



Annual report 2021

Spadel



Profile

Message

Markets & brands

Sustainability

Management report

Governance

Financial report

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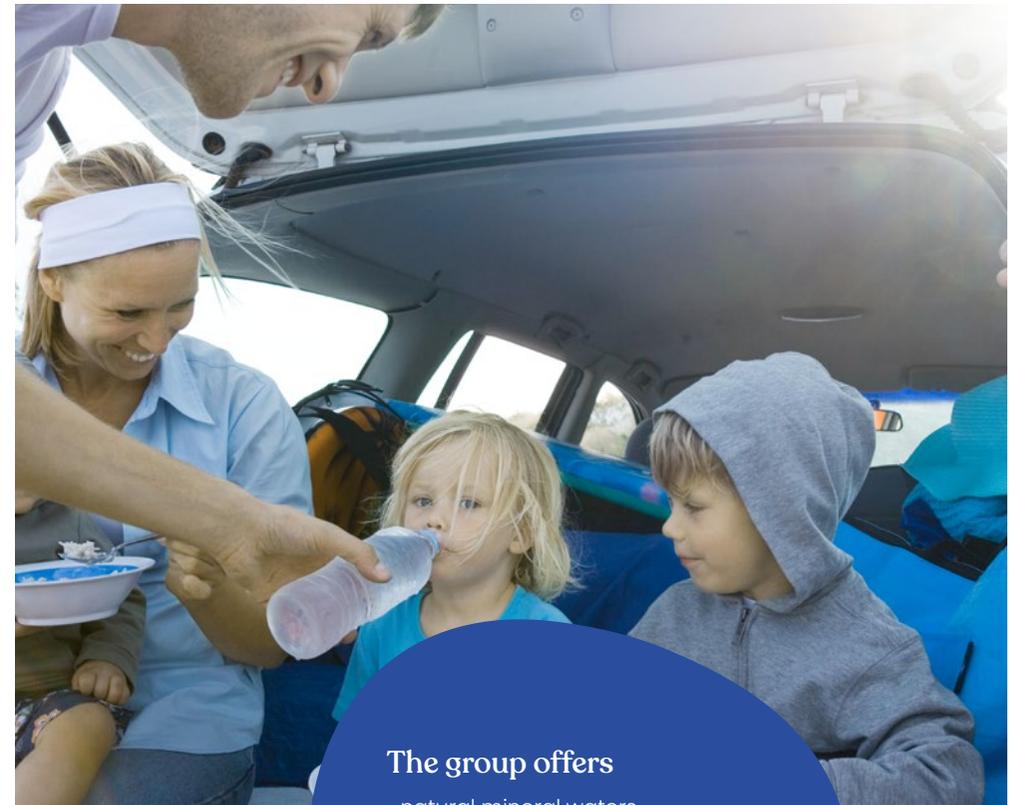
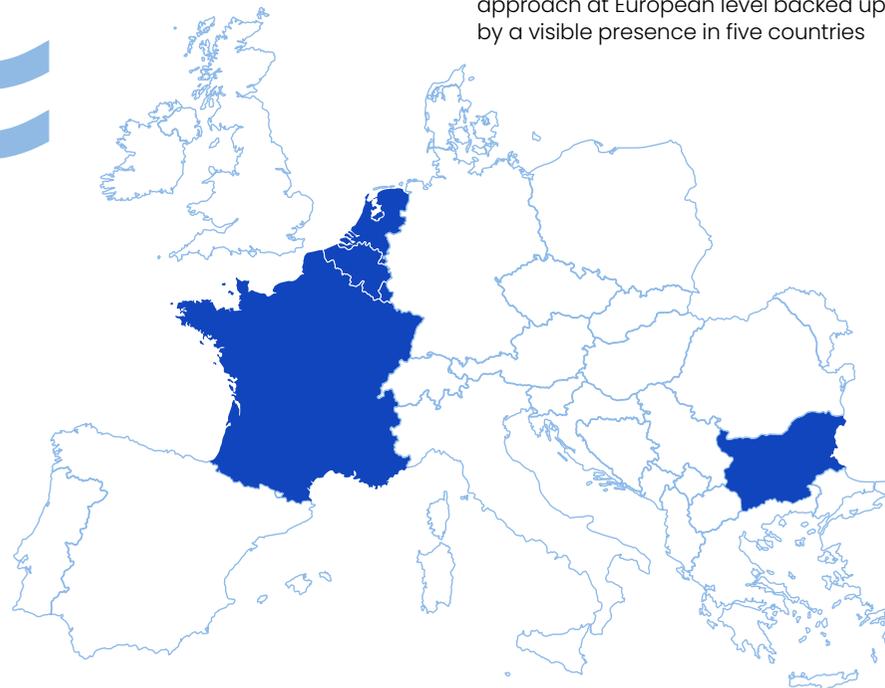
This is Spadel

Position of the Spadel Group

Spadel is a European family group that produces and markets natural mineral waters, spring waters and soft drinks based on mineral water. The company has always promoted a regional approach: position as leader on a human scale in its field of natural drinks, regional anchorage of its brands, total respect for the area where its springs are located and the naturalness of its waters, and its efforts to keep its ecological footprint as small as possible. A vision that makes even more sense today, in a world concerned about its ecological footprint.

Spadel sees innovation as a key focus and a springboard to growth. This presupposes the development of new drinks that are natural, healthy and low in calories, providing a direct response to what consumers want. Every year, the group prides itself on proposing new products for one or other of its brands, renowned for their quality. However, it also innovates with regard to its firm commitments to reduce the waste and CO₂ emissions generated by its activities (packaging, transport, etc.).

These strategic choices in the field of innovation, combined with a regional approach at European level backed up by a visible presence in five countries



The group offers

- natural mineral waters and spring waters
- natural flavoured waters (0 calories)
- lemonades made of 100% natural ingredients



(Belgium, the Netherlands, Luxembourg, France and Bulgaria) enable the group to stand out from its competitors.

A sizeable challenge, multiple firm commitments

In an international group made up of brands securely anchored in their regions, it is important that everyone is moving in the same direction, regardless of the country, the site and the department. Hence the importance of knowing what Spadel represents, having a clear understanding

of its vision of the world and the way in which its entities work with one another. But it is also essential to understand the challenges it faces, which develop in line with the concerns that preoccupy the world.

In 2018, Spadel defined clear values so that all its stakeholders - staff, suppliers, clients and shareholders - can take the right strategic decisions together: paying increased attention to dialogue and involvement; defining bold ambitions; aspiring to offer *best work places*; encouraging staff to become better inhabitants of the planet.

In 2019, following on from the definition of these values, the group took on two major challenges designed to safeguard the planet: targeting circular packaging (plastic or glass) and limiting its environmental impact.



The *Source of Change* project, which has been underway internally for many months, was officially launched in June. Based on specific targets and concrete actions, it lends practical shape to the deliberate commitment made by Spadel and its subsidiaries to reduce their environmental footprint. This process has mobilised all the teams and departments in the group and will continue to do so in the future.

One mission

To offer natural and local products that contribute towards improving the health of consumers and making the world more sustainable, while ensuring constant and profitable growth for the group and a position as undisputed regional leader in the water-based products market.

Ten commitments

With *Source of Change*, Spadel has created a virtuous system comprising ten 'commandments' aimed at reducing its environmental impact and that of its products.

Our CSR strategy

Our CSR strategy 2025 is based on four pillars and 12 platforms in anticipation of getting a B Corp certification and become a positive impact company.

In the context of our sustainable development, *Source of Change*, Spadel has grouped all ambitions and actions in order to contribute to the protection of our natural resources.

[Visitez www.sourceofchange.spadel.com](http://www.sourceofchange.spadel.com)

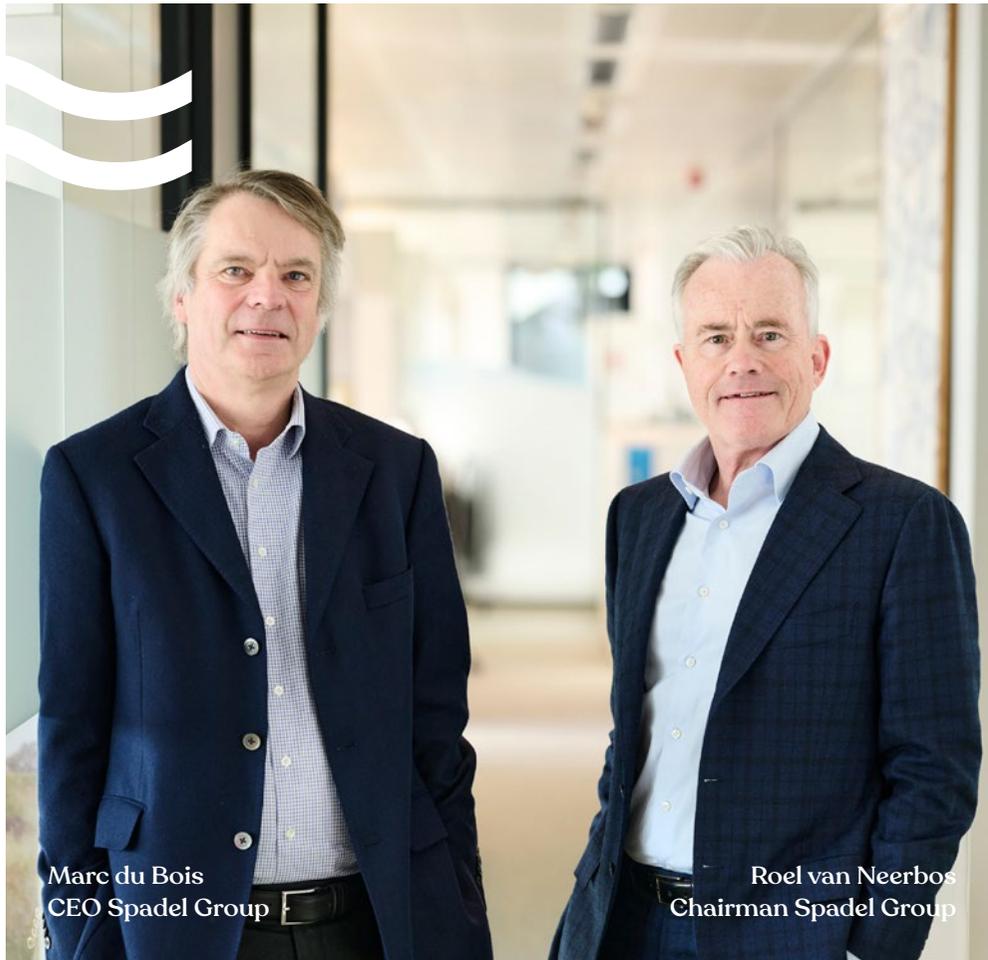
Our commitment for a more sustainable world



[Visitez www.spadel.com](http://www.spadel.com)



Message from the Chairman and CEO



Marc du Bois
CEO Spadel Group

Roel van Neerbos
Chairman Spadel Group

Marc du Bois and Roel van Neerbos, respectively CEO and Chairman of the Board of Directors, look back over 2021, a year when, despite the continuation of the Covid pandemic, Spadel performed particularly well.

What were the most striking events of the year for you?

Marc du Bois: The visit of the king and queen to the company on the occasion of our centenary left its mark, of course. However, that specific event is not what comes to mind first and foremost. What really strikes me is the fantastic effort that the teams made throughout the year. I am particularly impressed by the fact that, despite the exceptionally difficult circumstances, our staff continued to give their best all the time and thanks to a great deal of flexibility and perseverance, they succeeded in achieving all the goals. It wasn't easy, because people very often had to work from home. Despite the efforts made to safeguard the team spirit, with virtual aperitif moments for example, the lack of physical interaction certainly didn't make working like this any easier.

Roel van Neerbos: I can only endorse that. No-one gave up. I sensed a huge drive the whole time. But that is linked to the recognition that we gained in many areas, as well. Receiving prestigious certifications and awards has boosted the Group's employees and has undoubtedly helped attract new talent. And with them, a new energy that everyone could benefit from.



Throughout the year, I sensed a huge drive among employees. But that is also linked to the recognition that we gained in many areas.

Roel van Neerbos
Chairman Spadel Group

And was obtaining the B-Corp certificate behind this drive, too?

Marc du Bois: Definitely. It's not easy to get this certificate: we modified our articles of association and clearly stated that we aim to be sustainable in the long term with and for our stakeholders. The next step is to assess how our activities and business model have a positive impact on staff, customers, the environment and society. For example, we have committed to collecting all the packaging put on the market by 2025 and to making packaging exclusively out of reused or recycled materials.



Does it play into Spadel's hand that sustainability has become a hugely important topic?

Marc du Bois: Well, sustainability has always been part of our DNA. In that respect, Spadel is more than justified in presenting itself as a forerunner and a pioneer and that gives us a head start in a field to which some other companies had paid less attention until now. We have also drawn up a clear corporate social responsibility strategy based on four pillars so as to have a positive impact on nature, consumers, the local anchorage and the community. Plus we have set up a special website around this strategy, *Source of Change*. We had already achieved major milestones such as carbon neutrality and we also obtained the Platinum certificate for sustainable water management, but we are now the first Belgian drinks producer to become a *Positive Impact Company*. In practical terms, among other things this

means that we go a step further in supporting local associations and the local economy by undertaking to reinvest 5% of our net profit in the community through solidarity actions, citizens' days and local partnerships in all the countries where the Group operates: Belgium, the Netherlands, France and Bulgaria.

In that sense, is this CSR strategy a continuation of the efforts Spadel has already made to tackle global warming?

Roel van Neerbos: Absolutely. Spadel has been one of the pioneers in Europe as regards sustainability and conserving natural wealth for a hundred years. The specialised consultancy firm Arcadis demonstrated last year that the measures the company has been taking for decades to protect biodiversity around the sources have a very positive impact, whereas there is talk

100%

100% collection of packaging and 100% reused and recycled packaging by 2025

worldwide of an alarming deterioration in this respect. All the attention paid to reducing greenhouse gas emissions means that unfortunately the problem of the decline in biodiversity is sometimes rather overlooked. But we are pioneers in this field too, because we have always banned agricultural or industrial activities in the catchment areas of the water sources. This creates an expanse of 13,000 hectares in Spa, where nature basically has free rein. The attention we pay to biodiversity also illustrates our ability to innovate. And innovation remains the best way to grow and ensure the continuity of the company.

Marc du Bois: I've been with the company for many years and one of the first decisions I took was to limit the sale of our products to a maximum radius of 500 kilometres around the sources. Putting an end to long-distance exports to 42 countries was also an innovative decision. Exporting water to be served in expensive hotels in New York, Miami or Dubai may flatter your vanity, but it is not economically profitable and it generates an ecological footprint that is far too high and that can be avoided.



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Marc du Bois
CEO Spadel Group



Abolishing exports clearly indicates that ecology and profitability are not always opposites.

Marc du Bois
CEO Spadel Group

Doesn't the strong focus on sustainability and the efforts involved in this hamper turnover and profit growth?

Marc du Bois: We are seeing a clear movement emerging whereby consumers reward precisely this kind of effort. And the example of abolishing exports clearly indicates that ecology and profitability are not always opposites.

Roel van Neerbos: On the other hand, a limited geographic sales market as a result of the decision only to sell within a radius of 600 kilometres around a source obviously makes it necessary to look at other possibilities for diversification.

Marc du Bois: Which is precisely why we launched the venture capital fund *The Source, Ventures by Spadel* last year. The fund has 10 million euro. We used some of that amount to take a stake in the start-up Contaynor which focuses on environmentally friendly home deliveries of drinks. The company is run by three young entrepreneurs and operates in about fifty communes around Brussels and Leuven. The fund aims to gradually take holdings in other innovative and sustainable companies that are close to Spadel in one way or another. With *The Source* we plan to go a step further and become affiliated with companies that can influence our business model. The Covid crisis has taught us that consumers' needs can alter very quickly. So it is crucial that we are able to adapt rapidly. Which is why all entrepreneurs with innovative initiatives can count on our attention.



Are these diversification plans also a way of making the results less dependent on the seasons?

Marc du Bois: We have been accustomed to the unpredictability of the seasons for years, of course. In addition to all the lockdown misery, in 2021 we also had to handle the fact that for the first time in six years, we had to deal with a summer with particularly few really warm and therefore thirsty days. But the capriciousness of the weather is just one of the things that make leading a company like Spadel especially fascinating. The teams have to show creativity under all circumstances.

10 mio €

The venture capital fund *The Source, Ventures by Spadel* has 10 million € to support innovating eco-startup companies



What lessons has Spadel learned from the two-year coronavirus crisis?

Marc du Bois: First of all, that people have huge resilience to stand straight and roll up their sleeves in difficult situations. Our teams have reinvented themselves and exerted themselves to the full, professionally, to reach our goals in these difficult times. And then that people are eminently social beings and that our strategy of thinking globally and acting locally is the right one. Spadel has fulfilled an important role as a local player for years. The concepts of 'local' and 'together' are also part of our CSR strategy.

Roel van Neerbos: We should not forget to stress that in our entities we are recognised as a Great Place to Work, with particularly high scores. Our efforts for the climate, the environment, biodiversity and support for the local community are very important, of course, but they would not be possible

without taking proper care of our people. This contributes to the spirit of solidarity and cooperation needed to achieve extraordinary results in difficult situations.

So as the new chairman of the Board of Directors, I would also like to say that this board is able to cooperate with the management through real dialogue. Cooperation and dialogue are emphatically present at board level, too. We all pull together in an open and critical spirit.



Spadel has fulfilled an important role as a local player for years. The concepts of 'local' and 'together' are also part of our CSR strategy.

Marc du Bois
CEO Spadel Group



That way, 1+1 can make 3. As I also have an operational position in a company that works in a comparable sector, I have a good insight into a number of problem areas. Moreover, it is a very good thing for Spadel that the younger generation has joined the Board of Directors, as well. Their keen insights into market developments, especially in the younger consumers segment, are especially valuable to us, as are the insights of other directors. I already considered it a privilege to be a member of the board, and I consider it an even greater privilege to now be the chairman of a team that is so complementary and forms such a strong unit with Marc's management team.

500km

Spadel sells its products within a radius of 500 kilometres around the sources

[Visitez www.spadel.com](http://www.spadel.com)



Highlights 2021

January

CO₂ Neutral

New look for Maxi Carola: the new labels on the bottles and the new look of the packs (film made from 100% recycled material for Carola red and green), will remind consumers of the key messages of the brand: local, pure, refreshing, 100% natural, and committed.



February

Wattwiller appears on TV

The brand increased its awareness and presence with a strong TV campaign on France 2 and France 3.

March

Launch of Carola Mango and Passion Fruit

The eighth flavour in its sparkling flavored water range has been selected and developed by consumers and employees.



April

Launch of the Group's new CSR Strategy 2025

This further step towards a positive impact company has been accompanied by new website.

[Visit sourceofchange.spadel.com](https://sourceofchange.spadel.com)

[Visit www.spadel.com](https://www.spadel.com)

Spa has been crowned most sustainable beverage brand

On the sustainable brand index 2021 in the Netherlands, based on an independent research of more than 60,000 interviews with consumers, we have reached the top 15, together with brands such as Tony's Chocolonely, IKEA and De Vegetarische Slager.

Introduction of Devin Mineral & Vitamins on the Bulgarian market

This new generation of hydration is composed of Bulgarian natural mineral water, vitamins (group B vitamins) and microelements (zinc, selenium). It reinforces the immunity, optimises body balance and uplifts the mood. Each bottle (0.425 ml) provides 25% of the recommended daily dose (RDD) of vitamins and over 15% of the RDD of minerals. The flavours Strawberry & Mint and Cherry & Rose, with stevia, focus on immunity. Coconut & Pineapple and Tropical Peach, with B vitamins, help reinforce a good mood. The flavours have been selected from a wider range of 11 combinations in a special test with Bulgarian consumers expressing their preferences.

May

The Spadel Group obtained the label 'Great Place to Work' in all its entities

Results incite to further build a workplace as a warm, fair and stimulating environment.





June

Launch of The Source, Ventures by Spadel

A venture capital fund by Spadel and a first investment in the start-up Andy, specializing in the online sale and home delivery of glass-package beverages with electric vehicles. Besides our R&D and innovation programs, the Group has decided to take minority stakes in small and innovative businesses, as such, setting up a mutually beneficial partnership. The fund looks for companies in the hydration sector that share our values and beliefs and have the lowest possible impact on the planet.

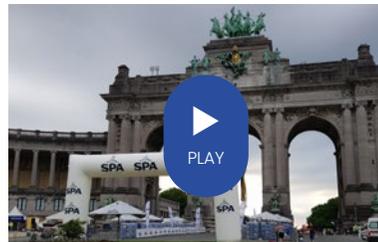


September

The 20 km of Brussels

Traditionally taking place in May, has exceptionally been held in September. Six Spa supply points along the course kept the 22,000 runners hydrated.

All bottles distributed were collected and recycled thanks to the installation of large PMD containers along the course and with the help of 400 young scouts. Watch the aftermovie.



October

Wattwiller produced its first 100% rPET (recycled PET) product

The 9x50 cl pack with new design and with 100% rPET wrap.



In Belgium, the release of the new design of Spa Touch

The water drop is the center of attention in this new design; the still variant has the water ripples on the side of the bottle and the sparkling variant has bubbles. With a 100% rPET packaging, the make-over is complete.



November

On 18 November, our plant in Spa Monopole received a high profile visit

In honor of the 100th anniversary of Spa Monopole and Spa Reine, King Philippe and Queen Mathilde visited our facilities. The agenda of the day included a visit to the factory, a talk with some colleagues and a round table on biodiversity and the protection of nature in Bérinzenne.



December

Biodiversity positive commitment

for all Spadel sites.



Financial figures

Turnover

282.2 MIO €
+5.8%

EBIT

36.6 MIO €
+2.1%

Net profit

26.6 MIO €
-2.5%

EBITDA

56.8 MIO €
+2.8%

Investments

19.6 MIO €
-14.4%

Volume

887 MIO l.
+2.19%

Dividend/share

1.40 €



Nr 1 on the bottled water market in the Benelux

Regional leader in Alsace

National leader in Bulgaria

Employees

1,265





Non-financial figures

83,341 MWh

energy used (of which 35% renewable) i.e. a reduction of 50% per liter since 2010

24.8%

Recycled material (rPET of bottles and recycled plastic around packs) (vs 11,9% in 2020)



22,748 HA

of protected nature



1.541/1

water used to bottle 1 litre of mineral water or lemonade (-56% vs 2010)

-29% CO₂/l

29% reduction of CO₂ emissions per liter of bottled mineral water / lemonade vs 2010 (incl. Devin)



<4%

The WEI index indicates the relationship between the annual catchment average and the average annual water available in a given region. Spa and Bru have a WEI of less than 4% (below the 10% limit set by the United Nations)



97%

of our purchases are done within a 500 km radius around our production sites (vs 94% in 2020)

Platinum Certificate

European Water Stewardship Gold certificate for Spa in 2020





Markets & brands



SPA Monopole
SPA, Belgium

- Natural mineral water
- Flavoured water
- Lemonade

475 employees
442 million litres
7 production lines

4

BRU

BRU-CHEVRON
Lorcé, Belgium

- Natural mineral water

26 employees
31 million litres
2 production lines

5

WATTWILLER

Grandes sources de
Wattwiller, France

- Natural mineral water

54 employees
73 million litres
1 production lines

6

Carola

Eaux minerales de
Ribeauvillé, France

- Natural mineral water
- Flavoured water

51 employees
42 million litres
2 production lines

7

DEVIN

Devin,
Bulgaria

- Natural mineral water
- Spring water

551 employees
299 million litres
6 production lines

8

1 Spadel Group
headquarters
(Brussels, Belgium)
Spa Benelux
(Brussels, Belgium)

2 Spa Benelux
(Maastricht, Netherlands)

3 Devin EAD
(Sofia, Bulgaria)



Spadel reinforces its Nr 1 position in the Benelux



Bart Peeters, General Manager Benelux, looks back on 2021: our flagship brands, Spa and Bru, have shown strong performances.

What were the most important trends and facts that impacted on the sector in 2021?

The Covid pandemic and a very poor summer severely impacted our business, but also consumer and shopper behaviour. People working from home, disruptions and recurrent closures in the hotel and catering industry as well as in the events sector are just some of the examples that have affected the year.

With the pandemic, consumers have become aware of their social responsibility, the priority given to health and well-being, the search for authenticity and meaning, the desire to indulge themselves...

How did these trends and facts influence Spadel's business?

We strengthened our fundamentals in the BeNeLux, consolidated our category leadership position in waters and flavoured waters by creating high category value for retailers and outperformed our competitors in

the water and flavoured waters category. We did this by creating high value for our retailers, outperforming our competitors, convincing more consumers to try our flavored waters and lemonades, and expanding our distribution in Belgium and the Netherlands.

We developed unique propositions that drive our brands' equity and serve as platforms for our best-in-class sustainability messaging. We intensified our innovation pipelines and strengthened our omni-channel play with clear priorities in Home and *out of home* channels.

26.6%

Value market share in Belgium in 2021 (+1.3%)

36%

Value market share in the Netherlands in 2021 (+1%)



How did the different brands perform?

Spa continued to strengthen its leadership position in water and flavoured water in Belgium and the Netherlands, and increased its overall market shares. Our focus on Spa's timeless purity USP and increased distribution levels were the main drivers. We also re-launched Spa Touch with a new bottle, a new visual identity and new flavours.

Lemonades, Spa Fruit and Duo were able to maintain their market share despite the reduction in special offers. We were able to increase household penetration thanks to strong trial plans, sampling and the launch of new flavours.

After losing retail shelf share for a number of years as the sparkling water category declined, Bru has shown the first signs of a turnaround. The brand has increased its market share in 2021 by expanding its packaging offering, switching to 100% recycled plastic (rPET), strengthening our presence in high-end horeca outlets, and finally, by launching a new campaign.

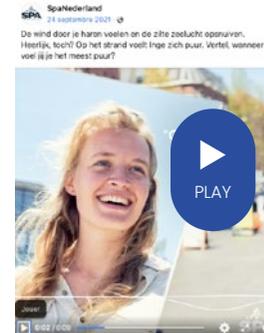
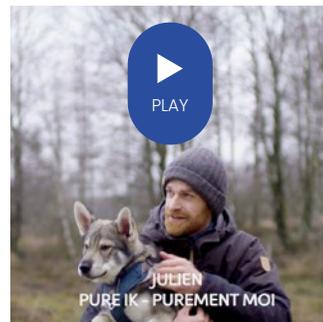
And has Spadel held up better than the competition in 2021?

Spa water, including flavoured water, gained market shares in the Belgian and Dutch markets. Spa lemonades' share stayed flat, while Bru increased its market share in the under-pressure sparkling water category.

Which innovations drove the business in 2021?

We took the opportunity to optimise our portfolio through relevant OBPPC formats (Occasion-Brand-Package-Price-Channel).

We launched 8x1.5l Spa water and introduced 4x75cl and 8x1.25l Bru, migrating the PET bottles to 100% R-PET. We dynamised our



flavoured waters and lemonades by bringing in better performing variants (Spa Touch Still Strawberry Mint; Spa Touch Sparkling Raspberry Plum) and offering our summer edition (Spa duo Mango Apricot, Spa Fruit Mango Passion Fruit), which enabled in-store visibility during key consumption periods.

Which marketing campaigns and sales efforts promoted the brands in 2021?

We supported Spa waters with storytelling in our cross-media Timeless Purity Campaign (Y3) and we reinforced our message with a dedicated digital campaign emphasising the USP of Spa Natural Mineral Water targeting eco-conscious consumers and tap-water switchers. We developed our Bru 'As Local As' campaign with local renowned Belgian chefs revisiting classic Belgian dishes and boosted it with short video formats on TV, in stores, on billboards and on social media. We also continued last year's 'Bru loves local resto' campaign, which was a huge success with a fourfold increase in our participation rate (over 12,000 participants).

We relaunched our flavoured waters with a 360° campaign in line with our Timeless purity campaign focusing on 18-34 year-olds.



Eternally pure

From the legendary purity of Spa® Reine to the powerful bubbles of Spa® Intense through the subtlety of Spa® Finesse, not to mention the light fruit flavours of Spa® Touch, free of sugar and artificial additives, and the astonishing fruit soft drinks of 100% natural origin ... There's no doubt that the range of Spa® waters and drinks has something to satisfy all tastes.

Visitez www.spa.be





We consolidated our position in lemonade ahead of a relaunch in 2022. We brought innovation to the shelves, leveraging our summer edition. The newly launched variants hit the top three rotation of our range during the activation period.

We put in place our digital content strategy on both brands. We optimised our websites and accelerated the production of consumer-centric content to drive traffic, enriching our consumer database.

We increased our sales fundamentals among our main customers to become the preferred

partner with selected Benelux customers. In Belgium, our retailers in the non-alcoholic beverages sector gave us a top rating (best partner) in the Advantage Group Survey. We developed adjacent markets, recording double-digit growth in Luxembourg and more outlets in eastern France.



