends paid or attributed to the Shares, such non-resident individual may request in its Belgian non-resident income tax return to credit and, as the case may be, reimburse the Belgian withholding tax levied on the exempted amount. However, if no Belgian non-resident income tax return has to be filed by the non-resident individual, any Belgian withholding tax levied could in principle be reclaimed (up to the exempted amount) by filing a request thereto addressed to the tax official (“*Adviseur-generaal Centrum Buitenland*”/“*Conseiller-général du Centre Etranger*”) appointed by the Royal Decree of 28 April 2019. Such a request has to be made at the latest on 31 December of the calendar year

following the calendar year in which the relevant dividend(s) have been received, together with an affidavit confirming the non-resident individual status and certain other formalities.

Dividends distributed to non-resident qualifying parent companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause, will, under certain conditions, be exempt from Belgian withholding tax provided that the Shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the share capital of the Issuer and such minimum participation is held or will be held during an uninterrupted period of at least one year. A non-resident company qualifies as a parent company provided that (i) for companies established in a Member State of the EU, it has a legal form as listed in the annex to the Parent-Subsidiary Directive, as amended from time to time, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty, it has a legal form similar to the ones listed in such annex; (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime. In order to benefit from this exemption, the non-resident company must provide the Issuer or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required conditions.

If the non-resident company holds a minimum participation for less than one year at the time the dividends are attributed to the Shares, the Issuer must levy the withholding tax but does not need to transfer it to the Belgian Treasury provided that the non-resident company provides the Issuer or its paying agent with a certificate confirming, in addition to its qualifying status, the date as of which it has held the minimum participation, and its commitment to hold the minimum participation for an uninterrupted period of at least one year. The non-resident company must also inform the Issuer or its paying agent when the one-year period has expired or if its shareholding drops below 10% of the Issuer's share capital before the end of the one-year holding period. Upon satisfying the one-year holding requirement, the dividend withholding tax which was temporarily withheld, will be refunded to the non-resident company.

Please note that the above withholding tax exemption will not be applicable to dividends which are connected to an arrangement or a series of arrangements (*"rechtshandeling of geheel van rechtshandelingen"*/*"acte juridique ou un ensemble d'actes juridiques"*) for which the Belgian tax administration, taking into account all relevant facts and circumstances, has proven, unless evidence to the contrary, that this arrangement or this series of arrangements is not genuine (*"kunstmatig"*/*"non authentique"*) and has been put in place for the main purpose or one of the main purposes of obtaining the dividend received deduction, the above dividend withholding tax exemption or one of the advantages of the Parent-Subsidiary Directive in another EU Member State. An arrangement or a series of arrangements is regarded as not genuine to the extent that they are not put into place for valid commercial reasons which reflect economic reality.

Dividends distributed by a Belgian company to non-resident companies on a share participation of less than 10% will under certain conditions be subject to an exemption from withholding tax, provided that the non-resident companies (i) are either established in another Member State of the EEA or in a country with which Belgium has concluded a double tax treaty, where that treaty, or any other treaty concluded between Belgium and that jurisdiction, includes a qualifying exchange of information

clause; (ii) have a legal form as listed in Annex I, Part A to the Parent-Subsidiary Directive as amended from time to time, or a legal form similar to the legal forms listed in the aforementioned annex and which is governed by the laws of another Member State of the EEA or a similar legal form in a country with which Belgium has concluded a double tax treaty; (iii) hold a share participation in the Belgian dividend distributing company, upon payment or attribution of the dividends, of less than 10% of the Issuer's share capital but with an acquisition value of at least EUR 2,500,000; (iv) hold or will hold the Shares which give rise to the dividends in full legal ownership during an uninterrupted period of at least one year; and (v) are subject to the corporate income tax or a tax regime similar to the corporate income tax without benefiting from a tax regime which deviates from the ordinary regime. The exemption from withholding tax is only applied to the extent that the Belgian withholding tax, which would be applicable absent the exemption, could not be credited nor reimbursed at the level of the qualifying, dividend receiving, company. The non-resident company must provide the Issuer or its paying agent with a certificate confirming, in addition to its full name, legal form, address and fiscal identification number (if applicable), its qualifying status and the fact that it meets the required conditions mentioned under (i) to (v) above, and indicating to which extent the withholding tax, which would be applicable absent the exemption, is in principle creditable or reimbursable on the basis of the law as applicable on 31 December of the year preceding the year during which the dividend is paid or attributed.

Belgian dividend withholding tax is subject to such relief as may be available under applicable tax treaty provisions. Belgium has concluded tax treaties with a lot of countries, reducing the dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities. Such reduction may be obtained either directly at source or through a refund of taxes withheld in excess of the applicable treaty rate.

Prospective holders of Shares should consult their own tax advisers to determine whether they qualify for a reduction in withholding tax upon payment or attribution of dividends, and, if so, to understand the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

## **14.2.2 CAPITAL GAINS AND LOSSES**

### **14.2.2.1 BELGIAN RESIDENT INDIVIDUALS**

In principle, Belgian resident individuals acquiring the Shares as a private investment should not be subject to Belgian capital gains tax on the disposal of the Shares and capital losses will not be tax deductible.

However, capital gains realized by a Belgian resident individual are taxable at a rate of 33% (plus local surcharges) if the capital gain on the Shares is deemed to be realized outside the scope of the normal management of the individual's private estate (e.g. in the event of speculation). Capital losses are, however, not tax deductible.

Moreover, capital gains realized by Belgian resident individuals on the disposal of the Shares, outside the exercise of a professional activity, to a non-resident company (or body constituted in a similar legal form), to a foreign State (or one of its political subdivisions or local authorities) or to a non-resident

legal entity, each time established outside the EEA, are in principle taxable at a rate of 16.5% (plus local surcharges) if, at any time during the five years preceding the sale, the Belgian resident individual has owned, directly or indirectly, alone or with his or her spouse or with certain relatives, a substantial shareholding in the Issuer (*i.e.*, a shareholding of more than 25% in the Issuer). Capital losses are, however, not tax deductible in such event.

Capital gains realized by Belgian resident individuals upon redemption of the Shares or upon liquidation of the Issuer will generally be taxable as a dividend (see Section 14.2.1.2 "*Belgian Resident Companies*" of this Prospectus).

Belgian resident individuals who hold the Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realized upon the disposal of the Shares, except for the Shares held for more than five years, which are taxable at a separate rate of 10% (capital gains realized in the framework of the cessation of activities under certain circumstances) or 16.5% (other), both plus local surcharges. Capital losses on the Shares incurred by Belgian resident individuals who hold the Shares for professional purposes are in principle tax deductible.

#### **14.2.2.2 BELGIAN LEGAL ENTITIES**

Capital gains realized upon disposal of the Shares by Belgian resident legal entities are in principle not subject to Belgian income tax and capital losses are not tax deductible.

Capital gains realized upon disposal of (part of) a substantial participation in a Belgian company (*i.e.*, a participation representing more than 25% of the share capital of the Issuer at any time during the last five years prior to the disposal) may, however, under certain circumstances be subject to income tax in Belgium at a rate of 16.5%.

Capital gains realized by Belgian resident legal entities upon redemption of the Shares or upon liquidation of the Issuer will, in principle, be subject to the same taxation regime as dividends.

#### **14.2.2.3 BELGIAN RESIDENT COMPANIES**

Belgian resident companies are normally not subject to Belgian capital gains taxation on gains realized upon the disposal of the Shares provided that the Conditions for the application of the dividend received deduction regime are met.

If one or more of the Conditions for the application of the dividend received deduction regime are not met, any capital gain realized would be taxable at the standard corporate income tax rate of 25%, unless the reduced corporate income tax rate of 20% applies.

Capital losses on the Shares incurred by Belgian resident companies are as a general rule not tax deductible.

Shares held in the trading portfolios of Belgian qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different regime. Capital gains on such Shares are taxable at the ordinary corporate income tax rate of 25%, unless the

reduced corporate income tax rate of 20% applies, and the capital losses on such Shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realization.

Capital gains realized by Belgian resident companies upon redemption of the Shares or upon liquidation of the Issuer will, in principle, be subject to the same taxation regime as dividends.

#### **14.2.2.4 NON-RESIDENTS**

Non-resident individuals, companies or entities are, in principle, not subject to Belgian income tax on capital gains realized upon disposal of the Shares, unless the Shares are held as part of a business conducted in Belgium through a fixed base in Belgium or a Belgian PE. In such a case, the same principles apply as described with regard to Belgian individuals (holding the Shares for professional purposes), Belgian companies or Belgian resident legal entities subject to Belgian legal entities tax.

Non-resident individuals who do not use the Shares for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Shares to Belgium, might be subject to tax in Belgium if the capital gains are obtained or received in Belgium and arise from transactions which are to be considered speculative or beyond the normal management of one's private estate or in the event of disposal of a substantial participation in a Belgian company as mentioned in the tax treatment of the disposal of the Shares by Belgian individuals (see Section 14.2.2.1 "*Belgian Resident Individuals*" of this Prospectus). Such non-resident individuals might therefore be obliged to file a tax return and should consult their own tax adviser.

Capital gains realized by non-resident individuals or non-resident companies upon redemption of the Shares or upon liquidation of the Issuer will, in principle, be subject to the same taxation regime as dividends.

#### **14.2.3 *SYSTEM OF TAXATION ON STOCK EXCHANGE TRANSACTIONS (TSET)***

The purchase and the sale and any other acquisition or transfer for consideration of existing Shares (secondary market transactions) is subject to the Belgian tax on stock exchange transactions ("*taks op de beursverrichtingen*" / "*taxe sur les opérations de bourse*") if (i) it is entered into or carried out in Belgium through a professional intermediary, or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a "Belgian Investor"). The tax on stock exchange transactions is not due upon the issuance of the New Shares (primary market transactions).

The tax on stock exchange transactions is levied at a rate of 0.35% of the purchase price, capped at EUR 1,600 per transaction and per party.

Such tax is separately due by each party to the transaction, and each of those is collected by the professional intermediary. However, if the order is made directly or indirectly to a professional intermediary established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. In the latter case, the

foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (“*bordereel*” / “*bordereau*”), at the latest on the business day after the day the transaction concerned was realized. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian stock exchange tax representative (**Stock Exchange Tax Representative**), which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary and for complying with the reporting obligations and the obligations relating to the order statement in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transaction.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in article 2, 9° and 10° of the Belgian Law of 2 August 2002 on the supervision of the financial sector and financial services; (ii) insurance companies described in article 2, §1 of the Belgian Law of 9 July 1975 on the supervision of insurance companies; (iii) pension institutions referred to in article 2, 1° of the Belgian Law of 27 October 2006 concerning the supervision of pension institutions; (iv) undertakings for collective investment; (v) regulated real estate companies; and (vi) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

The EU Commission adopted on 14 February 2013 the Draft Directive on a common Financial Transaction Tax. The Draft Directive currently stipulates that, once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive regarding the FTT is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

#### **14.2.4 TAX ON SECURITIES ACCOUNTS**

The Law of 17 February 2021 on the introduction of an annual tax on securities accounts, published in the Belgian Official Gazette on 25 February 2021, introduces a new annual tax on securities accounts in the Belgian code of miscellaneous duties and taxes (*wetboek diverse rechten en taksen / Code des droits et taxes divers*).

An annual tax of 0.15% will be levied on securities accounts of which the average value of the taxable financial instruments (covering, amongst others, financial instruments such as the Shares) exceeds EUR 1 million during a reference period of twelve consecutive months (in principle) starting on 1 October and ending on 30 September of the subsequent year. The taxable base is determined based on four reference dates: 31 December, 31 March, 30 June and 30 September. The amount of tax due will be limited to 10% of the difference between the said average value of the taxable financial instruments and the threshold of EUR 1 million.

The tax will target securities accounts held by resident individuals subject to Belgian personal income tax, resident companies subject to Belgian corporate income tax and resident legal entities subject to Belgian legal entities tax, wherever the intermediary is incorporated or established (in Belgium or abroad). The tax will also apply to securities accounts held with an intermediary incorporated or established in Belgium by non-residents (individuals, companies and legal entities subject to Belgian non-resident tax). Securities accounts that form part of the business property of a Belgian establishment of a non-resident as referred to in Article 229 of the Belgian Income Tax Code 1992, wherever the intermediary is incorporated or established (in Belgium or abroad), will also be subject to the annual tax.

There are a number of exemptions from the tax, such as securities accounts held exclusively for their own account (i.e. no third party has a direct or indirect claim connected to the value of the securities accounts) by specifically mentioned financial companies.

An intermediary will be defined as (i) the National Bank of Belgium, the European Central Bank and the foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the Belgian Income Tax Code 1992, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking firms and (iv) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

A Belgian intermediary is an intermediary incorporated under Belgian law as well as an intermediary established in Belgium.

The Belgian intermediary in principle withholds, declares and pays the tax. In all other cases, the holder will declare and pay the tax himself, unless he can prove that the tax has already been declared and paid by an intermediary, irrespective as to whether the intermediary is incorporated or established in Belgium or abroad. When multiple holders hold a securities account, each holder may fulfil the declaration requirements for all holders and each holder shall be jointly and severally liable for the payment of the tax. An intermediary not incorporated or established in Belgium, when managing a securities account subject to the tax, may have a representative established in Belgium recognized by or on behalf of the Minister of Finance. The representative shall be jointly and severally liable towards to Belgian State to declare and pay the tax, as well as to perform all obligations to which an intermediary is bound.

Certain transactions relating securities accounts performed as from 30 October 2020 will not be opposable to the Belgian tax authorities, in particular: (i) splitting a securities account into multiple securities accounts held with the same intermediary, or (ii) the conversion of taxable financial instruments held on a securities account into non-taxable nominative financial instruments. In addition, a general anti-abuse provision is also included to counter certain actions to avoid the application of the tax. The anti-abuse provision will apply retroactively as from 30 October 2020.

Prospective holders of the Shares are advised to seek their own professional advice in relation to the specific impact of this tax on their tax situation.

## **15 INFORMATION ON THE PRIVATE PLACEMENT AND LISTING**

### **15.1 PURPOSE OF THIS PROSPECTUS – LISTING ON EURONEXT BRUSSELS**

There has not yet been a public market for the Shares.

This Prospectus constitutes a listing prospectus for purposes of Article 3(3) of the Prospectus Regulation and has been prepared in accordance with the Prospectus Regulation and its Delegated Regulations, in relation to the admission to trading on the regulated market of Euronext Brussels of (i) all existing shares of the Issuer, (ii) the New Shares (maximum 3,571,428) (iii) the additional new Shares (if any) without nominal value that will be issued if the Over-allotment Option is exercised by the Stabilization Manager (and could so amount to up to 15% of the number of Offer Shares subscribed for in the Private Placement), and (iv) new Shares (if any) without nominal value that will be issued pursuant to the exercise of the 30,000 outstanding ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022.

The Shares are expected to be listed under the symbol “EKOP” with an ISIN code of BE0974380124.

Trading on the regulated market of Euronext Brussels is expected to commence:

- (i) for the existing Shares and the New Shares: on an “if-and-when-issued-and/or-delivered” basis, on or about 31 March 2021 (the **Listing Date**), provided that this may be accelerated in the event of early closing or postponed in case of extension, and will start at the latest on the Closing Date, when the Placement Shares are delivered to investors;
- (ii) for the new Shares (if any) that will be issued pursuant to the exercise of the Over-allotment Option: on or about the date of their issuance; and
- (iii) for the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022: on or about the date of their issuance.

As of the Listing Date, and until the Closing Date and delivery of the Placement Shares, the Shares will be traded on the regulated market of Euronext Brussels on an “as-if-and-when issued and/or delivered” basis. Investors who wish to effect transactions in Shares prior to the Closing Date, whether such transactions are effected on the regulated market of Euronext Brussels or otherwise, should be aware that the issuance and delivery of the Placement Shares may not take place on the expected Closing Date, or at all, (i) if the Private Placement is withdrawn, in which instance the Issuer will also withdraw its application for the Listing, or the Private Placement Period is suspended, in which instance the Issuer also reserves the right to withdraw its application for the Listing (see Section 15.4.5 “*Suspension of the Private Placement and withdrawal of the Private Placement*” of this Prospectus) or (ii) if certain conditions or events referred to in the Underwriting Agreement (see Section 16.1 “*Underwriting*” of this Prospectus) are not satisfied or waived or do not occur on or prior to such date. Euronext Brussels may annul all transactions effected in the Shares if the Placement

Shares are not delivered on the Closing Date. See Risk Factor 2.7.2 *“The Shares will be listed and traded on the regulated market of Euronext Brussels on an “if-and-when-issued-and/or-delivered” basis from the Listing Date until the Closing Date. Euronext Brussels may annul all transactions effected in the Shares if they are not issued and delivered on the Closing Date.”* of this Prospectus. Euronext Brussels cannot be held liable for any damage arising from the listing and trading on an “if-and-when-issued-and/or-delivered” basis as of the Listing Date until the expected Closing Date.

In order to provide potential investors in the Shares of the Issuer after the Listing with the necessary information on the Issuer’s envisaged Private Placement, which is expected to be completed on the Closing Date, the Issuer has included detailed information on the Private Placement in this Section.

## 15.2 EXPECTED TIMETABLE FOR THE TRANSACTION

Certain key dates in connection with the Transaction are summarized in the following table. The Issuer reserves the right to amend the dates and times and the periods indicated in the Timetable below and in this Prospectus. In that case, the Issuer will inform Euronext Brussels and the investors thereof through a press release and on the website of the Issuer. Insofar as legally required, the Issuer will furthermore publish a supplement to this Prospectus.