Mieux boire. Mieux vivre.

How have you put sustainability into action?

We achieved full carbon neutrality from factory to product in 2021 and our brands actively communicated on this major achievement.

Bru migrated to 100% R-PET and put this at the core of its communication, continuing to promote its local focus. Our innovations in flavoured water and lemonades followed the strict 'only ingredients of natural origin' principles.

And we achieved *Great Place to Work* certification thanks to the commitment of every team member.





As local as

How did your employees experience 2021?

The Covid pandemic had a severe impact on our employees as 'working from home' led to a decline in efficiency. Our management took measures to support our employees, for example with regular messaging to motivate them, by planning seminars on 'remote work' and through flex-work policies.

The Dutch Spadel office received a 82% trust index and the Brussels office attained 77%. People said they liked working for this family business with its strong sustainability vision and plans in place.

What are the challenges and opportunities for 2022?

The 2022 challenges include high raw material costs, higher energy prices, and inflation costs which need to be absorbed through price rises. There is also the deposit return system on small PET-packaging in the Netherlands, which can lead to empty packaging not being reused and therefore to a serious financial setback. In addition, plastic bashing and the uncertainty regarding Covid will continue to weigh on household penetration for bottled waters.

But challenges are also opportunities. We will increase the omni-channel play, extending distribution via selected channels such as e-commerce, hospitality, and the workplace, thereby diversifying Spadel's portfolio and format strategy.



Our legendary shrimp croquettes.



Eat local, drink local

The secret of Bru is concealed in the depths of the earth, at the heart of the Belgian Ardennes, near Stoumont. It is one of the rare mineral waters in Europe that is 'naturally' sparkling. As a bonus, it offers the authenticity of local water. Thanks to its neutral taste and very light bubbles, BRU® adapts perfectly to Belgian gastronomy. It goes well with Liège salad or chicory gratin, as well as local wines without being overwhelming, thanks to its low sodium and dry residue content.



Visitez: www.bru.be



A centenarian in great health



2021 is an exceptional year for the Spa Monopole factory and for SPA Reine natural mineral water: these two iconic brands are celebrating their 100th anniversary. For this double anniversary, King Philippe and Queen Mathilde were welcomed at Spa Monopole on Thursday 18 November, where they met the factory's employees.

A centenarian

It was in 1921 that the Compagnie fermière des eaux et bains de Spa (Spa Waters and Baths Farming Company), which was set up in 1912 with the Monopole de l'exploitation des eaux de Spa (Monopoly for the Use of Spa Waters), became Spa Monopole. In the same year, SPA Reine natural mineral water was launched, and was an immediate success. In 1923, the Pierrot character first appeared on the bottles. It is still the icon of Spa Monopole and the SPA brand today.

An enterprise in great health

"Today's consumers want healthy, local and sustainable products, with a low carbon footprint. This is exactly what we offer them" explains Marc du Bois, CEO of the Spadel Group. Spa Monopole and SPA Reine have always been frontrunners. Over the past 50 years, over 500 million euros have been invested in the Spa Monopole factory. "This is what allowed us to stay at the forefront of innovation," highlights Marc du Bois once again. "I've always been convinced that innovation is the best springboard for growth and so it's also the best way of ensuring the continuity of this company."



An enterprise with many innovation projects to become a positive impact company

The company is also innovative in its firm commitments for reducing waste and CO₂ emissions resulting from its operations. For decades, Spa has been synonymous with water of the highest quality, but also with preserved nature. For example, Spa Monopole only works with local suppliers and does not export its products more than 500 kilometres away from its springs.

Spa Monopole and SPA Reine intend to continue the success story that began 100 years ago. SPA Reine packaging, for example, will continue evolving to become even more environmentally friendly, particularly by exploring packaging types other than PET and glass. In general, the Spadel Group is committed to collecting 100% of its marketed packaging and to using 100% reused or recycled materials in its packaging by 2025.

After becoming the first Belgian drinks producer to have stated in black and white in its articles of association that its objective is to become a company with a positive impact, the Spadel Group joined the B Corp movement and obtained the B Corp certification in March 2022.

"We're a centenarian in great health, with lots of plans that are keeping us motivated," concludes Marc du Bois. "We will continue to innovate and commit ourselves to supporting local communities and protecting nature and biodiversity, whether here in Spa or at our other sites."





Spadel France commends the commitment of its staff

Valerie Siegler, General Manager Spadel France, states that in 2021 the market has been disrupted by closures and restrictions linked to Covid, but that thanks to stronghold Wattwiller 2021 performances of Spadel matched those of 2020.

What were the most important facts and trends that impacted on the drinks sector in France in 2021?

Like in 2020, the sector was severely disrupted by the closures and restrictions linked to Covid and the development of *drive* sales to the detriment of traffic in physical stores.

Added to that, the summer was particularly poor weather-wise. The pressure exerted on plastic packaging by public opinion impacted on sales, as well.

How did these facts and trends influence Spadel's business?

Wattwiller succeeded in continuing to grow and to gain market shares.

However, owing to its greater exposure to the OOH (out-of-home) circuit, the Carola brand suffered more during 2021, experiencing a significant impact on the volumes sold.

How did the different brands perform?

Overall, Spadel France stabilised its volumes compared with 2020.

Wattwiller grew by 3% (on a still natural mineral waters market in supermarkets down 1.3% - Source IRI). Carola's volumes fell by 7.5%, mainly in supermarkets. This drop is related to the health situation and the effects of special offers and the climate.



70%

of staff think that Spadel France is a great place to work





Did Spadel France chart a better course through the crisis than its competitors in 2021?

Yes, Wattwiller has withstood the crisis better, as its activity is focused mainly on the supermarkets circuit and also thanks to the continuation of a good brand demand dynamic. It's more difficult to assess this for Carola, owing to the lack of market data on the *out-of-home* circuit.

Which innovations drove business in 2021?

For Carola, the launch of the Carola Mango Passion Fruit flavoured water is worth mentioning.

For Wattwiller, it was the introduction of rPET (recycled polyethylene terephthalate).



Which marketing campaigns and sales efforts boosted Carola and Wattwiller sales in 2021?

Despite the crisis, both brands continued to invest in the media: television and digital for Wattwiller, posters and digital for Carola. Not forgetting the great commitment programmes on the social networks, which are acclaimed by our *communities*.

For Carola, huge sales campaigns were also undertaken in the supermarket and OOH (out-of-home) circuits, on a variety of themes: Fraich'Tour in summer, Bredele Challenge in winter.



Carola

Share the taste of being here

It's impossible to find something more emblematic on Alsatian tables. Carola spring water is part of the local heritage, so much so that it can be found both at home and in restaurants to accompany local dishes. A true embodiment of conviviality and the pleasure of being together, Carola® blue, green, or red, it is available in still, slightly sparkling and sparkling waters, as well as flavoured sparkling waters, 100% natural without added sugar.



Visitez www.carola.fr



Despite the crisis, both brands continued to invest in the media: television and digital for Wattwiller, posters and digital for Carola. Not forgetting the great commitment programmes on the social networks, which are acclaimed by our communities.



How have you put sustainability into action? What initiatives have you taken regarding the four pillars of the Source of Change CSR strategy?

A number of actions have been perfected for the *We Act Green* pillar. In terms of both the attention paid to sustainable packaging and biodiversity.

For instance, Wattwiller has switched to rPET, which was introduced in the bottles in 2021, and has stopped using dividers on the pallets. As regards sustainable packaging, Carola has switched to recycled materials for the films used for its large sizes and for the pallet covers. To encourage bottle sorting, a dedicated message is now included on the Carola 50 cl labels. Over 90% of waste is recovered on both sites.

As regards biodiversity, Spadel can point to the launch of a 'Biodiversity Collective' with the Wattwiller town council and stakeholders in our impluvium as well as the continuation of the 'Biodiversity among the Vines' programme with the Ribeauvillé collective (Carola).

With regard to the *We Act Pure* pillar, both production sites obtained their first AWS (*Alliance for Water Stewardship*) certification in 2021 for the sustainable management of water resources. Finally, as regards the commitment in the *We Act Together* pillar, as in 2019, Spadel France has again been certified a *Great Place to Work*.

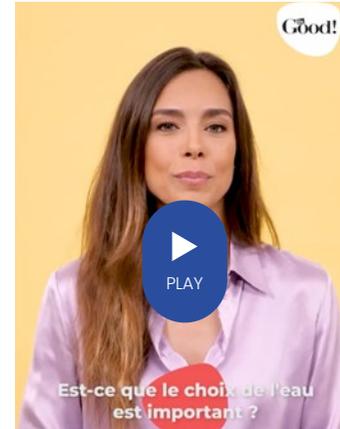




How did your employees experience 2021?

The continuing crisis proved hard for the teams. For two years, our staff have displayed very strong commitment, fine solidarity and great agility to deal with the difficult circumstances linked to the pandemic as well as possible. Without giving up on our visions and values, or on our key projects.

Proof of this can be seen in the level of absenteeism, which remains low (less than 3%) and the satisfaction rate, which remains high (70%). Participation in the various themed workshops is more than substantial. As well as in the actions to promote a friendly atmosphere that we were able to take during the year. Staff seemed to be delighted to have the opportunity to see one another again.



However, a deep-set weariness has set in, as with the population as a whole. While the teams appear satisfied with the way in which Spadel has dealt with the crisis, nevertheless they are emerging from it more vulnerable.

It is also worth noting that despite its small size in France, the company is attractive: Almost all the vacant positions have been filled by means of internal promotion and external recruitment in a rather stagnant market.

What challenges will Spadel France have to face in 2022?

There are three main challenges.

On the human level, first of all: taking care of our teams and keeping them mobilised and motivated to cope with the challenges ahead and the unforeseen events that are bound to occur.

In terms of business, Spadel has strong growth ambitions for its volumes, mobilising its sales teams to the full.

And this year will see a third challenge: absorbing the huge rises in costs, in particular those of ingredients, transport and energy.



WATTWILLER

A source of serenity

Its protected territory gives Wattwiller® its original purity. Water free of nitrates, low sodium, and weakly mineralised, Wattwiller® is perfect for the whole family, including the most fragile ones, infants, and breastfeeding mothers. Protecting its virtues goes hand in hand with concrete actions to neutralise the brand's environmental footprint.



Visitez www.wattwiller.com



Spadel Bulgaria successfully launches waters with vitamins



Devin increased its market share and placed with Devin Mineral&Vitamins a new relevant consumer offer on the Bulgarian market. This says Borislava Nalbantova, General Manager Devin.

What were the most important trends and facts that impacted on the sector in Bulgaria in 2021?

2021 saw a number of major trends that impacted on the sector. Bottled water grew by 3.5% and the bottled water category exceeded the carbonated soft drinks category in volume for the first time. Consumers are increasingly paying attention to their diet and adopting active lifestyles to stay healthy. That has created a shift towards functional and naturally healthy beverages such as enhanced water and vitamin water. This trend is supported by the innovations launched by the main players in

the market and by the considerable investments - twice as much as in 2020 - that they have made in television campaigns. Good weather conditions during the summer season together with the improved Covid situation drove on-the-go portfolio consumption. Hospitality remained the sector most impacted by Covid. The recovery is very slow.

How did these trends and facts influence Spadel's business?

Devin adopted a relevant approach to growing consumer needs, resulting in the sale of almost 299 million litres, profitable growth and an increase in value market share from the already high base to 44% (off trade). Distribution increased to 98% and sales per weighed point of distribution went up 5.4%. The strength of our portfolio (packages for every occasion), our route-to-market adaptability and team agility led to excellent results.

How did the different brands perform?

Our main brand, Devin, and all its sub-brands, Devin Mineral, Devin Air and Devin Spring, increased their volume market share. In 2021 we also have established a whole new category on the Bulgarian market with the launch of Devin Mineral and Vitamins. That contributed to our value growth and helped premiumise the overall bottled water category through a very relevant consumer proposition.

44%

Value market share of Devin (+5.4%)

+5.4%

Sales increase of 5.4% for Devin up to 299 million litres in 2021



And has Spadel held up better than the competition?

Despite significant investments by competitors in TV communication and price promotions, we have increased our market share compared with our two main competitors on the Bulgarian market.

In 2020, the first year of COVID, we had to adapt to the crisis and the 'new normal'. So we implemented quite a few projects in 2021 that will boost our position compared with competitors in the years to come. These include SAP go live and full traceability from raw material to the finished product.

Which innovations drove the business in 2021?

We innovated not only on formats and packaging, but also on our offer and distribution. And, above all, we have focused on maximising the impact of our innovations by strongly stimulating distribution in all channels.

For example, we have launched a new 1.8l bottle pack, sold only in multipacks in supermarkets. It already contributes 0.7pp to the overall Devin market share. It helped our brand strengthen its position within the 1.5-1.8l segment and boosted our competitiveness in a very dynamic market environment.

We also launched a new category of vitamin-enhanced products within Devin



Devin, nestled in the heart of the Rhodopean mountains

Pure water from the Rhodope Mountains, Devin® is the drink of athletic and active people. Its balance is rich in minerals, and its practical formats for everyday life allow good hydration, all day long. With a market share of over 40%, Devin Mineral, Devin Spring and Devin Air, from no to strong carbonation, natural mineral waters and spring waters, is the leading brand of bottled water in Bulgaria. Devin expands the category of mineral water, contributing to a healthy lifestyle.

Visitez www.devin-bg.com/en/





As of 2021 when you buy a bottle of Devin you go green for the climate.

Devin is the first Bulgarian bottled water company to achieve carbon neutrality and it covers both company and product level.

This certification reflects the commitment and measures taken to reduce our direct and indirect emissions and offsets the unavoidable emissions of distribution by purchasing verified carbon credits on green energy of the biggest wind farm in Bulgaria.

Mineral, having achieved a 45% market share within the flavoured water segment. The new drinks are the first to be made using Bulgarian natural mineral water and are enriched with vitamins and microelements. We tripled our share of the flavoured waters category and overtook the competition.

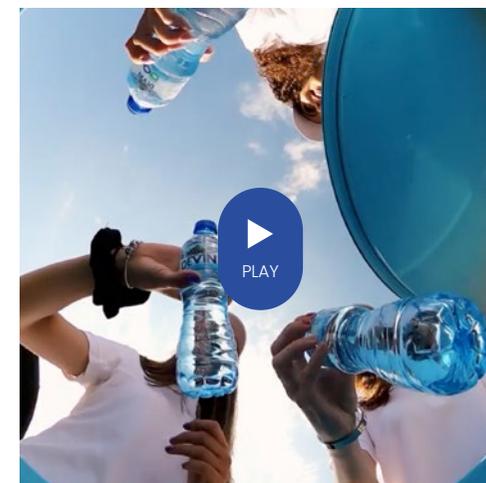
How have you put sustainability into action?

We had a busy sustainability calendar in 2021 that started with the announcement that we achieved carbon neutrality at the end of 2020. We have been awarded the BeeOdiversity Gold label and we promoted bottle collection and recycling during events, reaching more than 200,000 people. Our newly launched 1.8l product, which is 100% recyclable, carried this message on its label, again in response to consumers who consider 100% recyclable bottles to be the most environmentally friendly packaging solution.

Following our commitment to become the leader in sustainability in 2021, we continued to communicate on all Devin

sustainability projects. And for the first time in our history, we were recognised as sustainability leader in Bulgaria. An independent study among consumers by GfK showed that we are number one in terms of trust as well as social responsibility across the FMCG sector.

We were also recognised for sustainable development in several categories during the 11th edition of the national competition 'The greenest companies in Bulgaria': 'Green Idea' for our campaign which promotes separate waste collection by placing the 'Collect separately' logo on our products and integrating the message in our advertising; 'Green Innovation' for achieving full carbon neutrality, and finally 'Food Industry, Services and Trade' for our comprehensive, focused and continuous efforts to sustainably protect the environment and business.





73%

73% employee trust index, despite a very turbulent year.



Thanks to our sustainability initiatives, consumers gave us a first place among FMCG companies in Bulgaria on trust in our brand and in our social responsibility initiatives.

How did your employees experience 2021?

2021 was a roller-coaster year of transformation for all departments and every employee at Devin. And all this on top of Covid. There was excitement, frustration, fear, a lot of teamwork and support that led to a thrilling ride with great new prospects ahead. The most important take-away for us is that we have become a *Great Place to Work* certified company based on feedback from our employees. We are the only FMCG company to have this award and one of just three companies in Bulgaria.

What are the challenges and opportunities for 2022?

Some major projects are going live: our digital transformation, our 30th year anniversary, the start of phase 2 in our master plan – building new warehouse solution in our plant, launching new packages and products. All this in an inflationary environment impacting all industries, and with consumers losing confidence again as the Covid health crisis persists.

Our 2022 plans will guide us through the current challenging supply and cost environment and ensure that we stay relevant to consumers. We will be driving innovations further, expanding Devin Mineral and Vitamins, launching special hospitality packages and creating a completely new visual identity for our products. In addition, we have a busy sustainability calendar and

will be launching a digital platform uniting different people with the same interests, as such improving our engagement with consumers.

Our 30th year anniversary will not only be about celebrating, but also about how, individually and as a company, we can contribute to local society through many projects on our CSR agenda.





Corporate social responsibility



Non-financial information

The chapters 'Internal Control and Risk Management' and 'Risk Factors' describe Spadel's exposure to risks and the management systems it applies.

These include the following risks in particular:

- issues relating to the environmental impact of its products
- defects or contamination of a product marketed by the Group
- the availability and price volatility of raw materials and energy
- the trend in the fees payable on the various types of packaging

In the specific context of non-financial information, Spadel applies the GRI-standards (*Global Reporting Initiative*). The main risks and themes concerning Spadel relate to the social, ethical and environmental aspects of its activities and are determined on the basis of the materiality analysis. These risks are then integrated into the corporate social responsibility strategy (CSR) and the relevant governance system. These themes apply to the company's entire value chain, including suppliers and partners as well as the various clients (mass retail, out-of-home consumption, etc.) and end consumers.

Materiality

A materiality analysis is repeated regularly. Spadel has been working on sustainability in a structural way since 2010, when an initial major analysis took place and targets 2015 were established. This was followed by an update of the strategy in 2015 and targets towards 2020. Last year we launched our new CSR Strategy 2025, called *Source of Change*.

The extensive materiality process, including:

- a desk study to identify the main themes and challenges
- individual discussions with ten sustainability experts in our markets
- the involvement of 40 internal staff, including members of the CSR Steering, the management team and the Executive Committee
- consultation with 45 external stakeholders was presented in detail in the CSR Report 2020.

The CSR Strategy 2025 revolves around four pillars: Green, Pure, Local and Together, with the ambition to become a B Corp certified company. The specific risks, actions and results are explained in this report under the respective themes.



The sustainable development goals (SDGs) were officially adopted by the General Assembly of the United Nations in September 2015, with the 2030 Agenda for Sustainable Development. Through its ambitious CSR strategy, Spadel contributes towards achieving several of these goals.



CSR Strategy 2025 – Progress Report

GREEN

In our green pillar we transition towards zero carbon production, circular packaging and we restore natural habitats.

Climate

Objective

Climate change is without doubt one of the greatest challenges our world faces. With global warming gathering pace, the quest for carbon neutrality and efforts to safeguard future generations from the impact of CO₂ emissions are the only ways in which Spadel can fully assume its responsibility in this respect. In 2010 the Group set its goal of being fully CO₂ neutral (scopes 1, 2 and 3) by 2020. And it was a success. Towards 2025:

- we will remain carbon neutral for the entire value chain (scope 1, 2 and 3)
- we have further reduction targets according to Science Based Targets: -42% absolute reduction by 2030 (baseline 2015)

Actions 2021

Since 2010 reducing our carbon footprint has been a key focal point for Spadel. And it is paying off.

Despite a volume increase of 21% since 2010, our absolute carbon footprint has decreased by 15% over the same period. In other words, we have achieved a decoupling of the growth of our business and our carbon footprint.

In 2021, the total CO₂ emissions for Spadel amounted to 116,610 tons. Our **scope 1 & 2 emissions** (energy in the factory) accounts for 6% in 2021 versus 15% in 2010. The main emission impact (94%) lies in what happens before and after the factory (**scope 3**). In this scope 3, our packaging is the largest contributor, followed by distribution and ingredients. Our carbon reduction ambition is thus a key driver for our sustainable packaging commitments (see further).

A big contributor to our scope 1 & 2 reduction last year was the new local biobased energy supply taken into use in Spa Monopole, as one of the first three organisations in Belgium, in partnership with Luminus and Cinergie.

There are many practical benefits to be found in making the switch to biobased energy sources. Biogas comes from organic waste, such as manure or even compost, which means it is a circular product. As there is a lot of agriculture in Wallonia, where Spa is based,

it is produced locally. It also means we are less reliant on foreign energy supplies and geopolitical events that impact the price of energy. Finally, biogas emits much less carbon than traditional gas.

A cogeneration unit at Spa transforms the gas to electricity and heat through combustion. This powers the equipment in our bottling plant, our laptops, even our HVAC (Heating, ventilation, and air conditioning systems). Although some CO₂ is emitted during the combustion process, it is about half as much as traditional sources would generate.

Reductions in our scope 3 were linked to the increased use of recycled material in our bottles (rPET), more recycled material in our films (around packs), light weighting bottles, less material, more large formats...

Status of performance indicators 2021

- Carbon neutrality for the entire value chain (scope 1, 2 and 3): achieved
- CO₂ reduction targets 2030 -42%, according to SBTi: -6%, on track

Sustainable packaging

Objective

Spadel is fully aware of the impact of packaging on the environment and wants to play a leading role in shaping a positive future. That's why in 2019 we launched ten commitments centered around four key drivers (Reinvent, Reduce, Recycle, Restore), aimed to accelerate our transition towards a circular economy.

Actions 2021

Changing market conditions, such as Covid and the lockdown in the hospitality industry or supply chains that are under pressure, force us to constantly revise our roadmap on how to reach our targets.

Despite this challenging environment, we saw important progress in 2021. Within the Reduce pillar, we are aiming for -15% of our single use plastic footprint by 2025 and have an intermediary target of -5% by 2022. This goal has been achieved. In the second half of 2021 the Spa Reine 1.5l bottle was launched, which reduces the weight/plastic use by 12% vs the previous one. This leads to a reduction of approximately 385 tons of plastic per year. That brings the Spa bottle to -53% plastic over the past 50 years.

We felt the impact of the lockdowns on our ambition to double our volume sales from reusable formats by 2025. However, we remain fully committed to our target. We took an important step in 2021 by launching *The Source*, our new venture capital fund. This fund aims to make minority acquisitions in promising start-ups in the drinks and hydration sector to help them grow, thanks to financial and strategic support.

The acquisition of shares in Andy (formerly Contaynor) is the first investment by *The Source*. Andy is a Belgian start-up specialising in the eco-friendly home delivery of drinks and our investment is one way to promote returnable packaging.



Another important topic is the integration of more recycled material in our packaging. The different brands of the Spadel Group each have their timeline for adopting plastic bottles made of 100% recycled material (rPET).

What makes natural mineral water unique is that it goes straight from the source into the bottle, without any treatment. Hence all our efforts to preserve and restore nature. We put equal value on the quality on our packaging, which is our primary decision criterium when it comes to the integration of rPET in the bottles.

Demand for rPET inside and outside our industry has grown. The supply of food grade quality rPET that meets Spadel's quality requirements has not followed sufficiently. We also see that part of the recycled PET leaves the sector to be used in other industries (for example garment).

To guarantee the quality of rPET, better sorting of collected plastics needs to be ensured. This is why we support the EU SUP Directive 90% target for separate collection of PET beverage bottles, to secure high quality and quantities of rPET. We also recognise that deposit refund systems can be a good way to achieve this. Another way to work on the quality of rPET is to invest in new recycling techniques. We closely follow the evolution around chemical recycling.

In this challenging environment, we made progress in 2021: the entire Bru range, Spa Touch range and the Wattwiller 50cl switched to 100% rPET in 2021. Other Spa ranges were at 25%. Shrink films (around the packs) also switched to 100% recycled plastic for Bru in 2021.

Status of performance indicators 2021

- All the initiatives and the progress made in the context of the commitments can be consulted throughout the year on the website www.sourceofchange.spadel.com
- Its advances and achievements are also compiled in the New Plastics Economy Global Commitment and the Plastic Pact NL



Biodiversity

Objective

The protection and restoration of nature and biodiversity are deeply embedded in the DNA of the Spadel Group and its various brands. We commit to be biodiversity positive for all Spadel sites (8) according to the Biodiversity Footprint Methodology (BFM) by 2025.

Actions 2021

To coincide with the 100th anniversary of Spa Monopole and the royal visit by King Philippe and Queen Mathilde of Belgium on November 18th, we calculated our net impact on biodiversity.

With the help of the consulting firm Arcadis we calculated our biodiversity footprint using the *Mean Species Abundance*, or MSA.ha, methodology. The MSA represents the intactness of biodiversity relative to its original state. A value of 0 stands for a complete loss of original biodiversity and 1 implicates the area is undisturbed. Multiplying the MSA score by the surface of the area it concerns, gives the MSA.ha score. The MSA is endorsed by the international scientific community (IPBES, IPPC) and is one of the most widely used indicators in biodiversity accounting.

Based on historical data we assigned individual MSA baseline scores for the different areas around the Spa site. We then looked at our negative impacts (the factory destroyed some of nature for example) and positive impacts (initiatives for biodiversity protection and restoration). This way we were able to calculate today's MSA scores.

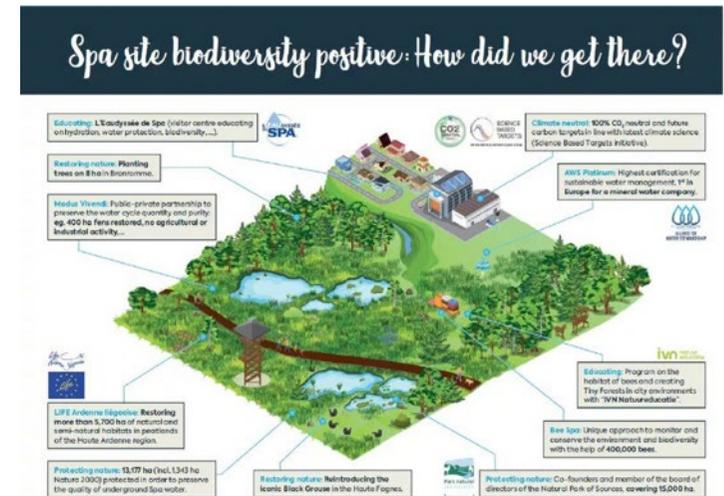
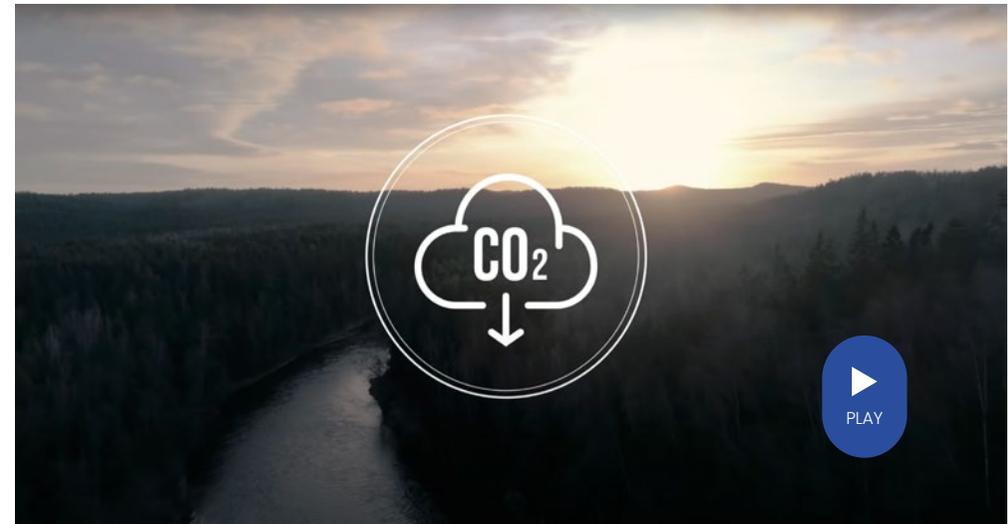
We found that the positive impacts (improvements in MSA) far outweigh the negative ones (decline in MSA). The Spa Monopole site achieves an exceptionally impressive +31 MSA.ha result. In other words, thanks to Spa's presence, the biodiversity is actually better off than if Spa had not been active in the area.

The visual on the left summarises the initiatives contributing to an improvement in biodiversity.

Being recognised as biodiversity positive at Spa Monopole is just the start. We will continue our biodiversity positive journey by looking at the entire value chain, setting quantified biodiversity targets and implementing actions to achieve them. All this will be done in close cooperation with relevant stakeholders. Guiding us in this ambition we will engage with the *Science Based Targets Network* (SBTN). As a Group, we commit to ensuring that all of our other sites – Brussels HQ, Made (NL), Bru, Carola, Wattwiller, Sofia HQ and Devin – will all be biodiversity positive by 2025.

Status of performance indicators 2021

- One site out of eight biodiversity positive: on track





PURE

In our Pure pillar we work to provide the purest water, healthy for our consumers and respectful to nature.

Protection

Objective

The protection and sustainable water management of water resources has always been part of Spadel's DNA. Spadel wants all sites (5) Platinum (highest level) certified according to the *Alliance for Water Stewardship* (AWS) framework.

AWS is a globally-applicable framework for major water users to understand their water use and impacts, and to work collaboratively and transparently for sustainable water management within a catchment context.

Actions 2021

Spadel operates five water extraction sites, all of which extract water via boreholes. Spadel never collects more than what is naturally replenished in its water catchment areas. The water is drawn without being depleted and each site has the necessary tools for monitoring. This is accomplished by:

- for each well: a pumping test is carried out to set the maximum extraction rate regarding the local capacity of the water resource.
- for the overall water resource: a hydrogeological assessment is conducted for all sites to identify the total water available for sustainable extraction. The goal is to only catch the renewable part of the water resource

- on ongoing basis: the company monitors the Water Exploitation Index (WEI) which indicates the ratio between the average annual abstraction and the average annual water available in a given region. The WEI is calculated and compared to the internationally recognised threshold to guarantee a sustainable extraction (20% is the EU standard for 'low-stressed' and a more secure standard of 10% is 'non-stressed'). Spadel's standard is to have a WEI < 10% at all sites. In 2021 four Spadel sites had a WEI below 3%, one site was at 5.2%

In addition, all of the above information is annually checked and approved by *Alliance for Water Stewardship* (AWS) auditors and local authorities. Spadel uses the AWS framework for managing its water abstraction, with a goal to achieve the highest level of AWS certification (Platinum) at all five sites by 2025.

At the end of 2021, one sites (SPA) achieved Platinum certification, the four other sites had their audits conducted as scheduled in late 2021 with results expected in early 2022.

Reducing the company's operational water footprint is also one of Spadel's priorities. Spadel measures the results using the *Water Use Ratio* (WUR). Monitoring is continuous and is part of the Operations dashboard. In 2019, the average production of one litre of mineral water and lemonade required 1,55 litres, which gives a Water Use Ratio of 1,55 l/l. Between 2010 and 2019, Spadel managed to reduce the WUR by 56% per litre.

Status of performance indicators 2021

- 1 site Platinum certified: on track

Purity

Objective

Be recognised as the 'purest' water by consumers (as per % of targets achieved).

Actions 2021

'Water is just water.' Is it? The European Union has laid down specific rules for natural mineral and spring waters, which clearly set them apart from drinking water (bottled or otherwise) and tap water.

Natural mineral water comes from a single underground source. Bottled on site, it is as pure when it reaches your dinner table as it is at the source. Naturally filtered during its journey into the ground, it is enriched with minerals from deep in the earth's crust. This means the water's purity is safeguarded from outside contaminants, and its mineral balance is stable at all times. As it is microbiologically safe at the source, it doesn't need any kind of treatment or processing. In fact, this is strictly prohibited for natural mineral water. The EU asks that natural mineral water meets the following criteria:

- natural mineral water is 100% underground
- it has an original purity that comes from nature itself
- the source is protected against any risk of contamination
- it should not be chemically treated
- it has a stable and unique mineral composition
- it may claim health benefits



For all Spadel brands this natural purity is a key component of the brand identity. Depending on the brand positioning, different KPIs and objectives have been set for the brands. These different KPIs are brought together in one score, as a percentage of achievement of all targets, and are monitored via market research.

Status of performance indicators 2021

- Internal KPI: on track

Ingredients

Objective

All ingredients are from 100% natural origin according to the guidelines of our naturality grid.

Actions 2021

Because there is no legal definition of what 'natural' means, the Group and its stakeholders have worked together to draw up a framework for natural products.

The basis is formed by the origin of the ingredient and how it is processed. The result is a matrix to determine what is acceptable.

Status of performance indicators 2021

- All recipes were in accordance to our naturalness framework: on track

LOCAL

In our Local pillar we continue to create and sustain a strong local anchorage in the regions where we operate.

Selling

Objective

At least 95% of our sales should fall within the 500 km.

Actions 2021

Spadel wants to limit the logistic impact of its commercial activity and considers that its bottled water should not travel more than 500 km for the different sources.

This is a constant point of attention and has been part of the policy for years.

Status of performance indicators 2021

- In 2021 97% was sold within 500 km: on track

Employment

Objective

We hire our employees no more than 500 km from the production plant, meaning at least 95% local employment.

Actions 2021

Spadel's strategy is based on strong local brands. Often the factories are located in natural areas where a large part of local employment and economic activity is linked to the factories.

Conscious of its presence and possible impact, all brands work on strong local ties, not only in terms of employment but also as being part of the local community.



Status of performance indicators 2021

- In 2021 98% of employees came from within 500 km: on track

Buying

Objective

Our procurement policy provides us with an important lever to promote and support sustainability in our supply chain. We expect our suppliers to demonstrate the same sustainability ambitions as we have ourselves:

- 95% of our total expenses should come from local suppliers, which are defined as being less than 500 km from the production plant
- our sustainable sourcing policy is related to the sustainability approach of our strategic suppliers, which we monitor via EcoVadis. 95% of strategic suppliers should be monitored via EcoVadis

Actions 2021

Spadel conducts 100% of its business activities in Europe, in compliance with strict laws and regulations. This applies to both employees and customers of the Group.

The risk of human rights violations or non-compliance is much greater in the supply chain. The main human rights risks relate to child labour, forced labour, working hours and wages, discrimination, freedom of association and health & safety.

Spadel limits its exposure to risk in the supply chain by focusing on local sourcing. In 2021, 97% of purchases (ingredients for the flavoured waters and lemonades, packaging materials, etc.) were made within 500 km around the Belgian production sites.



In addition, Spadel asks all its suppliers to sign the Spadel Sustainability Procurement Policy (SSPP). This policy contains the minimum expectations regarding ethical, environmentally related and social efforts (child labour, discrimination, working hours, etc.).

The Group also asks its suppliers to work with Ecovadis or Sedex, which provides a third-party assessment of suppliers' sustainability initiatives. In 2021, 92% of them had complied with this requirement from Spadel.

Status of performance indicators 2021

- 97% of total spend went to local suppliers: on track
- 92% of strategic suppliers took part in EcoVadis: on track

TOGETHER

In the Together pillar we work to ensure a safe, engaging workplace and on creating local impact with our partners.

Engagement

Objective

Spadel wants to be an attractive employer where people like to work. The 'Great Place to Work' philosophy and tools guide us in this ambition. By 2025 we want Great Place to Work (GPTW) certification in all (4) sites (with trust index above 70%).

Actions 2021

At its core, a Great Place to Work® is about the level of trust that employees experience in the company's leadership, the joy they find in working together, and pride in their job.

Achieving the Great Place to Work® Certification at all sites is an important goal of Spadel's CSR Strategy. The certification process looks at organisations through two lenses. The first is the 'Trust Index': a rating based on a five pillar employee survey on Credibility, Respect, Pride, Camaraderie and Fairness. The second is a 'Culture brief', which screens our general HR-approach.

In 2018, we organised the survey, only Spadel France achieved the *Great Place to Work* certification. In 2021, all four entities (Belgium, Bulgaria, France and The Netherlands) were certified for the first time.

In general, the scores went up for all five dimensions since our last survey in 2018. Spadel employees feel strongest about the 'pride' dimension. The 'credibility' and 'respect' dimensions achieved the most positive growth since 2018. The lowest scoring dimension offering the most room for improvement is 'camaraderie'. No doubt the Covid conditions impacted this score.

Status of performance indicators 2021

- 4 sites GPTW certified: on track

Safety

Objective

Zero accidents (#LTI, *Lost Time Injury*)

Actions 2021

The factories is where it all starts. There is a clear and firm management commitment to offer a safe and healthy work environment in our factories. By 2025 we want to reach zero accidents, an ambition we follow up via the 'Lost Time Injury' indicator.

Status of performance indicators 2021

- Internal KPI: on track

Partnering

Objective

5% of net profit to local partnerships





Actions 2021

To calculate what falls under the 5% we were inspired by the Business for Societal Impact Framework (B4SI). B4SI is the global standard in measuring and managing a company's social impact. B4SI primarily looks at societal/ social impacts. Building on the B4SI-thinking, Spadel created its own framework, including environmental initiatives.

This way we take three types of input into account for measuring:

- product donations
- cash expenses, such as partnerships, sponsorships, memberships
- time: volunteering

What matters is whether the initiatives are voluntary and if they contribute to a social or environmental purpose.

Examples of initiatives we took into account for our calculation are:

- partnerships: SeaCleaners, IVN Natuureducatie, Parc Naturel des Sources, carbon offset payments, BeeOdiversity, re-introducing black grouse in the Fagnes...
- sponsorship of sports club/event is ok (SPA-20km Brussels or Carola-Strasbourg foot), sampling & sales deals are not
- time: One Citizen Day, whereby each employee can give back one working day to society through volunteering

Our KPI is then calculated as dividing these expenses by our net profit.

Status of performance indicators 2021

- 5,39% of our net profit is donated to local partnerships and initiatives: on track



SUMMARY

	Platform	Explanation (KPI)	2021 result	2025 target
Green	Climate	Carbon neutrality for the entire value chain (scope 1, 2 and 3) - Reduction targets to Science Based Targets (-42% absolute reduction 2030 vs 2015)	Carbon neutral -25% SBTi	Carbon neutral -25% SBTi
	Packaging	See 10 commitments www.spadel.com		
	Biodiversity	Alle sites (8) 'biodiversity positive' calculated according to the Biodiversity Footprint Methodology 5BFM	1	100% of sites (8) are biodiversity positive
Pure	Protection	All production sites (5) Platinum (highest level) certified Alliance for Water Stewardship (AWS). AWS is a globally-applicable framework for major water users to understand their water use and impacts, and to work collaboratively and transparently for sustainable water management within a catchment context	1	100% of sites (5) Platinum AWS
	Purity	Be recognised as the 'purest' water by consumers (as per % of targets achieved)	57,10%	100% Brand targets achieved
	Ingredients	In absence of a legal definition of 'naturalty', Spadel developed its own matrix in close cooperation with external stakeholders, based on the origin and processing of the ingredients	100%	100% ingredients of natural origin
Local	Selling	Spadel wants to limit its logistic impact of its commercial activity and consider that the bottled water should not travel more than 500 km from the different sources	97,90%	95% distribution <500 km
	Employing	We hire our employees no more than 500 km from the production plant	98%	98% local employing
	Buying	Our sustainable sourcing policy is related to the sustainability approach of our strategic suppliers, which we monitor via EcoVadis. Our local suppliers are defined less than 500 km from the production plant	92% 97%	95% sustainable strategic suppliers 95% spend on local suppliers
Together	Engagement	Great place to Work (GPTW) certification in all sites (with trust index above 70%)	4	4
	Safety	Zero accidents (#LTI, Lost Time Injury)	Internal	0 Lost Time Injury
	Partnering	5% of net profit to local partnerships	5,39%	5%



Spadel economic activities qualifying for EU-taxonomy

As a company subject to the obligation to publish a consolidated non-financial statement in accordance with Article 19a or 29a of Directive 2013/34/EU, Spadel falls within the scope of application of the new Regulation (EU) 2020/852 ('**Taxonomy Regulation**'). As of 1 January 2022, Spadel is consequently obliged to publish the proportion of its turnover, capital expenditure (Capex) and operating expenditure (Opex) for the 2021 financial year that is associated with its economic activities eligible for the EU Taxonomy. The Taxonomy Regulation establishes a classification of environmentally sustainable economic activities, based largely on the Statistical Classification of Economic Activities (NACE).

At this time, Spadel considers that none of its activities is eligible or aligned within the meaning of the delegated acts of the Taxonomy Regulation. In fact, none of its activities is included in the evolutive list of activities given in the delegated acts of the Taxonomy Regulation, nor do they fulfil the technical criteria which would allow them to be aligned to the EU Taxonomy.

As Spadel's economic activities are not covered by the Taxonomy Regulation, the Spadel turnover is not Taxonomy-eligible. The same applies for the capital and operating expenditure linked to these activities.

Proportion of economic activities that are Taxonomy-eligible and economic activities that are not Taxonomy-eligible in the total turnover, total capital expenditure and total operating expenditure

	Total (MEUR)	Proportion of Taxonomy-eligible economic activities	Proportion of Taxonomy-non-eligible economic activities
Turnover	282.2 (1)	0%	100%
Capital expenditure (Capex)	19.6 (2)	0%	100%
Operating expenditure (Opex)	245.6 (2)	0%	100%

- (1) The consolidated net turnover can be reconciled with the Spadel consolidated financial statements, cf. the profit and loss account on page 61 of our 2021 annual report ('Consolidated statement of comprehensive income').
- (2) As the Spadel group has not identified any Taxonomy-eligible economic activities, no capital or operating expenditure linked to the assets or the processes that are associated with Taxonomy-eligible economic activities has been booked in the numerator of key performance indicators relating to capital and operating expenditure. Moreover, there is no capital expenditure plan ('Capex plan') for the expansion of Taxonomy-aligned economic activities or intended to enable Taxonomy-eligible economic activities to become Taxonomy-aligned.

Consequently, only type C capital and operating expenditure can be qualified as Taxonomy-eligible, that is capital and operating expenditure linked to the purchase of the production of Taxonomy-aligned economic activities and to individual measures allowing targeted activities (or non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions (See Article 1.1.2.2 c) of annex 1 of the delegated Regulation (EU) 2021/2178).

As the reporting requirements for the 2021 financial year concern exclusively Taxonomy-eligible capital and operating expenditure, Spadel has assessed this category in terms of eligibility for the Taxonomy as follows: given that no reliable statement on the Taxonomy alignment of the production of our suppliers is currently available and that we are not obliged to assess the Taxonomy alignment of our individual measures for the 2021 financial year, we are unable to declare the capital or operating expenditure for this category.



Spadel aspires to become an ecosystem for local innovations



“In a fast changing environment, we have to constantly adapt our products in line with consumption trends” says Franck Lecomte, who supervises innovation, digital and Corporate Social Responsibility (CSR) at Spadel. Which is why innovation is at the heart of the group’s concerns, having been raised to the level of a strategic and fundamental process in 2021. “We have named it the *Spadel Innovation Process* (SIP) and we’ve redefined every stage”, he adds. As a bonus, it was decided to include an ecological dimension by creating an environmental score to be awarded to each innovation. “It’s eco-design, in a manner of speaking.”

Source of Change

In 2019, Spadel launched the *Source of Change* platform, the basis of a minor revolution in both the group’s internal organisation and workings and its plastic packaging range. Lending practical form to its pro-active standpoints in favour of the climate, biodiversity and, more broadly, sustainability, the group has undertaken to become perfectly circular in terms of packaging and to limit its environmental footprint.

“Last year, Spadel’s 2021-2025 CSR strategy was also named *Source of Change*” Franck Lecomte explains. “Four pillars were defined: *We Act Green*, *We Act Pure*, *We Act Local* and *We Act Together*. A series of commitments were set out within each one, making 12 in total.”



We Act Green

As it transitions towards carbon neutrality, Spadel has undertaken to use only recycled plastics to package its products by 2025. And 2021 brought success here, since the Bru and Touch ranges are now bottled entirely using recycled plastic at its Spa site. The same applies for the small sizes in the Wattwiller range in France. Similarly, the Group continued with its efforts to lighten plastic containers. The weight of a 1,5-litre bottle of Spa Reine was reduced by 14% in 2021, saving the equivalent of about 400 tonnes of plastic a year.



Profile

Message

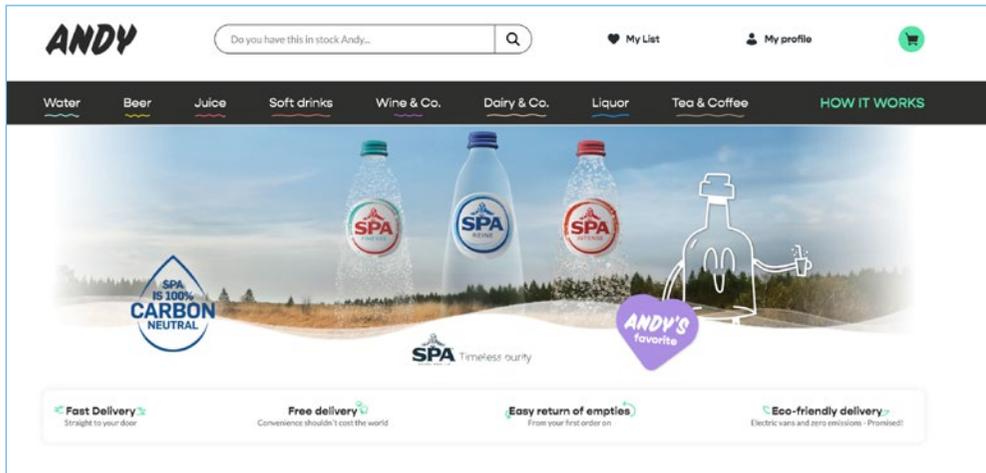
Markets & brands

Sustainability

Management report

Governance

Financial report



400 tonnes

less plastic in 2021 by reducing the weight of 1.5l bottles of Spa Reine with 14%

While all the Spadel production sites are to be characterised by positive biodiversity by 2025 in line with its aim to restore natural habitats, great progress was made at its Spa site last year. The site obtained Biodiversity Positive certification after a study conducted by an external firm using an approved methodology. "The announcement that we had obtained this certification was made when King Philippe and Queen Mathilde visited Spa Monopole in November 2021, on the occasion of the group's centenary", Franck Lecomte stresses.

We Act Pure

Another notable certification was issued in 2021, that of the *Alliance for Water (AWS)*, in this case linked to the purity of the water produced by Spadel. The Spa site received Platinum certification, a guarantee for consumers that the water is as pure as possible and is extracted with respect for nature and its water resources. The other sites will obtain this certification by 2025, in addition to recognition of the 100% natural origin of the ingredients used to make Spa flavoured waters.

We Act Local

To create and maintain a strong local anchorage in the regions where Spadel operates, the Group has undertaken, again by 2025, to distribute over 95% of its production on local and regional markets, to ensure that 95% of its workforce is made up of local people and to obtain 95% of its supplies from sustainable local sources, accounting for 95% of total expenditure.

We Act Together

Finally, motivated by its desire to provide a safe and inviting workplace and to create lasting links with its local partners within a period of five years, Spadel introduced a new goal into its CSR strategy in 2021: it is to redistribute 5% of its profits to civil society through its partners.



“The venture capital fund The Source offers Spadel the possibility of investing in promising start-ups by taking minority holdings in their development. The fund targets the drinks and hydration sector in general, but also sustainable packaging, digital and recycling.”



Outlook for 2022

In the future, Spadel intends to continue to evolve in line with market trends or even anticipate them. They will do so by giving priority every year to the key innovation channels. "In 2022, the Group is to innovate in terms of recipes and products offered for sale on the major flavoured waters and lemonades market", Franck Lecomte reveals. Spadel will also focus on packaging, targeting both weight and form. And the start-up integration programme of *The Source* fund, which will be two years old, is to be speeded up.

An external sounding board to be set up in the first quarter of 2022 is also one of the year's flagship innovations. "This is a committee made up of leading figures from outside the company - academics, specialists, new-generation entrepreneurs, etc. - who are invited to take a fresh and independent look at our CSR strategy so as to challenge our ambitions and prompt us to reconsider them if necessary", Franck Lecomte concludes.



By 2025, the Group aims to distribute over 95% of its production on local and regional markets, to ensure that 95% of its workforce is made up of local people and to obtain 95% of its supplies from sustainable local sources, accounting for 95% of total expenditure.

The Source

Alongside the many innovations promoted by Spadel, there are some that are moving beyond the group's strategies. "For all the projects which we believe are important but which we have neither the time nor the resources, nor for that matter the vocation to implement, in 2021 we created a venture capital fund called *The Source*, Franck Lecomte tells us. With an initial envelope of ten million euros, it offers Spadel the possibility of investing in promising start-ups by taking minority holdings in their development. The fund targets the drinks and hydration sector in general, of course, but also sustainable packaging, digital, recycling and by extension, everything that can improve the consumer experience. Moreover, this is not just a financial investment,

but a strategic and operational one too, as Spadel offers its protégés support in the form of coaching in sales, marketing, research & development and more.

The first start-up to be supported by Spadel is the Belgian company *Andy* which provides an ecological drinks home delivery service. Run by three young entrepreneurs, the company operates in about fifty communes around Brussels and Leuven. Customers can order drinks on line which are then delivered to them using fully electric vans. Franck Lecomte praises this as a very environmentally friendly business model, announcing that other holdings are to be taken later on.





Spadel makes employee satisfaction its priority

The health crisis that continued in 2021 impacted on the work of the Spadel teams. And even more so on that of its Human Resources department (HR), which had to contend with hiring new talents from a distance and defining an adapted flexible working policy. Staff in every country once again demonstrated their incredible capacity for resilience. They were all rewarded with a Wellbeing Day on top of their usual holidays. "It's the first time this initiative has been deployed, and it was greatly appreciated", stresses Tatiana Goeminne, head of HR at Spadel. Referring to the flexible working policy, called Flexiwork, she adds that the group has opted

for a strategy "in line with its values, based on trust and not checking up. The idea was to put staff in charge of their working hours". Implemented in October 2021, Flexiwork enables staff to work from home for up to three days per week if their jobs are suited to this, without specifying fixed days. The managers are responsible for organising their staff's working hours and to this end, they have drawn up a remote working charter in agreement with their team.

Great Place to Work

As staff satisfaction is one of Spadel's priorities, the group again applied for Great Place to Work certification in 2021. This label is awarded on the basis of the results of a survey conducted among Spadel staff. The survey recorded a very high participation rate of 83% and a trust index of over 70%. "For the first time, every country was certified", says a delighted Tatiana Goeminne, explaining that the survey results were then analysed by working groups and converted into concrete actions aimed at achieving excellence in every field. "We are keen to improve our score at each survey. The next one is scheduled for 2023."

One of the shortcomings revealed in 2021 concerns the Learning&Development aspect, which lacks a clearly defined range and process. "And yet teaching new skills and staff development are very important to Spadel", the HR manager insists. So it was decided to set up the Spadel Academy, a catalogue of online courses accessible to everyone at any time as of March 2022.

B-Corp and Spadel's raison d'être

B-Corp certification is awarded to companies that have a positive impact on society and that meet stringent environment, responsibility and transparency criteria. As a sustainability pioneer for over ten years and an example in more than one respect, Spadel felt that it was essential to obtain this recognition. "We filled in the B-Corp questionnaire in 2021. It proved quite a challenge for the teams, and especially the HR department", explains Tatiana Goeminne, who believes there is a good chance of gaining this highly valued certification in 2022.

Along the same lines, Spadel embarked upon wide-ranging discussions about its raison d'être. "Our staff are increasingly looking for meaning in their work. Particularly the millennials or Generation Z", she says. A major project started in March 2021, involving every level of the group through surveys, individual sessions, working groups and even a dedicated retreat for members of the Spadel Executive Committee. The conclusions of this long process were ratified at the end of 2021 and will be presented to all members of staff during the course of 2022.





Management report from the Board of Directors on the 2021 financial year

In accordance with the legal and statutory requirements, we are pleased to present to you our report on the past financial year.

I. CONSOLIDATED RESULTS

Development of activities and revenue

The consolidated net revenue of the Group amounted to EUR 282.2 million, sharply up by 5.8% compared with 2020.

This remarkable improvement in the revenue reflects the dynamism of our brands, our innovations and our commercial policy.

The revenue recorded in the **Benelux** rose by 4% compared with the previous year (+3% in Belux and +5% in the Netherlands). Spa further strengthened its position as market leader in water and flavoured water in Belgium and the Netherlands and increased its overall market shares. After several difficult years, Bru shows signs of recovery in 2021. This fine performance by our brands, despite the dull weather during the summer, was also assisted by the easing of the lockdown measures and the gradual reopening of the hospitality sector as of the second quarter.

In **Bulgaria**, revenue rose by a remarkable 17%. Devin, undisputed market leader, continued to progress compared with the competition, strengthening the market share of its various brands, Devin Mineral, Devin Air and Devin Spring. Sales were also underpinned by the launch of a new range, 'Devin Mineral and Vitamins' based on mineral water enriched with vitamins and microelements, as well as the launch of a new multipack of 1.8 l bottles. The good weather during the summer in Bulgaria and the easing of the lockdown measures also contributed to this growth in sales.

In **France**, revenue fell by 2.3%. The market was disrupted by the closures and restrictions linked to Covid and by the development of drive sales, to the detriment of traffic in physical stores. The particularly bad summer weather also weighed on sales. In this context,

Wattwiller succeeded in strengthening its market shares and stabilising its revenue. However, owing to its greater exposure to the OOH (out-of-home) circuit, the Carola brand suffered more during 2021, recording a fall of 5% in revenue.

Operating result

The operating result (EBIT) stood at EUR 36.6 million, up 2.1% compared with the result recorded in 2020 (EUR 35.8 million).

An adjustment in the amount payable for returnable packaging further to a change in the collection system for returnable packaging made of PET in the Netherlands during 2021 impacted positively on this result. The sum involved was EUR 5.6 million.

Excluding this extraordinary element, the recurrent operating result (REBIT – excluding extraordinary elements) amounted to EUR 31.0 million, slightly down by 2.8% compared with the previous year.

This slight drop in the recurrent operating result, despite the fine performance of our brands and the growth in sales on their respective markets, may essentially be attributed to operating costs linked to specific projects, savings made in 2020 during lockdown which were not repeated in 2021 and the rise in the price of raw materials and energy during the second quarter. Moreover, the Group continued its savings plan, leading to substantial reductions in commercial expenses and production costs.

Financial result

The financial income stood at EUR 0.3 million, slightly up compared with 2020 (EUR 0.2 million).

The financial costs stood at EUR 0.6 million, down compared with the previous year (EUR 1.0 million).



Taxes

The tax burden for the financial year amounted to EUR 9.4 million, up compared with 2020 (EUR 7.7 million). This was linked to the increase in the pre-tax result and higher deferred taxes.

Net result

The Group closed the financial year with a net profit of EUR 26.6 million, compared with EUR 27.3 million the year before.

2. CONSOLIDATED BALANCE SHEET STRUCTURE

As at 31 December 2021, equity valued in accordance with the IFRS standards stood at EUR 251.5 million, compared with EUR 229.9 million at the end of 2020. Equity covered 103.9% of non-current assets.

The solvency ratio, which corresponds to the amount of equity in relation to total liabilities, amounted to 63.1%.

The Group's financial liabilities amounted to EUR 10.5 million as at 31 December 2021, down compared with the previous year further to the annual reimbursement of the debt entered into for the acquisition of the Bulgarian subsidiary in 2017. This debt will be repaid in full in July 2022.

Operating activities generated a cash position of EUR 55.8 million in 2021, compared with EUR 51.9 million the year before. After funding of the working capital requirement, investment activities and financing, the net cash position generated by the Group in 2021 stood at EUR 3.7 million.

The Group closed the year 2021 with a cash position of EUR 87.9 million.

3. INVESTMENTS

Investments in property, plant and equipment and in intangible fixed assets made by the Spadel Group in 2021 amounted to EUR 19.6 million, compared with EUR 22.9 million in 2020.

Investment trend over five years:

Investments per year	MEUR
2017	21.1
2018	19.7
2019	27.1
2020	22.9
2021	19.6

Investments per site in 2021 can be broken down as follows:

Investment site	MEUR
Devin	5.7
Spa Monopole	9.4
Spadel SA	1.6
Bru-Chevron	1.5
Wattwiller	0.8
Ribeauvillé	0.5
Spadel NL	0.1
Group Total	19.6

The investments mainly concern:

- the acquisition of a series of new items of industrial equipment and the adaptation of existing installations at Spa in order to launch innovations during 2022;
- the installation of new production lines and storage facilities in Bulgaria to increase capacity and respond to growth;
- the purchase of racks and glass bottles for Spa and Bru;
- work on the roof of the Wattwiller warehouses;
- the replacement of industrial PLCs and the acquisition of a new labelling machine in Ribeauvillé;
- the installation of software and the acquisition of IT equipment.