25 March 2021	Expected start of the Private Placement Period
30 March 2021 at 16:00 (Brussels time)	Expected end of the Private Placement Period
30 March 2021	Expected publication of the Placement Price and results of the Private Placement and allocation of the Placement Shares
At the latest on 31 March 2021 (before opening of the markets)	Communication of the allocation of the Placement Shares to the relevant investors
31 March 2021	Expected Listing Date (listing and start of “if-and-when-issued-and/or-delivered” trading)
6 April 2021	Expected Closing Date (payment, settlement and delivery of the Placement Shares)
30 April 2021	Expected last possible exercise date of the Over-allotment Option

## 15.3 DECISION OF THE ISSUER REGARDING THE PRIVATE PLACEMENT

At the Extraordinary General Shareholders’ Meeting of the Issuer held on 17 March 2021, it was decided to:

- (i) increase the Issuer’s share capital by a contribution in cash for a minimum amount of EUR 30,000,000 (including issue premium) and for a maximum amount of EUR 50,000,000 (including issue premium), through the issuance, in the context of the Private Placement, of

New Shares at a final issue price per New Share at least equal to the exact par value of the existing Shares (i.e., EUR 0.45);

- (ii) grant the Over-allotment Option (see Section 15.8 “*Over-allotment Option*” of this Prospectus) to the Stabilization Manager, subject to, and with effect as from, the completion of the Transaction;
- (iii) amend the Issuer’s Articles of Association, as required pursuant to the Transaction, subject to the completion of the Transaction and, except as otherwise indicated (see Section 13 “Share capital and Articles of Association” of this Prospectus), with effect as from the Listing Date.

The Existing Shareholders of the Issuer have explicitly and irrevocably waived their preferential subscription rights in the context of the Transaction.

This Prospectus has been approved by the Board of Directors of the Issuer on 23 March 2021.

On 23 March 2021, an “ad hoc committee” comprised of Pieter Loose (acting through Pilovan BV) and Pieter Bourgeois (acting through Crescemus BV) (the **Transaction Committee**), decided, on the basis of an explicit power of attorney granted by the same Extraordinary General Shareholders’ Meeting of 17 March 2021, to set the final Price Range from EUR 14.00 to EUR 16.75 and the maximum number of New Shares at 3,571,428.

## **15.4 TERMS AND CONDITIONS OF THE PRIVATE PLACEMENT**

### **15.4.1 NATURE AND SIZE OF THE PRIVATE PLACEMENT**

In the context of the Private Placement, the Company targets to raise the maximum gross proceeds in the amount of EUR 50 million through the issue of New Shares (thus not taking into account any exercise of the Over-Allotment Option). The minimum gross proceeds to the Company through the issue of New Shares pursuant to the Private Placement has been set at EUR 30 million (below which the Transaction will not be completed).

The Private Placement will take place in a number of countries outside the United States in so called “offshore transactions” in reliance on Regulation S under the US Securities Act, namely:

- (i) in the European Economic Area (EEA) by way of a private placement addressed to (a) “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation on the basis of the applicable exemption to the obligation to publish a prospectus as provided under Article 1.4(a) of the Prospectus Regulation, and (b) certain investors that are willing to subscribe for a minimum of EUR 100,000 of Shares in the Private Placement at the Private Placement Price, on the basis of the applicable exemption to the obligation to publish a prospectus as provided for under Article 1.4(d) of the Prospectus Regulation (all such persons together referred to as the EU Relevant Persons);
- (ii) in the United Kingdom, by way of a private placement exclusively to (i) “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation; (ii) persons who have professional experience in matters relating to investments falling within the definition of

“investment professionals” in Article 19(5) of the Order; (iii) “high net worth companies, unincorporated associations, etc.” falling within Article 49(2)(a) to (d) of the Order, or (iv) any other person to whom it may otherwise lawfully be communicated (all such persons together referred to as UK Relevant Persons);

- (iii) in Switzerland by way of a private placement exclusively to investors that qualify as “professional clients” in accordance with Article 4, paragraph 3 and following (such persons referred to as Professional Clients).

All aforementioned EU Relevant Persons, UK Relevant Persons and Professional Clients hereinafter collectively referred to as Qualified Persons.

The Private Placement relates to the offering to Qualified Persons of maximum 3,571,428 New Shares, within a Price Range of EUR 14.00 and EUR 16.75 per Share, it being understood that:

- (i) pursuant to the Increase Option, the offering of maximum 3,571,428 New Shares in the Private Placement may be increased by an offering of up to 357,142 existing Shares (*i.e.*, up to 10% of the maximum number of New Shares initially offered by the Issuer in the Private Placement, which existing Shares, together with the New Shares, constitute the Offer Shares) at the Placement Price (see section 15.7 “*Increase Option*” of this Prospectus); and
- (ii) in order to facilitate stabilization by the Stabilization Manager in connection with the Private Placement, if any, the Stabilization Manager will be able to over-allot existing Shares in the Private Placement at the Placement Price (the Additional Shares, which, together with the Offer Shares, constitute the Placement Shares – see Section 16.4 “*Over-allotment Option and price stabilization*” of this Prospectus for more information). If the final Placement price is at the lower end of the Price Range, and the Over-allotment is exercised to its fullest extent, with the Increase Option also having been fully exercised, the maximum number of new Shares that will be issued pursuant to the exercise in full of the Over-allotment Option is 589,284.

The actual number of Placement Shares will only be determined after the Private Placement Period and will be announced by means of a press release of the Issuer. Such publication is currently expected to be made on or about 30 March 2021 and in any event no later than the first business day after the end of the Private Placement Period. The allocation of the Placement Shares will be communicated to the relevant investors at the latest on 31 March 2021 (before opening of the markets).

The minimum gross proceeds for the Company pursuant to the issue of New Shares are set at EUR 30 million, below which the Transaction will not be completed. The Issuer reserves the right to (i) suspend the Private Placement Period, in which instance the Issuer also reserves the right to withdraw its application for the Listing, or withdraw the Private Placement, in which instance the Issuer will also withdraw its application for the Listing (see Section 15.4.5 “*Suspension of the Private Placement and withdrawal of the Private Placement*” of this Prospectus) or (ii) reduce the maximum number of New Shares offered in the Private Placement, at any time prior to the allocation of the Placement Shares (which will be determined at the end of the Private Placement Period on or about 30 March 2021). See

also Sections 15.3 “Decision of the Issuer regarding the Private Placement” and 15.4.6 “Prospectus Supplement” of this Prospectus).

#### 15.4.2 PRE-COMMITMENTS

Prior to the Private Placement, the Pre-committed Investors have irrevocably committed themselves vis-à-vis the Company to subscribe for New Shares in the Private Placement at the final Placement Price, in exchange for a guaranteed allocation in the Private Placement of the corresponding number of New Shares, for an aggregate amount of EUR 18 million upon completion of the Private Placement, subject only to the following conditions at the date of this Prospectus: (i) full allocation of their respective Pre-Commitments (ii) during the subscription period of the Private Placement, the Company shall not be under any obligation to publish a supplement to the Prospectus as a result of a material mistake or material inaccuracy relating to the information included in this Prospectus; and (iii) the closing of the Private Placement takes place on or prior to 17 May 2021. In the event the Private Placement is oversubscribed, the Pre-commitments will not be reduced but will be entirely allocated with priority to the Pre-Committed Investors.

The table below gives an overview of the individual amounts of the Pre-commitments of each Pre-committed Investor:

Name Pre-committed Investor	Aggregate Pre-commitment Amount (€)	Number of New Shares in the Private Placement pursuant to the Pre-commitment assuming the Offer Price is the lower end of the Price Range, i.e., EUR 14.00	
		#	% of total amount of New Shares
Certain mutual funds and segregated portfolios advised by AXA Investment Managers Paris	€ 6,000,000	428,569	12.00%
KBC Asset Management NV on behalf of multiple undertakings for collective investment	€ 5,000,000	357,142	10.00%
Lazard Asset Management (Deutschland) GmbH	€ 4,000,000	285,714	8.00%
UBS Asset Management acting as discretionary asset manager acting for and on behalf of certain funds	€ 3,000,000	214,285	6.00%
<b>TOTAL</b>	<b>€ 18,000,000</b>	<b>1,285,710</b>	<b>36.00%</b>

The Pre-committed Investors are not bound by any contractual lock-up restrictions (see Section 16.3 “Lock-up” of this Prospectus).

#### 15.4.3 PLACEMENT PRICE

The Placement Price will be a single price in euro, exclusive of the Belgian tax on stock exchange transactions, if applicable (see Section 14.2.3 “System of taxation on stock exchange transactions (TSET)” of this Prospectus), and costs, if any, charged by financial intermediaries for the submission of applications, and will apply to all investors.

The Placement Price will be determined on the basis of the bookbuilding process that will take place in the context of the Private Placement, taking into account various relevant qualitative and quantitative elements, including but not limited to the number of Placement Shares requested, the size of purchase

orders received, the quality of the Qualified Person submitting such purchase orders and the conditions and prices at which such purchase orders were made, as well as market conditions at that time.

The Placement Price is expected to be within the Price Range of EUR 14.00 and EUR 16.75 per Placement Share.

The Price Range is an indicative price range that has been determined by the Issuer after consultation with, and following recommendations from, the Sole Global Coordinator, taking into account market conditions and factors including but not limited to (i) the condition of the financial markets, (ii) the Issuer's financial position, (iii) qualitative assessment of the demand for the Placement Shares, and (iv) all other factors deemed relevant.

The Issuer reserves the right to increase or decrease the lower limit of the Price Range or to decrease the upper limit of the Price Range. If the Price Range is narrowed through an increase of the lower limit and/or a decrease of the upper limit, or if the Price Range is narrowed to a single price, the change will be published in the financial press and by means of a press release, through electronic information services such as Reuters or Bloomberg. However, investors who have submitted purchase orders will not be individually notified of any such Price Range narrowing. A change to the Price Range by a decrease of the lower limit of the Price Range will also be published in the financial press and by means of a press release, and through electronic information services and, to the extent legally required, in a supplement to this Prospectus. The Placement Price for investors shall not, however, exceed the higher end of the Price Range.

#### **15.4.4 PRIVATE PLACEMENT PERIOD**

The Private Placement Period will begin on 25 March 2021 and is expected to close no later than 16:00 (Brussels time) on 30 March 2021, subject to the possibility of an early closing, suspension or extension. The Prospectus will be made available as of the first calendar day of the Private Placement Period.

Any changes to the Private Placement Period (*i.e.*, an extension, suspension or early closing of the Private Placement Period) will be announced by means of a press release of the Issuer, and the dates for each of pricing, allocation, publication of the Placement Price and the results of the Private Placement, "as-if-and-when issued and/or delivered" trading and closing of the Private Placement will in such case be adjusted accordingly.

Furthermore, the Issuer reserves the right to withdraw the Private Placement, in which instance the Issuer will also withdraw its application for the Listing, or suspend the Private Placement Period, in which instance the Issuer also reserves the right to withdraw its application for the Listing, at any time prior to the allocation of the Placement Shares (which will be determined at the end of the Private Placement Period on or about 30 March 2021) (see Section 15.4.5 "*Suspension of the Private Placement and withdrawal of the Private Placement*" of this Prospectus).

#### **15.4.5 SUSPENSION OF THE PRIVATE PLACEMENT AND WITHDRAWAL OF THE PRIVATE PLACEMENT**

The Issuer reserves the right to withdraw the Private Placement or suspend the Private Placement Period should the Underwriting Agreement not be signed. Furthermore, the Issuer reserves the right to withdraw or suspend the Private Placement if the Underwriting Agreement is dissolved in the circumstances as described in the Underwriting Agreement (see Section 16.1 “*Underwriting*” of this Prospectus). Such withdrawal of the Private Placement or the suspension of the Private Placement Period can occur at any time prior to the allocation of the Placement Shares (which will be determined at the end of the Private Placement Period on or about 30 March 2021).

The Issuer also reserves the right to withdraw the Private Placement or suspend the Private Placement Period if the Board of Directors or the Transaction Committee, following recommendations from the Sole Global Coordinator, is of the opinion that the quality and quantity of the subscriptions received is of such nature that the Private Placement cannot be closed in the interest of the Issuer.

In the event of withdrawal of the Private Placement, the Issuer will also withdraw its application for the Listing. In the event of suspension of the Private Placement Period, the Issuer reserves the right to withdraw its application for Listing. In case the Issuer decides to withdraw its application for the Listing, the Issuer will immediately notify Euronext Brussels NV thereof.

Any withdrawal of the Private Placement, suspension of the Private Placement Period and/or withdrawal of the application for Listing, will be published in the financial press, by means of a press release of the Issuer, through electronic information services such as Reuters or Bloomberg, and, to the extent legally required, in a supplement to the Prospectus. In the event of a withdrawal of the Private Placement, all orders received will automatically be cancelled and withdrawn, and investors will not have any claim to the delivery of the Placement Shares or any compensation.

#### **15.4.6 PROSPECTUS SUPPLEMENT**

In accordance with Article 23.1 Prospectus Regulation, every significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of the Placement Shares and which arises or is noted between the date of approval of this Prospectus (*i.e.*, 24 March 2021) and the Listing Date, shall be mentioned in a supplement to this Prospectus without undue delay. Any supplement to this Prospectus is subject to approval by the FSMA, in the same manner as this Prospectus and must be made public in the same manner as this Prospectus.

#### **15.4.7 ALLOCATION**

The allocation of the Placement Shares will be determined at the end of the Private Placement Period on or about 30 March 2021 (subject to early closing, suspension or extension) by the Transaction Committee or the Board of Directors, in consultation with the Sole Global Coordinator, on the basis of the quantitative and the qualitative analysis of the order book. The results of the Private Placement and the Placement Price will be announced by means of a press release of the Issuer, which is currently expected to take place on or about 30 March 2021 and in any event no later than the first business day after the end of the Private Placement Period. The allocation of the Placement Shares

will be communicated to the relevant investors at the latest on 31 March 2021 (before opening of the markets).

In the event that the Private Placement is oversubscribed, investors (save for the Pre-committed Investors) may receive fewer Placement Shares than they applied to subscribe for.

#### **15.4.8 TYPE AND FORM OF THE (PLACEMENT) SHARES**

##### **15.4.8.1 TYPE AND CLASS**

All New Shares, as well as the new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants, will be issued in accordance with Belgian law and will be ordinary shares representing the capital, of the same class as the existing Shares, fully paid up, with voting rights and without nominal value. They will have the same rights as the existing Shares.

All Placement Shares, as well as the new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants, will be profit sharing as from any distribution in respect of which the relevant ex-dividend date falls after the date of their issuance.

##### **15.4.8.2 FORM**

All Placement Shares other than those sold to certain EU Relevant Persons who subscribe for shares directly from the Company at the final Placement Price will be delivered in dematerialized (book-entry) form only, and will be credited on or around the Closing Date to investors' securities accounts via Euroclear Belgium, and will be registered by one or more registrations in the share register of the Issuer in the name of Euroclear Belgium (with statutory seat located at Koning Albert II-laan 1, 1210 Brussels). Placement Shares sold to certain EU Relevant Persons who subscribe for shares directly from the Company at the final Placement Price will be delivered in registered form on the Closing Date upon payment for the related Placement Shares.

The (i) new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and (ii) new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, will be delivered in registered form on or about their issuance.

Holders of Shares may elect, at any time, to have their registered Shares converted into dematerialized Shares, and vice versa, at their own expense. Shareholders should inquire with their bank on the costs associated with this conversion.

All Placement Shares, as well as the new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, will be fully paid-up upon their delivery and freely transferable, subject to what is set forth under Section 13.6 "*Restrictions on the free transferability of the Shares*" of this Prospectus.

### **15.4.8.3**      **ISSUING CURRENCY**

All Placement Shares, the new Shares (if any) that will be issued pursuant to the exercise by the Stabilization Manager of the Over-allotment Option, and the new Shares (if any) that will be issued pursuant to the exercise of the ESOP Warrants and that, pursuant to such exercise, would be admitted to trading prior to 24 March 2022, will be issued in euro.

### **15.4.9**      **PAYMENT, SETTLEMENT AND DELIVERY OF THE PLACEMENT SHARES**

The Placement Price must be paid by the investors in full, in euro, together with any applicable stock exchange taxes and costs. No tax on stock exchange transactions is due on the subscription for newly issued Shares. For further information about applicable taxes, see Section 14.2 “*Belgian Taxation*” of this Prospectus.

It is expected that the Placement Shares will be delivered to the investors on or about 6 April 2021, in accordance with normal settlement procedures applicable to equity securities and against payment for the Placement Shares, provided that this may be accelerated in the event of early closing or postponed in case of extension (the **Closing Date**).

### **15.5**      **INTENTIONS OF THE SHAREHOLDERS, MEMBERS OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE MANAGEMENT OF THE ISSUER**

The Existing Shareholders of the Issuer have explicitly and irrevocably waived their statutory preferential subscription right in the context of the Transaction.

Other than (i) in relation to the share lending by Alychlo NV and Pilovan BV in the context of the stabilization (see Section 15.6 “*Share Lending*” of this Prospectus) and, as the case may be, the sale of a number of existing Shares in the Private Placement by the Selling Shareholder pursuant to the Increase Option (see Section 15.7 “*Increase Option*” of this Prospectus) and (ii) the fact that Regine Slagmulder BV (independent director of the Issuer, permanently represented by Ms. Regine Slagmulder) and Mr. Ben Jansen (non-executive director of the Issuer) have indicated their interest to participate in the Private Placement for an amount of EUR 200,000, and EUR 100,000, respectively, the Issuer has not received any indication from the Existing Shareholders, members of the Board of Directors or Executive Management that such persons have the intention to participate in the Transaction.

Other than the Pre-committed Investors, pursuant to their Pre-commitments, the Company has not received any indications from persons that they would intend to subscribe for more than five per cent of the Private Placement.

The Existing Shareholders and the Issuer have entered into a lock-up agreement (see Section 16.3 “*Lock-up*” of this Prospectus for more information thereon. In case Regine Slagmulder BV and/or Mr. Ben Jansen would be allocated Shares in the Private Placement, such Shares would also be subject to a lock-up under the same terms as those agreed upon by Alychlo NV for its Shares, as set forth in Section 16.3 “*Lock-up*” of this Prospectus.