4. INNOVATION

The main innovations marketed during 2021 are as follows:

Brand	Month	Description
Spa	January	Switch of all PET sizes to 25% rPET
Carola	January	Launch of a new design for the 50 cl PET size for still and sparkling water
Devin	January	Launch of a new design for the 1 l size further to the installation of the new L8 line
Carola	February	Launch of a new flavour in the Carola Aro range of flavoured waters: Mango Passion Fruit
Spa Touch	March	Launch of a new flavour in the 'Touch' range of sparkling flavoured waters: Raspberry Plum in sizes 50 cl and 1 l PET
Bru	March	Launch of a new 75 cl size in 4 pack PET
Bru	March	Switch of the entire range from PET to 100% rPET (with removal of colouring agent to facilitate recycling)
Bru	March	Launch of a new pack of 8 x 1250 PET for Belux retail
Carola	March	Introduction of 100% recycled pallet cover
Devin	April	Launch of a new 1.8 l size for still water (6-pack)
Spa Duo	May	Launch of a new flavour in the Spa Duo range of still soft drinks: Mango Apricot in 1 l size PET
Spa Fruit	May	Launch of a new flavour in the Spa Fruit range of sparkling soft drinks: Mango Grapefruit in 1.25 l size PET
Devin Mineral	May	Launch of a new range of 'Near water drinks' based on mineral water enriched with vitamins
Wattwiller	May	Reduction of palletising dividers on 1.5 l Watt still
Wattwiller	June	Switch of 150 and 100 cl sizes, still, to 25% rPET
Spa	August	Launch of a new bottled range (50 and 100 cl) for Spa Touch Sparkling & Still
Wattwiller	September	Switch of 50 cl size, still, to 100% rPET
Spa	October	Launch of the new 150 cl Spa Reine bottle (weight reduced to 24 g)

5. NON-CONSOLIDATED RESULTS OF SPADEL SA

Revenue

The revenue of Spadel SA amounted to EUR 150.3 million at the end of 2021, compared with EUR 146.9 million in 2020, up 2.3%.

This fine improvement in the revenue reflects the dynamism of our brands, our innovations and our commercial policy. Spa further strengthened its position as market leader in water and flavoured water in Belgium and increased its overall market shares. After several difficult years, Bru shows signs of recovery in 2021.

This strong performance by our brands, despite the dull weather during the summer, was also assisted by the easing of the lockdown measures and the gradual reopening of the hospitality sector as of the second quarter.

Operating result

The operating result amounted to EUR 7.3 million, sharply up by 57.2% compared with 2020, which closed with a result of EUR 4.7 million.

This development may be attributed to the following main favourable and unfavourable elements:

Favourable elements:

- the increase in revenue linked to the growth in sales volumes and a more favourable product mix following the gradual reopening of the hospitality sector as of the second quarter;
- the fall in IT application support costs.

Unfavourable elements:

- the increase in expenditure on advertising and special offers to support growth;
- the increase in external fees, linked mainly to the implementation of a Customer Relationship Management application;
- the increase in Fost+ contributions linked to the growth in volumes;
- the increase in remuneration charges;
- the increase in recruitment charges;
- the increase in the cost of renting IT applications hosted in the cloud;
- the increase in energy and fuel costs.

Financial results

Financial income amounted to EUR 20.8 million, compared with EUR 8.4 million in 2020.

This increase may be attributed mainly to the payment of a dividend of EUR 10 million by the Bulgarian subsidiary Devin EAD, which did not pay a dividend in 2020 so as to be able to self-finance the major investments linked to the installation of new production lines. The dividends received from Spa Monopole and Spadel Nederland rose between 2020 and 2021 (from EUR 3.3 to EUR 3.6 million and from EUR 5 to EUR 7 million respectively).

The financial costs stood at EUR 0.3 million, down compared with the previous year (EUR 0.7 million).



Net result

The net result available for appropriation for the 2021 financial year stands at EUR 24,557,863, compared with EUR 10,262,885 in 2020.

6. SPADEL SA PROFIT DISTRIBUTION

The Board of Directors is to put a proposal to the ordinary general meeting of 24 May 2022 to set the profit to be appropriated as follows (in euros):

Net profit for the financial year to be appropriated	24,557,863
Profit carried forward from the previous financial year	9,849,016
Profit to be appropriated	34,406,879

and therefore proposes the following distribution (in euros):

Distribution of a gross dividend of EUR 2 (EUR 1.40 net) per share	8,300,700
Appropriation to reserves available for distribution	16,000,000
Profit to be carried forward	10,106,179
Total	34,406,879

The gross dividend proposed is stable compared with that of the previous year and represents a payout ratio of 31% of the consolidated profit.

It will be payable on Friday, 3 June 2022 upon presentation of coupon Nr 23.

7. OUTLOOK

The Group is continuing its strategy of innovation and investment in its brands and remains confident about the positive trend in its sales over the coming months.

However, we are still paying careful attention to the very high inflation seen since the second half of 2021, affecting all raw materials, packaging, energy, transport and labour prices.

This widespread cost inflation, at levels not seen for many years, seems to be continuing in 2022 and will impact on the Group's short- and medium-term results. The quest for a balance between the rise in the price of raw materials and the pressure on selling prices in the retail sector will remain a major challenge for the months to come.

Moreover, the Group is still paying close attention to the development of the health crisis and the impact of the measures taken on our various markets to cope with this.

We will continue to display agility and great resilience in the face of these crises, ensuring that the necessary measures are taken to limit the impact on the short-term results as much as possible.

The Group's profitability and sound balance sheet structure enable us to cope with this unprecedented context calmly.

The Group is carrying on with its efforts as leader on the mineral waters market by continuing to invest and by striving to offer consumers ever more innovative products focusing on health, hydration, natural ingredients and sustainability. Having taken major steps such as carbon neutrality and Platinum certification for sustainable water management from the AWS (Alliance for Water Stewardship), we are now the first family-based group in the mineral sector to be recognised as a company having a positive impact by obtaining B Corp certification. The attention we pay to our social, societal and environmental impact for the benefit of a more circular and inclusive economy also demonstrates our capacity for innovation.

8. INTERNAL AUDIT AND RISK MANAGEMENT

The Board of Directors supervises the implementation of the reference framework for the internal audit and risk management.

The Audit Committee is charged, among other things, with the following missions:

- informing the Board of Directors of the results of the legal audit of the annual accounts and the consolidated accounts, explaining the way in which the legal audit of the annual accounts and the consolidated accounts contributed to the integrity of the financial information and the role that the Audit Committee played in this process;
- monitoring the process of preparing the financial information and making recommendations or proposals to guarantee its integrity;
- monitoring the efficiency of the Company's internal audit and risk management systems and, if an internal audit is conducted, monitoring this audit and its efficiency;
- monitoring the audit required by law of the annual accounts and the consolidated accounts, including following up questions and recommendations from the statutory auditor;
- examining and monitoring the independence of the statutory auditor, in particular as regards the validity of the provision of additional services to the Company;
- making a recommendation to the Board of Directors of the Company regarding the appointment of the statutory auditor.

During the 2021 financial year, the Chairman of the Audit Committee had the required accounting and auditing capabilities.

Moreover, the Audit Committee examines the extent to which the Executive Committee takes account of the findings of the internal audit and the letter of recommendation from the external auditor. In addition, the Audit Committee examines the specific mechanisms which the Company staff can use to pass on confidentially any concerns they may have regarding possible irregularities in the preparation of the financial information or other subjects.



The Audit Committee endorses the mechanisms enabling staff to inform the Chairman of the Audit Committee directly through the internal auditor. If necessary, arrangements are made for a proportionate and independent inquiry into these subjects, and appropriate follow-up measures.

Moreover, the Company has hired an internal auditor whose mission is to independently analyse and assess the existence and working of the internal auditing system and to make recommendations with a view to improving this system. In hierarchical terms, the internal auditor reports to the Chief Financial Officer (CFO) and in functional terms to the Chairman of the Audit Committee. He attends the meetings of the Audit Committee and draws up the reports on these meetings.

The Audit Committee reviews the internal audit plan annually. Since 1 January 2012, this revision has been carried out on the basis of a risk cartography approved by the Audit Committee at its meeting on 15 November 2011. A full revision of this cartography was presented to the Audit Committee for approval on 24 August 2020.

The internal auditor also prepares a regular report on the risks and litigation that could impact on the result. The Audit Committee reports to the Board of Directors after each meeting. A summarised copy of this report is given to the Directors.

The risk cartography approved by the Audit Committee identifies the significant risks. The CEO has set up a Risk Management Committee charged with the task of identifying the main risks, appointing a manager per risk and providing for adequate measures as well as taking steps to increase risk awareness throughout the Group. Further to the full revision of the risk cartography referred to above, the Risk Management Committee has informed each manager of the risks for which he is responsible. The main risks and uncertainties weighing on the activities of the company are described in the management report from the Board of Directors to the General Meeting.

As regards the process of preparing financial information, Spadel has put in place an internal audit and risk management system to ensure:

- that the financial information, drawn up in accordance with Belgian accounting standards for Spadel SA and the International Financial Reporting Standards (IFRS) at the consolidated level, is published within the legal deadlines and faithfully reflects the assets, the financial situation and the consolidated results of the Company and of the Company's subsidiaries included in the consolidation;
- that the management report contains a faithful account of the development of business and the situation of the Company and the subsidiaries included in the consolidation and a description of the main risks and uncertainties they face.

Procedures are in place to ensure that investments are made and goods and services are purchased in line with the budgets adopted by the Board of Directors and under the supervision of the Executive Committee. A system has been established to monitor invoices relating to these transactions.

Performance indicators have been set for the various industrial and commercial operations. Reports on market performances and transactions are prepared on a monthly basis as regards the Executive Committee and a quarterly basis as regards the Board of Directors.

9. RISK FACTORS

Due to its activities, the Spadel Group is exposed to various risk factors:

- **Exchange risk:** most of the Group's activities are located in the euro zone. Only the activities of the subsidiary Devin AD are concluded in a foreign currency (BGN). However, the BGN exchange rate against the euro has until now been fixed. Moreover, there are very few foreign currency transactions. The foreign exchange risk is therefore small.
- **Interest rate risk:** apart from standard trade payables, most of the Group's liabilities consist of payables related to refundable guarantee deposits. These payables do not bear any interest charge. The Group holds no significant long-term interest-bearing assets. Most of the Group's financial liabilities are contracted at a fixed rate. In general, Spadel Group's operating result and cash flows are largely unaffected by fluctuations in market interest rates.
- **Price risk:** Spadel's financial assets consist of investments made with due diligence in risk-free instruments. The main risks to which the Group is exposed arise from the price of PET and of ingredients for the lemonades, as well as the price of energy and the effects of this on production and transport costs.
- **Credit risk:** the credit risk arises from cash and cash equivalents, deposits with financial institutions and trade receivables. In the case of deposits with financial institutions, only independently rated counterparties with a minimum rating of A are accepted. The Group also makes very short-term investments in commercial papers recommended by its usual bankers. The Group's credit risk is concentrated on a few major customers. Payments from these customers are monitored regularly. The management does not anticipate any losses arising from a default of these counterparties.
- **Liquidity risk:** Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding thanks to appropriate credit facilities and the ability to close out market positions. The Group's objective is to maintain financial flexibility by keeping open but unused credit lines.
- **Risks related to disputes:** The Group regularly assesses its exposure to complaints and disputes that arise in the normal course of its business and recognises adequate provisions.
- **Risks related to the course of business:** the main risks and uncertainties weighing on the company's course of business are as follows:
 - the short- and medium-term impacts of the pandemic and the lockdown measures;
 - issues relating to the environmental impact of our products;
 - defects or contamination of a product marketed by the Group;
 - the availability and price volatility of materials and energy;
 - the ever-growing concentration in the distribution sector;
 - the rise of distributors' own brands and budget brands;
 - the development of taxes on the different types of packaging.



10. SHAREHOLDING BODY

On the basis of the transparency notifications received by the Company in 2021, the respective percentage of shares held by the main and historic shareholders in the Company as at 31 December is as presented in the table below. However, this table cannot take account of variations which are unknown to the Company as they do not reach the transparency notification limits.

According to Article 8 of the articles of association of the Company applicable as at 31 December 2021 and in accordance with Article 18 of the act of 2 May 2007 on the public disclosure of major shareholdings in issuers whose stocks are admitted for trading on a regulated market, containing various provisions, the obligation to provide notification laid down in Articles 6 ff. of this act applies when any minimum portion is exceeded, upwards or downwards, by one per cent (1%), three per cent (3%), five per cent (5%) and portions of ten per cent (10%), fifteen per cent (15%) and so on, in brackets of five per cent (5%), of the total voting rights outstanding when the situation giving rise to a declaration pursuant to this act occurs.

	Number of shares	% of total
FINANCES & INDUSTRIES SA	3,861,187	93.03
M. DE BARSY & SOGEMINDUS HOLDING SA	184,584	4.45
PUBLIC (free float)	104,579	2.52
TOTAL	4,150,350	100.00

All the transparency notifications received by the Company as well as the notifications pursuant to Article 74 § 8 of the act of 1 April 2007 on public takeover bids, dated 25 August 2021, from Mr Marc du Bois, Finances & Industries SA and the MACDUB Foundation, are available on its website www.spadel.com, under the 'Governance' tab.

Spadel does not have any knowledge of agreements between its shareholders or others which could entail restrictions on the transfer of securities or the exercising of voting rights or, as regards the latter, a more general restriction resulting from the law or the articles of association. Furthermore, the articles of association of the Company do not contain different share categories or special controlling rights or a staff shareholder system. Nor are there any specific rules linked to the appointment or replacement of the Directors which are not included in the articles of association or the rules of procedure published and the Company has not entered into any major commitment which may contain clauses linked to its own change of control.

No transactions involving shares in the Company had been reported as at 31 December 2021 in the context of the rules adopted by the Board of Directors on this subject.

11. OTHER INFORMATION PURSUANT TO THE CODE FOR COMPANIES AND ASSOCIATIONS (CSA)

Article 7:96 § 1 of the CSA: during the 2021 financial year, no decision or transaction falling within the area of competence of the Board of Directors gave rise to a conflicting proprietary interest between the Company and its directors, barring that relating to the remuneration of the CEO during the Board of Directors' meeting of 26 March 2021. At this meeting, Marc du Bois, CEO, told the Board of Directors, before the Board considered the item relating to the review of his performance in 2020, that he had a direct proprietary interest conflicting with a decision to be taken by the Board of Directors within the meaning of Article 7:96 of the CSA, regarding his remuneration. Marc du Bois did not take part in the deliberations or the decision on this matter. The Board of Directors, with the exception of Marc du Bois, validated the review of the performance of the CEO, giving him the right to a target-based bonus (100% payment) and decided not to increase the basic salary of the CEO but to grant him a symbolic gesture in recognition of his performance in 2020.

Article 7:97 of the CSA: during the 2021 financial year, there were no transactions or decisions referred to by these provisions on conflicts of interests in relations with certain affiliated entities.

Article 7:203 of the CSA: as the Company does not have any authorised capital, this provision concerning the use of the authorised capital does not apply.

Article 7:220 of the CSA: as the Company does not have authorisation to purchase treasury shares, no treasury share purchase transactions were effected during the 2021 financial year.

Article 7:226 of the CSA: the Company has not pledged treasury shares.

12. MAJOR EVENTS OCCURRING AFTER THE CLOSE OF THE FINANCIAL YEAR

The Spadel Group is not directly impacted by the invasion of Ukraine by Russia in February 2022. The Group is not present and has no commercial activity in the region.

However, this war is having significant repercussions on the financial markets and the price of certain raw materials and will affect the world economy as a whole.

The Group therefore continues to pay careful attention to the very high inflation seen since the second half of 2021, further increased by recent events, affecting all raw materials, packaging, energy, transport and labour prices. This widespread cost inflation, at levels not seen for many years, as well as the shortages noted in certain raw materials, will undoubtedly affect the Group's short- and medium-term results.

The Board has no knowledge of any major events occurring after the close of the financial year which could significantly affect the annual financial statements.



13. NON-FINANCIAL STATEMENT

The non-financial statement is drawn up in a separate report, attached to this management report.

14. CORPORATE GOVERNANCE

As regards corporate governance, the Group takes account of the relevant provisions of the Code for Companies and Associations that came into effect on 1 January 2020 (the **CSA**) and the Belgian Corporate Governance Code 2020 (**Code 2020**).

Spadel has adopted Code 2020 as its reference code and applies its recommendations in line with the 'comply or explain' principle. The adoption of the CSA and Code 2020 also led to modifications of the articles of association – approved by the Extraordinary General Meeting of 10 June 2021 – and the adaptation of its Corporate Governance Charter and the rules of procedure of the Board and its Committees, as well as its Dealing Code. Spadel also adopted a Code of Conduct during the 2020 financial year.

These various documents are available for consultation on the Company's website (www.spadel.com).

As at the date of this report, Spadel complies with the provisions of Code 2020, with the exception of certain principles explained in more detail in Company's statutory management report.

Spadel constantly reflects on its governance and the Company is keen to formulate a specific assessment on this matter. Spadel's governance rules take account in particular of the close links it aims to maintain with its reference shareholder and of its size, while maintaining its autonomy.

The Board of Directors would like to thank all the staff for the efforts made during 2021.

30 March 2022

The Board of Directors



Corporate Governance statement

A. STATEMENT OF CORPORATE GOVERNANCE

1. The Corporate Governance Charter

As regards corporate governance, this statement contains the information required by the Code for Companies and Association that came into effect on 1 January 2020 (the **CSA**) and the Belgian Corporate Governance Code 2020 (**Code 2020**).

Spadel has adopted Code 2020 as its reference code and applies its recommendations in line with the 'comply or explain' principle. The adoption of the CSA and Code 2020 also led to modifications of the articles of association – approved by the Extraordinary General Meeting of 10 June 2021 – and the adaptation of its Corporate Governance Charter and the rules of procedure of the Board and its Committees, as well as its Dealing Code. Spadel also adopted a Code of Conduct during the 2020 financial year. These documents are available for consultation on the Company website (www.spadel.com). As at the date of this report, Spadel complies with the provisions of Code 2020, with the exception of certain principles explained in more detail in the following sections or in the remuneration report.

Spadel constantly reflects on its governance and the matter is subject to ongoing assessment. Spadel's governance rules take account in particular of the close links it aims to maintain with its reference shareholder and of its size, while maintaining its autonomy.

2. The main internal auditing and risk management characteristics

2.1. Internal audit

The Board of Directors supervises the implementation of the reference framework for the internal audit and risk management.

The Audit Committee is charged, among other things, with the following missions:

- informing the Board of Directors of the results of the legal audit of the annual accounts and the consolidated accounts, explaining the way in which the legal audit of the annual accounts and the consolidated accounts contributed to the integrity of the financial information and the role that the Audit Committee played in this process;

- monitoring the process of preparing the financial information and making recommendations or proposals to guarantee its integrity;
- monitoring the efficiency of the Company's internal audit and risk management systems and, if an internal audit is conducted, monitoring this audit and its efficiency;
- monitoring the legal audit of the annual accounts and the consolidated accounts, including monitoring questions and recommendations from the statutory auditor;
- examining and monitoring the independence of the statutory auditor, in particular as regards the validity of the provision of additional services to the Company;
- making a recommendation to the Board of Directors of the Company regarding the appointment of the statutory auditor.

Moreover, the Audit Committee examines the extent to which the Executive Committee takes account of the findings of the internal audit and the letter of recommendation from the external auditor. In addition, the Audit Committee examines the specific mechanisms which the Company staff can use to pass on confidentially any concerns they may have regarding possible irregularities as regards the preparation of the financial information or other subjects. The Audit Committee endorses the mechanisms enabling staff to inform the Chairman of the Audit Committee directly through the internal auditor. If necessary, arrangements are made for a proportionate and independent inquiry into these subjects and appropriate follow-up measures.

Moreover, in 2008 the Company hired an internal auditor whose mission is to independently analyse and assess the existence and working of the internal auditing system and to make recommendations with a view to improving this system. In hierarchical terms, the internal auditor reports to the Chief Financial Officer (CFO) and in functional terms to the Chairman of the Audit Committee. He attends the meetings of the Audit Committee and draws up the reports on these meetings.

The Audit Committee reviews the internal audit plan annually. Since 1 January 2012, this revision has been carried out on the basis of a risk cartography approved by the Audit Committee at its meeting on 15 November 2011. A full revision of this cartography was



presented to the Audit Committee for approval on 24 August 2020. The internal auditor also prepares a regular report on the risks and litigation that could impact on the result. The Audit Committee reports to the Board of Directors after each meeting. A summarised copy of this report is given to the Directors.

The risk cartography approved by the Audit Committee identifies the significant risks. The CEO has set up a Risk Management Committee charged with the task of identifying the main risks, appointing a manager per risk and providing for adequate measures as well as taking steps to increase risk awareness throughout the Group. Further to the full revision of the risk cartography referred to above, the Risk Management Committee has informed each manager of the risks for which he is responsible. The main risks and uncertainties weighing on the activities of the company are described in the management report from the Board of Directors to the General Meeting.

As regards the process of preparing financial information, Spadel has put in place an internal audit and risk management system to ensure:

- that the financial information, drawn up in accordance with Belgian accounting standards for Spadel SA and the International Financial Reporting Standards (IFRS) at the consolidated level, is published within the legal deadlines and faithfully reflects the assets, the financial situation and the consolidated results of the Company and of the Company's subsidiaries included in the consolidation;
- that the management report contains a faithful account of the development of business and the situation of the Company and the subsidiaries included in the consolidation and a description of the main risks and uncertainties they face.

Procedures are in place to ensure that investments are made and that goods and services are purchased in line with the budgets adopted by the Board of Directors and under the supervision of the Executive Committee. A system has been established to monitor invoices relating to these transactions.

Performance indicators have been set for the various industrial and commercial operations. Reports on market performances and transactions are prepared on a monthly basis as regards the Executive Committee and a quarterly basis as regards the Board of Directors.

2.2. External audit

The statutory auditor's mandate is exercised by PwC Réviseurs d'Entreprises SRL, represented by Ms Griet Helsen. PwC was appointed by the Ordinary General Meeting of 13 June 2019 for a period of three years ending at the close of the Ordinary General Meeting of 2022. The amount of the fees of the statutory auditor is published, in accordance with Article 3: 65 of the CSA, as an annex to the consolidated accounts and in section C 6.18. of the Company accounts.

A proposal is to be put to the Ordinary General Meeting of 2022 to renew the mandate of PwC Réviseurs d'Entreprises SRL, this time represented by Romain Seffer, for a period of three years ending at the close of the Ordinary General Meeting of 2025.

3. Shareholding structure

The shareholders have free access to the 'Investors' tab on the Company's website (www.spadel.com), where they can consult all the information they need to act in full knowledge of the facts. They can also download the necessary documents to take part in the vote at the Company's General Meetings. All Spadel shareholders are treated in exactly the same way and Spadel respects their rights.

As at 31 December 2021, the share capital social stood at EUR 5,000,000, represented by 4,150,350 ordinary shares, fully paid up. Each share confers one vote at the General Meeting. There are no preferential shares. The shares are registered or dematerialised, freely transferable and admitted for trading on the Euronext Brussels regulated market.

The obligations of the Company and the rights of the shareholders as regards the General Meeting are set out in extenso, from convening to participation and voting, on the Spadel website (www.spadel.com), where this information can be consulted at any time.

On the basis of the transparency notifications received by the Company in 2021, the respective percentage of shares held by the main and historic shareholders in the Company as at 31 December 2021 is as presented in the table below. However, this table cannot take account of variations which are unknown to the Company as they do not reach the transparency notification limits.

According to Article 8 of the articles of association of the Company applicable as at 31 December 2021 and in accordance with Article 18 of the act of 2 May 2007 on the public disclosure of major shareholdings in issuers whose stocks are admitted for trading on a regulated market, containing various provisions, the obligation to provide notification laid down in Articles 6 ff. of this act applies when any minimum portion is exceeded, upwards or downwards, by one per cent (1%), three per cent (3%), five per cent (5%) and portions of ten per cent (10%), fifteen per cent (15%) and so on, in brackets of five per cent (5%), of the total voting rights outstanding when the situation giving rise to a declaration pursuant to this act occurs.

	Number of shares	% of total
FINANCES & INDUSTRIES SA	3,861,187	93.03
M. DE BARSY AND SOGEMINDUS HOLDING SA	184,584	4.45
PUBLIC (free float)	289,163	2.52
TOTAL	4,150,350	100.00



All the transparency notifications received by the Company as well as the notifications pursuant to Article 74 § 8 of the act of 1 April 2007 on public takeover bids, dated 25 August 2021, from Mr Marc du Bois, Finances & Industries SA and the MACDUB Foundation, are available on its website, www.spadel.com, under the 'Governance' tab.

Spadel does not have any knowledge of agreements between its shareholders or others which could entail restrictions on the transfer of securities or the exercising of voting rights or, as regards the latter, a more general restriction resulting from the law or the articles of association. Furthermore, the articles of association of the Company do not contain different share categories or special controlling rights or a staff shareholder system. Nor are there any specific rules linked to the appointment or replacement of the Directors which are not included in the articles of association or the rules of procedure published and the Company has not entered into any major commitment which may contain clauses linked to its own change of control.

No transactions involving shares in the Company had been reported as at 31 December 2021 in the context of the rules adopted by the Board of Directors on this subject.

Finally, Articles 7:96 and 7:97 of the CSA regarding conflicts of interest did not have to be applied in 2021, barring a decision concerning the remuneration of the CEO at the meeting of the Board of Directors on 26 March 2021. At this meeting, Marc du Bois, CEO, told the Board of Directors, before the Board considered the item relating to the review of his performance and his remuneration in 2020, that he had a direct proprietary interest conflicting with a decision to be taken by the Board of Directors, within the meaning of Article 7:96 of the CSA, regarding his remuneration. Marc du Bois did not take part in the deliberations or the decision on this matter. The Board of Directors, with the exception of Marc du Bois, validated the review of the performance of the CEO, giving him the right to a target-based bonus (100% payment) and decided not to increase the basic salary of the CEO but to grant him a symbolic gesture in recognition of his performance in 2020.

4. Diversity policy

For Spadel, all aspects of diversity and inclusion are essential at every level. In terms of staff, Spadel aims to achieve a balanced representation of men and women. Taking the Group as a whole at all levels of the organisation, as at 31 December 2021, 72% of staff were men and 28% were women.

As bottling mineral water is a local issue, Spadel offers local employment in all the countries in which the Group operates. If possible, Spadel also seeks alternative forms of employment for those who have to contend with physical difficulties during their career and would otherwise be unable to remain in the regular work circuit.

As regards the composition of the Executive Management, Spadel takes care to welcome representatives of the various geographic areas in which the Group operates. Spadel constantly checks, from every point of view, that the composition of the Executive Management team meets the needs of the organisation and the world in which the Group carries out its activities, from the point of competences, expertise and general capacities as well as education or professional experience. If necessary, Spadel also invests in staff training in order to be able to meet the challenges facing the Group ever more effectively.

In terms of gender, Spadel is proud to be able to say as of 1 April 2020, the Executive Committee includes three women out of a total of nine members. Spadel continues to apply unrestricted gender neutrality in the choice of new members. The factors underlying new recruitments are good professional, managerial and cultural compatibility.

As regards the composition of the Board of Directors, Article 7:86 §1 of the CSA states that at least one-third of the members of the Board of Directors must be of a different gender than the other members. The minimum number required is rounded off to the nearest whole number. The Board comprises five male members and two female members and therefore complies with the legal requirements.

5. Composition and working method of the Board and the various committees

The rules governing the composition, the responsibilities and the working of the Board of Directors and the Committees created within the Board are described in the Spadel Corporate Governance Charter and the respective rules of procedure.

5.1. The Board of Directors

5.1.1. Composition of the Board of Directors

The Spadel Board of Directors, the composition of which is given below, currently has seven members, appointed by the General Meeting, three of whom are independent and meet the general independence criteria referred to in Article 7:87 of the CSA as well as the specific independence criteria of Article 3.5 of Code 2020.

The Chairman of the Board of Directors and the Chief Executive Officer (CEO) are two different people. The position of CEO is held by Mr Marc du Bois.



Name	Capacity	Date of appointment/ renewal	End of term
Baron Marc du Bois	Executive director – CEO – Chairman of the Executive Committee	Ordinary General Meeting of 10 June 2021	Ordinary General Meeting of 2025
Finances & Industries SA, permanently represented by Mr Axel Miller	Non-executive director	Ordinary General Meeting of 14 June 2018	Ordinary General Meeting of 2022
Baron Jean Vandemoortele	Independent director	Ordinary General Meeting of 11 June 2020	Ordinary General Meeting of 2024
M.O.S.T. SRL, permanently represented by Mr Frank Meysman	Non-executive director – Chairman of the Board of Directors ¹	Ordinary General Meeting of 11 June 2020	Resignation at the Ordinary General Meeting of 10 June 2021
Familia Numerosa SRL, permanently represented by Mr Roel van Neerbos	Independent director – Chairman of the Board of Directors ²	Ordinary General Meeting of 10 June 2021	Ordinary General Meeting of 2025
Ms Barbara du Bois	Non-executive director	Ordinary General Meeting of 14 June 2018	Ordinary General Meeting of 2022
UpsilonLab SRL, permanently represented by Ms Corinne Avelines	Independent director	Ordinary General Meeting of 11 June 2020	Ordinary General Meeting of 2024
A2 SRL, permanently represented by Mr Alain Beyens	Independent director	Ordinary General Meeting of 10 June 2021	Ordinary General Meeting of 2025

1. Director and Chairman of the Board of Directors until the Ordinary General Meeting of 10 June 2021.

2. Chairman of the Board of Directors since 23 August 2021.

A proposal will be put to the Ordinary General Meeting of 24 May 2022:

- to renew the director's mandates of Finances & Industries SA, permanently represented by Mr Axel Miller, and of Ms Barbara du Bois, which expire in 2022;
- to confirm the cooptation of Gerefis SA, represented by Mr Marc du Bois, in his capacity as director effective as of 1 April 2022, as decided by the Board of Directors of the Company on 30 March 2022 (further to the resignation of Marc du Bois in his capacity as a director), for a period equal to the length of the director's mandate of Mr Marc du Bois, that is until the Ordinary General Meeting of 2025.

5.1.2. Working of the Board of Directors

The Board of Directors met seven times in 2021. This included five conventional meetings and two ad hoc meetings. All the members attended all the conventional meetings, with the exception of Ms Barbara du Bois who was not present at the Board meeting of 23 August 2021. Owing to the health crisis linked to Covid-19, several meetings of the Board of Directors took place by means of videoconferencing in 2021.

At its quarterly meetings, the Board considers in particular:

- the follow-up of its decisions;
- the reports and recommendations from the Audit and the Appointment and Remuneration Committees;
- the development of the commercial situation per market on the Group's main markets, as regards the past quarter and as at the date of the meeting, focusing in particular on points of special interest and action plans;
- the consolidated financial situation in the past quarter.

The following subjects were also included on the agenda of the quarterly meetings of the Board:

- 1st quarter: closure of the statutory accounts and approval of the accounts for the past financial year, preparation of the Ordinary General Meeting and the press release on the annual results;
- 2nd quarter: various subjects depending on the development of the situation;
- 3rd quarter: closure of the half-yearly situation and press release on the half-yearly results;
- 4th quarter: approval of the budgets and investment plans for the following year.

5.1.3. Departures from Code 2020 concerning the working of the Board of Directors

The Board believes that an annual formal meeting of the non-executive Directors intended to assess their interaction with the CEO serves no purpose, given the excellent open and permanent dialogue with the CEO, either informally or at meetings of the Board of Directors and its Committees.

When the Board has to deliberate on matters involving the CEO, that latter is asked to leave the meeting. Spadel thus departs from principle 3.11 of Code 2020.



5.2. Committees created by the Board of Directors

Spadel has two Committees established within the Board of Directors: the Audit Committee (in accordance with Article 7: 99 of the CSA) and the Appointment and Remuneration Committee (in accordance with Article 7:100 of the CSA).

5.2.1. The Audit Committee

Since the Board of Directors' meeting of 23 August 2021, the Audit Committee has been made up of three members, all non-executive directors, two of whom are independent, that is:

- Jean Vandemoortele (Chairman);
- Finances & Industries SA, permanently represented by Mr Axel Miller; and
- A2 SRL, permanently represented by Mr Alain Beyens

Mr Roel van Neerbos, in his capacity as permanent representative of Familia Numerosa SRL, sat on the Audit Committee until 20 August 2021 inclusive before sitting on the Appointment and Remuneration Committee.

Mr Jean Vandemoortele, Chairman of the Audit Committee, is competent in the field of auditing and accounting owing to his training and his long professional experience as an executive manager or a director.

The Audit Committee met three times in 2021. All the members were present at each meeting.

The statutory auditor, the CEO and the CFO as well as the internal auditor attended the meetings of the Audit Committee. At each meeting, time was scheduled for a discussion between the Committee and the statutory auditor, without the presence of the management.

The Audit Committee fulfilled its task in application of and within the limits governing its missions and working method. The Chairman of the Audit Committee reported systematically to the Board of Directors on its meetings and recommendations, submitted for approval.

5.2.2. The Appointment and Remuneration Committee

Since the Board of Directors' meeting of 23 August 2021, the Appointment and Remuneration Committee has been made up of three members, all independent non-executive directors, that is:

- Familia Numerosa SRL, permanently represented by Mr Roel van Neerbos (Chairman¹);
- UpsilonLab SRL, permanently represented by Ms Corinne Avelines, and
- Finances & Industries SA, permanently represented by Mr Axel Miller.

As the director's mandate of M.O.S.T SRL, permanently represented by Mr Frank Meysman, came to an end at the Ordinary General Meeting of 10 June 2021, its mandate as a member and Chairman of the Appointment and Remuneration Committee terminated on the same date.

Owing to their present or past positions as business leaders, the members of the Appointment and Remuneration Committee possess the necessary expertise in remuneration policy.

1. Since 23 August 2021.

The Committee met twice in 2021. All the members were present. The CEO and the Group HR Director attended the meetings of the Committee except for the items that concerned them personally.

The Appointment and Remuneration Committee fulfilled its task in application of and within the limits governing its missions and working method. The Chairman of the Appointment and Remuneration Committee reported systematically to the Board of Directors on its meetings and recommendations, submitted for approval.

5.3. Executive Committee

The Executive Committee of the Group currently consists of the CEO/Chairman of the Executive Committee - Marc du Bois - and other members.

The following persons were members of the Executive Committee in 2021:

Name	Position
Marc du Bois	CEO
Bart Peeters	General Manager Benelux & Export
Franck Lecomte	Head of Digital, Innovation and CSR
Borislava Nalbantova	General Manager Bulgaria
Valérie Siegler	General Manager France
Amaury Collette	Group Operations Director
Didier De Sorgher	CFO
Jo Swennen	Group Procurement & Supply Chain Director
Tatiana Goeminne	Group HR Director

As well as reviewing the development of the commercial situation on the various markets on which Spadel Group operates, points of special interest and action plans, the Executive Committee also expresses its opinion of the various projects affecting the activities of the Group.

At the meeting that follows a meeting of the Board of Directors, the decisions, requests and recommendations of the Board are reviewed and where necessary translated into points of action.

5.4. Assessment of the working of the Board of Directors and its Committees

The Corporate Governance Charter defines the informal assessment processes of the Board of Directors, the Directors, the Audit Committee and the Appointment and Remuneration Committee. These assessments are carried out at regular intervals. They cover the size, the composition and the performance of the Board of Directors and its Committees. Similarly, periodically or when a mandate is renewed, the contribution of each Director is assessed with a view to adapting the composition of the Board of Directors if necessary and to taking account of changes in circumstances. This assessment is carried out in particular on the basis of the following criteria, which are also those adopted when appointing new directors:



- capabilities in the Company's fields of activity;
- experience in the Company's geographic markets;
- diversity of capabilities, age, gender, nationality;
- commitment and constructive involvement in the debates and decisions taken;
- probity and good reputation;
- collegial spirit;
- interest in the Company and its development.

The working of the Board of Directors is assessed by means of written forms filled in by each person and then discussed during a Board meeting, if necessary with the assistance of an specialised external consultant. Such an assessment usually covers the following points:

- the general impression of the working of the Board of Directors;
- the organisation of the Board of Directors (agenda, documentation, reports, frequency and length);
- the organisation of the Audit and Appointment and Remuneration Committees (agenda, frequency and length of the meetings, composition, information and documentation);
- the composition of the Board of Directors (number, diversity, competences, independence, rotation);
- the directors' understanding of their role and their duties;
- the involvement and commitment of the Board of Directors (knowledge of the industrial sector, relationship with the management, contacts outside meetings, strategy development);
- communication with the shareholders (reports, role of the Chairman of the Board);
- discussions regarding the future (succession planning for the executive and non-executive members, Directors' development needs, compliance regarding Corporate Governance, strategic reflection);
- the overall efficiency of the Board.

Moreover, the Board constantly and informally examines the performances of the Executive Committee and, at regular intervals, the implementation of the strategy in line with its risk appetite.

B. REMUNERATION REPORT

This remuneration report (Remuneration Report) has been prepared in the context of Belgian Corporate Governance Code 2020 (**Code 2020**) and Article 3:6 §3, paragraph 2 of the Code for Companies and Associations (the **CSA**).

It provides an overall view of the remuneration and benefits, whatever form they take, granted during the course of the 2021 financial year to each of the members of the Board of Directors, to the CEO and to the other members of the Executive Committee. It lays down the main principles of the remuneration policy and the way these were applied during the past financial period. There were no departures from the remuneration policy² as described in the 2021 remuneration report.

2. The Remuneration Policy, as approved by the Ordinary General Meeting of 10 June 2021, is available on the Company website, www.spadel.com.

I. Total remuneration

The total remuneration paid by the Company or by one of its subsidiaries to the Directors, the CEO and the other members of the Executive Committee is fully in line with the remuneration policy that was in force until the Ordinary General Meeting of 10 June 2021, as well as the remuneration policy approved by the Ordinary General Meeting of 10 June 2021. The performance criteria have been applied fully in accordance with this policy.

1.1. Total remuneration of the Directors

The remuneration of the Directors is determined by the General Meeting of the Company at the proposal of the Board of Directors, which in turn has received proposals from the Appointment and Remuneration Committee.

The remuneration of the Directors is made up of fixed emoluments allocated by the General Meeting and attendance fees.

The Ordinary General Meeting of 11 June 2015 set:

- the fixed remuneration at EUR 15,000 per year per Director (apart from the Chairman) for the five set meetings and also allocated an attendance fee of EUR 3,000 per meeting (i.e. EUR 15,000 for the five set meetings), it being understood that for their attendance at any additional meeting, each Director will be granted a further attendance fee of EUR 6,000 per meeting;
- the fixed remuneration at EUR 30,000 per year for the Chairman for the five set meetings and also allocated an attendance fee of EUR 6,000 per meeting (i.e. EUR 30,000 for the five set meetings), it being understood that for his attendance at any additional meeting, the Chairman will be granted a further attendance fee of EUR 12,000 per meeting (i.e. a fixed remuneration and an attendance fee set at twice that of a Director);
- the amount of the attendance fee for each participation at a meeting of the Audit Committee and/or the Appointment and Remuneration Committee at EUR 2,500 per person, subject to the fact that the Chairman of these Committees receives an attendance fee of EUR 5,000 per meeting.

Moreover, the Ordinary General Meeting of 10 June 2021 clarified that:

- the fixed remuneration and the attendance fees referred to above will in any case be paid taking into account the length of the term of office served by each Director during a financial year and their actual participation in meetings of the Board of Directors and the specialised Committees; and
- any participation in an 'ad hoc' Board of Directors meeting that does not require any particular preparation will not give rise to an additional attendance fee, barring exceptional cases.

There is no service provision contract between the Company and the Directors, who exercise their mandate with self-employed status. In accordance with the articles of association of the Company, they may be dismissed at any time, with immediate effect, without grounds or compensation.



The table below indicates the total annual remuneration paid individually to each member of the Board of Directors on the basis of their participation in the meetings of the various advisory committees:

	Capacity	Annual fixed remuneration (in EUR)	Attendance fees (in EUR)			Total (in EUR)
			Board of Directors	Appointment and Remuneration Committee	Audit Committee	
M.O.S.T. SRL (Frank Meysman) ¹	Chairman of the Board of Directors, Chairman of the Appointment and Remuneration Committee	6,000	6,000	5,000	-	17,000
Finances & Industries SA (Axel Miller)	Non-executive director, member of the Audit Committee	18,000	18,000	2,500	7,500	46,000
Baron Marc du Bois	Director / CEO	15,000	15,000	-	-	30,000
Baron Jean Vandemoortele	Independent director, Chairman of the Audit Committee	15,000	15,000		15,000	45,000
Familia Numerosa SRL (Roel van Neerbos)	Independent director and Chairman of the Board of Directors ² , member and Chairman of the Appointment and Remuneration Committee, member of the Audit Committee	24,000	24,000	7,500	5,500	60,500
Barbara du Bois	Non-executive director	15,000	12,000	-	-	27,000
UpsilonLab SRL (Corinne Avelines)	Independent director, member of the Appointment and Remuneration Committee	15,000	15,000	5,000	-	35,000
A2 SRL (Alain Beyens)	Independent director, member of the Audit Committee	12,000	12,000	-	2,500	26,500

1. Until 10 June 2021. 2. Chairman of the Board of Directors since 23 August 2021. 3. Chairman of the Appointment and Remuneration Committee since 23 August 2021.

1.2. Total remuneration of the CEO

The managing director of Spadel, who is the only executive director, fulfils the position of CEO.

The remuneration of the CEO is determined by the Board of Directors on the basis of recommendations made by the Appointment and Remuneration Committee. This remuneration consists of a fixed part, a variable part and other benefits.

The **basic remuneration** is determined, for the CEO (and each member of the Executive Committee), in accordance with the nature and extent of their responsibilities and their individual capabilities. In order to ensure conformity with market practices, the basic remuneration of the Executive Committee is periodically reviewed in accordance with reference scales among the relevant sectors and geographic markets. These reference scales are established by internationally acknowledged consultants specialising in remuneration further to benchmarking.

The criteria for the **variable remuneration** of the CEO (and of each member of the Executive Committee) of the Company correspond to quality performances in line with expectations, in terms of results, professionalism and motivation. They consist of a combination of collective and individual financial and quality goals which are weighted. The Board of Directors sets criteria which favour predetermined and measurable goals that have a positive impact on the Company both in the short term, that is over one year (Short-Term Incentive or STI) and in the long term, that is over three years (Long-Term Incentive or LTI) and which are aligned with the Company's strategy.

1.2.1. Short-Term Incentive

The STI represents a total gross annual potential, compared with the basic remuneration, of:

- 50% for the CEO; and
- 30% for the other members of the Executive Committee.



The STI is based on performance criteria relating to the year for which it is granted. It consists of a combination of financial, quantitative and qualitative goals and individual performance goals which are weighted. Each criterion is allocated a linear multiplying factor on a scale from zero to two, based on the level of achievement of the goal compared with the goal set.

The qualitative assessment criteria are subjected to an overall appraisal by the Appointment and Remuneration Committee, which then submits its opinion to the Board of Directors.

1.2.2. Long-Term Incentive

The LTI is intended to align the members of the Executive Committee and encourage them to adopt a long-term view based on the creation of lasting value for the Company's shareholders.

The LTI represents a total gross annual potential, compared with the basic remuneration, of 20% for both the CEO and the other members of the Executive Committee.

The LTI is based on performance criteria relating to several years. It currently consists of a combination of financial, quantitative and qualitative goals, which are weighted. The qualitative assessment criteria are subjected to an overall appraisal by the Appointment and Remuneration Committee, which then submits its opinion to the Board of Directors.

The total remuneration paid to the CEO in 2021, compared to that paid in 2020, can be broken down as indicated in the table below:

	Total remuneration ¹							Total remuneration (in EUR)	Fixed and variable proportion of remuneration ⁶
	Fixed remuneration		Variable remuneration			Pension cost (in EUR) ⁵			
	Basic remuneration (in EUR)	Additional benefits (in EUR)	STI (in EUR) ²	LTI (in EUR) ³	Extraordinary items (in EUR) ⁴				
Marc du Bois 2020	457,538	18,712	227,592	-	-	84,110	787,952	Vast: 71% Variabel: 29%	
Marc du Bois 2021	457,538	13,595	243,775	-	-	103,406	818,314	Vast: 70% Variabel: 30%	

1. All the remuneration components are given in gross amounts.

2. The amount reported is equal to the monetary value of the variable remuneration acquired during the year to which the report relates.

3. The amount reported is equal to the monetary value of the variable remuneration acquired during the year to which the report relates, based on performance criteria relating to several years.

4. The CEO did not receive any extraordinary items in 2020 and 2021, such as sign-off fees, retention bonus, contributions to removal costs, compensation for payments pursuant to previous employment contracts, etc.

5. The amount reported includes all the contributions that were actually paid by the employer during the course of the year to compulsory and optional pension schemes.

6. Relative share of the fixed remuneration = [Fixed remuneration + pension cost] / [Total remuneration]. Relative share of the variable remuneration = [Variable remuneration] / [Total remuneration]

7. The CEO is eligible for the LTI as of the 2019-2021 plan, payable in 2022.

Furthermore the CEO, who carries out his duties with self-employed status, receives other additional benefits such as a company car (benefit in kind), health care insurance and travel insurance. An individual pension commitment is also concluded for the CEO. This is a defined contribution plan.

The variable remuneration of the CEO is paid in April of the year following the financial period for which it is allocated.



1.3. Total remuneration of the Executive Committee, with the exception of the CEO

The remuneration of the members of the Executive Committee is determined by the Board of Directors on the basis of recommendations made by the Appointment and Remuneration Committee. This remuneration, like that of the CEO, consists of a fixed part, a variable part and other benefits.

Please refer to section 1.2 for more detailed explanations of the method used to determine the fixed and variable remuneration of the other members of the Executive Committee.

The total remuneration paid to the members of the Executive Committee (with the exception of the CEO) in 2021, compared to that paid in 2020, can be broken down as indicated in the table below:

	Fixed remuneration		Variable remuneration		Extraordinary items (in EUR) ⁴	Pension cost (in EUR) ⁵	Total remuneration (in EUR)	Fixed and variable proportion of remuneration ⁶
	Basic remuneration (in EUR)	Additional benefits (in EUR)	STI (in EUR) ²	LTI (in EUR) ³				
Other members of the Executive Committee 2020	1,583,493	66,336	406,498	123,721	150,088	85,822	2,445,959	Fixed: 71% Variable: 29%
Other members of the Executive Committee 2021	1,645,525	67,119	556,596	166,276	47,662	95,384	2,578,564	Fixed: 71% Variable: 29%

1. All the remuneration components are given in gross amounts.

2. The amount reported is equal to the monetary value of the variable remuneration acquired during the year to which the report relates.

3. The amount reported is equal to the monetary value of the variable remuneration acquired during the course of the year to which the report relates, based on performance criteria relating to several years.

4. This refers to extraordinary items such as the sign-off bonus, exceptional bonuses, etc.

5. The amount reported includes all the contributions that were actually paid by the employer during the course of the year to mandatory and optional pension schemes.

6. Relative share of the fixed remuneration = [Fixed remuneration + pension cost] / [Total remuneration]. Relative share of the variable remuneration = [Variable remuneration] / [Total remuneration]

7. The CEO is eligible for the LTI as of the 2019-2021 plan, payable in 2022.



The members of the Executive Committee all benefit from a company car, the benefit in kind for which is indicated above.

The members of the Executive Committee whose employment contract is subject to Belgian legislation also benefit from hospitalisation insurance and meal vouchers.

The members of the Executive Committee whose employment contract is subject to French law also benefit from an agreement on sharing the profits of the company concluded with the relevant entity.

The variable remuneration of the members of the Executive Committee is paid in April of the year following the financial period for which it is allocated. The payment of the variable remuneration of the members of the Executive Committee whose employment contract is subject to Belgian law is made in cash. Part of it benefits from favourable tax and social security treatment (collective labour agreement 90 on non-recurrent benefits linked to results). They also benefit from the possibility of collecting part of their variable remuneration in the form of warrants.

The pension plan for members of the Executive Committee, other than the CEO and the General Manager of Devin, is a defined contribution plan.

2. Remuneration linked to shares

Code 2020 - principle 7.6 recommends that the non-executive directors receive part of their remuneration in the form of shares in the Company. These shares are kept for at least one year after the non-executive director has left the board and for at least three years after they are allocated. The non-executive directors do not benefit from stock options.

Spadel departs from this principle and does not grant remuneration in the form of shares to non-executive directors. Bearing in mind the presence of a reference shareholder with over 90% of the capital of the Company and the independent nature of the non-executive directors, Spadel believes that granting (part of) the remuneration in shares would not necessarily contribute to the objective of Code 2020 to encourage such directors to act with the long-term perspective of a shareholder. Spadel's general policy and working method already meet the objective of recommendation 7.6 of Code 2020, which aims to promote the creation of lasting value and ensure a balance between the interests and legitimate expectations of the shareholders and of all the stakeholders. These principles are laid down in particular in the Governance Charter and in the rules of procedure of the Board of Directors. Moreover, the Company modified its articles of association in 2021, in particular to expressly state that the Company will take steps to ensure that it has a significant positive impact on society and the environment through its operational and commercial activities, which also helps to promote the creation of lasting value.

Code 2020 - principle 7.9 recommends setting a minimum threshold of shares which the business leaders must hold.

Spadel departs from this principle and does not set any express minimum threshold for shares held by the CEO or the other members of the Executive Committee. This departure is again justified by the capitalistic structure of the Company and in particular the presence of a reference shareholder with over 90% of the Company's capital, which sharply reduces the liquidity of the Company's shares. Spadel believes that its simple, transparent Remuneration Policy for the members of the Executive Committee supports its growth strategy.

3. Severance pay

There were no departures giving rise to severance pay in 2021.

4. Use of rights of recovery

Code 2020 - principle 7.12 recommends that the Board should include clauses enabling the Company to recover variable emoluments paid or to delay the payment of variable emoluments and specifies the circumstances in which such action should be taken, to the extent that this is permitted by law.

To date, Spadel has not included clauses enabling the Company to recover variable emoluments paid or to delay the payment of variable emoluments, or specified the circumstances in which such action should be taken, to the extent that this is permitted by law. This may be explained by the fact that the contracts of the members of the Executive Committee were concluded before Code 2020 came into force. Consequently it is not currently possible to request the return of variable remuneration. However, the Company may include such clauses the next time these contracts are revised.

5. Difference compared with the remuneration policy

There was no difference compared with the remuneration policy in force in 2021 or compared with the Remuneration Policy.



6. Development of the remuneration and performances of the Company

In accordance with Article 3:6 §3, paragraph 5 of the CSA, this section places the remuneration of the CEO and the members of the Executive Committee and the development thereof over time in the wider context of the average remuneration of Spadel staff (on a full-time equivalent basis) and the performance of the Company.

The table below provides an overview of the development of the total remuneration of the CEO and the members of the Executive Committee over time during the past two years³. The table also shows this development in the wider context of the average remuneration of Spadel staff (on a full-time equivalent basis) and the global annual performance criteria.

The following methodology is used to calculate the average remuneration (on a full-time equivalent basis) of Spadel staff: the total payroll declared in the balance sheet for the Group's three Belgian entities divided by the total number of staff on a full-time equivalent basis declared in the balance sheet for the Group's three Belgian entities.

	2021	2020
Remuneration of the CEO and other members of the Executive Committee		
Total remuneration CEO ⁴	818,314	787,952
<i>Development in % compared with the previous year</i>	3.85%	NA
Overall remuneration of the members of the Executive Committee ⁵	2,578,564	2,445,959
<i>Development in % compared with the previous year</i>	5.42%	NA
Global annual performance criteria		
Revenue (in KEUR)	282,159	266,607
<i>Development in % compared with the previous year</i>	5.83%	NA
EBIT (in KEUR)	36,554	35,791
<i>Development in % compared with the previous year</i>	2.13%	NA
EBITDA (in KEUR)	56,813	55,289
<i>Development in % compared with the previous year</i>	2.76%	NA
Net profit (in KEUR)	26,649	27,334
<i>Development in % compared with the previous year</i>	-2.51%	NA
Average remuneration of staff on a full-time equivalent basis		
Average remuneration of staff	64,988	63,760
<i>Development in % compared with the previous year</i>	1.92%	NA

3. As the Company does not immediately have the required information concerning the previous five financial years, it has decided to provide information relating only to the two previous financial years for which the reporting obligation applies.

4. Excluding the director's fees of the CEO.

5. Excluding the remuneration of the CEO. The composition of the Executive Committee varied between 2020 and 2021.

7. Ratio between the highest remuneration and the lowest remuneration

The ratio between the highest remuneration among the members of the Executive Committee and the lowest remuneration among the employees of the Group expressed on a full-time equivalent basis (other than members of the Executive Committee) is 1/17.7. This is the ratio between the remuneration of the CEO and that of a full-time equivalent manual worker employed by Spa Monopole, one of the Group's Belgian subsidiaries.

8. Shareholders' vote

The Ordinary General Meeting of 2021 voted in favour of the previous remuneration report. Consequently, the Company has not made any major modifications to the remuneration policy which was in force in 2021.

9. NON-FINANCIAL STATEMENT

The non-financial statement is drawn up in a separate report, attached to this management report.

The Board of Directors would like to thank all the staff for the efforts made during 2021.

30 March 2022 The Board of Directors



Financial report

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GENERAL INFORMATION

Activities

Spadel SA and its subsidiaries (hereinafter referred to as Spadel) constitute a European group whose mission is to produce and market environmentally friendly quality products based on natural mineral water which provide added value for consumers.

Total staff

The Group employed 1,265 people as at 31 December 2021.

Legal status

Spadel SA is a société anonyme (limited liability company) with its registered office at Avenue des Communautés 110, 1200 Brussels. It is listed in the register of legal entities of the commercial court of Brussels under No 0405.844.436 (VAT number: BE 405.844.436). The most recent amendment of the coordinated articles of association was decided upon during the general meeting of 11 June 2015. The company is listed on the Euronext stock market in Brussels (ISIN code BE 0003798155).

The main shareholder of the company is Finances & Industries, which holds 93% of the Spadel shares.

Financial statements

The consolidated financial statements for the year ended 31 December 2021, prepared in accordance with the IFRS reference system, as endorsed by the European Union, were approved by the Board of Directors on 30 March 2022 and submitted to the Shareholder's Meeting of 24 May 2022. The figures in this document are expressed in thousands of euros (KEUR), unless expressly stated otherwise.

Board of Directors

The Board of Directors of the company is composed as follows:

M.O.S.T. SRL

Permanently represented by Mr Frank Meysman

Chairman of the Board of Directors from 14/06/2018 to 10/06/2021

Resignation at the end of the general meeting of 10/06/2021

Familia Numerosa SRL

Permanently represented by Mr Roel van Neerbos

Chairman of the Board of Directors since 23/08/2021

End of term: Ordinary General Meeting of 2025

Marc du Bois

CEO

End of term: Ordinary General Meeting of 2025

Baron Vandemoortele

Director

End of term: Ordinary General Meeting of 2024

Finances et Industries SA

Permanently represented by Mr Axel Miller

Director

End of term: Ordinary General Meeting of 2022

Barbara du Bois

Director

End of term: Ordinary General Meeting of 2022

UPSILONLAB SRL

Permanently represented by Ms Corinne Avelines

Director

End of term: Ordinary General Meeting of 2024

A2 SRL

Permanently represented by Mr Alain Beyens

Director

End of term: Ordinary General Meeting of 2025

Statutory auditor

The statutory auditor of the company is PricewaterhouseCoopers Reviseurs d'Entreprises SRL, with its registered office at Culliganlaan 5, 1831 Diegem, permanently represented by Griet Helsen. Its term expires at the end of the ordinary general meeting to be held in 2022.



CONSOLIDATED STATEMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (KEUR)

	Note	31/12/2021	31/12/2020
ASSETS			
Intangible assets	7	120,813	122,419
Right-of-use assets	8	6,658	6,294
Property, plant and equipment	8	112,611	111,689
Trade and other receivables	9	1,519	1,839
Undertakings incorporated using the equity method	6, 2	500	-
Deferred tax assets	17	-	-
		242,101	242,241
CURRENT ASSETS			
Inventories	10	18,157	16,738
Trade and other receivables	9	49,445	47,721
Deferred taxes		1,056	1,455
Short-term financial assets	11	17	17
Cash and cash equivalents	12	87,870	84,195
		156,546	150,126
TOTAL ASSETS		398,647	392,367

Notes 1 to 32 form an integral part of the IFRS consolidated financial statements for the year ended 31 December 2021.



	Note	31/12/2021	31/12/2020
EQUITY			
Share capital and reserves attributable to the shareholders of the company			
Issued share capital	13	5,000	5,000
Reserves	14	246,486	224,853
		251,486	229,853
Non-controlling interests		51	49
TOTAL EQUITY		251,537	229,901
LIABILITIES			
Non-current liabilities			
Long-term financial liabilities	15	-	10,500
Lease commitment liabilities	8	5,139	5,042
Employee benefit liabilities	16	5,404	9,588
Deferred tax liabilities	17	24,604	22,325
Provisions	20	277	607
Other payables	19	3,278	3,879
		38,702	51,941
Current liabilities			
Refundable guarantee deposits	4,1	17,600	24,772
Short-term financial liabilities	15	10,500	14,000
Lease commitment liabilities	8	1,280	1,399
Employee benefit liabilities	16	202	701
Trade payables	18	60,439	50,426
Advance payments received		15	38
Social liabilities		14,443	14,563
Current tax liabilities		1,432	1,818
Provisions	20	208	302
Other payables	19	2,289	2,506
		108,408	110,525
TOTAL LIABILITIES		147,110	162,466
TOTAL EQUITY AND LIABILITIES		398,647	392,367

Notes 1 to 32 form an integral part of the IFRS consolidated financial statements for the year ended 31 December 2021.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (KEUR)

	Note	2021	2020
Revenue	5	282,159	266,607
Raw materials and consumables		-60,117	-57,823
Miscellaneous goods and services		-115,390	-104,979
Employee expenses	21	-63,566	-63,781
Amortisation and impairment	7, 8	-20,259	-19,498
Other operating income and expenses	22	13,728	15,265
Operating profit/(loss)		36,554	35,791
Financial income	23	320	228
Financial costs	24	-636	-971
Share in the result of companies incorporated using the equity method		-150	
Profit/(loss) before income tax		36,088	35,049
Taxes	25	-9,439	-7,715
Profit/(loss) for the year		26,649	27,334
OTHER COMPREHENSIVE INCOME:			
Actuarial profits (losses) of defined benefit plans		4,370	-799
Deferred taxes		-1,080	200
Total items that will not be reclassified to income statement		3,290	-599
Translation differences		-	-
Total items that may be reclassified to income statement		-	-
Other comprehensive income, net of tax		3,290	-599
Total comprehensive income for the year		29,939	26,735
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the company		26,649	27,334
Non-controlling interests		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Shareholders of the company		29,939	26,735
Non-controlling interests		-	-
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS (IN EUR PER SHARE)			
- basic		6.42	6.59
- diluted		6.42	6.59

Revenue excludes excise duties and packaging guarantee deposits amounting to KEUR 23,928 in 2021 and KEUR 24,399 in 2020.