## 15.6 SHARE LENDING

The Existing Shareholders (i.e. Alychlo NV and Pilovan BV) are expected to agree to lend to the stabilization manager a number of shares equal to up to 15% of the number of Offer Shares effectively subscribed for in the Private Placement (including the existing Shares effectively subscribed for pursuant to the effective exercise of the Increase Option, if any), in order to enable the Stabilization Manager to settle over-allotments of Additional Shares. See Section 16.4 “*Over-allotment Option and price stabilization*” of this Prospectus for more information.

## 15.7 INCREASE OPTION

The Selling Shareholder (i.e. Pilovan BV) is expected to grant an option to the Sole Global Coordinator, acting on behalf of the Underwriters, to, in common agreement between the Transaction Committee and the Sole Global Coordinator, in addition to the maximum 3,571,428 New Shares, offer a maximum of up to 357,142 existing Shares from its holding in the Issuer (i.e., up to 10% of the New Shares initially offered by the Issuer in the Private Placement), in the Private Placement and at the Placement Price. Any decision to exercise this Increase Option will be communicated at the latest on the date of announcement of the Placement Price, which is currently expected to be on or around 30 March 2021.

If the Increase Option is exercised, the Selling Shareholder shall sell a maximum of up to 357,142 existing Shares (i.e. representing 10% of the maximum number of New Shares initially offered by the Issuer in the Private Placement).

To the extent that the Increase Option has been exercised, and subject to the entering into the Underwriting Agreement, the Underwriters will (in addition to the New Shares) also underwrite such additional existing Shares as set forth in Section 16.1 “*Underwriting*” of this Prospectus.

The number of existing Shares currently held by, and potential dilution pursuant to the Transaction of, the Selling Shareholder is set forth in Section 11 “*Significant Shareholders*” of this Prospectus.

The Selling Shareholder is, together with the other Existing Shareholders (Alychlo NV), expected to agree to certain lock-up restrictions, as set forth in Section 16.3 “*Lock-up*” of this Prospectus.

Additional information on the Selling Shareholder is included in the below table:

<b>Name</b>	<b>Business Address</b>	<b>Relationship vis-à-vis the Issuer</b>
Pilovan BV	Hogerlucht 28, 9600 Ronse (Belgium) – RLE 0836.231.258	Majority shareholder of the Issuer at the date of this Prospectus, and CEO (permanently represented by Mr. Pieter Loose) of the Issuer.  Mr. Pieter Loose (acting through Pilovan BV) and Mr. Tim De Maet, both executive directors of the Issuer, have been appointed as such pursuant to the binding

		proposal right of the Pilovan Group (see Section 10.2.1 “General” of this Prospectus for more information)
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### **15.8 OVER-ALLOTMENT OPTION**

To enable the Stabilization Manager to cover the placement of Additional Shares in the Private Placement, if any, or short positions created by such over-allotment, the Stabilization Manager has, subject to, and with effect as from, the completion of the Transaction, been granted an Over-allotment Option in the form of a warrant to subscribe for additional new Shares in a number equal to up to 15% of the number of Offer Shares effectively subscribed for in the Private Placement (*i.e.*, including the existing Shares effectively subscribed for pursuant to the effective exercise of the Increase Option, if any) at the Placement Price. The Over-allotment Option will be exercisable for a period of 30 calendar days following the Listing Date. The Stabilization Manager may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares during a period of 30 calendar days following the Listing Date. These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. See also Section 16.4 “*Over-allotment Option and price stabilization*” of this Prospectus for more information.

### **15.9 DILUTION FOR THE EXISTING SHAREHOLDERS RESULTING FROM THE TRANSACTION**

See Section 11 “*Significant Shareholders*” of this Prospectus.

### **15.10 FINANCIAL SERVICE**

From the Listing Date, the financial service for the Shares of the Issuer will be provided by Euroclear Belgium. Should the Issuer alter its policy in this respect, this will be announced in accordance with applicable law.

### **15.11 JURISDICTION AND COMPETENT COURTS**

The courts of Brussels are exclusively competent for any dispute that may arise between the shareholders, investors and the Issuer arising out of or in connection with the Transaction and/or the Placement Shares.

## 16 UNDERWRITING AGREEMENT

### 16.1 UNDERWRITING

The Underwriters are Joh. Berenberg, Gossler & Co. KG, a limited partnership existing under German law, having its office at Neuer Jungfernstieg 20, 20354 Hamburg (Germany) and registered with the “Unternehmensregister” under number HRA 42659, and KBC Securities NV, a public limited company existing under Belgian law, having its office at Havenlaan 2, 1080 Brussels (Belgium) and registered with the Belgian Crossroads Bank of Enterprises (“Banque-Carrefour des Entreprises” / “Kruispuntbank van Ondernemingen”) under enterprise number 0437.060.521 (RLE Brussels, Dutch speaking).

The Issuer, the Existing Shareholders and the Underwriters expect to enter into an agreement (the **Underwriting Agreement**) on or about 30 March 2021 with respect to the offer and sale of the Placement Shares in the Private Placement. Entry into the Underwriting Agreement may depend on various factors, including, but not limited to, market conditions and the result of the bookbuilding process. Subject to certain conditions to be set forth in the Underwriting Agreement, the Issuer will agree to issue to the Underwriters the New Shares (other than New Shares that will be subscribed for directly by certain EU Relevant Persons) (the **Underwritten New Shares**), the Selling Shareholder will agree to sell the Increase Option Shares (if and to the extent the Increase Option is exercised) and the Underwriters will severally agree to subscribe for or purchase the Underwritten New Shares and the Increase Option Shares (the **Underwritten Shares**) at the Placement Price, with a view to immediate placement with the related investors in the Private Placement (including the Pre-Committed Investors). The Underwriters will offer the Underwritten Shares to investors in the Private Placement (including the Pre-Committed Investors) at the Placement Price. Immediately after receipt of the Underwritten Shares, the Underwriters will deliver the Underwritten Shares to the underlying investors in the Private Placement. On the terms and subject to the conditions set forth in the Underwriting Agreement, the Underwriters will pay to the Issuer and the Selling Shareholder respectively the Placement Price for the Underwritten Shares.

Assuming (i) placement of the maximum number of New Shares in the Private Placement resulting in the targeted gross proceeds for the Company of EUR 50 million, (ii) that the Increase Option is not exercised (iii) that the Placement Price is at the lower end of the Price Range and (iv) that the Stabilization Manager decides to fully exercise the Over-allotment Option, the fees and commissions payable to the Underwriters by the Issuer are expected to amount to approximately EUR 1.18 million. This does not include any incentive fees which may be paid at the discretion of the Issuer. Incentive fees payable by the Issuer will be capped at an amount of approximately EUR 1.72 million, based on such assumptions.

Under the same assumptions as those set forth in the preceding paragraph, but instead assuming full exercise of the Increase Option, the underwriting fees payable by the Selling Shareholder will amount to approximately EUR 0.10 million and the underwriting fees payable by the Issuer will amount to approximately EUR 1.19 million (as more new Shares will in such situation be issued pursuant to the exercise in full of the Over-allotment Option). This does not include any incentive fees which may be paid at the discretion of the Selling Shareholder or the Issuer. Any incentive fees payable by the Selling Shareholder will be capped at an amount of approximately EUR 0.15 million, and any incentive

fees payable by the Issuer will be capped at a maximum amount of approximately EUR 1.75 million (as more new Shares will in such situation be issued pursuant to the exercise in full of the Over-allotment Option), based on such assumptions. The Issuer will not receive any of the proceeds of the Increase Option, all of which will be paid to the Selling Shareholder.

The Issuer has also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Private Placement. In the Underwriting Agreement, the Issuer and the Existing Shareholders are furthermore expected to make certain customary representations and warranties to the Underwriters and to agree to indemnify the Underwriters against certain possible liabilities in connection with the Private Placement.

The Underwriting Agreement is expected to provide that the Underwriters have the right to terminate the Underwriting Agreement and their obligation thereunder to subscribe for or purchase and deliver the Underwritten Shares if (i) in the reasonable opinion of the Sole Global Coordinator (x) any statement contained in any Publication (as defined in the Underwriting Agreement) is, or has become, or has been discovered to be, inaccurate or misleading in any material respect, (y) any matter has arisen which would, if a publication was to be issued at that time, constitute a material inaccuracy or omission therefrom, (ii) a supplement or addendum to this Prospectus will need to be published (in the reasonable opinion of the Sole Global Coordinator) pursuant to requirements under Belgian law or has been published, and the Sole Global Coordinator (acting in consultation with the other Underwriter) has not explicitly confirmed to the Issuer at the occasion of the publication of such supplement or addendum that they would waive their right to terminate the Underwriting Agreement on this ground, (iii) there has been a breach by the Issuer or the Selling Shareholder of any of the representations and warranties contained in the Underwriting Agreement, (iv) the Issuer and/or the Selling Shareholder has not complied with the undertakings and other obligations set out in the Underwriting Agreement by the time by which they are required to be complied with, (v) in the reasonable opinion of the Sole Global Coordinator, there shall have been or it is likely that there will be a Material Adverse Effect (as defined in the Underwriting Agreement) since the date of the Underwriting Agreement (whether or not foreseeable at the date of the Underwriting Agreement), (vi) any of the conditions precedent to the Underwriting Agreement has not been satisfied and has not been waived by the Sole Global Coordinator by the time by which they are expressed to be satisfied, (vii) the application for trading is withdrawn or refused by Euronext Brussels NV/SA, (viii) the Issuer fails to issue the number of Underwritten New Shares on the Closing Date, or the number of new Shares pursuant to the exercise of the Over-allotment Option at each Option Settlement Date (as defined in the Underwriting Agreement) (if any), the Selling Shareholder fails to deliver its number of Increase Option Shares on the Closing Date and/or one of the Existing Shareholders fails to deliver its number of Additional Shares on the Closing Date, (ix) a Specified Event (as defined in the Underwriting Agreement) shall have occurred (such as, but not limited to, a material adverse development in the financial markets in Belgium or the United Kingdom, or a suspension or material limitation in trading of the Shares or of financial instruments generally on the regulated market of Euronext Brussels).

In the event that the Underwriting Agreement is not executed or is executed but subsequently terminated, the subscriptions for or purchases of the Placement Shares will automatically be cancelled and withdrawn, and investors will not have any claim to delivery of the Placement Shares or to any compensation.

## 16.2 STANDSTILL

The Issuer is expected to agree pursuant to the Underwriting Agreement that it will not for an initial period of 6 months after the Closing Date, and, for an additional period of 6 months thereafter, without the Sole Global Coordinator's prior written consent (which will be considered in good faith and which will not be unreasonably withheld, conditioned or delayed), (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other securities of the Issuer that are substantially similar to Shares, or any securities convertible into or exercisable or exchangeable for Shares, (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other securities of the Issuer, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce and/or propose to the shareholders' meeting a proposal to effect any such transaction, or (iv) enter into other transactions or perform any actions with a similar economic effect to those described in (i) through (iii).

The foregoing will however not apply to (i) the issue or sale of the Shares to be sold in connection with the Private Placement, (ii) the issue of the Over-Allotment Option and any new Shares that may be issued upon exercise of the Over-Allotment Option, (iii) the issuance of any Shares that may be issued upon exercise of the ESOP Warrants, (iv) the granting of awards in options, warrants, subscription rights ("*inschrijvingsrechten*") or Shares by the Issuer representing in the aggregate no more than 3% of the Issuer's share capital after the Private Placement or the issuance of Shares upon exercise of such options, warrants or subscription rights ("*inschrijvingsrechten*") granted by the Issuer to employees, consultants, directors or other service providers pursuant to recruitment, incentive or retention schemes, or (v) provided that the recipient will continue to be bound by a comparable lockup or standstill for the remainder of the applicable period, any transaction pursuant to consideration offered to future counterparties in light of the Issuer's M&A strategy (and as the case may be, the acquisition of Shares by the Issuer with a view to transferring such Shares to such persons).

## 16.3 LOCK-UP

It is expected, pursuant to the Underwriting Agreement, that Pilovan BV will agree that it will not, for a period of 12 months from the Closing Date, and Alychlo NV will agree that it will not, for an initial period of 3 months after the Closing Date, and for an additional period of 3 months will not without the Sole Global Coordinator's prior written consent (which will be considered in good faith and which will not be unreasonably withheld, conditioned or delayed) (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell, distribute, transfer or grant any option, right, subscription right or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other securities of the Issuer, or any securities convertible into or exercisable or exchangeable for Shares or other securities of the Issuer held by the Existing Shareholders on the date of the Underwriting Agreement; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other securities of the Issuer held by the Existing Shareholders on the date of the Underwriting Agreement, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii)

vote in favour of a proposed increase of the share capital of the Issuer or issuance of financial instruments that carry conversion or option rights to shares in the Issuer to the extent such increases or issuances are, under the standstill obligations that the Issuer is expected to agree to under the Underwriting Agreement, as the case may be, not allowed or have not received the Sole Global Coordinator's prior written consent; or (iv) publicly announce such an intention to effect any such transaction; or (v) enter into other transactions or perform any actions with a similar economic effect to those described in (i) through (iv). The abovementioned restrictions shall however not prohibit the Selling Shareholder from (i) disposing or lending of Shares for the purposes of the Transaction, including, for the avoidance of doubt, in connection with the Increase Option and the share lending; (ii) accepting a general offer, public take-over or public tender offer (including, for the avoidance of doubt, by way of cash settlement of Shares or other securities) for all or substantially all of the Shares (other than the Shares already owned by the offeror or potential offeror or persons affiliated with, acting as intermediary for, or acting in concert with such offeror or potential offeror) or a merger proposal, giving an irrevocable commitment to accept such an offer or such a merger proposal, or transferring or otherwise disposing of Shares or any other securities to an offeror or potential offeror during the period of such an offer; or (iii) transferring Shares or any other securities if required by law, regulation or a court of competent jurisdiction; or (iv) transferring Shares intra-group (to affiliates or to one or more legal successors pursuant to a merger, liquidation, concursus ("*samenloop*"), (partial) de-merger, transfer or contribution of a branch of activity or transfer or contribution of a universality), intra-family (including to one or more legal successors pursuant to death) or to any other existing Shareholders (subject in each case referred to under this (iv) to such transferee being bound by the lock-up undertakings for the remainder of the lock-up period).

Although not a part of the Underwriting Agreement, for the sake of completeness, reference is also made to Section 15.5 "*Intentions of the shareholders, members of the Board of Directors and of the Executive Management of the Issuer*" for more information on the potential lock-up of the Shares subscribed for in the Private Placement by Regine Slagmulder BV and/or Mr. Ben Jansen (if any).

#### **16.4 OVER-ALLOTMENT OPTION AND PRICE STABILIZATION**

In connection with the Private Placement, Berenberg will act as Stabilization Manager and may engage in stabilization transactions aimed at supporting the market price of the Shares during the Stabilization Period. These transactions may stabilize, maintain or otherwise affect the price of the Shares or any options, warrants or rights with respect to, or other interest in, the Shares or other securities of the Issuer for up to 30 calendar days from the Listing Date (not included) (the **Stabilization Period**). These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. Stabilization will not be executed above the Placement Price. Such transactions may be effected, on the regulated market of Euronext Brussels, in the over-the-counter markets or otherwise. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken. If undertaken, the Stabilization Manager or its agents may discontinue any of these activities at any time and they must terminate at the end of the Stabilization Period.

In order to facilitate stabilization by the Stabilization Manager, if any, the Stabilization Manager will be able to over-allot existing Shares in the Private Placement at the Placement Price. In order to be able to effect any over-allotments, it is expected that Alychlo NV and Pilovan BV will lend a corresponding

number of Shares to the Stabilization Manager (see Section 15.6 “*Share Lending*” of this Prospectus). Pursuant to such over-allotment, investors may, in addition to the Offer Shares being offered in the Private Placement, be allocated up to 15% of the number of Offer Shares subscribed for in the Private Placement (including, for the avoidance of doubt, the number of existing Shares subscribed for pursuant to the effective exercise of the Increase Option, if any) as Additional Shares as part of the allocation of the Placement Shares to be placed. Within the scope of a possible over-allotment, the Additional Shares will be provided for the account of the Stabilization Manager in the form of a securities loan from Alychlo NV and Pilovan BV.

In order to allow the Stabilization Manager to cover over-allotments of Additional Shares (if any) or short positions created by such over-allotment, the Issuer has, subject to, and with effect as from, the completion of the Transaction, granted an Over-allotment Option to the Stabilization Manager in the form of a warrant, which will entitle the Stabilization Manager to subscribe for additional new Shares for an aggregate number equal to up to 15% of the number of Offer Shares subscribed for in the Private Placement (including, for the avoidance of doubt, the number of existing Shares subscribed for pursuant to the effective exercise of the Increase Option, if any) at the Placement Price.

The Stabilization Manager may elect to reduce any short position by exercising all or part of the Over-allotment Option. The Over-allotment Option will be exercisable during the Stabilization Period. The Over-allotment Option will be exercisable in whole or in part, and in one or in several times, to cover the over-allotment of Additional Shares (if any) or short positions created by such over-allotment (if any). The possibility to over-allot the Additional Shares in the Private Placement and to exercise the Over-allotment Option will exist whether or not the Private Placement is fully subscribed.

If the Stabilization Manager creates a short position in the Shares in connection with the Private Placement (*i.e.*, over-allots Additional Shares), it may reduce that short position by purchasing Shares on the market or otherwise, or by exercising all or part of the Over-allotment Option. Purchases of Shares on the market to stabilize the trading price or to reduce a short position may cause the price of the Shares to be higher than it might be in the absence of such purchases. Neither the Issuer, nor the Underwriters make any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Shares.