Notes 1 to 32 form an integral part of the IFRS consolidated financial statements for the year ended 31 December 2021.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (KEUR)

	Issued share capital	Translation differences	Group reserves	Total equity
BALANCE AT 1 JANUARY 2020	5,000	-	206,467	211,467
Comprehensive income for the year 2020				
Profit			27,334	27,334
Translation differences		0	0	0
Revaluation of net assets or net liabilities as defined benefits (IAS 19R)			-599	-599
Dividends distributed			-8,301	-8,301
Non-controlling interests				
BALANCE AT 31 DECEMBER 2021	5,000	0	224,901	229,901
BALANCE AT 1 JANUARY 2021	5,000	0	224,901	229,901
Comprehensive income for the year 2021				
Profit			26,649	26,649
Revaluation of net assets or net liabilities as defined benefits (IAS 19R)			3,288	3,288
Uitgekeerde dividenden			-8,301	-8,301
Minderheidsbelangen				
SALDO PER 31 DECEMBER 2021	5,000	0	246,537	251,537

Consolidated reserves are further detailed in note 14.

Notes 1 to 32 form an integral part of the IFRS consolidated financial statements for the year ended 31 December 2021.



CONSOLIDATED STATEMENT OF CASHFLOWS (KEUR)

	Note	31/12/2021	31/12/2020
PROFIT/(LOSS) FOR THE YEAR		26,649	27,334
Income tax	25	9,439	7,715
Amortisation and impairment of value on tangible assets (*)	8	16,558	17,727
Amortisation of intangible assets	7	3,570	3,323
(Gain)/loss on disposal of tangible and intangible assets	22	-443	-192
Reversal of impairment of intangible fixed assets		0	-3,396
Costs not paid out: retirement and early retirement obligations		-128	-364
Costs not paid out: impairment		175	-1,532
Costs not paid out: other provisions		-468	547
Products and financial charges		466	742
Gross cash inflow/ (outflow) from operating activities		55,818	51,903
Changes in working capital			
Inventories		-1,594	272
Trade and other receivables		-873	12,122
Trade payables, guarantee deposits, social liabilities, employee benefits and short-term provisions		1,632	-5,451
Cash inflow/ (outflow) from operating activities		54,983	58,846
Income taxes refunded / (paid)		-8,594	-9,948
Net cash inflow/ (outflow) from operating activities		46,389	48,899
Payments to acquire tangible assets	8	-15,823	-18,799
Cash inflow from disposal of intangible and tangible assets		510	219
Payments to acquire intangible assets	7	-2,088	-1,514
Investments and credit in affiliated company		-900	0
Net cash inflow from investing activities		-18,300	-20,095
Proceeds from / (repayment of) borrowings		-14,000	-14,000
Repayment leasing		-1,645	-1,507
Dividends paid to shareholders	31	-8,302	-8,302
Interest received		320	228
Interest paid		-786	-971
Net cash inflow / (outflow) from financing activities		-24,413	-24,551
Net increase / (decrease) in cash and cash equivalents		3,675	4,252
CASH AND CASH EQUIVALENTS AT 1 JANUARY	12	84,195	79,943
Translation difference Fixed Assets		0	0
Translation difference Equity		0	0
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12	87,870	84,195

Notes 1 to 32 form an integral part of the IFRS consolidated financial statements for the year ended 31 December 2021.



NOTES TO THE CONSOLIDATED ACCOUNTS

Note 1. Summary of significant accounting policies

The most significant accounting policies adopted in the preparation of the consolidated financial statements are described below.

1.1. Basis of preparation and statement of compliance with IFRS

The consolidated financial statements of the Group were approved by the Board of Directors of Spadel SA on 30 March 2022 and have been prepared under the historical cost convention. The consolidated financial statements of Spadel for the year ended 31 December 2021 have been prepared in accordance with all the provisions of the International Financial Reporting Standards (IFRS) as endorsed by the European Union and published on this date, i.e. the standards issued by the international Accounting Standards Board (IASB) as well as the interpretations published by the IFRS Interpretations Committee (IFRSIC). These principles correspond to the standards and interpretations published by the IASB on 31 December 2021.

Standards and amendments to standards published and applicable for 2021

The following amendments to standards are mandatory for the first time as of the annual reporting year beginning on 1 January 2021 and have been endorsed by the European Union:

- Amendments to IFRS 4 'Insurance Contracts' linked to IFRS 9 (effective date 1 January 2021). This amendment modifies the expiry date set for the temporary exemption from the application of IFRS 9 'Financial Instruments', introduced by IFRS 4 'Insurance Contracts', such that the entities would be obliged to apply IFRS 9 for annual periods beginning on 1 January 2023.
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of the interest rate benchmark - Phase 2 (effective date 1 January 2021). These modifications deal with the subjects that could impact on financial information after the reform of a benchmark interest rate, including its replacement by other benchmarks. The modifications apply for annual periods beginning on 1 January 2021. Early application is authorised.
- Amendments to standard IFRS 16 'Leases' linked to Covid-19 (effective date 1 June 2020, early application possible). If certain conditions are fulfilled, this modification would allow lessees to be exempt from assessing whether rental concessions linked to Covid-19 constitute contract modifications. Instead of this, lessees who apply this exemption recognise these rental concessions as if they were not contract modifications.

Standards and amendments to standards and interpretations already published but not yet effective

The new amendments to the following standards have been published and endorsed by the European Union but are not yet mandatory for the annual reporting period beginning on 1 January 2021:

- Amendments to standard IFRS 16 'Leases' linked to Covid-19 after June 2021 (effective date 1 April 2021, early application possible). The modifications extend by one year the amendment of May 2020 permitting lessees to apply the simplification measure concerning rent relief granted in connection with COVID-19 to rent relief when the reduction concerns only payments initially due on 30 June 2022 or earlier (rather than only payments initially due on

30 June 2021 or earlier). The modification applies for open financial periods as of 1 April 2021 (application in advance will be permitted, including for financial statements not yet authorised for publication when the modification was published).

- Amendments to standards IFRS 3 'Business Combinations'; IAS 16 'Property, plant and equipment'; IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the annual improvements (effective date 1 January 2022). The group of amendments includes modifications of scope limited to three standards as well as the annual improvements to the IFRS, which are changes that clarify the text or correct minor consequences, omissions or conflicts between the requirements of the standards.
 - The amendments to IFRS 3 'Business Combinations' update a reference in IFRS 3 to the Conceptual Framework for financial information without changing the accounting requirements for business combinations.
 - The modifications to IAS 16 'Property, plant and equipment' forbid a business from deducting from the cost of property, plant and equipment the amounts received from the sale of articles produced while it is preparing the asset for its intended use. Instead of that, a business must recognise this sales income and the related cost in the result.
 - The amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be onerous.
 - Annual improvements make minor modifications to IFRS 1 'First-time Adoption of International Financial Reporting Standards', IFRS 9 'Financial Instruments', IAS 41 'Agriculture' and the illustrative examples with IFRS 16 'Leases'.

The standard and the amendments to the standards have been published but are not yet mandatory for the financial periods beginning on 1 January 2021 and have not yet been endorsed by the European Union:

- Amendments to IAS 1, 'Presentation of financial statements: classification of liabilities as current or non-current' (effective date 1 January 2022). These amendments only affect the presentation of liabilities in the statement of financial position, and not the amount or the time of recognition of an asset, income or charges under liabilities or the information that the entities disclose regarding these items. They:
 - clarify that the classification of liabilities as current or non-current must be based on rights that exist at the end of the reporting period and align the wording in all the paragraphs concerned to refer to the 'right' to defer settlement for at least twelve months and specify that only the rights in force "at the end of the reference period" should affect the classification of a liability;
 - specify that the classification is not affected by the expectations as to whether an entity will exercise its right to defer the settlement of a liability; and specify that the settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
- IFRS 17, 'Insurance Contracts' (effective date: 1 January 2023). This standard replaces IFRS 4, which gives rise to a great many different accounting approaches to insurance contracts.



IFRS 17 will fundamentally change recognition for all entities that issue insurance contracts and investment contracts with an element of discretionary participation. The approval includes the amendments published by the IASB in June 2020, aimed at helping businesses to implement the standard and facilitate the explanation of their financial performance.

- Amendments to IAS 1 'Information to be provided on the accounting policies' (draft modification of IAS 1 and the practice statement on IFRS 2) (effective day 1 January 2023). The modifications are intended to improve the information to be provided on the accounting policies and help users of financial statements to make the distinction between changes in accounting estimates and changes in accounting policies. The amendment to IAS 1 requires that the entities present all their important accounting policies, rather than their main accounting policies. In addition, the amendment to IAS 1 stipulates that non-significant information about the accounting policies does not have to be provided. To support these modifications, the IASB has also drawn up guidelines and examples intended to explain and illustrate the application of the process in four stages, described in the Practice Statement on IFRS 2 Making Materiality Judgements, to the information to be provided on the accounting policies. The modifications take effect for the annual reporting periods open as of 1 January 2023. Advance application is authorised (subject to any local endorsement process).
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective date 1 January 2023). The amendment to IAS 8 clarifies the way in which undertakings should distinguish between changes in accounting policies and changes in accounting estimates. The modifications come into force for the annual reporting periods open as of 1 January 2023. Advance application is authorised (subject to any local endorsement process).
- Amendments to IAS 12 'Income Taxes': Deferred tax liabilities or deferred tax assets resulting from a single transaction (draft modifications of IAS 12) (effective date 1 January 2023) The modification clarifies the way in which companies recognise the deferred tax for obligations relating to rollback and leases. The modifications are effective for financial periods open as of 1 January 2023. Advance application is permitted.

The standard and amendments to the standards whose application is not mandatory in 2021 have not been applied in advance by Spadel.

The new IFRS 17 'Insurance Contracts' and the amendments to IFRS 4 on insurance contracts 'Apply IFRS 9 Financial Instruments with IFRS 4' do not apply to Spadel.

The other standards and amendments have no impact on the Group's accounting policies and do not require any backdated adjustments.

1.2. Consolidation

The parent company together with all the subsidiaries it controls have been included in the consolidation.

1.2.1. Subsidiaries

The assets, liabilities, rights and obligations, income and expenses of the parent company and the subsidiaries it controls exclusively have been consolidated using the full consolidation method. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power to direct the activities of the entity. This control is presumed to exist when Spadel holds more than 50% of the voting rights; this presumption can be rebutted in the event of tangible evidence to the contrary. The existence of potential voting rights exercisable or convertible immediately is taken into account when assessing whether or not there is control.

A subsidiary is consolidated from the date of acquisition, that is to say, the date on which control is effectively transferred to the acquirer. From that date, the parent company (the acquirer) includes the results of the subsidiary in the consolidated income statement and recognises in the consolidated statement of financial position assets, liabilities and contingent liabilities acquired at their fair value, including any goodwill arising on acquisition. A subsidiary ceases to be consolidated from the date on which Spadel loses control. Upon consolidation, intra-group balances and transactions, as well as unrealised gains, are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The consolidated financial statements are prepared using consistent accounting policies for similar transactions or other events throughout the Spadel Group.



1.2.2. Goodwill and negative acquisition differences

Goodwill is determined as the surplus of the total consideration transferred and the amount of the non-controlling interest on the net fair value of acquired identifiable assets, liabilities and any identifiable liabilities of the acquired business. If, on the acquisition date, the net balance of the amounts of acquired identifiable assets and liabilities recognised is higher than the consideration transferred, the surplus is immediately booked in the income statement as profit on a business combination under advantageous conditions. In accordance with IFRS 3 'Business Combination', goodwill is recognised at cost and is not amortised but is tested for impairment annually or more frequently if circumstances indicate that it might be impaired. Impairment losses on goodwill cannot be reversed.

1.2.3. Translation of financial statements of subsidiaries and branches denominated in foreign currencies

All monetary and non-monetary assets and liabilities are translated into the consolidated accounts at the closing rate. Income and expenses are translated at the average rate for the period under review. These exchange differences on the translation of the financial statements of foreign entities are presented in the consolidated statement of comprehensive income and represent the accumulated exchange gains (losses) resulting from net investments of the Spadel Group in foreign entities.

1.3. Business combinations

Business combinations are recognised in accordance with the method of acquisition. The consideration transferred in the event of a business combination is assessed at fair value on the acquisition date as the sum of the fair values of the assets transferred, the debts contracted and the securities representing equity capital issued. On the acquisition date, the identifiable assets acquired and the liabilities recognised as well as any identifiable liabilities are recognised at their fair value on this date. The surplus of the consideration transferred and of the amount of the non-controlling interest on the fair value of all the assets and liabilities identified is recognised as goodwill. The allocation of the fair value of identifiable assets acquired and liabilities recognised is based on various assumptions formed in the judgement of the management. The acquisition costs are expensed when they are incurred.

1.4. Intangible assets

An intangible asset is recognised in the statement of financial position when the following conditions are met:

- (1) the asset is identifiable, i.e. either separable (if it can be sold, transferred, leased individually), or resulting from contractual or legal rights;
- (2) it is probable that this asset will generate economic benefits for Spadel;
- (3) Spadel controls the asset;
- (4) the cost of the asset can be measured reliably.

Intangible assets are measured at their acquisition cost (including costs directly attributable to the acquisition, excluding indirect costs), less accumulated amortisation and any accumulated impairment losses.

No borrowing costs are included in the acquisition cost of intangible assets.

Intangible assets are amortised over their probable useful lives using the straight-line method. The useful lives adopted are as follows:

Intangible assets	Probable useful lives
Software licences	5 years
Concessions	Concession period
Brands	Indefinite, annual impairment testing
Customer relationships	10 years
Goodwill	Indefinite, annual impairment testing or more frequently if circumstances so require

Amortisation begins from the time the asset is ready for use.

Research costs are expensed in the income statement. Development costs are capitalised when Spadel can demonstrate (1) the technical feasibility of the project (2) its intention to sell or use the asset (3) how the asset will generate future economic benefits (4) the existence of adequate resources to complete the project and (5) that these costs can be measured reliably. Maintenance costs that only maintain (rather than improve) the performance of the asset are expensed in the income statement.

The majority of the water sources are held under concessions and are therefore not recognised in the financial statements. Water sources held in ownership before the conversion to IFRS have not been recognised. The only water sources recognised in the balance sheet are those of Wattwiller, Les Eaux Minérales de Ribeauvillé and Devin, valued as part of the 'Purchase Price Allocation' of business combinations.

The valuation method used to assess these assets in the context of previous business combinations is the 'Discounted Cash Flows' method based on an estimated rental payment or theoretical fee per litre bottled on the assumption that the company did not own the source ('Relief from Royalty Method').

1.5. Property, plant and equipment

1.5.1. Property, plant and equipment

Property, plant and equipment are measured at their acquisition cost less accumulated amortisation and any accumulated impairment losses. The acquisition cost includes all direct costs as well as well costs necessary to bring the assets into working condition.

Repair and maintenance costs that only maintain, and do not increase, the value of the property, plant and equipment are expensed in the income statement. However, expenditure for major repairs and major maintenance, which increase the future economic benefits that will be generated by the property, plant and equipment are identified as a separate item from the acquisition cost. The acquisition cost of property, plant and equipment is then broken down into major components. These major components, which are replaced at regular intervals and



consequently have a different useful life from the asset to which they belong, are amortised over their specific useful life. In the event of a replacement, the replaced asset is derecognised from the statement of financial position and the new asset is amortised over its own useful life.

The depreciable amount of property, plant and equipment is amortised over its probable useful life using the straight-line method. The amortisation amount corresponds to the acquisition cost. The useful lives adopted are as follows:

Property, plant and equipment	Probable useful lives
Land	Indefinite
Sources	Indefinite
Administrative buildings	50 years
Industrial buildings	40 years
Fixtures and fittings	20 to 25 years
Production equipment	6 to 20 years
Returnable packaging	3 to 12 years
Furniture	10 years
IT equipment	3 to 5 years
Vehicles	5 to 8 years

1.6. Leases

Leases – The Group as lessee

The Group has taken out several leases for buildings, industrial equipment and rolling stock. The main leases concern corporate buildings, solar panels at Spa Monopole and car leases, primarily in Belgium and the Netherlands.

The leases are recognised as right-of-use assets and a corresponding lease commitment is recognised under payables on the date on which the leased asset is ready for use by the Group. The cost of the right-of-use assets includes the amount of the lease commitments recognised, the initial direct costs incurred and the lease payments made on the start date or before this date, less any lease incentive received. The right-of-use asset is amortised on a straight-line basis over the useful life of the asset or until the end of the lease, whichever of these two periods is shorter. Right-of-use assets could suffer a capital loss.

The lease commitment is measured at the discounted value of the lease payments that have to be made during the lease term, which are discounted in line with the marginal borrowing rate on the start date of the lease if it is not possible to easily determine the interest rate implicit in the lease. The lease payments comprise fixed payments less lease incentives to be received, lease payments that vary in line with an index or a rate and sums that should be paid as guarantees of residual value. Lease payments also comprise the purchase option exercise price when the Group is reasonably certain that this will be exercised and the payment of penalties in the event of the cancellation of the lease. Each lease payment is divided between

the reimbursement of the capital of the lease commitment and the interest charged. The interest charged is expensed in the income statement over the lease term and must correspond to the application to the balance of the lease commitment of a constant interest rate for each period. Payments relating to short-term leases and leases for low-value assets are expensed to the consolidated income statement on a straight-line basis.

At 31 December 2021, the leases did not present any restrictions or contingent clauses (covenants).

The carrying amount of right-of-use assets on the reporting date, per category of underlying asset:

	31/12/2021	01/01/2021
Buildings	4,431	4,243
Industrial equipment	612	614
Company cars	1,615	1,443
TOTAL RIGHT-OF-USE ASSETS	6,658	6,300

1.7. Impairment of assets

An impairment loss on intangible assets (including goodwill) and property, plant and equipment is recognised when the carrying amount of an asset exceeds its recoverable amount, which is the higher of:

De realiseerbare waarde van het actief is het hoogste van:

- (1) its fair value less costs of disposal (i.e. the amount that Spadel would receive if it sold the asset); and
- (2) its value in use (i.e. the amount that Spadel would generate if it continued to use the asset).

Whenever possible, impairment tests are performed on each asset individually. However, where assets do not generate cash flows independently, the test is carried out at the level of the cash generating unit (CGU) to which the asset is allocated (CGU = the smallest group of identifiable assets that generates cash flows independently of the cash flows generated by other assets/CGUs).

For a CGU to which goodwill is allocated, an impairment test must be performed annually. For a CGU to which no goodwill is allocated, an impairment test must be performed only when circumstances indicate that it might be impaired. Goodwill arising from a business combination is allocated to the acquired subsidiaries and, where applicable, allocated to CGUs which are expected to benefit from the synergies resulting from the business combination.



When an impairment loss is recognised, it is first allocated against goodwill. Any surplus is then allocated against the other fixed assets of the CGU pro rata their carrying amounts, but only to the extent that the sales value of these assets is lower than their carrying amount. An impairment loss on goodwill can never be reversed at a later date. An impairment loss on other fixed assets is reversed if circumstances justify the reversal.

1.8. Inventories

Inventories are recognised at the lower of their acquisition cost or their net realisable value.

The acquisition cost of fungible inventories is determined using the FIFO method (first in–first out). Low–value inventories whose value and composition remain stable over time are recorded in the statement of the financial position at a fixed amount.

The acquisition cost of inventories includes all the costs necessary to bring the products to their present location and condition. The cost price includes the direct and indirect production costs, excluding borrowing costs and overhead costs that do not contribute to bringing the products to their present location and condition. The allocation of fixed production costs to the cost price is based on the normal capacity of the production facilities.

An impairment is recognised if the net realisable value of an item of inventory at the balance sheet date is lower than its carrying amount.

The same applies for non–strategic spare parts for which impairments of 50% or 100% are recorded after 3, 5 or 10 years, depending on their technical features.

1.9. Revenue from ordinary activities from contracts concluded with customers

In accordance with the basic principle underlying IFRS 15, the Group recognises the revenue from ordinary activities so as to show when the goods or services promised to customers are supplied and the amount of the consideration to which the entity expects to be entitled in exchange for these goods or services. The transfer is complete when the customer obtains control of the goods or services. More specifically, the revenue from ordinary activities is recognised at the time when control is transferred, whether this is progressive or at a precise point in time. The application of the indication depends on facts and circumstances relating to the contract with a customer and requires the exercising of professional judgement.

Moreover, the elements indicating the transfer of control comprise the following, among others:

- the right of the seller to a payment;
- as regards the assets transferred to the customer:
 - the customer has the title of ownership;
 - the entity has transferred material possession;
 - the customer assumes the main risks and rewards inherent in ownership;
 - the customer has accepted it.

The amount of the turnover recognised does not include the revenue linked to the value of the refundable guarantee deposits; this is expensed directly in liabilities under refundable guarantee deposits. We refer to the comments below for the measurement of the liability related to the refundable guarantee deposits at the end of the financial year.

The Group offers customers various incentive programmes, including commercial discounts and discount coupon programmes. These customer incentive programmes involve a variable consideration. The variable considerations given to customers are estimated using the anticipated value method, taking account of historical data and sales volumes recorded during the financial year. On the basis of contracts concluded with customers, no material commitment to take back goods is made. The Group applies the estimated variable consideration deducted from revenue when it is highly probable that the subsequent outcome of the uncertainty regarding the variable consideration will not give rise to a significant downward adjustment of the accumulated amount of revenue from ordinary activities. Free samples offered to customers are recognised as sales costs or other operating charges depending on their nature.

On the other hand, the presentation of certain considerations payable to customers, including the sums paid to end customers, was reviewed in 2019. In fact, certain commissions paid to end customers known as ‘by–pass’ are closely linked to the initial sale of products to the retailer and do not constitute a payment in exchange for separate goods or services. In accordance with IFRS 15 (Revenue from ordinary activities from contracts with customers). These costs are recorded as a reduction of revenue.

The Group has opted to apply the simplification measures relating to the marginal costs of obtaining a contract and the effects of a major financing component. The marginal costs of obtaining contracts are expensed when they are incurred as the amortisation period of the asset that would have been recognised in this respect is less than 12 months. The promised considerations are not adjusted to take account of the effects of a major financing component because the interval between the time of delivery of the goods promised to customer and the moment when the customers pay for these goods does not usually exceed one year.

On the basis of these elements, Spadel therefore recognises its sales on the basis of the precise moment of delivery and not gradually on the principle of advancement.



1.10. Trade and other receivables

Classification and measurement

Receivables are initially recognised at nominal value. More precisely, trade receivables are initially recognised at their transaction price (within the meaning of IFRS 15). Receivables are subsequently measured at their amortised cost, that is the present value of future cash flows (except where the impact of discounting is insignificant).

Depreciation

The Group applies the IFRS 9 simplification measure by assessing expected credit losses over the useful life of trade receivables. In order to estimate the anticipated credit losses, trade receivables have been reclassified on the basis of their anteriority and an anticipated loss rate has been applied for each of the categories. The anticipated credit loss rates are based on the anteriority of receivables and reflect the current and forward-looking information on macroeconomic future factors affecting customers' ability to settle their debts. At the same time, an individual measurement is taken of trade receivables presenting a greater credit risk. Please see notes 3.1.4 and 9 for more information on losses and impairments on trade receivables.

Deferred charges and accrued income are also classified under this heading.

1.11. Financial assets

Classification and measurement

Financial assets are initially measured at the fair value of the consideration transferred to acquire them, including transaction costs directly attributable to the acquisition or issuing of these financial assets.

The Group classifies its financial assets in the following valuation categories:

- financial assets subsequently measured at fair value through other elements of the comprehensive result;
- financial assets subsequently measured at fair value through the net results; and
- financial assets subsequently measured at the amortised cost.

The classification depends on the economic model applied by the Group for the management of financial assets and their contractual cash flow features. The classification of financial assets is determined as follows:

- financial assets subsequently measured at the amortised cost are those whose contractual cash flows represent only payment of the principal and interest on the residual value and for which the economic model applied is holding for the realisation of contractual flows;
- financial assets subsequently measured at fair value by means of other comprehensive income are those whose contractual cash flows represent only payment of the principal and interest on the residual value and for which the economic model applied is holding for the realisation of contractual flows and sale of the asset;

- financial assets subsequently measured at fair value by means of the net result are those that are not included in the above categories and those for which the fair value option has been applied to eliminate an accounting mismatch.

The Group has irrevocably opted to present in other comprehensive income the subsequent variations in the fair value of its investments in equity instruments as these investments are not held for transaction purposes. At the moment of sale, the accumulated gains or losses in the equity are not transferred to the income statement.

Regular purchases and sales of financial assets are recognised on the settlement date.

1.12. Cash and cash equivalents

This heading includes cash in hand and at bank, deposits held at call, short-term investments (with initial maturities of three months or less) and monetary funds (variable-revenue investment securities with banks with a rating better than or equal to A), highly liquid, which are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value, as well as bank overdrafts. Bank overdrafts are presented as borrowings under the financial liabilities in the statement of financial position.

1.13. Capital

Ordinary shares are classified as equity. Treasury shares are deducted from equity.

Changes in treasury shares do not impact on the income statement.

1.14 Capital grants

Capital grants are booked in deferred revenue. The grants are credited to the income statement at the same rhythm as the amortisation of the fixed assets for which they were obtained.

1.15. Employee benefits

1.15.1. Short-term benefits

Short-term benefits are expensed as services are provided by employees. Benefits unpaid at the reporting date are recognised under 'social liabilities'.

1.15.2. Post-employment benefits

The Group operates a defined benefit plan which is provided for on the basis of actuarial valuation (after deducting any plan assets) to the extent that Spadel has an obligation to bear these costs related to services provided by employees. This obligation may be legal, contractual or constructive when it stems from past practices (implicit obligation).

The Group also operates a defined contribution plan under which Spadel pays a defined contribution on a mandatory, contractual or voluntary basis.



The defined contribution plans include a legal minimum guarantee. This minimum return is generally insured by an external insurance company that receives and manages all contributions to the plans. Since the return guaranteed by the insurance company may be less than the legal minimum guarantee return, these plans have certain features that are similar to the defined benefit plans given that Spadel is exposed to investment and financial risks associated with any shortfall in the return.

The obligation for both these plan types (defined benefit and defined contribution) is calculated using the projected unit credit method as included in IAS 19R.

Actuarial assumptions (concerning the discount rate, mortality rate, wage increases, inflation, etc.) are used to estimate social obligations in accordance with IAS 19. Actuarial gains and losses inevitably arise from changes in actuarial assumptions from one year to the next and differences between actual results and the actuarial assumptions used for the assessment under IAS 19. All actuarial gains and losses are recognised in other comprehensive income and are not recycled to the income statement. The amount of the liability recognised in the statement of financial position is equal to the present value of the obligation, less the market value of plan assets at the reporting date.

1.15.3. Other long-term benefits

Other long-term benefits denote benefits that fall due more than twelve months after the end of the reporting period in which the related services have been provided by employees. IAS 19 requires a simplified accounting method for these benefits. The amount recognised in the statement of financial position is equal to the present value of the obligation, less the market value of plan assets, if any, at the reporting date.

1.15.4. Severance pay

A liability for severance pay is recognised when Spadel terminates the employment contract for one or more employees before the normal retirement date, or when the employees accept voluntary redundancy in exchange for these benefits, to the extent that Spadel has an obligation either when the Group can no longer withdraw its offer to terminate the contract or, if this date is earlier, when restructuring costs are recognised in application of IAS 37 and severance payments are made. This liability is discounted to present value if the benefits fall due more than 12 months after the end of the reporting period.