By the earlier of five business days after, and one week of, the end of the Stabilization Period, the following information will be made public: (i) whether or not stabilization was undertaken; (ii) the date on which stabilization started; (iii) the date on which stabilization last occurred; (iv) the price range within which stabilization was carried out, for each of the dates on which stabilization transactions were carried out; (v) the trading venue(s) on which the stabilization transactions were carried out (where applicable) and (vi) the final size of the Private Placement, including the result of the stabilization and the exercise of the Over-allotment Option and the Increase Option, if any.

## **16.5 OTHER RELATIONSHIPS WITH THE UNDERWRITERS**

For more information on the relationships between the Underwriters and the Issuer, reference is made to Section 6.4.1 “*Underwriters*” of this Prospectus.

## **16.6 PLAN OF DISTRIBUTION OF THE SHARES**

### **16.6.1 NO PUBLIC OFFERING**

No public offer is being made and no action has been or will be taken that would, or is intended to, permit a public offering of the Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to the Shares, in any country or jurisdiction. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Placement Price.

### **16.6.2 Selling Restrictions**

The selling restrictions and transfer restrictions set forth in Section 4 “*Notices to prospective investors – selling restrictions*” of this Prospectus apply to the Shares and the Private Placement.

17 DEFINITIONS AND KEY TERMS

<b>(Granular) Activated carbon (GAC)</b>	activated carbon filtering works by adsorption, in which pollutants in the fluid to be treated are trapped inside the pore structure of a carbon substrate. The substrate is made of many carbon granules, each of which is itself highly porous. As a result, the substrate has a large surface area within which contaminants can be trapped. Activated carbon is typically used in filters, as it has been treated to have a much higher surface area than non-treated carbon. One gram of activated carbon has a surface area in excess of 3,000 m <sup>2</sup> .
<b>Additional Shares</b>	has the meaning as set forth on the cover page of this Prospectus
<b>Adjusted EBITDA (margin)</b>	has the meaning as set forth in Section 9.3.10 “ <i>Non-IFRS measures</i> ” of this Prospectus.
<b>Alychlo</b>	means Alychlo NV, a public limited liability company under Belgian law, having its office at Lembergsesteenweg 19, 9820 Merelbeke (Belgium), registered with the Belgian Crossroads Bank of Enterprises (“ <i>Banque-Carrefour des Entreprises</i> ” / “ <i>Kruispuntbank van Ondernemingen</i> ”) under enterprise number 0895.140.645 (RLE Ghent, division Ghent).
<b>Alychlo Group</b>	has the meaning as set forth in Section 10.2.1 “ <i>General</i> ” of this Prospectus.
<b>Article 203 ITC Taxation Condition</b>	has the meaning as set forth in Section 14.2.1.4 “ <i>Belgian Resident Companies</i> ” of this Prospectus.
<b>Auditor’s Report</b>	has the meaning as set forth in Section 5.2.2 “ <i>Responsibility for auditing the accounts</i> ” of this Prospectus.
<b>BAT</b>	means Best Available Techniques.
<b>BELSPO</b>	means the Federal Public Planning Service Science Policy.
<b>Berenberg</b>	means Joh. Berenberg, Gossler & Co. KG, a limited partnership existing under German law, having its office at Bockenheimer Landstraße 25, 60325 Frankfurt (Germany) and registered with the “ <i>Unternehmensregister</i> ” under number HRA 42659.
<b>BCCA</b>	means the Belgian Code of Companies and

	Associations (“ <i>Wetboek van vennootschappen en verenigingen</i> ” / “ <i>Code des sociétés at associations</i> ”), enacted by the Law of 23 March 2019, as amended.
<b>BNPPF</b>	means BNP Paribas Fortis NV.
<b>CG Charter</b>	has the meaning as set forth in Section 10 “ <i>Management and Corporate Governance</i> ” of this Prospectus.
<b>Closing Date</b>	has the meaning as set forth in Section 15.4.9 “ <i>Payment, settlement and delivery of the Placement Shares</i> ” of this Prospectus.
<b>Company</b>	means the Issuer and WaaS NV.
<b>COVID-19</b>	means the novel coronavirus (SARS-CoV-2) and related respiratory disease.
<b>Dealing Code</b>	has the meaning as set forth in Section 10 “ <i>Management and Corporate Governance</i> ” of this Prospectus.
<b>Delegated Regulation 2019/979</b>	means the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) No 2016/301.
<b>Delegated Regulation 2019/980</b>	means the Commission Delegated Regulation (EU) No 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Regulation (EC) No 809/2004.
<b>Delegated Regulations</b>	means the Delegated Regulation 2019/979 together with the Delegated Regulation 2019/980.
<b>EEA</b>	means the European Economic Area.
<b>Ekopak</b>	means the Issuer and WaaS NV.
<b>ESG</b>	Environmental, Social and Governance.

<b>ESOP Warrants</b>	has the meaning as set forth in Section 13.4 “ <i>ESOP Warrants</i> ” of this Prospectus.
<b>EU</b>	means the European Union.
<b>EU Relevant Persons</b>	has the meaning as set forth in Section 4.2 “ <i>Information about the Private Placement</i> ” of this Prospectus.
<b>Existing Shareholders</b>	The holders of the 10,780,000 existing Shares at the date of this Prospectus.
<b>FinSA</b>	means the Swiss Federal Act on Financial Services (“ <i>Finanzdienstleistungsgesetz</i> ”) of 15 June 2018, as amended.
<b>FINMA</b>	means the Swiss Financial Markets Supervisory Authority.
<b>FSMA</b>	means the Belgian Financial Services and Markets Authority.
<b>IED</b>	means the Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (Industrial Emissions Directive), as amended.
<b>Increase Option</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>IoT</b>	Internet of Things.
<b>Issuer</b>	Ekopak NV, a public limited liability company organized under the laws of Belgium (“ <i>naamloze vennootschap</i> ” / “ <i>société anonyme</i> ”), registered with the Belgian legal entities register (Ghent, division Bruges) under enterprise number 0461.377.728, and with statutory seat located at Careelstraat 13, 8700 Tielt (Belgium).
<b>Joint Bookrunners</b>	KBC Securites and Berenberg.
<b>KBC Securities</b>	KBC Securities NV/SA, a public limited liability company organized under the laws of Belgium (“ <i>naamloze vennootschap</i> ” / “ <i>société anonyme</i> ”), registered with the Belgian legal entities register (Brussels, Dutch-speaking) under enterprise number 0437.060.521, and with statutory seat located at Havenlaan 2, 1080 Brussels, Belgium.
<b>KBC Bank</b>	means KBC Bank NV.
<b>KBC Secured Facility Agreement</b>	Has the meaning as set forth in Section 9.5.1 “ <i>Sources of Funding</i> ” of this Prospectus.
<b>LEI</b>	means Legal Entity Identifier.

<b>Listing</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>Listing Date</b>	has the meaning as set forth in Section 15.1 "Purpose of this Prospectus – Listing on Euronext Brussels".
<b>MF</b>	Micro-filtration.
<b>NF</b>	Nano-filtration.
<b>NVZ</b>	Nitrate Vulnerable Zones.
<b>Order</b>	means the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
<b>Ordinary squeeze-out</b>	has the meaning as set forth in Section 13.7.3 "Public Squeeze-out Bid" of this Prospectus.
<b>Over-allotment Option</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>Parent-Subsidiary Directive</b>	has the meaning as set forth under Section 14.2.1.4 "Belgian Resident Companies" of this Prospectus.
<b>Pilovan</b>	means Pilovan BV, a private limited liability company under Belgian law (" <i>besloten vennootschap</i> " / " <i>société à responsabilité limitée</i> "), having its office at Hogerlucht 28, 9600 Ronse (Belgium), registered with the Belgian Crossroads Bank of Enterprises (" <i>Banque-Carrefour des Entreprises</i> " / " <i>Kruispuntbank van Ondernemingen</i> ") under enterprise number 0836.231.258 (RLE Ghent, division Oudenaarde).
<b>Pilovan Group</b>	has the meaning as set forth in Section 10.2.1 "General" of this Prospectus.
<b>Placement Price</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>PMV</b>	means Participatiemaatschappij Vlaanderen.
<b>Pre-committed Investors</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>Pre-commitments</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>Price Range</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>Private Placement</b>	has the meaning as set forth on the cover page of this Prospectus.
<b>Private Placement Period</b>	has the meaning as set forth on the cover page of this Prospectus.

<b>Prospectus Regulation</b>	means the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.
<b>Qualified Persons</b>	has the meaning as set forth in Section 4.2 " <i>Information about the Private Placement</i> " of this Prospectus.
<b>REACH</b>	means the Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC, as amended.
<b>Regulation S</b>	means Regulation S under the US Securities Act of 1933, as amended,
<b>Retentate</b>	Retentate is the substance that is effectively retained by a filter or a membrane in a process. The permeate is the substance that does pass through the filter of membrane.
<b>Reverse osmosis</b>	Is a water purification process that uses a partially permeable membrane to remove ions, unwanted molecules and larger particles from drinking water. In reverse osmosis, an applied pressure is used to overcome osmotic pressure, a colligative property that is driven by chemical potential differences of the solvent, a thermodynamic parameter. Reverse osmosis can remove many types of dissolved and suspended chemical species as well as biological ones (principally bacteria) from water, and is used in both industrial processes and in the production of potable water. The result is that the solute is retained on the pressurized side of the membrane and the pure solvent is allowed to pass to the other side. To be "selective", this membrane should not allow large

	molecules or ions through the pores (holes), but should allow smaller components of the solution (such as solvent molecules, i.e., water, H <sub>2</sub> O) to pass freely.
<b>RLE</b>	Register of Legal Entities.
<b>Selling Shareholder</b>	Pilovan BV.
<b>Shareholders</b>	means the holders of Shares issued by the Issuer.
<b>Simplified squeeze-out</b>	has the meaning as set forth in Section 13.7.3 " <i>Public Squeeze-out Bid</i> " of this Prospectus.
<b>Sole Global Coordinator</b>	Berenberg.
<b>Stabilization Period</b>	has the meaning as set forth in Section 16.4 " <i>Over-allotment Option and price stabilization</i> " of this Prospectus.
<b>Statutory Auditor</b>	means the statutory auditor of the Issuer, PwC Bedrijfsrevisoren BV - PwC Reviseurs d'Entreprises SRL, a private limited liability company organized under the laws of Belgium (" <i>Besloten vennootschap</i> " / " <i>Société à responsabilité limitée</i> "), with registered office at Woluwedal 18, 1932 Zaventem (Belgium),
<b>Stock Exchange Tax Representative</b>	has the meaning as set forth in Section 14.2.3 " <i>System of taxation on stock exchange transactions (TSET)</i> " of this Prospectus.
<b>Transaction</b>	means the Private Placement together with the Listing.
<b>Transaction Committee</b>	has the meaning as set forth in Section 15.3 " <i>Decision of the Issuer regarding the Private Placement</i> " of this Prospectus.
<b>UK Prospectus Regulation</b>	has the meaning as set forth in Section 4.2 " <i>Information about the Private Placement</i> " of this Prospectus.
<b>UK Relevant Persons</b>	has the meaning as set forth in Section 4.2 " <i>Information about the Private Placement</i> " of this Prospectus.
<b>Ultra-filtration (UF)</b>	Combines a variety of membrane filtrations in which forces like pressure or concentration gradients lead to a separation through a semipermeable membrane. Suspended solids and solutes of high molecular weight are retained in the so-called retentate, while water and low molecular weight solutes pass through the

	membrane in the permeate (filtrate). This separation process is used in industry and in research for purifying and concentrating macromolecular (103 - 106 dalton) solutions, especially protein solutions.
<b>Underwriters</b>	has the meaning as set forth in Section 6.4.1 “ <i>Underwriter</i> ” of this Prospectus.
<b>Underwriting Agreement</b>	has the meaning as set forth in Section 16.1 “ <i>Underwriting</i> ” of this Prospectus.
<b>Underwritten New Shares</b>	has the meaning as set forth in Section 16.1 “ <i>Underwriting</i> ” of this Prospectus.
<b>Underwritten Shares</b>	has the meaning as set forth in Section 16.1 “ <i>Underwriting</i> ” of this Prospectus.
<b>US Securities Act</b>	means the US Securities Act of 1933, as amended,
<b>UVGI</b>	UVGI stands for ultraviolet germicidal irradiation and is a disinfection method that uses short-wavelength ultraviolet (ultraviolet C or UV-C) light to kill or inactivate microorganisms by destroying nucleic acids and disrupting their DNA, leaving them unable to perform vital cellular functions. UVGI is used in a variety of applications, such as food, air, and water purification.
<b>VOC</b>	Volatile Organic Compounds.
<b>WaaS</b>	has the meaning as set forth in Section 8.1 “ <i>Business Overview</i> ” of this Prospectus.
<b>WaaS NV</b>	means Water-as-a-Service NV, a public limited liability company (“ <i>naamloze vennootschap</i> ” / “ <i>société anonyme</i> ”), organized under the laws of Belgium having its office at Careelstraat 13, 8700 Tielt (Belgium), registered with the Crossroads Bank for Enterprises (“ <i>Kruispuntbank voor ondernemingen</i> ” / “ <i>Banque-Carrefour des Entreprises</i> ”) under number 0750.767.429 (RLE Ghent, division Brugge).
<b>WFD</b>	has the meaning as set forth under Section 8.16.1.1 “ <i>Water Framework Directive (WFD) and specific supporting water directives</i> ” of this Prospectus.





# **EKOPAK BV**

## **IFRS Consolidated Financial Statements**

**December 31, 2020**

## IFRS Consolidated Financial Statements

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## Consolidated statement of profit or loss

in 000€	Notes	for the year ending December 31		
		2020	2019	2018
Revenue	6	9.479	10.205	6.613
Other operating income	7	302	134	145
<b>Operating income</b>		<b>9.781</b>	<b>10.339</b>	<b>6.758</b>
Purchases of materials	7	-6.394	-6.050	-3.552
Services and other goods	7	-1.006	-1.113	-729
Employee benefit expense	7	-1.580	-1.327	-1.273
Depreciation charges	9,10	-623	-474	-331
Remuneration to the sole shareholder	23	0	-711	-624
Other operating charges	7	-151	-40	-26
<b>Operating profit</b>		<b>27</b>	<b>624</b>	<b>223</b>
Financial expenses	7	-149	-148	-106
Financial income	7	4	3	2
<b>(Loss)/profit before taxes</b>		<b>-118</b>	<b>479</b>	<b>119</b>
Income taxes	8	25	-161	-68
<b>Net (loss)/profit for the year *</b>		<b>-93</b>	<b>318</b>	<b>51</b>
Earnings per share attributable to the owners of the parent				
Basic	16	-0,01	0,04	0,01
Diluted	16	-0,01	0,04	0,01

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

The accompanying notes on pages 9 to 52 form an integral part of these IFRS Consolidated Financial Statements.

## Consolidated statement of comprehensive income

in 000€	Notes	for the year ending December 31		
		2020	2019	2018
Net (loss)/profit for the year		-93	318	51
<b>Other comprehensive loss</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of post-employment benefit obligations, net of tax	17	-11	-17	-8
<b>Other comprehensive loss, net of tax</b>		-11	-17	-8
<b>Total comprehensive (loss)/income for the year, net of tax *</b>		-104	301	43

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

The accompanying notes on pages 9 to 52 form an integral part of these IFRS Consolidated Financial Statements.

## Consolidated statement of financial position

in 000€	Notes	At December 31			At
		2020	2019	2018	January 1
		2020	2019	2018	2018
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets	9	90	50	11	15
Property, plant and equipment	10,11	4.948	4.070	2.136	2.111
Deferred tax assets	8	142	108	153	169
<b>Total non-current assets</b>		<b>5.181</b>	<b>4.228</b>	<b>2.300</b>	<b>2.295</b>
<b>Current assets</b>					
Contract assets	13	562	1.039	600	88
Inventories	12	1.057	482	410	382
Trade receivables	13	3.299	3.060	1.183	1.041
Other current assets	13	488	566	469	210
Cash and cash equivalents	14	1.300	4.237	113	42
<b>Total current assets</b>		<b>6.706</b>	<b>9.384</b>	<b>2.775</b>	<b>1.763</b>
<b>Total assets</b>		<b>11.887</b>	<b>13.612</b>	<b>5.075</b>	<b>4.058</b>

The accompanying notes on pages 9 to 52 form an integral part of these IFRS Consolidated Financial Statements.

in 000€	Notes	At December 31			At
		2020	2019	2018	January 1
					2018
<b>Equity</b>					
Share capital	15	-	-	62	62
Restricted reserve - share capital	15	5.162	5.162	-	-
Other reserves	15	12	23	40	39
Accumulated (loss)/profit		-159	234	-83	-125
<b>Equity attributable to the owners of the parent</b>		<b>5.015</b>	<b>5.419</b>	<b>19</b>	<b>-24</b>
<b>Total equity</b>		<b>5.015</b>	<b>5.419</b>	<b>19</b>	<b>-24</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	19	2.625	3.040	1.761	1.440
Lease liabilities	11, 19	326	302	305	231
Provisions	17	400	396	370	356
<b>Total non-current liabilities</b>		<b>3.351</b>	<b>3.738</b>	<b>2.436</b>	<b>2.027</b>
<b>Current liabilities</b>					
Borrowings	19	473	673	878	936
Lease liabilities	11, 19	236	182	173	133
Trade and other payables	20	2.449	3.317	1.373	858
Tax payables	8	328	158	91	88
Other current liabilities	20	35	125	105	40
<b>Total current liabilities</b>		<b>3.521</b>	<b>4.455</b>	<b>2.620</b>	<b>2.055</b>
<b>Total liabilities</b>		<b>6.872</b>	<b>8.193</b>	<b>5.056</b>	<b>4.082</b>
<b>Total equity and liabilities</b>		<b>11.887</b>	<b>13.612</b>	<b>5.075</b>	<b>4.058</b>

The accompanying notes on pages 9 to 55 form an integral part of these IFRS Financial Statements.

## Consolidated statement of changes in equity

in 000€	Share capital	Restrict ed reserve - share capital	Other reserves	Accumula ted (loss)/pro fit	Total equity attributa ble to the owners of the parent	Total equity
At January 1, 2020	-	5.162	23	234	5.419	5.419
Net loss	-	-	-	-93	-93	-93
Other comprehensive loss	-	-	-11	-	-11	-11
<b>Total comprehensive loss</b>	-	-	-11	-93	-104	-104
Dividends paid	-	-	-	-300	-300	-300
At December 31, 2020	-	5.162	12	-159	5.015	5.015

in 000€	Share capital	Restrict ed reserve - share capital	Other reserves	Accumula ted (loss)/pro fit	Total equity attributa ble to the owners of the parent	Total equity
At January 1, 2019	62	-	40	-83	19	19
Net profit	-	-	-	318	318	318
Other comprehensive loss	-	-	-17	-	-17	-17
<b>Total comprehensive (loss)/profit</b>	-	-	-17	318	301	301
Capital increase, in cash	-	5.100	-	-	5.100	5.100
Transfer	-62	62	-	-	-	-
At December 31, 2019	-	5.162	23	234	5.419	5.419

in 000€	Share capital	Restrict ed reserve - share capital	Other reserves	Accumula ted (loss)/pro fit	Total equity attributa ble to the owners of the parent	Total equity
At January 1, 2018	62	-	39	-125	-24	-24
Net profit	-	-	-	51	51	51
Other comprehensive loss	-	-	-8	-	-8	-8
<b>Total comprehensive (loss)/income</b>	-	-	-8	51	43	43
Transfer	-	-	9	-9	-	-
At December 31, 2018	62	-	40	-83	19	19

The accompanying notes on pages 9 to 52 form an integral part of these IFRS Consolidated Financial Statements.

## Consolidated statement of cash flows

in 000€	Notes	For year ending December 31		
		2020	2019	2018
<b>Operating activities</b>				
Net (loss)/profit		-93	318	51
<i>Non-cash and operational adjustments</i>				
Depreciation of property, plant & equipment and ROU assets	10,11	593	448	327
Amortization of intangible assets	9	29	25	4
Gain/(loss) on disposal of property, plant & equipment	10	-2	1	-30
Increase in provisions	17	74	3	4
Impairments on receivables	7	12	10	0
Interest and other finance income	7	-4	-2	-2
Interest and other finance expense	7	149	148	106
Deferred tax expense	8	-30	51	18
Tax expense	8	5	110	50
IFRS 16 - gain on early termination of lease	11	-4	-4	-5
<b>Movements in working capital</b>				
Decrease/(Increase) in trade and other receivables	13	1	-1.994	-367
Increase in inventories	12	-99	-510	-541
(decrease)/increase in trade and other payables	20	-990	2.031	592
Use of provisions	18	-85	0	0
Decrease in contract liabilities	20	-4	0	-6
Income tax received/(paid)	8	30	-100	-88
Interests paid	7	-122	-116	-91
Interests received	7	1	2	2
<b>Net cash flow (used in)/from operating activities</b>		<b>-539</b>	<b>421</b>	<b>24</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	10	-1.221	-2.242	-115
Purchase of intangible assets	9	-73	-64	0
Proceeds from the sale of property, plant and equipment		5	0	30
<b>Net cash flow used in investing activities</b>		<b>-1.289</b>	<b>-2.306</b>	<b>-85</b>
<b>Financing activities</b>				
Proceeds from borrowings	19	700	1.951	1.275
Repayment of borrowings	19	-1.316	-879	-1.012
Repayment of leases	19	-167	-132	-117
Receipts from capital increase	15	0	5.100	0
Prepaid share issue costs		-3	0	0
Dividends paid	15	-300	0	0
Other financial expense, net		-23	-31	-14
<b>Net cash flow (used in)/from financing activities</b>		<b>-1.109</b>	<b>6.009</b>	<b>132</b>
<b>Net cash flow</b>		<b>-2.937</b>	<b>4.124</b>	<b>71</b>
Cash and cash equivalents at beginning of year	14	4.237	113	42
<b>Cash &amp; cash equivalents at end of year</b>	<b>14</b>	<b>1.300</b>	<b>4.237</b>	<b>113</b>

The accompanying notes on pages 9 to 52 form an integral part of these IFRS Consolidated Financial Statements.

## Notes to the IFRS Consolidated Financial Statements

### 1. Corporate information

Ekopak BV (further referred to „Ekopak“ or „the Company“) is a limited liability company incorporated and domiciled in Belgium who has the intention to file an application for an initial public offering. The registered office is located at 13 Careelstraat, 8700 Tielt in Belgium.

Ekopak is a technology company who is principally engaged in designing, building and operating process industrial water installations. Ekopak is active primarily in Europe, Africa and Middle-East. The Company has no subsidiaries, joint ventures or associates at December 31, 2020.

Information on other related party relationships of the Company is provided in Note 23.

The IFRS Consolidated Financial Statements (further referred as „the consolidated financial statements“) of Ekopak BV for the year ended December 31, 2020 were authorised for issue in accordance with a resolution of the directors on February 26, 2020.

### 2. Significant accounting policies

#### 2.1. Basis of preparation

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

For the years up to and including December 31, 2019, the Company prepared its consolidated financial statements in accordance with Belgian generally accepted accounting principles („BE GAAP“). These consolidated financial statements as of December 31, 2020 are the first financial statements the Company has prepared in accordance with IFRS. Information on the transition to IFRS is provided in Note 4.

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 5. The accounting policies have been applied consistently and are prepared on a going concern basis considering the following:

- the Company has a good liquidity position with a cash position of KEUR 1.300 and a positive working capital position (current assets minus current liabilities) of KEUR 3.185 as of December 31, 2020.
- the Company has a net cash flow from operating activities of KEUR (539) in 2020, however the net cash flow from operating activities before working capital adjustments was positive for the amount of KEUR 729.
- the Company has not been impacted from the Covid-19 pandemic during 2020. The decrease in the revenue during 2020 was foreseen by the Company due to move from the sales and DBMO model to the DBFMO model.
- there are no impairment indicators since the Company expects an increase in revenue and operating profit resulting from the increasing importance of the DBFMO business model as of 2021.

#### 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 unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides

evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The subsidiary Water-as-a-Service NV has been established as per July 16, 2020. The subsidiary has an extended financial year, ending on December 31, 2021. For consolidation purposes, the subsidiary has been closed on December 31, 2020.

### 2.3. Summary of significant accounting policies

#### 2.3.1. Foreign currency translation

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

##### *Foreign currency transactions*

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

#### 2.3.2. Segment reporting

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

- the nature of the products and services.
- the type and characteristics of the contract (sales model, DBMO or DBFMO).
- whether the customer controls the water process installation or not.

#### 2.3.3. Revenue

The Company is in the business of designing, building and operating process industrial water 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, Manufacture and Operate) model and the DBFMO (Design, Build, Finance, Manufacture and Operate, also commercially sold as WAAS - Water-AS-A-Service) model. Besides the Company also sells chemicals to customers operating a sold process water or disinfection installation.

##### *Sale of chemicals*

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

##### *Sale of process water and disinfection installations*

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

##### *Design, Build, Manufacture and Operate installations - DBMO*

Contracts under this type of revenue typically consist of two distinct performance obligations, being the Design, Build and Manufacture ("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 recognised 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 recognised 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, Manufacture 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 (15 years).

Revenue from the operating of the process water installation is recognised over time, which is the contractual non-cancellable term of the Operating agreement (up to 15 years). The services are invoiced monthly. The price 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 two to three weeks 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 sales model and DBMO 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 recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. Contract liabilities are presented in the line other current liabilities in the consolidated statement of financial position.

#### *Costs to fulfill a contract*

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

### 2.3.4. Financing costs

Financing costs relate to interests and other costs incurred by the Company related to the borrowing of funds. Such costs mostly relate to interest charges on short and long-term borrowings and lease liabilities as well as the amortisation of additional costs incurred on the issuance of the related debt. Financing costs are recognised in profit and loss for the year or capitalised 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 Belgium where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are recognised 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. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised 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 realised 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 and design components of containers used for the water process installations. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The Company does not have internally generated intangibles assets.

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

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

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

An intangible asset is derecognised 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. 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.

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

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

#### *Depreciation and useful life*

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

Buildings	10 to 20 years
Plant, machinery and equipment	5 to 10 years
Computer equipment	2 to 3 years
DBMFO installations	10 - 15 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 recognised is derecognised 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 derecognised.

### 2.3.9. 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 computer equipment 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.

### 2.3.10. Impairments of assets

The Company does not have goodwill or intangible assets that have an indefinite useful life. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised 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).

### 2.3.11. 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.

### 2.3.12. Financial assets

The Company has only financial assets measured at amortised 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 recognised initially at the amount of consideration that is unconditional. Those financial assets to generally not include a significant financing component.

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

#### *Impairment of financial assets*

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

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

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

#### *Derecognition*

A financial asset is primarily derecognised 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.

### 2.3.13. Financial liabilities

The Company has financial liabilities measured at amortised cost which include loans and borrowings, lease liabilities, trade payables and other payables. Other payables include the payable towards the customer for the packaging guarantee paid. 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 recognised initially at fair value plus directly attributable transaction costs and are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

#### *Derecognition*

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

### 2.3.14. 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 2.3.15. Provisions

The Company has only provision for disputes and litigations. A provision is recognised 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 recognised 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 recognised as a finance cost.

#### *Onerous contracts*

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

### 2.3.16. Employee benefits

#### *Pension commitments*

The Company has two Belgian “branche 21” 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.

Under Belgian law, defined contribution pension plans are subject to minimum guaranteed rates of return which, in case of the Company, equal 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 recognised 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 recognised in profit or loss on the earlier of:

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises 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

#### *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 recognised 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 are set out in note 15. 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 recognised 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 15.

The total expense is recognised 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 recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

#### **2.3.17. 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.

#### **2.3.18. Dividends**

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

#### **2.3.19. 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 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)
- Annual Improvements to IFRS Standards 2018-2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)

### 4. First-time adoption of IFRS

These consolidated financial statements, for the year ended 31 December 2020, are the first the Company has prepared in accordance with IFRS. For periods up to and including the years ended 31 December 2019 and 31 December 2018, the Company prepared its consolidated financial statements in accordance with local generally accepted accounting principles (Belgium GAAP).

Accordingly, the Company has prepared consolidated financial statements that comply with IFRS applicable as at 31 December 2020, together with the comparative period data for the years ended 31 December 2019 and 31 December 2018, as described in the summary of significant accounting policies. In preparing the consolidated financial statements, the Company's opening consolidated statement of financial position was prepared as at 1 January 2018, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its local GAAP financial statements, including the statement of financial position as at 31 December 2019, 31 December 2018 and 1 January 2018 and the financial statements as of, and for, the years ended 31 December 2019 and 31 December 2018.

#### 4.1. Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has applied the following exemptions:

- The Company has applied the transitional provisions in IAS 23 Borrowing Costs and capitalises borrowing costs relating to all qualifying assets after the date of transition. Similarly, the Company

has not restated for borrowing costs capitalised under Local GAAP on qualifying assets prior to the date of transition to IFRS as there were no qualifying assets.

- The Company assessed all contracts existing at 1 January 2018 to determine whether a contract contains a lease based upon the conditions in place as at 1 January 2018.
- IFRS 16 leases was early adopted as from the date of transition. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2018. Right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position immediately before 1 January 2018. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on either a straight-line basis over the lease term or another systematic basis. The Company applies a single discount rate for lease contract portfolio's with similar characteristics.

#### 4.2. Estimates

The estimates at 1 January 2018, at 31 December 2018 and at 31 December 2019 are consistent with those made for the same dates in accordance with Local GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Local GAAP did not require estimation:

- Pensions and other postemployment benefits.

The estimates used by the Company to present these amounts in accordance with IFRS reflect conditions at 1 January 2018, the date of transition to IFRS and as at 31 December 2018 and 31 December 2019.

## 4.3. Reconciliation of the statement of financial position from local GAAP to IFRS as at December 31, 2019

At December 31, 2019						
000€	Notes	Be GAAP	BE GAAP to IFRS Reclasses	IFRS Restatements	IFRS Reclasses	IFRS
<b>Non-current assets</b>						
Intangible assets	A	74	-	-24	-	50
Property, plant and equipment	A, E	3.398	-	672	-	4.070
Deferred tax assets	H	-	-	180	-72	108
Other financial assets		-	-	-	-	-
<b>Total non-current assets</b>		<b>3.472</b>	<b>-</b>	<b>828</b>	<b>-72</b>	<b>4.228</b>
<b>Current assets</b>						
Contract assets	B	1.217	-	-178	-	1.039
Inventories		482	-	-	-	482
Trade receivables	C	3.121	-	-61	-	3.060
Other current assets	D	539	85	-58	-	566
Cash and cash equivalents		4.350	-113	-	-	4.237
<b>Total current assets</b>		<b>9.709</b>	<b>-28</b>	<b>-297</b>	<b>-</b>	<b>9.384</b>
<b>Total assets</b>		<b>13.181</b>	<b>-28</b>	<b>531</b>	<b>-72</b>	<b>13.612</b>
<b>Equity</b>						
Share capital		-	-	-	-	-
Restricted reserve - share capital		5.162	-	-	-	5.162
Other reserves	F	53	-	-30	-	23
Accumulated profit/loss	I	226	-	8	-	234
<b>Equity attributable to the owners of the parent</b>		<b>5.441</b>	<b>-</b>	<b>-22</b>	<b>-</b>	<b>5.419</b>
<b>Total equity</b>		<b>5.441</b>	<b>-</b>	<b>-22</b>	<b>-</b>	<b>5.419</b>
<b>Non-current liabilities</b>						
Borrowings		3.040	-	-	-	3.040
Lease liabilities	E	2	-	300	-	302
Deferred tax liabilities	H	-	-	72	-72	-
Provisions	F	85	-	311	-	396
<b>Total non-current liabilities</b>		<b>3.127</b>	<b>-</b>	<b>683</b>	<b>-72</b>	<b>3.738</b>
<b>Current liabilities</b>						
Borrowings		673	-	-	-	673
Lease liabilities	E	4	-	178	-	182
Trade payables	G	3.474	-148	-9	-	3.317
Tax payables		19	139	-	-	158
Other current liabilities		444	-19	-300	-	125
<b>Total current liabilities</b>		<b>4.614</b>	<b>-28</b>	<b>-131</b>	<b>-</b>	<b>4.455</b>
<b>Total Liabilities</b>		<b>7.741</b>	<b>-28</b>	<b>552</b>	<b>-72</b>	<b>8.193</b>
<b>Total Equity and liabilities</b>		<b>13.182</b>	<b>-28</b>	<b>530</b>	<b>-72</b>	<b>13.612</b>

## 4.4. Reconciliation of the statement of financial position from local GAAP to IFRS as at December 31, 2018

At December 31, 2018						
000€		Be GAAP	BE GAAP to IFRS Reclasses	IFRS Restatements	IFRS Reclasses	IFRS
<b>Non-current assets</b>						
Intangible assets	A	45	-	-34	-	11
Property, plant and equipment	A, E	1.723	-	413	-	2.136
Deferred tax assets	H	-	-	179	-26	153
Other financial assets		-	-	-	-	-
<b>Total non-current assets</b>		<b>1.768</b>	<b>-</b>	<b>558</b>	<b>-26</b>	<b>2.300</b>
<b>Current assets</b>						
Contract assets	B	695	-	-95	-	600
Inventories		410	-	-	-	410
Trade receivables	C	1.244	-	-61	-	1.183
Other current assets	D	416	102	-49	-	469
Cash and cash equivalents		227	-114	-	-	113
<b>Total current assets</b>		<b>2.992</b>	<b>-12</b>	<b>-205</b>	<b>-</b>	<b>2.775</b>
<b>Total assets</b>		<b>4.760</b>	<b>-12</b>	<b>353</b>	<b>-26</b>	<b>5.075</b>
<b>Equity</b>						
Share capital		62	-	-	-	62
Restricted reserve - share capital		-	-	-	-	-
Other reserves	F	53	-	-13	-	40
Accumulated profit/loss	I	323	-	-406	-	-83
<b>Equity attributable to the owners of the parent</b>		<b>438</b>	<b>-</b>	<b>-419</b>	<b>-</b>	<b>19</b>
<b>Total equity</b>		<b>438</b>	<b>-</b>	<b>-419</b>	<b>-</b>	<b>19</b>
<b>Non-current liabilities</b>						
Borrowings		1.761	-	-	-	1.761
Lease liabilities	E	6	-	299	-	305
Deferred tax liabilities	H	-	-	26	-26	-
Provisions	F	85	-	285	-	370
<b>Total non-current liabilities</b>		<b>1.852</b>	<b>-</b>	<b>610</b>	<b>-26</b>	<b>2.436</b>
<b>Current liabilities</b>						
Borrowings		878	-	-	-	878
Lease liabilities	E	4	-	169	-	173
Trade payables	G	1.381	-	-8	-	1.373
Tax payables		91	-	-	-	91
Accrued charges and deferred income		-	-	-	-	-
Other current liabilities		117	-12	-	-	105
<b>Total current liabilities</b>		<b>2.471</b>	<b>-12</b>	<b>161</b>	<b>-</b>	<b>2.620</b>
<b>Total Liabilities</b>		<b>4.323</b>	<b>-12</b>	<b>771</b>	<b>-26</b>	<b>5.056</b>
<b>Total Equity and liabilities</b>		<b>4.761</b>	<b>-12</b>	<b>352</b>	<b>-26</b>	<b>5.075</b>

## 4.5. Reconciliation of the statement of financial position from local GAAP to IFRS as at January 1, 2018

At January 1, 2018						
000€		Be GAAP	BE GAAP to IFRS Reclasses	IFRS Restatements	IFRS Reclasses	IFRS
<b>Non-current assets</b>						
Intangible assets	A	43	-	-28	-	15
Property, plant and equipment	A, E	1.669	-	442	-	2.111
Deferred tax assets	H	-	-	192	-23	169
Other financial assets		-	-	-	-	-
<b>Total non-current assets</b>		<b>1.712</b>	<b>-</b>	<b>606</b>	<b>-23</b>	<b>2.295</b>
<b>Current assets</b>						
Contract assets	B	210	-	-122	-	88
Inventories		382	-	-	-	382
Trade receivables	C	1.102	-	-61	-	1.041
Other current assets	D	305	39	-134	-	210
Cash and cash equivalents		155	-113	-	-	42
<b>Total current assets</b>		<b>2.154</b>	<b>-74</b>	<b>-317</b>	<b>-</b>	<b>1.763</b>
<b>Total assets</b>		<b>3.866</b>	<b>-74</b>	<b>289</b>	<b>-23</b>	<b>4.058</b>
<b>Equity</b>						
Share capital		62	-	-	-	62
Restricted reserve - share capital		-	-	-	-	-
Other reserves	F	44	-	-5	-	39
Accumulated profit/loss	I	316	-	-441	-	-125
<b>Equity attributable to the owners of the parent</b>		<b>422</b>	<b>-</b>	<b>-446</b>	<b>-</b>	<b>-24</b>
<b>Total equity</b>		<b>422</b>	<b>-</b>	<b>-446</b>	<b>-</b>	<b>-24</b>
<b>Non-current liabilities</b>						
Borrowings		1.440	-	-	-	1.440
Lease liabilities	E	9	-	222	-	231
Deferred tax liabilities	H	-	-	23	-23	-
Provisions	F	-	-	356	-	356
<b>Total non-current liabilities</b>		<b>1.449</b>	<b>-</b>	<b>601</b>	<b>-23</b>	<b>2.027</b>
<b>Current liabilities</b>						
Borrowings		936	-	-	-	936
Lease liabilities	E	3	-	130	-	133
Trade payables	G	935	-77	-	-	858
Tax payables		11	77	-	-	88
Accrued charges and deferred income		-	-	-	-	-
Other current liabilities		108	-74	6	-	40
<b>Total current liabilities</b>		<b>1.993</b>	<b>-74</b>	<b>136</b>	<b>-</b>	<b>2.055</b>
<b>Total Liabilities</b>		<b>3.442</b>	<b>-74</b>	<b>737</b>	<b>-23</b>	<b>4.082</b>
<b>Total Equity and liabilities</b>		<b>3.864</b>	<b>-74</b>	<b>291</b>	<b>-23</b>	<b>4.058</b>

#### 4.6. Explanations to the reconciliation of the statement of financial position from local GAAP to IFRS as at December 31, 2019 and 2018 and January 1, 2018

The BE GAAP reclasses relate to presentation difference between local GAAP and IFRS. The IFRS reclasses relate to the netting of the deferred tax positions.