1.16. Provisions

A provision is recognised only when the following conditions are met:

- (1) Spadel has a present obligation (legal or implicit) to incur expenses as a result of a past event;
- (2) it is probable that the expense will be incurred; and
- (3) the amount of the obligation can be measured reliably.

Where the impact is likely to be significant (mainly for long-term provisions), the provision is measured at the present value. The impact of the passage of time on the provision is recognised in financial costs.

A provision for site restoration is recognised when Spadel has an obligation to do so (legal or implicit).

Provisions for future operating losses are prohibited.

If Spadel has an onerous contract (Spadel will have to face an unavoidable loss that results from the performance of a contractual obligation), a provision must be established.

1.17. Income tax

The income tax comprises current and deferred taxes. Current tax is the amount of tax payable (to be recovered) on the taxable income of the year under review, as well as any adjustment to taxes paid (to be recovered) related to previous years. It is calculated using the tax rate at the reporting date.

Deferred tax is calculated using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amount in the IFRS consolidated financial statements. Deferred tax is assessed on the basis of the expected tax rate when the asset will be realised or the liability settled. In practice, the rate used is that adopted or virtually adopted on the reporting date.

However, there are no deferred taxes on:

- (1) goodwill whose amortisation is not tax deductible;
- (2) initial recognition of an asset or a liability (other than the acquisition of subsidiaries) which affects neither the accounting nor the taxable profit; and
- (3) temporary differences on investments in subsidiaries, joint ventures and affiliated companies as long as it is not probable that dividends will be distributed in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences existing on the reporting date, such as those resulting for reclaimable tax losses, can be imputed. This criterion is reassessed at each reporting date.

Deferred taxes are calculated at the level of each fiscal entity. Deferred tax assets and liabilities relating to difference subsidiaries may not be offset, except where there is tax consolidation.



1.18. Amounts payable

Classification and measurement

Amounts payable are initially measured at their fair value (which usually corresponds to their nominal value) net of transaction costs. They are subsequently measured at their amortised cost, that is the present value of future cash flows, using the effective interest rate method (except where the impact of discounting is insignificant). Amounts payable are classified as other financial liabilities subsequently measured at amortised cost.

The liability related to refundable guarantee deposits is initially measured at its historical carrying amount on the basis of the sales transaction flows on the market concerned by the refundable guarantee deposits and recorded returns. The value of the refundable guarantee deposit does not go through the revenue or the sales cost but is recognised immediately in the liability related to refundable guarantee deposits on the balance sheet.

The Group updates the liability related to refundable guarantee deposits annually based on the estimated number of returnable bottles and racks held by customers at 31 December. The accounting liability is adjusted to lie within a bracket of up to 10% of the estimate.

The debt relating to the Devin concession agreements is remeasured annually on the basis of a unit price per cubic metre of the estimated quantity of water used taking account of an annual increase in the unit price of 0.5% throughout the period of the concession right.

The term of this concession is currently 35 years as of 2009, that is until 2044. The accounting liability is therefore adjusted annually to reflect these estimates. The variations in value are recorded in the income statement under the heading 'Other operating income and expenses'.

The dividends that Spadel distributes to its shareholders are recognised as other liabilities in the financial statements during the period in which they are approved by the Spadel shareholders.

Deferred income, or the share of revenue collected in advance during the financial period or previous financial years but to be linked to a previous financial year, is also classified under other liabilities.

1.19. Foreign currency transactions

Foreign currency transactions are initially translated into the functional currency of the entities concerned using the exchange rates applicable on the date of the transaction. Realised and unrealised foreign exchange gains and losses on monetary assets and liabilities are recognised in the income statement at the reporting date.

1.20. Derivative financial instruments and hedging activities

Derivative financial instruments are recognised at their fair value in the statement of financial position at each reporting date. Variations in fair value are recognised in the income statement.

Special rules may apply where derivatives are designated as hedging instruments. Spadel does not trade in derivatives for speculative purposes.

1.21. Segment information

An operational segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues from ordinary activities and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available.

1.22. Statement of cash flows

Cash flows from operating activities are reported using the indirect method, whereby the net profit or loss is adjusted for the effects of transactions of a non-cash nature, changes in working capital requirements and items of income or expenditure associated with investing or financing cash flows.

Note 2. Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern by maintaining a sound financial structure while providing attractive returns for shareholders.

In order to maintain or adjust this sound financial structure, the Group may, for example, adjust the amount of the dividends paid to shareholders, return capital to shareholders, repurchase treasury shares, reimburse its borrowings prematurely or, conversely, increase external financing or its equity.

The Group closely monitors its solvency ratio, which corresponds to the amount of shareholders' equity relative to total liabilities (representing the Group's overall capacity to act), and its return on equity (calculated by dividing the net result for the year by total equity).

In 2021, the Group continued to apply its 2020 strategy, , i.e. to maintain a solvency ratio of more than 30%. The Group may temporarily deviate from this principle in the event of significant strategic investments.

At 31 December 2021 and 2020, the solvency and return on equity ratio were as follows:

	31/12/2021	31/12/2020
Total equity	251,537	229,901
Total liabilities	398,647	392,367
Net result	26,649	27,334
Solvency ratio	63%	59%
Return on equity	11%	12%



Note 3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, the risk of changes in future cash flows or the value of financial assets and liabilities due to changes in interest rate and price risk), credit risk and liquidity risk. The Group manages these risks by seeking to minimise their potential adverse effects on its profitability. Derivative financial instruments may occasionally be used for this purpose.

3.1.1. Foreign exchange risk

Most of the Group's activities are located in the euro zone. Only the activities of the branch Devin AD are concluded in a foreign currency, i.e. BGN. The BGN exchange rate against the euro has until now been fixed.

Given the sale of the Spadel UK branch in 2019, there are very few other transactions in foreign currencies. The foreign exchange risk is therefore insignificant and is not actively managed.

3.1.2. Interest rate risk

Apart from standard trade payables, most of the Group's liabilities consist of payments related to refundable guarantee deposits. These payables do not bear any interest charge. They therefore present no risk.

The Group holds no significant long-term interest-bearing assets.

Most of the Group's financial liabilities are contracted at a fixed rate. The fair value of these financial liabilities may therefore vary as interest rates change. The Group has no systematic interest rate hedging policy but regularly reviews its exposure to the interest rate risk and, when deemed necessary by the financial management, considers other financing options and hedging operations.

In general, Spadel Group's operating profit and cash flows are largely unaffected by fluctuations in market interest rates.

At 31 December 2021 and 31 December 2020, the Group was not exposed to any significant interest rate risks.

3.1.3. Price risk

Spadel's financial assets consist of investments that are diligently made in risk-free instruments.

The main risks to which the Group is exposed arise from PET material prices and energy prices with their effects on transport costs.

3.1.4. Credit risk

The credit risk arises from cash and cash equivalents, deposits with financial institutions and trade receivables.

In the case of financial institutions, only independently rated counterparties with a minimum rating of A are accepted. The Group also makes very short-term investments (usually one month) in commercial papers recommended by its usual bankers.

Although the credit risk on trade receivables is low, the Group's credit risk is concentrated on a few major customers. Payments from these customers are monitored regularly. The management does not anticipate any losses arising from a default of these counterparties. On the other hand, provisions for possible credit losses are calculated in accordance with the anteriority of trade receivables for invoices issued but not due (refer to note 9).

3.1.5. Liquidity risk

The collection of guarantee deposits on reusable and returnable packaging reduces the need for financing in this area.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding thanks to appropriate credit facilities and the ability to close out market positions. The Group's objective is to maintain financial flexibility by keeping open but unused credit lines.

The financial liabilities that will be settled when due are included in the statement of financial position. Trade payables and liabilities for refundable guarantee deposits are payable within one year. The payment schedule for financial liabilities is given in note 15.

3.1.6. Sensitivity analysis risk

No sensitivity analysis is presented as the exchange rate risk in 2021 is not significant.

3.2. Recognition and measurement of derivative financial instruments

At 31 December 2021 and 31 December 2020, Spadel did not have any significant transactions in derivative financial instruments.

3.3. Financial instruments by category

The financial assets of the Group totalled KEUR 139,351 KEUR at 31 December 2021 and KEUR 133,772 at 31 December 2020. They are recorded under the following headings in the balance sheet:

	31/12/2021	31/12/2020
Trade receivables and other non-current receivables	1,519	1,839
Trade receivables and other ---current receivables	49,445	47,721
Short-term financial assets	17	17
Undertakings incorporated using the equity method	500	
Cash and cash equivalents	87,870	84,195
TOTAL FINANCIAL ASSETS	139,351	133,772



With the exception of short-term financial assets which are measured subsequently at fair value using other comprehensive income, these financial assets are measured subsequently at amortised cost, as described in note 1.9 of the annex 'Summary of significant accounting policies'.

The Group's total financial liabilities amounted to KEUR 93,693 at 31 December 2021 and KEUR 104,778 at 31 December 2020. They are recorded under the following headings in the balance sheet:

	31/12/2021	31/12/2020
Long-term financial liabilities	5,139	15,542
Refundable guarantee deposits	17,600	24,772
Short-term financial liabilities	10,500	14,000
Trade payables	60,439	50,426
Advance payments received on orders	15	38
TOTAL FINANCIAL LIABILITIES	93,693	104,778

An adjustment in the amount payable for returnable packaging further to a change in the collection system for returnable packaging made of PET in the Netherlands during 2021 impacted positively on this result. The sum involved was EUR 5.6 million.

3.4. Fair value estimation

Due to their short-term nature, the nominal value less any impairment of trade receivables and the nominal value of trade payables are assumed to approximate their fair value as indicated in the notes.

IFRS 13 'Fair value' classifies items measured at fair value in the following three levels of fair value:

- level 1: quoted market prices (non-adjusted) in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included in level 1, that may be observed for the asset or liability either directly (e.g. prices), or indirectly (e.g. derived prices);
- level 3: input on the asset or liability not founded on observable market data (unobservable information).

The cash investments in unit trusts (SICAV) indicated in note 12 have been measured at fair value using quoted prices in active markets (level 1).

There are no other significant assets or liabilities measured at fair value or other assets or liabilities whose fair value is indicated in the notes and differs significantly from their carrying amount.

Note 4. Significant accounting estimates and judgements

When measuring assets and liabilities that appear on the consolidated statement of financial position, Spadel has to make certain estimates and exercise judgement in certain areas. For example, various estimates and assumptions are used to establish long-term budgets and plans that can be used as a basis for some measurements.

These estimates and assumptions are determined on the basis of the best information available at the time of the closing of the consolidated financial statements. However, estimates are by definition seldom equal the actual results; the resulting accounting measurements therefore inevitably include some degree of subjectivity.

Estimates and assumptions that may have a significant impact on the measurement of assets and liabilities are discussed below.

4.1 Measurement of revenue from the sale of goods

Revenue from the sale of goods is presented less discounts and other commercial costs. In some cases, the amounts of discounts and fees are established on the basis of assumptions founded on estimates based on the Group's past results and experience.

4.2 Refundable guarantee deposits

The amount of the liability for refundable guarantee deposits recorded as current liabilities represents an estimate of the amount to be reimbursed by Spadel to customers that send back returnable packaging. The Group reassesses this liability annually on the basis of an estimate of the number of returnable bottles and racks held by customers at 31 December. The accounting liability is adjusted to lie within a bracket of up to 10% of the estimate. The estimated liability for refundable guarantee deposits is inevitably an approximation.

4.3 Liability relating to concession agreements

The amount payable relating to concession agreements among other payables represents an estimate of the total fees payable by the Devin subsidiary in exchange for the concession right on mineral water sources. The Group reassesses this liability annually on the basis of an estimate of the metric volume of water used over the concession term. Measuring the liability relating to concession agreements requires significant accounting estimates and judgements (see note 1.18).

4.4 Impairment of intangible assets

Bearing in mind the presence of (non-amortised) water sources and brands and goodwill recognised under intangible fixed assets, an impairment test was carried out on the assets of the CGUs 'Wattwiller', 'Ribeauvillé' and 'Devin' which appear in the consolidated financial statements at 31 December 2021 in accordance with the methodology required by IAS 36 'Impairment of assets'. This test indicated that the carrying amounts of the assets of these companies are in line with their recoverable amount; consequently, it is not necessary to record an impairment loss. An impairment reversal was recognised in 2020 on the entity Les grandes sources de Wattwiller SA for the sum of MEUR 3.4 (see note 7).



The value in use of the CGUs consists of the present value of the future cash flows resulting from the five-year detailed business plans of these companies approved by the Board of Directors. These plans are extended by a further five years on the basis of general assumptions about market trends, market shares, prices of major raw materials, inflation, etc. Cash flows beyond the ten-year period have been extrapolated using a growth rate of 2%. The operating margin used by Spadel to determine the value in use of the CGU is estimated by the management on the basis of past performances and the outlook as regards future developments.

The discount rate (WACC) adopted on 31 December 2021 was 5.99% for the French companies and 7.62% for Devin. These figures were respectively 5.76 % and 7.40 % at 31 December 2020.

The discount rate used reflects the specific risks associated with the CGU concerned.

The values in use calculated on the basis of the business plans and the various sensitivity analyses carried out on growth, the levels of operating margins and the variation in the WACC for the three companies indicate that it is not necessary to recognise an impairment in 2021. These sensitivity analyses in fact indicated that a 10% increase in the WACC combined with a fall in the terminal growth rate adopted of 1% still left substantial room for manoeuvre given the growth in the activities of the CGU in question.

4.5. Employee benefits

The carrying amount of Spadel's obligations resulting from employee benefits is determined on an actuarial basis using certain assumptions. One particularly sensitive assumption used to determine the net cost of benefits granted is the discount rate. Any change in this assumption affects the carrying amount of these benefits.

The discount rate depends on the estimated duration of the post-employment benefit obligations. On the basis of IAS 19R, the discount rate must correspond to the rates of high-quality corporate bonds with terms to maturity approximating those of the benefits valued, denominated in the same currency as the benefits.

4.6. Determining lease terms

In order to determine the length of a lease, the management takes account of all the relevant facts and circumstances to assess whether it is economically advantageous for the Group to exercise an option or not, including changes in the facts and circumstances expected between the option start date and exercise date. Extension options (or periods after termination options) are only included in the length of the lease if it is reasonably certain that the lease will be extended (or not terminated). Determining the economic advantage of exercising these options requires the use of assumptions and estimates such as planned use of the property leased and future market conditions. Whether or not payments relating to periods of extension, termination or purchase are taken into account can have a significant impact on the value of the right-to-use asset and the lease commitment.



Note 5. Segment information

In accordance with IFRS 8 'Operating segments' operating segment information is derived from the internal organisation of the Group's activities.

The operating segment information reported is based on the internal information used by the Group management to make decisions about the resources to be allocated and the assessment of segment performance. The allocation of resources and the assessment of performance are carried out at the level of the different markets; mainly the Benelux market and Bulgaria. The 'other' segment includes other markets such as the United Kingdom and France that do not met the quantitative criteria for separate presentation.

Each market has a segment manager responsible for implementing decisions on the resource allocation and performance assessment. Segment inputs are measured using the same accounting policies as those used to prepare the consolidated financial statements summarised and described in the notes to the financial statements.

Inter-sector eliminations concern inter-company sales by companies in one sector to companies in another sector.

The results of the segments for the years ended 31 December 2021 and 2020 are detailed below:

2021 FINANCIAL YEAR	Benelux	Bulgaria	Other	Inter-sector elimination	Total
Ext. sales	197,166	55,171	29,822	-	282,159
Inter-sector sales	-	-	-	-	-
Total sales	197,166	55,171	29,822	-	282,159
Sect. result	22,456	12,134	1,964	-	36,554
Items not affected					
Operating result					36,554
NET NON-CURRENT ASSETS	85,912	123,082	31,088		240,082

2020 FINANCIAL YEAR	Benelux	Bulgaria	Other	Inter-sector elimination	Total
Ext. sales	186,959	48,881	30,766	-	266,607
Inter-sector sales	-	-	-	-	-
Total sales	186,959	48,881	30,766	-	266,607
Sect. result	23,346	9,953	2,417	-	35,716
Items not affected					75
Operating result					35,791
NET NON-CURRENT ASSETS	85,398	123,382	31,622		240,402

The performance measure of each segment used by the Group's management is the segment result. The segment result includes all income and expenses directly attributable to it and the income and expenses that can reasonably be allocated to it.

Given the concentration of production assets in Belgium and the (virtual) absence of external indebtedness, the Group management does not monitor assets and liabilities per operating segments internally.

Transfers or transactions between segments are carried out under customary market conditions identical to those that would be applied to unrelated third parties.



A limited number of our major distributors account for a significant portion of our revenues. Total sales to customers that individually represented more than 10% of the Group's revenues in 2021 and 2020 are broken down by segment as follows:

Total sales to customers individually representing more than 10% of consolidated sales

2021 FINANCIAL YEAR	Benelux	Other	Total of individual major customers	Total Group
TOTAL SALES	36,083	-	36,083	282,159

2020 FINANCIAL YEAR	Benelux	Other	Total of individual major customers	Total Group
TOTAL SALES	37,725	-	37,725	266,607

Number of customers and associated sales representing 10% or more in the segment considered

2021 FINANCIAL YEAR	Sector	Number of customers	Sales
	Benelux	2	58,714
	Other	3	13,836
	TOTAL	5	72,550

2020 FINANCIAL YEAR	Sector	Number of customers	Sales
	Benelux	2	61,399
	Other	3	14,539
	TOTAL	5	75,938



Note 6. List of subsidiaries and companies incorporated using the equity method

6.1. List of subsidiaries

The Spadel subsidiaries are as follows:

Name	Share of voting rights in % at 31 December		Location of registered office	VAT No
	2021	2020		
Spa Monopole SA	100	100	Belgium	BE 420.834.005
Bru-Chevron SA	99.99	99.99	Belgium	BE 403.939.672
Spadel Nederland BV	100	100	Netherlands	NL 007271542B01
Les Grandes Sources de Wattwiller SA	100	100	France	FR 96 383 616 307
Les Eaux Minérales de Ribeuauvillé SA	99.61	99.61	France	FR 18 915 420 236
Devin AD	100	100	Bulgaria	BG 040428304

In 2021, there were no unusual elements that significantly affect the assets, liabilities, equity, net result or cash flows of the Group.

Bru-Chevron SA produces Bru branded products.

Spadel Nederland BV commercialises Spadel Group products on the Dutch market.

Les Grandes Sources de Wattwiller produces Wattwiller and Jouvence branded products and commercialises Spadel Group products on the French market.

SA Eaux Minérales de Ribeuauvillé SA produces and commercialises Carola branded products. Finally, Devin AD produces and distributes mineral waters in Bulgaria.

6.2. Equity-accounted interests

On 20 May 2021, the Group acquired 636,031 Class A preferential shares in the capital of

Contaynor BV at EUR 0.98266/preferential share for a cash consideration of KEUR 625. Contaynor BV operates an e-commerce logistics platform for drinks and related products and provides last-kilometre logistics and delivery services for drinks and related products. Its registered office is established at avenue de Tervueren 36, box 18, 1040 Brussels.

This investment represents a 23.1% stake in the capital of Contaynor BV. Immediately before making this investment, the Group did not hold any ordinary shares in Contaynor BV.

Given these facts and circumstances, the Group has concluded that it exerts a notable influence on the entity and recognises its holding using the equity method.

The total transaction costs relating to the acquisition of this holding amount to KEUR 25.

As regards the important financial information from this affiliated company, the balance sheet total stands at KEUR 931, comprising mainly intangible fixed assets/receivables. The amounts payable stand at KEUR 983, including a shareholders' loan of KEUR 250. The turnover amounted to KEUR 563 in 2021 and did not cover the operating charges of KEUR 1,178 KEUR, resulting in a loss of KEUR 615.

With a view to simplification and given the non-significant aspect, the share in the result is calculated as of 1 January 2021.

The sum of KEUR 500 recognised under the securities incorporated using the equity method can be broken down as follows:

- acquisition price: KEUR 625;
- direct costs: KEUR 25;
- share in the result of incorporation using the equity method: - KEUR 150 (23%* KEUR 615).

Spadel also granted a convertible loan of KEUR 250 dated 12/10/2021 included under long-term receivables. The second instalment of KEUR 375 was transferred at the start of 2022.

6.3. Business combinations

No business combinations occurred during the 2021 financial year.



Note 7. Intangible assets

	Goodwill	Brands	Customer base	Software programs	Rights and concessions	Other	Total
At 1 January 2020							
Acquisition value	44,925	50,007	26,615	10,087	14,905		146,539
Accumulated amortisation and impairment	-	-3,396	-11,932	-8,560	-1,833		-25,721
Net carrying amount	44,925	46,611	14,683	1,528	13,072		120,818
2020 FINANCIAL YEAR							
Net carrying amount on opening	44,925	46,611	14,683	1,528	13,072		120,818
Acquisitions	-	-	-	1,514	-		1,514
Transfers	-	-	-	3	-		3
Heading transfers	-	-	-	10	-		10
Impairments	-	3,396	-	-	-		3,396
Amortisation for the year	-	-	-2,349	-974	-		-3,323
Translation differences	-	-	-	-	-		-
Net carrying amount on reporting date	44,925	50,007	12,334	2,080	13,072		122,418
At 31 December 2020							
Acquisition value	44,925	50,007	26,615	11,533	14,905		147,985
Accumulated amortisation and impairment	-	-	-14,281	-9,453	-1,833		-25,567
Net carrying amount	44,925	50,007	12,334	2,080	13,072		122,418
2021 FINANCIAL YEAR							
Net carrying amount on opening	44,925	50,007	12,334	2,080	13,072		122,418
Acquisitions	-	-	-	2,088	-		2,088
Transfers	-	-	-	-1	-		-1
Heading transfers	-	-	-	-122	-		-122
Impairments	-	-	-	-	-		-
Amortisation for the year	-	-	-2,349	-1,221	-		-3,570
Translation differences	-	-	-	-	-		-
Net carrying amount on reporting date	44,925	50,007	9,985	2,824	13,072		120,813
At 31 December 2021							
Acquisition value	44,925	50,007	26,615	13,493	14,905		149,945
Accumulated amortisation and impairment	0	0	-16,630	-10,669	-1,833		-29,132
Net carrying amount	44,925	50,007	9,985	2,824	13,072		120,813



The line items 'Brands' and 'Customer base' reflect the fair values of the Wattwiller and Carola brands as well as the customer base of these subsidiaries on their acquisition dates, less the related accumulated amortisation as regards the customer base and any impairment losses recognised.

They also include the brands and customers associated with the subsidiary Devin.

The Wattwiller and Carola brands and those associated with Devin have an indefinite useful life and are not subject to a systematic amortisation plan.

An impairment test is carried out annually by the Group as part of the annual closing. In this context, in 2020, the Group booked a reversal of MEUR 3.4 on the impairment recognised previously on the Wattwiller entity in view of the performances that are above expectations in terms of volumes, net sales and profitability. The discount rate to estimate the value in present use remained unchanged.

These assets per CGU are broken down as follows:

NET CARRYING AMOUNT (MEUR)	Goodwill	Brands
Devin	44.9	36.9
Wattwiller	-	10.1
Ribeauville	-	3.0
TOTAL	44.9	50.0

Rights and concessions include concession rights, green certificates and CO₂ emission rights. It should be noted that since April 2017, concession rights have also included the concession rights to the Devin mineral water sources for the extraction of mineral water until 2034.

Research and development costs recognised in the income statement amounted to KEUR 1,666 in 2021 (2020: KEUR 1,896), including KEUR 809 classified under 'Miscellaneous goods and services' (2020: KEUR 863) and KEUR 857 under 'Employee costs' (2020: KEUR 1,032).

Research and development mainly concerns the development and formulation of new products (flavoured waters, lemonades, etc.) and product packaging and industrialisation.



Note 8. Property, plant and equipment and leases

	Land and buildings	Industrial equipment	Furniture and rolling stock	Other tangible assets	Total
At 1 January 2020					
Acquisition value	111,903	227,467	14,471	35,379	389,220
Accumulated amortisation and impairment	-69,652	-171,335	-10,165	-23,604	-274,758
Net value	42,251	56,132	4,306	11,775	114,464
2020 FINANCIAL YEAR					
Net carrying amount on opening	42,251	56,132	4,306	11,775	114,464
Acquisitions	5,562	9,689	1,002	5,121	21,374
Transfers	-176	-712	-754	-1,394	-3,035
Heading transfers	11,767	-10,897	250	-1,129	-10
Other	4	-	-170	-109	-276
Amortisation	-4,420	-9,286	-50	-779	-14,534
Translation differences	-	-	-	-	-
Net carrying amount on reporting date	54,988	44,927	4,584	13,484	117,983
At 31 December 2020					
Acquisition value	129,055	225,547	14,969	37,976	407,547
Accumulated amortisation and impairment	-74,068	-180,621	-10,385	-24,492	-289,564
Net value	54,988	44,927	4,584	13,484	117,983
2021 FINANCIAL YEAR					
Net carrying amount on opening	54,988	44,927	4,584	13,484	117,983
Acquisitions	3,873	8,639	1,312	3,695	17,519
Transfers	-	-26	-4	-10	-41
Heading transfers	102	319	-	-299	122
Other	241	-	-	-	241
Amortisation	-4,015	-8,803	-1,084	-2,651	-16,554
Translation differences	-	-	-	-	-
Net carrying amount on reporting date	55,189	45,055	4,807	14,218	119,269
At 31 December 2021					
Acquisition value	133,271	234,479	16,276	41,361	425,387
Accumulated amortisation and impairment	-78,082	-189,423	-11,469	-27,143	-306,119
Net value	55,189	45,055	4,807	14,218	119,269



New investments (KEUR 17,518) mainly concern the development of the PET in Box, returnable glass bottles, racks, etc.

'Other property, plant and equipment' mainly consist of racks and bottles as well as assets under development.

Heading transfers concern assets put into service and therefore reclassified from assets under development.

Certain bank loans and lease liabilities are secured by land and buildings and by industrial equipment (note 27).

The variation in right-of-use assets (included under other tangible assets in the table above) between 1 January 2021 and 31 December 2021 was as follows:

	Right-of-use assets
Balance at 31 December 2020	8,945
Additions	1,212
Transfers	-6
Other	241
Balance at 31 December 2021	10,392
<i>Accumulated amortisation and impairment</i>	
Balance at 31 December 2020	2,645
Additions	1,206
Transfers	
Impairments	
Transfers to other headings	-117
Balance at 31 December 2021	3,734
Net carrying amount	6,658

The appropriation to amortisation of right-of-use assets was as follows for the 2021 financial year:

	Buildings	Industrial equipment	Company car	Total
Appropriation to amortisation of right-to-use assets	277	111	818	1,206

'Miscellaneous goods and services' also include a charge of KEUR 7,078 related to repairs and maintenance of property, plant and equipment (2020: KEUR 5,840).

The charge linked to short-term and low-value leases recognised in the income statement under miscellaneous goods and services amounted to KEUR 1,272 for 2021.

The table below presents an analysis of the due dates of the Group's lease commitments based on planned contractual cash flows until the contractual due dates. The amounts correspond to non-discounted contractual cash flows.

Contractual due dates of lease commitments	Less than 6 months	6 to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total cash flows	Carrying amount
At 31 December 2021	547	575	843	1,362	2,028	5,355	6,658

Note 9. Trade and other receivables

Trade receivables and other receivables can be broken down as follows:

	31/12/2021	31/12/2020
Gross trade receivables	42,694	41,098
Less: provisions and impairments on doubtful receivables	-589	-655
Net trade receivables	42,105	40,443
Deferred charges	1,462	1,723
Other receivables	7,398	7,394
TOTAL		49,560
Less: non-current portion	-1,519	-1,839
Current portion	49,445	47,721

Other receivables include VAT to be recovered, amounting to KEUR 4,445 (2020: KEUR 4,329). They also include bank deposits with third parties as guarantees to cover the future fee payment obligation relating to the concession agreements of the subsidiary Devin and its undertakings to protection water sources against depletion and the pollution of mineral resources.

The non-current portion (KEUR 1,519) consists mainly of the balance of the long-term receivable relating to the sale of the Brecon branch in 2020 (KEUR 1,839).

All non-current receivables are recoverable within five years as of the reporting date.

The carrying amount of non-current receivables represents a good approximation of their fair value.



At 31 December 2021, the amount of provisions for expected credit losses on trade receivables issued and due was as follows:

	0 to 30 days	31 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Rate of expected credit losses	1%	2%	5%	10%	20%	
Carrying amount of trade receivables - gross	2,047	12	212	162	-222	2,212
Provision for expected credit losses	20	0	11	16	-44	3

At 31 December 2021, the impairment on trade receivables posing a greater credit risk, based on the individual analysis of unpaid amounts and their credit risk, stood at KEUR 414. The nominal value of individually impaired receivables amounts to a total of KEUR 577. According to our estimates, some of these receivables are expected to be recovered. The ageing of these receivables is given below:

	31/12/2021	31/12/2020
3 to 6 months	153	1,096
More than 6 months	425	459
TOTAL	577	1,555

Trade receivables overdue for less than three months are not considered to be at risk. At 31 December 2021, receivables amounting to KEUR 1,647 (2020: KEUR 3,953 KEUR) were overdue but not impaired. These receivables relate to customers for whom there is no recent history of default. The ageing of these receivables is given below:

	31/12/2021	31/12/2020
Less than 3 months	2,059	2,784
More than 3 months	-412	1,169
TOTAL	1,647	3,953

The credit quality of trade receivables that are neither overdue nor impaired can be measured by reference to the historical data of the counterparties.