The restatements can be explained as follows:

- A. The restatement to the intangible assets relate to the reversal of certain marketing-related intangible assets recognized under local GAAP which do not meet the criteria for recognition under IFRS with a total impact of -KEUR 24, -KEUR 34 and -KEUR 27 at December 31, 2019, December 31, 2018 and January 1, 2018 respectively. The restatement to the property, plant and equipment relate to (i) the reversal of the depreciation of the registration fees capitalized on land for a total amount of KEUR 40, KEUR 40 and KEUR 41 at December 31, 2019, December 31, 2018 and January 1, 2018 respectively, (ii) revision of the depreciaton method from double declining method under local GAAP to straightline under IFRS for certain assets with a total impact of KEUR 22, KEUR 46 and KEUR 50 for December 31, 2019 and 2018 and January 1, 2018 respectively, and (iii) reversal of the depreciations on installations under construction until the installation is in the conditions that management intended, with a total impact of KEUR 185 and -KEUR 108 for December 31, 2019 and 2018 respectively.
- B. The restatement relate to adjustment of the work in progress for contracts with customers where the performance obligation is to build and manufacture a process water installation (contract assets) because of a more granular approach in measuring the amount of the work in progress. The total impact is -KEUR 178, -KEUR 95 and -KEUR 122 at December 31, 2019, December 31, 2018 and January 1, 2018 respectively. For certain contracts, this results in an adjustment to contract liability of KEUR 0, KEUR 0 and KEUR 6 at December 31, 2019, December 31, 2018 and January 1, 2018 respectively.
- C. The restatement relate to an additional impairment of the outstanding trade receivables in relation to the expected credit losses model recognized as per January 1, 2017. For the years 2019 and 2018, no adjustment to the expected credit loss allowance has been recorded.
- D. The restatement relate to additional impairment of the outstanding receivable related to packaging guarantees with a total impact of -KEUR 58, -KEUR 128 and -KEUR 121 for December 31, 2019 and 2018 and January 1, 2017 respectively.
- E. The restatement relate to the impact of applying IFRS 16 Leases to the operating lease contracts where the rental charges are recognized as an expense under Local GAAP while under IFRS 16 a right-of-use asset and lease liability will be recognized at inception of the lease, with a total right-of-use asset of KEUR 425, KEUR 437 and KEUR 351 for December 31, 2019 and 2018 and January 1, 2017 respectively, and a total lease liability of KEUR 478, KEUR 468 and KEUR 352 for December 31, 2019 and 2018 and January 1, 2017 respectively.
- F. The restatement relate to the remeasurement of a provision for claims with a total impact of KEUR 263, KEUR 263 and KEUR 348 as per December 31, 2019 and 2018 and as per January 1, 2018. In addition, the provisions include the net defined benefit liability for the belgian group insurance plans with are subject to a minimum guaranteed return. Under local GAAP, those plans are accounted for as a defined contribution plan, while under IFRS as a defined benefit plan. The total impact of this is a defined benefit liability of KEUR 48, KEUR 22 and KEUR 8 as per December 31, 2019 and 2018 and as per January 1, 2018, respectively. The total impact of the actuarial losses recognized in other comprehensive loss, net of tax („Other reserves“) is KEUR 30, KEUR 13, KEUR 5.
- G. The restatement relate to the remeasurement of a provision for claim with a total impact of KEUR 8 as per December 31, 2019 and 2018.
- H. The restatement relate to the deferred tax impact on the temporary differences resulting from the IFRS restatement adjustments.
- I. The restatement in the reserves and accumulated profit relate to the net impact after taxes of the above restatements.

#### 4.7. Reconciliation of the statement of profit & loss from local GAAP to IFRS for years ended December 31, 2019

		For the year ending December 31, 2019				
000€		Be GAAP	BE GAAP to IFRS Reclasses	IFRS Restatements	IFRS Reclasses	IFRS
Revenue	A	11.638	-	-83	-1.350	10.205
Other operating income	B	131	-	3	-	134
<b>Operating income</b>		<b>11.769</b>	<b>-</b>	<b>-80</b>	<b>-1.350</b>	<b>10.339</b>
Purchases of materials		-7.306	-	112	1.144	-6.050
Services and other goods	B	-1.266	-	153	-	-1.113
Employee benefit expense	D	-1.529	-	-4	206	-1.327
Depreciation charges	B,C	-489	-	15	-	-474
Remuneration to the sole shareholder		-711	-	-	-	-711
Other operating charges	E	-32	-	-8	-	-40
<b>Operating profit</b>		<b>436</b>	<b>-</b>	<b>188</b>	<b>-</b>	<b>624</b>
Financial expenses	B	-123	-	-25	-	-148
Financial income		3	-	-	-	3
<b>Profit before taxes</b>		<b>316</b>	<b>-</b>	<b>163</b>	<b>-</b>	<b>479</b>
Income taxes	F	-110	-	-51	-	-161
<b>Net profit for the year</b>		<b>206</b>	<b>-</b>	<b>112</b>	<b>-</b>	<b>318</b>
Remeasurements of post-employment benefit obligations, net of tax	G	-	-	-17	-	-17
<b>Total comprehensive income for the year, net of tax *</b>		<b>206</b>	<b>-</b>	<b>95</b>	<b>-</b>	<b>301</b>

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

#### 4.8. Reconciliation of the statement of profit & loss from local GAAP to IFRS for years ended December 31, 2018

		For the year ending December 31, 2018				
000€		Be GAAP	BE GAAP to IFRS Reclasses	IFRS Restatements	IFRS Reclasses	IFRS
Revenue	A	6.730	-	33	-150	6.613
Other operating income	B	140	-	5	-	145
<b>Operating income</b>		<b>6.870</b>	<b>-</b>	<b>38</b>	<b>-150</b>	<b>6.758</b>
Purchases of materials		-3.552	-	-125	125	-3.552
Services and other goods	B	-850	-	121	-	-729
Employee benefit expense	D	-1.294	-	-4	25	-1.273
Depreciation charges	B,C	-200	-	-131	-	-331
Remuneration to the sole shareholder		-624	-	-	-	-624
Other operating charges	E	-205	-	179	-	-26
<b>Operating profit</b>		<b>145</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>223</b>
Financial expenses	B	-81	-	-25	-	-106
Financial income		2	-	-	-	2
<b>Profit before taxes</b>		<b>66</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>119</b>
Income taxes	F	-50	-	-18	-	-68
<b>Net profit for the year</b>	<b>F</b>	<b>16</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>51</b>
Remeasurements of post-employment benefit obligations, net of tax	G	-	-	-8	-	-8
<b>Total comprehensive income for the year, net of tax *</b>		<b>16</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>43</b>

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

#### 4.9. Notes to the reconciliation of the statement of profit & loss from local GAAP to IFRS for years ended December 31, 2019 and 2018

The BE GAAP reclasses relate to presentation difference between local GAAP and IFRS. The IFRS reclasses relate to the netting of the revenue from the sale of a water process installation for a WAAS customer to the leasing company, as part of a sale-and-lease back, with the related costs incurred to construct the water process installation. Under IFRS, the water process installations within the WAAS operating segment are capitalized under property, plant and equipment and the relate sale-and-lease backs are not consumed from the point of view of the Company.

The restatements can be explained as follows:

- J. The restatement relate to the application of IFRS 15 on the contracts with customers and more specifically the measurement of the contract assets - work in progress for the build and manufacturing of the process water installations for which revenue is recognized over time, i.e. with time the time to design and build the installation. The total impact is -KEUR 83 and -KEUR 33 for 2019 and 2018
- K. The restatement relate to the impact of the applying IFRS 16 leases to te operating lease contracts where the rental charges are recognized as an expense under Local GAAP while under IFRS 16 the rental charges with a total impact of KEUR 153 and KEUR 138 for 2019 and 2018 respectively, are reversed and a depreciation charge of the right-of-use assets is recognized with a total impact of -KEUR 152 and -KEUR 152 for 2019 and 2018 respectively, and an interest expense related to the lease liability is recognized with a total impact of -KEUR 25 and -KEUR 25 for 2019 and 2018 respectively. Under IFRS 16, a gain upon early termination of certain leases was recognized with a total impact of KEUR 3 and KEUR 5 for 2019 and 2018 respectively. In addition, this restatement include the marketing-related costs expensed as incurred for IFRS while capitalised under local GAAP with an

impact of -KEUR 17 in 2018 in the line services and other goods and KEUR 10 in the line depreciations in both 2019 and 2018.

- L. This restatement relate to the reversal of the depreciation of certain installations under construction until the installation is in the condition that management intended with a total impact of KEUR 157 and KEUR 11 for 2019 and 2018 respectively.
- M. The restatement relate to IAS 19 impact of the remeasurment of the Belgian group insurance plan which is accounted for as a defined benefit plan under IFRS. The total impact is -KEUR 3 and -KEUR 4 for 2019 and 2018 respectively.
- N. The restatement relate to a remeasurement of the provision for claims with a total impact of KEUR 0 and KEUR 172 for 2019 and 2018 respectively, and the adjustment of the expected credit losses for trade receivables with a total impact of KEUR 8 and KEUR 7 for 2019 and 2018 respectively.
- O. The restatement relate to the deferred tax impact on the temporary differences resulting from the IFRS restatement adjustments.
- P. The restatement relate to the actuarial losses from the remeasurement of the defined benefit plans with a total impact, net of taxes, of -KEUR 11 and -KEUR 8 for 2019 and 2018 respectively.

## 5. Significant accounting judgments, estimates and assumptions

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

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

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

### 5.1. DBFMO arrangements - assessment whether these contract contain a lease

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

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

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

- There is no identified asset. Substantive substitution rights are in place for the Company throughout the period of use as the Company may, at its own discretion, replace the assets with another asset that produces the same volume and quality of water. In a DBFMO contract, the Company performance obligation is the delivery of a maximum 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 maximum 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 DBFMO arrangement are accounted for in accordance with IFRS 15 contracts with customers.

### 5.2. Revenue recognised over time - performance obligation to design and build a process water installation

The Company recognized revenue under the 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 estimate 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.

### 5.3. Defined benefit plan

The Company has two group insurance plans with minimum guaranteed return of 1,75% 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.

### 5.4. Recognition of deferred tax assets over tax losses carried forward

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

The Company has KEUR 448 of tax losses carried forward that have arisen in 2020. 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 112. The Company has determined it can recognize deferred tax assets on the tax losses carried forward, since the Company expects an increase in revenue and operating profit resulting from the increasing importance of the DBFMO business model as of 2021 and as such is convinced that the tax losses carried forward will be recovered in the near future.

## 6. 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:

- Sales model (which include the traditional sales and the installation sales of the DBMO contracts): the contracts with the customer are to design and build a process water installation, ownership and control over the process water installation is transferred to customer.
- 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 maximum volume of water which meet the contractual quality requirements under the DBFMO contract. Under the DBMO contracts, eventually, at the discretion of the customer, a cancellable operating agreement is signed between the Company and the customer to maintain and operate the process water installation.

These segments are reflected in the 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, 2020.

in 000€	SALES	WAAS	TOTAL
Revenue	9.014	465	9.479
Other operating income	302	-	302
Purchases of materials, services and other goods	-7.264	-136	-7.400
Employee benefit expense	-1.564	-16	-1.580
Other operating charges, net, without expenses from claims	-92	-	-92
<b>Adjusted EBITDA</b>	<b>396</b>	<b>313</b>	<b>709</b>
Expenses from claims	-59	-	-59
<b>EBITDA</b>	<b>337</b>	<b>313</b>	<b>650</b>
Depreciation charges	-447	-176	-623
<b>Operating profit</b>	<b>-110</b>	<b>137</b>	<b>27</b>
Financial expenses	-128	-21	-149
Financial income	4	-	4
<b>Profit (loss) before tax</b>	<b>-234</b>	<b>116</b>	<b>-118</b>
Segment assets	9.777	2.110	11.887
Segment liabilities	5.560	1.312	6.872

The following table summarizes the segment reporting for the year ending December 31, 2019.

in 000€	SALES	WAAS	TOTAL
Revenue	10.185	20	10.205
Other operating income	134	-	134
Purchases of materials, services and other goods	-7.158	-5	-7.163
Employee benefit expense	-1.326	-1	-1.327
Other operating charges, net, without expenses from claims	-40	-	-40
<b>Adjusted EBITDA</b>	<b>1.795</b>	<b>14</b>	<b>1.809</b>
Remuneration to sole shareholder	-711	-	-711
<b>EBITDA</b>	<b>1.084</b>	<b>14</b>	<b>1.098</b>
Depreciation charges	-470	-4	-474
<b>Operating profit</b>	<b>614</b>	<b>10</b>	<b>624</b>
Financial expenses	-135	-13	-148
Financial income	3	-	3
<b>Profit (loss) before tax</b>	<b>482</b>	<b>-3</b>	<b>479</b>
Segment assets	12.128	1.484	13.612
Segment liabilities	6.693	1.500	8.193

For the year December 31, 2018, there was only one operating segment "Sales".

in 000€	SALES
Revenue	6.613
Other operating income	145
Purchases of materials, services and other goods	-4.281
Employee benefit expense	-1.273
Other operating charges, net, without expenses from claims	-26
<b>Adjusted EBITDA</b>	<b>1.178</b>
Remuneration to sole shareholder	-624
<b>EBITDA</b>	<b>554</b>
Depreciation charges	-331
<b>Operating profit</b>	<b>223</b>
Financial expenses	-106
Financial income	2
<b>Profit before tax</b>	<b>119</b>
Segment assets	5.075
Segment liabilities	5.056

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

in 000€	2020	2019	2018
Chemical (Sales operating segment)	2.072	1.885	1.771
Water process installations (sales operating segment)	6.289	7.775	4.493
Desinfection installations (sales operating segment)	653	525	348
DBFMO revenue (WAAS segment)	465	20	-
<b>Total revenue by product type</b>	<b>9.479</b>	<b>10.205</b>	<b>6.613</b>

Revenue of mainly all products and services is satisfied over time.

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

in 000€	2020	2019	2018
Belgium	7.129	9.546	5.986
France	217	443	167
Netherlands	309	113	182
United Kingdom	7	4	209
Luxembourg	1.651	1	-
Other countries	166	98	69
<b>Total revenue by geography</b>	<b>9.479</b>	<b>10.205</b>	<b>6.613</b>

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

The Company has three customers which revenue present 16%, 16% and 12% (KEUR 1.623, KEUR 1.588 and KEUR 1.226) of total revenue of the „Sales“ segment in the year 2020. The Company has one customer which revenue presents 32% (KEUR 3.259) of the total revenue of the “Sales” segment in the year 2019. The Company has no customers which revenue presents 10% of the total revenue in the year 2018.

## 7. Income and expenses

### 7.1. Purchases, services and other goods

in 000€	2020	2019	2018
Purchase of materials	-6.966	-6.121	-3.576
Inventory change - consumables	576	71	29
Other purchases	-4	-	-5
<b>Total purchases of materials</b>	<b>-6.394</b>	<b>-6.050</b>	<b>-3.552</b>
Rent charges	-31	-9	-36
Repair and maintenance	-76	-79	-78
Utilities	-16	-16	-15
Fuel	-72	-72	-73
Small materials	-37	-44	-35
Postage and website costs	-52	-53	-36
Professional fees	-204	-119	-86
Insurance fees	-59	-67	-44
Transport related expenses	-16	-117	-101
Fees for outsourcing engineering and interim personnel	-37	-290	-9
Management fees	-266	-136	-140
Other services	-140	-111	-76
<b>Total Services and other goods</b>	<b>-1.006</b>	<b>-1.113</b>	<b>-729</b>

The purchase of equipment materials relate to the materials purchased for the build of the water process installations. The increase is explained by the increase in the number of water process installations sold in the sales and the DBMO model.

The professional fees include the fees paid to the accountants, lawyer, design agency and other service providers to the Company.

The fees for outsourcing engineering and interim personnel mainly relate to the outsourcing of part of the engineering related to the construction of the water process installations.

## 7.2. Employee benefits expenses

in 000€	2020	2019	2018
Gross Salaries	-1.089	-905	-873
Social Security charges	-204	-201	-220
Group Insurance	-70	-41	-32
Other Insurance	-18	-21	-16
Other payroll charges	-199	-159	-132
<b>Total employee benefit expenses</b>	<b>-1.580</b>	<b>-1.327</b>	<b>-1.273</b>

The Company had an average of 32,3 FTE during 2020 (21,36 FTE during 2019 and 19,3 FTE during 2018).

## 7.3. Other operating charges

in 000€	2020	2019	2018
Non deductible taxes & contributions	-15	-16	-11
Traffic loads	-21	-12	-13
(Reversal of) write-offs on receivables	-12	-10	-
Claims (settlement & provisions, net)	-59	-	-
Loss on receivables	-30	-	-
Other operating charges	-14	-2	-2
<b>Total other operating charges</b>	<b>-151</b>	<b>-40</b>	<b>-26</b>

#### 7.4. Financial expenses and income

in 000€	2020	2019	2018
Interest charges - borrowings	-89	-90	-65
Interest charges - lease liabilities	-33	-25	-25
Bank charges	-19	-24	-12
Other financial expenses	-8	-9	-4
<b>Financial expenses</b>	<b>-149</b>	<b>-148</b>	<b>-106</b>
Exchange differences	1	-	-
Payment discounts and differences	2	-	-
Interest income	1	3	2
<b>Financial income</b>	<b>4</b>	<b>3</b>	<b>2</b>
<b>Net financial result</b>	<b>-145</b>	<b>-145</b>	<b>-104</b>

### 8. Income and deferred taxes

The major components of income tax expense are:

in 000€	2020	2019	2018
<b>Consolidated statement of profit or loss</b>			
Estimated tax liability for the year	5	110	50
Relating to origination and reversal of temporary differences	-30	51	18
<b>Income tax expense reported in the consolidated statement of profit or loss</b>	<b>-25</b>	<b>161</b>	<b>68</b>
<b>Consolidated statement of other comprehensive income</b>			
<i>Deferred tax related to items recognised in OCI during the year:</i>			
Remeasurement loss on actuarial gains and losses	-4	-6	-3
<b>Deferred tax charged to OCI</b>	<b>-4</b>	<b>-6</b>	<b>-3</b>

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

in 000€	2020	2019	2018
<b>Profit before tax</b>	<b>-118</b>	<b>479</b>	<b>119</b>
Tax expense at the statutory tax rate of 25% (2019/2018 - 29,58%)	-30	139	37
Disallowed expenses	42	41	37
Investment deduction	-	-20	-6
Change in tax rate	-	-5	1
Prepaid share issue costs	-52	-	-
Other	15	6	-1
<b>Income tax expense</b>	<b>-25</b>	<b>161</b>	<b>68</b>

The domestic tax rate is 29,58% for 2018 and 2019 and 25% as from 2020. The investment deduction is an additional tax deduction for certain investments in intangible assets and property, plant and equipment between 13,5% and 20%.

The deferred taxes are explained as follows:

in 000€	Consolidated statement of financial position				Consolidated statement of profit or loss & OCI		
	At December 31			At January 1	For the year-ending December 31		
	2020	2019	2018	2018	2020	2019	2018
Tax losses	112	-	-	-	112	-	-
Property, plant & equipment	-	17	47	7	-17	-30	40
Provisions	-	76	76	103	-76	-	-27
Receivables	-	17	15	41	-17	2	-26
Pension liabilities	20	12	6	2	4	6	4
Leases	20	13	8	-	7	5	8
Contract assets	-	45	28	38	-45	17	-10
<b>Total deferred tax assets</b>	<b>152</b>	<b>180</b>	<b>180</b>	<b>191</b>	<b>-32</b>	<b>-</b>	<b>-11</b>
Property, plant & equipment	-10	-72	-27	-23	62	-45	-4
<b>Total deferred tax liabilities</b>	<b>-10</b>	<b>-72</b>	<b>-27</b>	<b>-23</b>	<b>62</b>	<b>-45</b>	<b>-4</b>
<b>Net deferred tax asset</b>	<b>142</b>	<b>108</b>	<b>153</b>	<b>168</b>			
<b>Total deferred tax expense in P&amp;L</b>					<b>30</b>	<b>-51</b>	<b>-18</b>
<b>Total deferred tax expense in OCI</b>					<b>-</b>	<b>6</b>	<b>3</b>

The Company has a total of KEUR 448 tax loss carryforwards for which a deferred tax assets has been recognized. The tax loss carryforwards will be utilized in the coming years when taxable profits are generated. The tax loss carryforward do not expire.

## 9. Intangible assets

The changes in the carrying value of the intangible assets at December 31, 2020, 2019 and 2018 can be presented as follows:

	Software	Other intangible assets	Total
<b>Acquisition value</b>			
At January 1, 2018	40	-	40
At December 31, 2018	40	-	40
Additions	26	38	64
Disposals	-2	-	-2
At December 31, 2019	64	38	102
Additions	73	-	73
Disposals	-17	-	-17
At 31st December 2020	120	38	158
<b>Amortisation</b>			
At January 1, 2018	-25	-	-25
Additions	-4	-	-4
At December 31, 2018	-29	-	-29
Additions	-12	-13	-25
Disposals	2	-	2
At December 31, 2019	-39	-13	-52
Additions	-16	-13	-29
Disposals	13	-	13
At 31st December 2020	-42	-26	-68
<b>Net carrying value</b>			
At January 1, 2018	15	-	15
At December 31, 2018	11	-	11
At December 31, 2019	25	25	50
At 31st December 2020	78	12	90

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.

## 10. 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 of 2018 relate to the installation of an aircondition system and construction of an additional floor on the building. The additions during 2019 and 2020 are related mainly to an additional metallic construction and additional electricity supplies.

The construction in progress during 2018 relates to the first DBFMO installation under construction. The construction was taken into operation and transferred to DBFMO installations mid December 2019.

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

The right-of-use assets mainly relate to leased vehicles, we refer to Note 11 for further information on the right-of-use assets and related liabilities.

The land and building has part of a mortgage in favor of a bank for a total amount of KEUR 55. There are no other restrictions or pledges on the property, plant and equipment. We refer to Note 19 for further information on the pledges and guarantees.

The changes in the carrying value of the property, plant and equipment at December 31, 2020, 2019 and 2018 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	Total
<b>Acquisition value (in 000€)</b>								
At January 1, 2018	1.922	-	328	108	33	409	-	2.800
Additions	61	-	27	1	-	272	26	387
Disposals	-	-	-	-	-13	-61	-	-74
At December 31, 2018	1.983	-	355	109	20	620	26	3.113
Additions	357	-	389	7	27	172	1.462	2.414
Disposals	-	-	-31	-7	-2	-53	-	-93
Transfers	-	1.488	-	-	-	-	-1.488	-
At December 31, 2019	2.340	1.488	713	109	45	739	-	5.434
Additions	75	69	527	2	68	261	480	1.482
Disposals	-	-	-15	-6	-1	-88	-	-110
At 31st December 2020	2.415	1.557	1.225	105	112	912	480	6.806
<b>Depreciation (in 000€)</b>								
At January 1, 2018	-369	-	-190	-50	-33	-47	-	-689
Additions	-105	-	-56	-11	-	-155	-	-327
Disposals	-	-	-	-	13	26	-	39
At December 31, 2018	-474	-	-246	-61	-20	-176	-	-977
Additions	-132	-4	-138	-13	-5	-156	-	-448
Disposals	-	-	31	7	2	21	-	61
At December 31, 2019	-606	-4	-353	-67	-23	-311	-	-1.364
Additions	-136	-104	-132	-12	-15	-194	-	-593
Disposals	-	-	15	6	1	77	-	99
At 31st December 2020	-742	-108	-470	-73	-37	-428	-	-1.858
<b>Net book value</b>								
At January 1, 2018	1.553	-	138	58	-	362	-	2.111
At December 31, 2018	1.509	-	109	48	-	444	26	2.136

	Land and buildings	DBFMO Installations	Machinery and Equipment	Office furniture and equipment	Vehicles	Right-of-use assets	Construction in progress	Total
At December 31, 2019	1.734	1.484	360	42	22	428	-	4.070
At 31st December 2020	1.673	1.449	755	32	75	484	480	4.948

## 11. 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 vehicles and computer equipment. Rental contracts are made for fixed periods of 3 to 5 years. Contracts may contain both lease and non-lease components. The Company has elected to separate the lease and non-lease components and allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

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 small 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:

in 000€	At December 31			At January 1
	2020	2019	2018	2018
<b>Right-of-use assets</b>				
Machinery and equipment	1	4	8	11
Vehicles	483	424	436	351
<b>Total right-of-use assets</b>	<b>484</b>	<b>428</b>	<b>444</b>	<b>362</b>
<b>Lease liabilities</b>				
Current	236	182	173	133
Non-current	326	302	305	231
<b>Total lease liabilities</b>	<b>562</b>	<b>484</b>	<b>478</b>	<b>364</b>

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

in 000€	Machinery and equipment	Vehicles	Total
<b>Acquisition value</b>			
<b>At January 1, 2018</b>	<b>25</b>	<b>384</b>	<b>409</b>
Additions	-	272	272
Disposals	-	-8	-8
Early termination	-	-53	-53
<b>At December 31, 2018</b>	<b>25</b>	<b>595</b>	<b>620</b>
Additions	-	172	172
Disposals	-	-	-
Early termination	-	-53	-53
<b>At December 31, 2019</b>	<b>25</b>	<b>714</b>	<b>739</b>
Additions	-	261	261
Disposals	-7	-81	-88
Early termination	-	-	-
<b>At 31st December 2020</b>	<b>18</b>	<b>894</b>	<b>912</b>
<b>Depreciation</b>			
<b>At January 1, 2018</b>	<b>-15</b>	<b>-32</b>	<b>-47</b>
Depreciation charge for the year	-3	-151	-154
Disposals	-	8	8
Early termination	-	17	17
<b>At December 31, 2018</b>	<b>-18</b>	<b>-158</b>	<b>-176</b>
Depreciation charge for the year	-4	-153	-157
Disposals	-	-	-
Early termination	-	22	22
<b>At December 31, 2019</b>	<b>-22</b>	<b>-289</b>	<b>-311</b>
Depreciation charge for the year	-3	-191	-194
Disposals	7	70	77
Early termination	-	-	-
<b>At 31st December 2020</b>	<b>-18</b>	<b>-410</b>	<b>-428</b>
<b>Net book value</b>			
At January 1, 2018	11	351	362
At December 31, 2018	8	436	444
At December 31, 2019	4	424	428
At 31st December 2020	1	483	484

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

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

in 000€	Lease Liability
<b>At January 1, 2018</b>	<b>364</b>
Additions	272
Early termination	-41
Payments	-117
<b>At December 31, 2018</b>	<b>478</b>
Additions	172
Early termination	-34
Payments	-132
<b>At December 31, 2019</b>	<b>484</b>
Additions	260
Early termination	-15
Payments	-167
<b>At December 31, 2020</b>	<b>562</b>

The following amounts are recognised in the consolidated income statement:

in 000€	2020	2019	2018
Depreciation expense of right-of-use assets	-194	-157	-154
Interest expense on lease liabilities	-32	-25	-25
Gain on disposal of IFRS16 assets	4	4	5
Expense relating to short-term leases and low-value assets	-31	-9	-36
<b>Total amount recognised in the consolidated income statement</b>	<b>-253</b>	<b>-187</b>	<b>-210</b>

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.

## 12. Inventory

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

in 000€	At December 31			At January 1
	2020	2019	2018	2018
Chemicals	48	43	33	25
Spare parts	1.009	439	377	357
<b>Total inventories</b>	<b>1.057</b>	<b>482</b>	<b>410</b>	<b>382</b>

### 13. Contract assets, trade and other receivables

#### Contract assets

Contract assets are initially recognized for revenue earned from the design and build of the water process installation in the sales model and DBMO but which are not billed.

The contract assets amount to KEUR 562 and KEUR 1.039 as per December 31, 2020 and 2019 (KEUR 600 as per December 31, 2018 and KEUR 600 as per January 1, 2018) . The contract assets are related to several open projects. The increase over the year 2019 is due to an increase in the number and size of the open projects at reporting date, whereas per reporting date 2020 the number and size of the open projects decreased.

#### Trade and other receivables

Trade and other receivables include the following:

in 000€	At December 31			At January 1
	2020	2019	2018	2018
Trade receivables	3.299	3.060	1.183	1.041
Receivable on vendor - packaging guarantee	39	120	105	31
VAT receivable	149	274	100	23
Current account - related party	7	8	69	-
Deferred charges	279	10	31	29
Other current assets	14	154	163	127
<b>Total trade receivables and other current assets</b>	<b>3.791</b>	<b>3.627</b>	<b>1.652</b>	<b>1.252</b>

The Company applied the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables based on historical losses. The historical losses have been very limited because the Company only works with customers active in the chemical, pharmaceutical and food industry with outstanding credit rating. As such the expected credit loss provision is not material. Trade receivables are non-interest-bearing and are generally on payment terms of between 30 to 90 days.

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

### 14. Cash and cash equivalents

The cash and cash equivalents can be presented as follows:

in 000€	At December 31			At January 1
	2020	2019	2018	2018
Cash at banks and on hand	900	652	63	2
Saving accounts	400	3.585	50	40
<b>Cash and cash equivalents</b>	<b>1.300</b>	<b>4.237</b>	<b>113</b>	<b>42</b>

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.

## 15. Equity

The Company has issued both A and B ordinary shares with no nominal. There are no specific rights attached to each type of ordinary share.

The following share transactions have taken place during the period between December 31, 2018 and December 31, 2020:

	Total number of ordinary shares before share split (in shares)	Total number of ordinary shares adjusted for share split (in 000 shares)	Total share capital in €000	Restricted reserves in €000	Par value per ordinary share adjusted for share split (per share)
Outstanding at January 1, 2018	213	7.455	62	-	0,3
<b>Outstanding on December 31, 2018</b>	<b>213</b>	<b>7.455</b>	<b>62</b>	<b>-</b>	<b>0,01</b>
Outstanding at January 1, 2019	213	7.455	62	-	0,01
Capital increase in cash	95	3.325	5.100	-	1,53
New Company law - transfer share capital to restricted reserves	-	-	-5.162	5.162	-
<b>Outstanding on December 31, 2019</b>	<b>308</b>	<b>10.780</b>	<b>-</b>	<b>5.162</b>	<b>0,00</b>
<b>Outstanding on December 31, 2020</b>	<b>-</b>	<b>10.780</b>	<b>-</b>	<b>5.162</b>	<b>0,00</b>

At September 18, 2019, the Company has issued 95 new ordinary shares to a new investor for a total issue price of KEUR 5.100. Subsequently, the Company has created two types of shares: A and B. After the capital increase, the total number of A Shares is 151 (owned by the new investor) and the total number of B Shares is 157 (owned by the existing shareholder).

At the same time, the Company has amended its bylaws to make them in accordance with the new Company Law. Accordingly, the Company has transferred its share capital to a restricted reserve. For the purpose of the consolidated statement of financial position, both share capital and the related restricted reserve is included in the line „share capital“. The restricted reserves are not eligible for distribution as they serve as a safety buffer for creditors.

On December 30, 2020, the Company has decided on a share split 1 ordinary share for 35 ordinary new shares.

The other reserves consist of the following:

in 000€	At December 31			At January 1
	2020	2019	2018	2018
Restricted reserve - legal reserve	6	6	6	6
Other reserves	47	47	47	38
<b>Other comprehensive income:</b>				
Actuarial gains (losses) on defined benefit plans	-41	-30	-13	-5
<b>Total reserves</b>	<b>12</b>	<b>23</b>	<b>40</b>	<b>39</b>

The Shareholders' meeting held in 2020 has declared a dividend of KEUR 300, over the result of 2018, paid in 2020.

### 15.1. 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.

Each ESOP Warrant entitles its holder to subscribe for one new Share at an exercise price of EUR 16.20 per warrant. 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.

None of the warrants have vested, forfeited or are currently exercisable. The fair value of the warrants amount to €3,24 per share based on a Black-Scholes Merton valuation model with the following assumptions:

Share price	16,71
Exercise price	16,71
Volatility	24%
Risk-free interest rate	-0,66
Contractual term	5,00
Dividend yield	-

The volatility has been determined based on the average volatility of similar European peers in the „waterwaste services“ sector.

The share-based payment expense per December 31, 2020 is KEUR 0.

## 16. 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 does not have any diluted potentially ordinary shares as the warrants are anti-dilutive. 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	2020	2019	2018
Net profit attributable to ordinary equity holders of the parent for basic earnings and diluted earnings per share	-93	318	51
Weighted average number of ordinary shares for basic and diluted earnings per share	10.780	8.412	7.455

## 17. Provisions and defined benefit obligations

Provisions include the following:

in 000€	At December 31			At January 1
	2020	2019	2018	2018
Provision Legal Claim from customers	-320	-348	-348	-348
Net defined benefit liability	-80	-48	-22	-8
<b>Total provisions and defined benefit obligations</b>	<b>-400</b>	<b>-396</b>	<b>-370</b>	<b>-356</b>

Movements in the provision during the financial year are set out below:

in 000€	2020	2019	2018
At January 1	-348	-348	-348
Additions	-57	-	-
Use	85	-	-
<b>At December 31</b>	<b>-320</b>	<b>-348</b>	<b>-348</b>

The increase/(decrease) in provisions (KEUR 74) in the consolidated statement of cash flows includes the additions from the table above for the amount of KEUR 57 and KEUR 17 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 two legal claims from customers for which it has recognized, if probable that the Company will not be able to successfully defend the case against court or in appeal, the expected indemnities to be paid and the related professional fees and interests.

The claims relate to projects realized before 2018 where the customer claims that the water quality and volume produced do not meet the contractual requirements and where the Company has already lost the case in court and is currently in appeal.

One of the claims have been settled in appeal during 2019 for the final amount of KEUR 93. The amount is included in the provision above and paid in 2020. The second claim has not yet been settled as per year-end 2019. Ekopak lost in first appeal during 2018 for the second claim, but filed an appeal.

### Contingent liabilities and unrecognized contractual commitments

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

### Defined benefit obligations

The Company has two Belgian Branche 21 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. 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 of 1,75% 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			At January 1
	2020	2019	2018	2018
Number of active members	28	29	21	20
Number of inactive members	2	2	2	1
Average age	39	39	40	40

The net defined benefit liability is as follows:

in €000	At December 31		
	2020	2019	2018
<b>Net defined benefit liability at the beginning of the year</b>	<b>48</b>	<b>22</b>	<b>8</b>
Defined benefit cost included in profit & loss	66	44	36
Total remeasurement included in other comprehensive income	15	23	9
Employer contributions	-49	-41	-31
<b>Net defined benefit liability at the end of the year</b>	<b>80</b>	<b>48</b>	<b>22</b>

The gross defined benefit liability is as follows:

in €000	At December 31		
	2020	2019	2018
<b>Defined benefit liability at the beginning of the year</b>	<b>124</b>	<b>67</b>	<b>29</b>
Current service cost	65	44	36
Interest cost	2	1	1
Benefit payments	-5	-	-
Taxes on contributions	-7	-5	-4
Insurance premiums on risk coverages	-4	-4	-3
Actuarial loss on DBO due to change in financial assumptions	13	19	3
Actuarial loss (gain) on DBO due to experience adjustments	1	2	5
<b>Defined benefit liability at the end of the year</b>	<b>189</b>	<b>124</b>	<b>67</b>

The fair value of the plan assets is as follows:

in €000	At December 31		
	2020	2019	2018
<b>Fair value of plan assets at the beginning of the period</b>	<b>76</b>	<b>45</b>	<b>21</b>
Interest income	1	1	1
Employer contributions	49	41	31
Benefit payments	-5	-	-
Taxes on contributions	-6	-5	-4
Insurance premiums on risk coverages	-4	-4	-3
Actuarial loss on fair value of plan assets	-1	-2	-1
<b>Fair value of plan assets at the end of the period</b>	<b>110</b>	<b>76</b>	<b>45</b>

All plan assets are invested in an insurance contract with guaranteed interest rate (branch 21 product).

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

	At December 31			At January 1
	2020	2019	2018	2018
Discount rate	1,00%	1,25%	1,90%	2,10%
Duration of liabilities	23	22,3	20,6	19,8
Inflation rate	1,70%	1,70%	1,70%	1,70%
Salary increase (excluding inflation)	0,00%	0,00%	0,00%	0,00%
Withdrawal rate (annual)	2,50%	2,50%	2,50%	2,50%

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

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

in €000	At December 31			At January 1
	2020	2019	2018	2018
Increase of 0,25% in the discount rate	-11	-8	-4	-1
Decrease of 0,25% in the discount rate	15	8	4	2
Increase of 0,25% in the inflation rate	7	3	1	1
Decrease of 0,25% in the inflation rate	-4	-4	-2	-1

The expected employer contributions for the year 2021 amounts to KEUR 57.

## 18. Fair value

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

in 000€	Carrying value			
	At December 31			At January 1
	2020	2019	2018	2018
<b>Financial assets</b>				
<b>Debt instruments measured at amortized cost</b>				
Trade receivables	3.299	3.060	1.183	1.041
Other current receivables	46	242	287	144
Cash & cash equivalents	1.300	4.237	113	42
<b>Total debt instruments</b>	<b>4.645</b>	<b>7.539</b>	<b>1.583</b>	<b>1.227</b>
<b>Financial liabilities measured at amortized cost</b>				
Borrowings	3.098	3.713	2.639	2.376
Lease liabilities	562	484	478	364
Trade and other payables	2.449	3.317	1.373	858
Other current liabilities	35	125	105	40
<b>Total financial liabilities measured at amortized cost</b>	<b>6.144</b>	<b>7.639</b>	<b>4.595</b>	<b>3.638</b>
Total non-current	2.625	3.040	1.761	1.761
Total current	3.519	4.599	2.834	1.877

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

in 000€	Fair value			
	At December 31			At January 1
	2020	2019	2018	2018
<b>Financial assets</b>				
<b>Debt instruments measured at amortized cost</b>				
Trade receivables	3.299	3.060	1.183	1.041
Other current receivables	46	242	287	144
Cash & cash equivalents	1.300	4.237	113	42
<b>Total debt instruments</b>	<b>4.645</b>	<b>7.539</b>	<b>1.583</b>	<b>1.227</b>
<b>Financial liabilities measured at amortized cost</b>				
Borrowings	3.119	3.742	2.708	2.449
Lease liabilities	562	484	478	364
Trade and other payables	2.449	3.317	1.373	858
Other current liabilities	35	125	105	40
<b>Total financial liabilities measured at amortized cost</b>	<b>6.165</b>	<b>7.668</b>	<b>4.664</b>	<b>3.711</b>
Total non-current	2.644	3.067	1.825	1.829
Total current	3.521	4.601	2.839	1.882

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

- The carrying value of the cash and cash equivalents, the trade receivables and the other current receivables approximate their fair value due to their short-term character.
- The carrying value of trade payables and other liabilities approximates their fair value due to the short-term character of these instruments.

- Loans and borrowings are evaluated based on their interest rates and maturity date. Most interest-bearing debts have fixed interest rates and have a different fair value. We have estimated the fair value by discounting the future payments including interest with the current interest rate with similar maturity.

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

## 19. Borrowing and lease liabilities

The long term liabilities include the following:

in 000€, except interest rate	At December 31		At January 1	
	2020	2019	2018	2018
Leasing liabilities (interest rate range: 1,52% to 7,98%)	562	484	478	364
Investment borrowings (interest rate range: 1,28% to 3,78%)	1.563	1.792	1.711	1.588
Straight loan (interest rate range: 1,71% fixed to variable)	-	100	500	660
Government loan (interest rate: 3%)	222	259	300	-
Investment borrowing for specific customer project (interest rate: 1,48%)	1.313	1.500	-	-
Other borrowings	-	62	128	128
<b>Total borrowings and lease liabilities</b>	<b>3.660</b>	<b>4.197</b>	<b>3.117</b>	<b>2.740</b>
of which current	709	855	2.066	1.069
of which non-current	2.951	3.342	1.051	1.671

The investment borrowings with a total carrying value of KEUR 1.563, KEUR 1.792 and KEUR 1.711 at December 31, 2020, 2019 and 2018 respectively, are investment credit which have a fixed interest rate ranging from 1,28% and 3,78% with maturities between 36 to 180 months. For two investment credits with maturity of 180 months with a carrying value of of KEUR 772, KEUR 1.078, KEUR 1.165 and KEUR 1.258 at December 31, 2020, 2019 and 2018 and at January 1, 2018 respectively, the bank can revise the fixed interest rate every 5 years. The other investment credits have carrying values up to KEUR 300. Certain investment borrowings allow an early repayment at each interest due date and/or the interest revision date.

The investment credits are collateralized by means of the following:

- Mortgage for the investment credit in relation to the building of KEUR 55.
- Proxy for a mortgage in relation to the building of KEUR 1.925.
- Pledge and proxy for a pledge on the trading fund for a total amount of KEUR KEUR 950.
- Pledge on the business goods for a total amount of KEUR 150
- Government guarantee from PMV for a total amount of KEUR 150
- Personal guarantee from a shareholder for KEUR 150

The above collateral is also applied to the bank guarantees provided to by the bank in favor of certain customers for ongoing projects.

The straightloan with a carrying value of KEUR 0, KEUR 100, KEUR 500 and KEUR 660 at December 31, 2020, 2019 and 2018 and at January 1, 2018 respectively, does have a maturity of less than 12 months. The straight loans have a variable interest rate based on Euribor + margin of 1.5%.

The government loan is a loan granted by „Participatiefond Vlaanderen“ for a total amount of KEUR 300 and a maturity of 60 months. Capital instalments are only payable as from the 13 month. The government loan has not guarantees.

The investment borrowing for an amount of KEUR 1.313 relate to the financing of a customer project with a DBMFO contract. The borrowing has a maturity of 84 months, a fixed interest rate of 1,48%. This investment borrowing has a pledge on contractual payment to be paid by the customer and on the related water process installation for a total amount of KEUR 1.500 and a general guarantee of KEUR 75.

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Restriction on disposal or pledge for all assets under the borrowing agreements (sale or rent out for more than 9 years)
- Restriction on distribution of reserves and profits until the Company has a 20% solvability ratio
- The Company is restricted from entering into new banking relations without the prior written approval of the current lenders
- The Company is restricted from providing guarantees for obligations of itself or third parties until the borrowing facilities are terminated
- Restriction on change of control over the Company

The Company has complied with these covenants through the reporting period.

### Cashflows from financing activities

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

	2020	2019	2018
<b>At January 1,</b>	<b>4.197</b>	<b>3.117</b>	<b>2.740</b>
Proceeds from loans & borrowings	700	1.951	1.275
Repayment of loans & borrowings	-1.316	-879	-1.012
New leases (non-cash)	260	172	272
Repayment of leases	-167	-132	-117
Early termination of leases (non-cash)	-15	-32	-41
<b>At December 31</b>	<b>3.659</b>	<b>4.197</b>	<b>3.117</b>

## 20. Short term liabilities

The short term liabilities are the following:

in 000€	At December 31			At January 1
	2020	2019	2018	2018
<b>Trade and other payables</b>				
Trade payables	-2.229	-3.164	-1.203	-745
Payroll-related liabilities	-220	-153	-170	-113
<b>Other current liabilities</b>				
Contract liability - prepayments	-	-5	-	-6
Payable toward customer for packaging guarantee	-35	-120	-105	-31
<b>Total other current liabilities</b>	<b>-35</b>	<b>-125</b>	<b>-105</b>	<b>-40</b>

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.

## 21. 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 5.015, KEUR 5.419 and KEUR 19 as per December 31, 2020, 2019 and 2018 respectively. The ratio shareholder's equity to the total liabilities and equity (solvability ratio) is 42%, 40% and 1% as per December 31, 2020, 2019 and 2018 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. In the light of the significant growth during 2019, the Company has completed a capital increase of KEUR 5.100 with a new investor.

## 22. Financial risk management

### Market risks

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

#### Interest rate risk

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

#### Foreign exchange risk

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

#### Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company expects to meet its obligations related to the financing agreements through operating cash flows. This risk is countered by regular liquidity management at the corporate level. The Company has historically

entered into financing and lease agreements with financial institutions to finance significant projects and certain working capital requirements.

The range of contracted obligations are as follows:

in 000€	Less than 1 year	2 to 3 years	4-5 years	More than 5 years	Total
<b>At December 31, 2020</b>					
Borrowings	540	1.021	791	1.028	3.380
Lease liabilities	243	317	80	-	640
Trade payables	2.449	-	-	-	2.449
Other current liabilities and advances received	35	-	-	-	35
<b>Total</b>	<b>3.267</b>	<b>1.338</b>	<b>871</b>	<b>1.028</b>	<b>6.504</b>
<b>At December 31, 2019</b>					
Borrowings	754	1.074	843	1.414	4.085
Leasing liabilities	185	255	86	-	526
Trade payables and other payables	3.317	-	-	-	3.317
Other current liabilities	125	-	-	-	125
<b>Total</b>	<b>4.381</b>	<b>1.329</b>	<b>929</b>	<b>1.414</b>	<b>8.053</b>
<b>At December 31, 2018</b>					
Borrowings	782	656	421	839	2.698
Leasing liabilities	153	348	157	21	679
Trade payables and other payables	1.373	-	-	-	1.373
Other current liabilities	105	-	-	-	105
<b>Total</b>	<b>2.413</b>	<b>1.004</b>	<b>578</b>	<b>860</b>	<b>4.855</b>
<b>At January 1, 2018</b>					
Borrowings	490	909	292	1.029	2.720
Leasing liabilities	138	338	255	86	817
Trade payables and other payables	858	-	-	-	858
Other current liabilities	40	-	-	-	40
<b>Total</b>	<b>1.526</b>	<b>1.247</b>	<b>547</b>	<b>1.115</b>	<b>4.435</b>

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

The Company is not subject to any covenants.

### Credit risk

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

#### *Trade receivables and contract assets*

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

The Company evaluates the concentration of risk with respect to trade receivables and contract assets regularly. The customer only works with customers active in the chemical, pharmaceutical and food industry with outstanding credit ratings. Contract assets as per December 31, 2018 include three customers with contract assets of 44%, 21% and 11%, respectively, compared to the total contract assets. Contract assets as per December 31, 2019 include two customers with contract assets of 65% and 11%, respectively, compared to the total contract assets. The trade receivables as per December 31, 2019 include one customer that represents 50% of the total trade receivables.

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, 2020	3.297	2.782	142	160	213
At December 31, 2019	3.060	2.359	147	87	467
At December 31, 2018	1.183	834	171	53	125
At January 1, 2018	1.041	644	270	30	97

#### *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 and BNP Paribas Fortis). The Company does not invest in 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.

## 23. Related party disclosures

This disclosure provides an overview of all transactions with related parties with the Pilovan BV as ultimate benefit owner, Alychlo NV as shareholder and key management.

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

in 000€	2020	2019	2018
Short-term employee benefits	349	853	763
Post-employment benefits	11	8	6
Termination benefits	-	-	-
<b>Total</b>	<b>360</b>	<b>861</b>	<b>769</b>
Warrants granted	30.000	-	-
Warrants outstanding	30.000	-	-

The short-term employee benefit in 2019 and 2018 include the remuneration for the sole shareholder and CEO of the Company as presented separately in the consolidated statement of profit and loss. This remuneration is determined as a percentage of the revenues of the Company in the year and has been terminated in September 2019.

The key management consist of 4 persons (including the CEO) as of 2020. In 2019 and 2018, key management consisted of 2 persons.

Key management has been granted 30.000 warrants at December 31, 2020. We refer to Note 15 for additional details.

The Company has a current account receivable on SportHotel Ten Hotond and Pilovan which is fully owned by one of the shareholders and management member. The current account totals KEUR 7, KEUR 8 and KEUR 69 as per December 31, 2020, 2019 and 2018 respectively. The current account is interest bearing. Total interest income received from this related party totals KEUR 1 at December 31, 2020 and KEUR 1 at December 31, 2019 and 2018.

## 24. Events after the reporting period

On January 25<sup>th</sup> 2021, the company signed a letter of intent regarding its intention to acquire 100% of the shares of a company active in the same domain as Ekopak. The acquisition is foreseen for the second quarter 2021 following fulfillment of the market standard conditions mentioned in the LOI.

On February 19, 2021, the Company has changed its legal form from a „BV“ (Besloten Vennootschap) to a „NV“ (Naamloze Vennootschap).

## 25. Auditor fees

The fees for professional services provided by PwC in 2020 were as follows:

in 000€	2020	2019	2018
Audit fees	48	-	-
Contractual audit fees relating to 2018 and 2019	46	-	-
Fees of auditor related to special services	6	-	-
<b>Total</b>	<b>100</b>	<b>-</b>	<b>-</b>

## 26. Interests in other entities

Name of entity	Country of incorporation	Ownership interest held by the group			
		At December 31		At January 1	
		2020	2019	2018	2018
Ekopak BV	Belgium	100%	100%	100%	100%
Water-as-a-Service NV	Belgium	100%	-	-	-

The group's principal subsidiaries at 31 December 2020 are set out below. 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.

## 27. NON-GAAP Measures

Adjusted EBITDA is used in Note 6 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 remuneration to the sole shareholder, plus expenses from claims and depreciation charges.

EBITDA is used in Note 6 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.

**STATUTORY AUDITOR'S REPORT TO THE BOARD OF  
DIRECTORS OF EKOPAK NV ON THE FINANCAL  
STATEMENTS AS PER 31 DECEMBER 2018, 2019 AND 2020**



**EKOPAK BV**

**Auditor's report to the Board of Directors on the  
consolidated accounts for the years ended  
31 December 2020, 31 December 2019 and  
31 December 2018**

1 March 2021



**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF EKOPAK BV ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020, 31 DECEMBER 2019 AND 31 DECEMBER 2018**

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We present to you our auditor's report in the context of our audit of the consolidated accounts of Ekopak BV (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.

**Report on the consolidated accounts**

***Unqualified opinion***

We have performed the audit of the Group's consolidated accounts, which comprise the consolidated statement of financial position as at 31 December 2020, 31 December 2019 and 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years 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 11.887 and a net loss for the year of EUR'000 93 for 2020, a consolidated statement of financial position total of EUR'000 13.612 and a net profit for the year of EUR'000 318 for 2019 and a consolidated statement of financial position total of EUR'000 5.075 and a net profit for the year of EUR'000 51 for 2018

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 2020, 31 December 2019 and 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the years 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.

***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 "*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.



### ***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.

### ***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. An 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.

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 board of directors 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.

***Statement related to independence***

Our registered audit firm and our network did not provide services which are incompatible with the 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 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

Ghent, 1 March 2021

PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV  
Represented by

*Peter Opsomer*

Peter Opsomer  
Réviseur d'Entreprises / Bedrijfsrevisor

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