Trade receivables	31/12/2021	31/12/2020
Counterparties without independent credit rating		
Group 1	-	-
Group 2	40,471	35,590
Group 3	-	-
Trade receivables that are neither overdue nor impaired	40,471	35,590

Group 1 - new customers (less than 6 months).

Group 2 - existing customers (more than 6 months) without a history of defaults.

Group 3 - existing customers (more than 6 months) with a history of defaults.

None of the unimpaired receivables was renegotiated in during the year.

The maximum exposure to credit risk at the reporting date corresponds to the carrying amount of the receivables. The Group does hold any significant collateral in relation to these receivables.

The table below shows the variations in accumulated impairments on receivables:

	2021	2020
At 1 January	655	817
Provision for impairments	10	20
Use of impairments on receivables written off as uncollectable	-	-
Reversals of impairments	-76	-182
At 31 December	589	655

The creation and reversal of provisions for impaired receivables are recognised under 'Other operating income/expenses' in the income statement.

The 'Other receivables' item does not include any impaired assets.



Note 10. Inventories

Inventories can be broken down as follows:

	31/12/2021	31/12/2020
Raw materials and consumables (gross)	11,726	11,069
Inventory write-downs (mainly Spa Monopole supplies)	-797	-689
Raw materials and consumables	10,929	10,380
Finished goods and work in progress	7,932	6,995
Inventory write-downs	-704	-637
Advance payments	-	-
TOTAL	18,157	16,738

The following amounts relating to inventories impact on the income statement for the financial years 2021 and 2020:

	2021	2020
Variation in inventories of raw materials and consumables (included in Raw materials and consumables')	-148	-866
Business combinations	-	-
Translation differences	-	-
	-148	-866
Variation in inventories of finished goods and work in progress	591	189
Inventory write-downs (included in 'Other operating income and expenses')	321	-1,532

A change in the rules on the impairment of technical parts had a positive impact on the result amounting to KEUR 1,200 in 2020.

Note 11. Financial assets

11.1. Financial assets

	2021	2020
Balance at 1 January	17	17
Balance at 31 December	17	17

Note 12. Cash and cash equivalents

12.1 Cash and cash equivalents

	31/12/2021	31/12/2020
Term deposits (maximum 3 months)	29,965	17,551
Money market funds (non-fixed income investment securities)	29,414	9,301
Commercial paper	-	-
Cash at bank and in hand	28,491	57,343
TOTAL	87,870	84,195

The average effective interest rate on the term deposits is 0.0% (2020: 0.0%). These term deposits (maximum 3 months) had an average maturity of approximately 1 month in 2021 and in 2020.

In the consolidated statement of cash flows, the net cash position is broken down as follows:

	31/12/2021	31/12/2020
Cash and cash equivalents	87,870	84,195
Bank overdrafts (note 15)	-	-
TOTAL	87,870	84,195

At 31 December 2021, investments in term deposits were made with banks with an independent credit rating equal to or greater than A.



12.2. Reconciliation of liabilities from financing activities

	Short-term finance lease liabilities (IAS 17)	Long-term finance lease liabilities (IAS 17)	Short-term lease liabilities (IFRS 16)	Long-term lease liabilities (IFRS16)	Short-term borrowings	Long-term borrowings	Total
Net liabilities at 1 January 2020	-	-	1,269	4,201	14,000	24,500	43,970
Acquisitions - finance lease and lease benefits	-	-	130	1,507	-	-	1,637
Cash flow	-	-	-	-666	-	-14,000	-14,666
Other movements without impact on cash position	-	-	-	-	-	-	-
Net liabilities at 31 December 2020	-	-	1,399	5,042	14,000	10,500	30,941
Acquisitions - leases	-	-	-	1,645	-	-	1,645
Cash flow	-	-	-119	-1,548	-3,500	-10,500	-15,667
Other movements without impact on cash position	-	-	-	-	-	-	-
Net liabilities at 31 December 2021	-	-	1,280	5,139	10,500	-	16,918

Note 13. Share capital

The number of shares is as follows:

	Total
At 1 January 2020	4,150,350
Movements 2020	-
At 31 December 2020	4,150,350
Movements 2021	-
At 31 December 2021	4,150,350

The share capital of Spadel SA at 31 December 2021 is represented by 4,150,350 ordinary shares without a designated nominal value.

The share capital remained unchanged at KEUR 5,000.

The company has not issued any preferential shares or a stock option plan.

Note 14. Consolidated reserves

The Group's consolidated reserves of KEUR 246,486 at 31 December 2021 include a legal reserve of KEUR 500 relating to Spadel SA, legal reserves relating to its subsidiaries amounting to KEUR 2,320 and a share premium of KEUR 1,881. Under the Companies Code, the legal reserve must reach a minimum of 10% of the share capital. As long as this level is not reached, at least one twentieth of the net profit from the financial year (determined in application of the Belgian Companies Code) must be allocated to the formation of this reserve fund. The current level of the legal reserve is sufficient in relation to this legal requirement. Consequently, no allocation is currently required. Legal reserves are not available for distribution.

The Group's consolidated reserves at 31 December 2021 also include other reserves not available for distribution amounting to KEUR 27,063.

The Group's consolidated reserves at 31 December 2021 also include other reserves amounting to KEUR 12,072 net of taxes relating to tax-free reserves mainly corresponding to capital gains realised previously free of tax. These tax-free reserves should give rise to a tax payment in the event of distribution. This tax is recognised in deferred tax liabilities at 31 December 2021 (note 17).

The consolidated reserves also include group reserves amounting to KEUR 202,650 established via previous results.



Note 15. Financial liabilities

	31/12/2021	31/12/2020
Non-current		
Liabilities relating to business combinations	-	10,500
Lease commitment liabilities (note 1.6)	5,139	5,042
TOTAL	5,139	15,542
Current		
Finance lease	-	-
Liabilities relating to business combinations	10,500	14,000
Lease commitment liabilities (note 1.6)	1,280	1,399
	11,780	15,399
TOTAL FINANCIAL LIABILITIES	16,918	30,941

The liability relating to concession agreements relates to Devin's commitment concerning future fees linked to the mineral water source concession rights, which Devin is obliged to pay for a defined period.

15.1. General information

The payment schedule for non-current financial liabilities is as follows:

	31/12/2021	31/12/2020
Between 1 and 2 years	-	10,500
Between 2 and 5 years	-	-
Over 5 years	-	-
TOTAL	-	10,500

The effective interest rates at the reporting date are as follows:

	31/12/2021	31/12/2020
Bank overdrafts	-	-
Bank borrowings	1.05%	1.05%
Finance lease liabilities	1.50%	1.50%

The short- and long-term financial liability is linked to the acquisition of Devin. An overall loan of KEUR 70,000 was taken out over a five-year period at a fixed rate of 1.05%.

The carrying amounts of current and non-current financial liabilities represent a good approximation of their fair value.

The carrying amounts of financial liabilities (incl. IFRS 16) are denominated in the following currencies:

	31/12/2021	31/12/2020
EUR	15,968	30,585
BGN	950	356
TOTAL	16,918	30,941

The Group's credit lines (KEUR 15,776) have an indefinite maturity. The related interest rate is determined at the time the credit line is used.

Credit lines not used by Spadel amounted to KEUR 15,492 at 31 December 2021 (2020: KEUR 15,486). The credit lines used are guarantees granted to the administration of Customs and Excise and to a bank for KEUR 1,534.

Note 16. Employee benefit liabilities

Employees of the Belgian, Dutch and French entities are entitled to retirement benefits in the form of either annuities or capital. The benefit plans are either 'defined benefit plans' or 'defined contribution plans'.

In Belgium, Spadel SA, Spa Monopole SA (Belgian division) and Bru-Chevron SA have two types of pension plans for white-collar employees: (i) a defined benefit plan for all employees who joined the entity before 1 May 2000 and who chose to keep this type of plan, and (ii) a defined contribution plan for other employees (plan 2000). All blue-collar workers have a limited defined benefit plan.

In the Netherlands, there is a defined contribution plan for all employees.

Finally, the French entities (Wattwiller and Carola) award service medal bonuses (long-term benefits).

Of the 1,265 employees in the Group, a total of 494 are covered by the defined benefit plans (for the Belgian and French entities). This is the subject of a provision in the financial statements at 31 December 2021 based on actuarial calculations established in accordance with IAS 19R.



For Belgian employees not covered by the defined benefit plan, the plan set up (plan 2000) is a defined contribution plan for which payments are made to the Group insurer. The statutory minimum guaranteed return for this plan complies with the return required by the law on supplementary pension and the related tax rules and certain additional social security benefits of 23 April 2003, which stipulate benchmark rates of return of 3.75% on employees' contributions and 3.25% on employers' contributions until 31 December 2015 and 1.75% since 1 January 2016 (for both employees' and employers' contributions).

Spadel assesses the pension commitment for the defined contribution plans for the three Belgian entities using the actuarial method prescribed by IAS 19R (projected unit credit method). As a result of this calculation, the pension commitment was reduced at 31 December 2021 by KEUR -3,006 (increase of EUR 1,089 in 2020). This provision was recognised via the income statement for KEUR 284 and via an impact on other comprehensive income for EUR -3,290.

Both the defined benefit plan and the defined contribution plan are subject to an actuarial assessment using the project unit credit method prescribed by IAS 19R. At the end of 2017, Spadel called upon an external actuary to assist in the calculation of its liabilities under IAS 19R. The calculation is based on actuarial assumptions determined at different reporting dates, taking into account macroeconomic factors prevailing on the relevant dates and specific features of the different plans assessed. The assumptions represent Spadel's best estimates for the future. They are reviewed periodically in line with market trends and available statistical data.

Finally, early retirement schemes are in place in Belgium (termination benefits).

The liability for employee benefits recognised in the statement of financial position can be broken down as follows:

	31/12/2021	31/12/2020
Post-employment benefits (IAS 19R - defined benefit plans)	3,471	4,740
Business combinations		
Post-employment benefits (IAS 19R - defined contribution plans)	859	3,865
Severance pay	1,157	1,361
Other long-term benefits	119	323
TOTAL	5,606	10,289
Less current portion	-202	-701
Non-current portion	5,404	9,588

16.1. Post-employment benefits - pension commitments

Total premiums paid under **defined contribution plans** for the Group as a whole amount to KEUR 711 (2020: KEUR 909). However, most of this amount covers the employees working for the Group's Belgian entities.

As regards the **defined benefit plans**, virtually all of which are in Belgium (KEUR 3,471 at the end of 2021), the information is as follows:

Amounts recognised in the statement of financial position	31/12/2021	31/12/2020
Present value of the obligation at reporting date	9,881	12,094
Fair value of assets at reporting date	-6,410	-7,354
Plan deficit (surplus)	3,471	4,740
Net unrecognised actuarial gains and losses		
Liabilities in statement of financial position	3,471	4,740

Amounts recognised in the income statement	2021	2020
Cost of services provided during the year	516	546
Financial cost	15	20
Administrative costs	56	56
Past service cost		
Actuarial gains and losses	-32	-20
Total amount included in employee benefit expenses	554	603

Reconciliation of opening and closing balances of the present value of the obligation	2021	2020
Present value of the obligation on opening	12,094	12,624
Past services cost	-6	-1
Business combinations	33	28
Cost of services provided during the year	522	547
Financial cost	33	42
Contributions made by plan participants	12	15
Benefits paid	-1,840	-1,222
Curtailments and settlements	-	-
Actuarial gains and losses	-768	170
Taxes	-91	-108
Impact of change in assumptions	-107	-
Present value of the obligation at reporting date	9,881	12,094



Reconciliation of opening and closing balances of fair value of assets	2021	2020
Fair value of assets on opening	7,354	7,499
Financial income	19	21
Contributions made by the employer	772	932
Contributions made by plan participants	12	15
Benefits paid	-1,789	-1,189
Liquidations		
Actuarial gains and losses	182	241
Taxes	-91	-108
Administrative costs	-48	-56
Fair value of assets at reporting date	6,410	7,354

Actual return on plan assets	2021	2020
	201	262

Variations in liabilities recognised in the statement of financial position	2021	2020
Liabilities in the statement of financial position on opening	4,740	5,125
Business combinations	33	28
Total expense charged to the income statement	552	614
Contributions made by the employer	-796	-965
Impact on other comprehensive income (OCI)	-951	-62
Impact of change in policy	-107	
Liabilities in the statement of financial position on reporting date	3,471	4,740

Actuarial assumptions (weighted)	2021	2020
Discount rate	0.40-1.00%	0.05-0.75%
Expected rates of return on plan assets	0.40-0.85%	0.05-0.45%
Expected salary growth (above inflation)	0.10-0.50%	0.25-0.60%
Inflation rate	1.90%	1.70 - 1.75%
Mortality tables	(5 years for Belgium)	(5 years for Belgium)
Expected average remaining working life	9.93	9.96

The discount rate used for employees' pension plans is 0.40% (0.05% in 2020). That used for workers' pension plans is 0.85% (0.40% in 2020). If the rate used fell by 0.5%, the Group employee benefit liability would increase by KEUR 488. If the rate used rose by 0.5%, the Group employee benefit liability would fall by KEUR 453.

Contributions paid to the post-employment benefit plans for the year ended 31 December 2022 are estimated at KEUR 419.

The total amount recognised in other comprehensive income during 2021 on the IAS 19R plans amounts to KEUR 4,370.

As regards the **defined contribution plans**, all of which are in Belgium (KEUR 859 at the end of 2021), the information is as follows:

	Assets	Liabilities	Total
01/01/2021			
Income statement			
Cost of services provided	762	-1,031	-269
Financial costs	72	-88	-17
Sub-total income statement	834	-1,120	-286
Gain/(loss) - other comprehensive income			
Impact of new provision on opening	13,082	-16,947	-3,865
Taxes	-147	147	0
Changes in actuarial assumptions	291	3,001	3,291
Sub-total other comprehensive income	13,226	-13,799	-674
31/12/2021	14,060	-14,919	-859

Actuarial assumptions (weighted):	2021	2020
Discount rate	0.99%	0.53%
Expected rates of return on plan assets	0.95-1.00%	0.45 - 0.55%
Expected salary growth (above inflation)	0.25-0.50%	0.25%
Inflation rate	1.90-2.40%	1.70%
Mortality tables	(5 years for Belgium)	(5 years for Belgium)
Expected average remaining working life	14.28	15.44

Contributions paid to the **defined contribution plans** for the year ended 31 December 2022 are estimated at KEUR 974.

The discount rate used for the employees' **defined contribution plans** is 1.00%. That used for workers' pension plans is 0.95%. If the rate used fell by 0.5%, the Group employee benefit liability would increase by KEUR 761. If the rate used rose by 0.5%, the Group employee benefit liability would fall by KEUR 497.



16.2. Early retirement obligations

Early retirement obligations are provided for in Belgium through Collective Labour Agreements. The following liabilities relate to employees who have taken early retirement:

Early retirement obligations	31/12/2021	31/12/2020
Value of obligation for severance pay on opening	1,417	1,633
Movements in the provision (note 21)	-204	-216
Value of obligation for severance pay on reporting date	1,213	1,417
Less: current portion	-202	-701
Non-current portion	1,011	716

16.3. Other long-term benefits

A long-term bonus is recognised at group level (KEUR 291).

Other long-term benefits	31/12/2021	31/12/2020
Value of obligation for long-term benefits on opening	0	0
Severance provision made (paid) by the employer	119	323
Value of obligation for long-term benefits on reporting date	119	323

Note 17. Deferred tax assets and liabilities

Deferred taxes	31/12/2021	31/12/2020
- Deferred tax assets	-	-
- Deferred tax liabilities	-24,604	-22,325
TOTAL	24,604	22,325

The movements during the year can be summarised as follows:

	2021	2020
Balance at 1 January	22,325	21,662
Business combinations	-	-
Expense/(Credit) in the income statement	376	873
Direct allocation to other comprehensive income	1,903	-210
Balance at 31 December	24,604	22,325

Deferred tax position by nature (+ asset, - liability)	31/12/2021	31/12/2020	Variation
- Elimination of inventory margin	212	212	-
- Pension provision IAS 19R	-876	989	-1,865
- Property, plant and equipment and intangible assets	-20,064	-20,164	100
- Tax-free reserves	-3,828	-3,633	-195
- Other (including government grants, provisions and staggered taxation)	-48	271	-319
Net deferred tax position	-24,604	-22,325	-2,281

Deferred tax assets are recognised when it is probable that taxable profit will be available against which the temporary deductible differences and recoverable tax losses existing on the reporting date can be imputed.



Note 18. Trade payables

The trade payables position at the reporting date is as follows:

	31/12/2021	31/12/2020
Suppliers	35,347	28,717
Invoices to be received, credit notes to be issued	11,031	5,525
Municipal fees payable	1,793	1,972
Discounts and promotions to be granted	11,938	13,913
Other	330	298
TOTAL	60,439	50,426

Commercial discounts and promotions to be granted represent the amounts of the provisions established to cover Spadel's commercial commitments to its customers. These liabilities are estimated on the basis of contractual data and sales volumes recorded during the financial year, taking account of invoicing flows already established during the year.

Note 19. Other payables

The other payables position at the reporting date is as follows:

	31/12/2021	31/12/2020
Deferred income	102	131
Accrued charges	301	416
Miscellaneous payables	5,163	5,838
TOTAL	5,566	6,385
Less: current portion	-2,289	-2,506
Non-current portion	3,278	3,879

Miscellaneous payables mainly include VAT (KEUR 10 in 2021 as against KEUR 327 in 2020), other taxes payable (KEUR 1,432 in 2021 as against KEUR 1,818 in 2020) and a commitment relating to the Devin concession amounting to KEUR 3,041.

Note 20. Provisions

The provisions position at the reporting date is as follows:

	Site restoration	Other	Total
At 1 January 2021	909	-	909
Recognised in the consolidated income statement:			
- Increase in provisions	100	25	125
- Reversals of unused amounts	-539	-	-539
- Used during the year	-10	-	-10
- Business combination	-	-	-
At 31 December 2021	460	25	485

	Site restoration	Other	Total
At 1 January 2020	328	14	342
Recognised in the consolidated income statement:			
- Increase in provisions	671	-	671
- Reversals of unused amounts	-	-	-
- Used during the year	-90	-14	-104
- Business combination	-	-	-
At 31 December 2020	909	-	909

At 31 December 2021, provisions classified as current liabilities amounted to KEUR 208 and non-current liabilities amounted to KEUR 277 (the cash outflow will occur within a period of 1 to 5 years).

The provision for site restoration relates to the rehabilitation of sites belonging to Spa Monopole.



Note 21. Employee expenses

Employee expenses can be broken down as follows:

	2021	2020
Salaries and remuneration, including severance pay of KEUR 452 (2020: KEUR 748)	48,826	48,840
Social security charges	10,722	10,720
Pensions - defined contribution plans	711	909
Pensions - defined benefit plans (note 16.1)	554	603
Early retirement charges	185	249
Usage of provision for early retirement (note 16.2)	-204	-216
Other	2,772	2,677
TOTAL	63,566	63,781

The average number of employees was 1,265 in 2021 (including 728 blue-collar workers and 536 white-collar workers) and 1,317 in 2020 (including 816 blue-collar workers and 501 white-collar workers).

Note 22. Other operating income and expenses

Other operating income and expenses can be broken down as follows:

	2021	2020
Sale of advertising articles and miscellaneous	100	1,864
Waste sold	76	52
Gains on disposals of property, plant and equipment	466	210
Wattwiller impairment reversal (note 4.4 and 7)	-	3,396
Grants	149	207
Miscellaneous rentals	39	45
Recovered costs and other operating income (1)	17,744	14,778
Other duties and taxes	-4,443	-5,047
Losses on disposals of property, plant and equipment	-23	-18
Other operating expenses (including losses on foreign packaging, CO ₂ quotas and write-downs)	-381	-222
TOTAL	13,728	15,265

Note 23. Financial income

Financial income can be broken down as follows:

	2021	2020
Interest burden on bank borrowings	277	148
Foreign exchange gains and translation differences	-	1
Other financial income	43	79
Positive translation differences	-	-
TOTAL	320	228

Note 24. Financial costs

Financial costs can be broken down as follows:

	2021	2020
Interest burden on bank borrowings	193	320
Interest burden lease commitments	-	-
Exchanges losses on transactions in foreign currencies - net	-	2
Other financial costs	90	85
Financial expenses on pension obligations	308	539
Write-downs on current assets	45	25
Interest on lease	-	-
TOTAL	636	971

Note 25. Taxes

Income tax expenses for the year can be broken down as follows:

	2021	2020
Current taxes	9,063	6,842
Deferred taxes (note 17)	376	873
Total tax charge	9,439	7,715



The tax charge on Spadel's pre-tax income differs from the theoretical amount that would have resulted from the application of the Belgian tax rate applicable to the parent company of the Spadel Group. The analysis is as follows:

	2021	2020
Profit/(loss) before income tax	36,088	35,049
Taxes calculated on the basis of the Belgian tax rate (25% in 2021 and 25% in 2020)	9,022	8,762
Effect of notional interest	-	-
Effect of tax rate in foreign subsidiaries	-1,721	-1,515
Tax deductions	-	-11
Effect of non-tax-deductible expenses	443	659
Effect of double taxation of dividends from subsidiaries	-	-
Adjustment for prior period taxes (related to tax inspections)	19	15
Deferred tax assets on Spadel UK	-	-
Effect of the impairment reversal on goodwill	906	-
Change of rate for calculation of deferred tax liabilities (France)	-	-
Impact reduction deferred tax rate (Belgium)	-	-
Other	770	-195
Total tax charge	9,439	7,715

Note 26. Contingent liabilities and assets

At 31 December 2021, the Group had no significant contingent liabilities or assets.

Note 27. Rights and commitments

27.1. Commitments to acquire non-current assets

The Group has contracted expenses to acquire property, plant and equipment not yet undertaken at 31 December 2021 amounting to KEUR 2,956 (2020: KEUR 8,543).

27.2. Guarantees provided

Bank guarantees have been given in favour of the Customs and Excise Administration and in favour of a bank amounting to KEUR 1,534 (2020: KEUR 1,540).

Note 28. Information on related parties

28.1. Remuneration of senior management

The remuneration of members of the Executive Committee amounts to:

	2021	2020
Salaries and other short-term benefits	3,532	2,976
Other long-term benefits	291	445
TOTAL	3,823	3,430

Group insurance premiums paid in 2021 amount to KEUR 63.

Total remuneration of the directors of Spadel SA amounted to KEUR 1,320 in 2021 (2020: KEUR 1,252).

Spadel Group consists of Spadel SA and the subsidiaries listed in note 6.1. above.

All the financial statements of these companies are included in the consolidated financial statements of Spadel SA, parent company, consolidating company.

All Group companies maintain or may maintain relations with the other entities as follows:

- 'customer-supplier' relationships in the context of exchanges of services or supplies of goods in connection with the sale or distribution of Spadel products by other subsidiaries of the Group;
- 'lender-borrower' relationships when a company has a cash need and another company is in cash surplus. The aim is to optimise cash flow for the entire Group.

Spadel SA holds 100% of all its subsidiaries that are related parties.

All transactions and all inter-company accounts between Group companies, which are related entities, are eliminated on consolidation and in the Group's consolidated financial statements.



Note 29. Events occurring after the reporting date

The Board has no knowledge of any major events occurring after the close of the financial year which could significantly affect the annual financial statements.

The Spadel Group is not directly impacted by the invasion of Ukraine by Russia in February 2022. The Group is not present and has no commercial activity in the region.

However, this war is having significant repercussions on the financial markets and the price of certain raw materials and will affect the world economy as a whole.

The Group therefore continues to pay careful attention to the very high inflation seen since the second half of 2021, further increased by recent events, affecting all raw materials, packaging, energy, transport and labour prices. This widespread cost inflation, at levels not seen for many years, as well as the shortages noted in certain raw materials, will undoubtedly affect the Group's short- and medium-term results.

The Board has no knowledge of any major events occurring after the close of the financial year which could significantly affect the annual financial statements.

Note 30. Earnings per share

30.1. Basic earnings

Basic earnings per share are calculated by dividing the net profit attributable to Spadel shareholders by the weighted average number of ordinary shares outstanding during the financial year.

	2021	2020
Profit/(loss) attributable to shareholders	26,649	27,334
Weighted average number of ordinary shares outstanding (in thousands)	4,150	4,150
Basic earnings per share (EUR per share)	6.42	6.59

30.2. Diluted earnings

Diluted earnings per share are calculated by increasing the weighted average number of shares outstanding by the number of shares that would result from the conversion of all potentially dilutive ordinary shares and adjusting the numerator if necessary. Spadel has not issued any securities with a potentially dilutive effect. Consequently, diluted earnings per share correspond to basic earnings per share.

Note 31. Dividend per share

The dividends paid in 2021 and 2020 amounted respectively to KEUR 8,300 (EUR 2 gross or EUR 1.40 net per share) and KEUR 8,300 (EUR 2 gross or EUR 1.40 net per share). A dividend of EUR 2.00 gross and EUR 1.40 net per share for the year ended 31 December 2021, representing a total distribution of KEUR 8,300, will be proposed to the General Meeting of Shareholders on 24 May 2022. This distribution proposal is not yet recognised as a liability in the financial statements at 31 December 2021

Note 32. Fees paid to the statutory auditor and persons related to him

Fees paid to the statutory auditor

32.1. Consolidated fees paid to the statutory auditor for the auditing of the 2021 accounts (including EUR 72,450 for the parent company Spadel SA):

123,175

32.2. Consolidated fees for exceptional services or special assignments carried out within the Group by the statutory auditor (in EUR):

- other certification assignments: 13,140
- tax consultancy assignments: -
- other assignments outside the auditing assignment: -

Fees paid to persons related to the statutory auditor

32.3. Fees relating to the mandates of the statutory auditor or similar mandates exercised for the Group (in EUR)

31,873

32.4. Consolidated fees for exceptional services or special assignments carried out within the Group by persons related to the statutory auditor (in EUR)

- other certification assignments: -
- tax consultancy assignments: -
- other assignments outside the auditing assignment: 26,500



ABRIDGED ANNUAL ACCOUNTS OF SPADEL SA PREPARED IN ACCORDANCE WITH BELGIAN ACCOUNTING STANDARDS

1. Abridged balance sheet at 31 December (KEUR)

The annual accounts of Spadel SA are presented in abridged form below.

In accordance with the Companies Code, the annual accounts of Spadel SA and the management report as well as the report from the statutory auditor are filed with the National Bank of Belgium.

These documents are also available upon request at:

Spadel SA, Avenue des Communautés 110, 1200 Brussels.

The statutory auditor has expressed an opinion without reservations on the annual accounts of Spadel SA

	31/12/2021	31/12/2020
ASSETS		
Non-current assets	128,649	128,519
II. Intangible assets	1,979	1,654
III. Tangible assets	663	833
IV. Financial assets	126,007	126,032
Current assets	165,108	155,139
V. Receivables payable on more than one year	-	-
VII. Receivables payable on not more than one year	82,259	80,226
VIII. Cash investments	58,757	26,488
IX. Securities	22,271	46,982
X. Adjustment accounts	1,821	1,443
TOTAL ASSETS	293,757	283,658
LIABILITIES		
Shareholders' equity	203,278	185,674
I. Share capital	5,000	5,000
IV. Reserves	188,172	170,825
V. Forward profit	10,106	9,849
Provisions and deferred taxes	130	226
VII. Provisions for risks and charges	130	226
Debts	90,349	97,758
VIII. Debts on more than one year	0	10,500
IX. Debts on not more than one year	90,145	86,991
X. Adjustment accounts	204	267
TOTAL LIABILITIES	293,757	283,658

2. Abbreviated income statement (KEUR)

	2021	2020
I. Operating income	151,940	148,553
II. External operating costs	-144,612	-143,891
III. Operating earnings	7,328	4,662
IV. Financial income	20,834	8,380
V. Financial costs	-348	-671
VI. Current profit before taxes	27,814	12,372
VII. Non-recurring income	-	-
VIII. Non-recurring costs	-	-
IX. Profit before income tax	27,814	12,372
X. Taxes	-1,909	-1,141
XI. Profit for the year	25,905	11,231
XII. Direct debit / (transfers) from / to immune reserves	-1,347	-968
XIII. Profit to be allocated	24,558	10,263

3. Statement of capital (KEUR)

	2021	2020
A. Share capital		
1. Subscribed capital		
- At the end of the previous financial year	5,000	5,000
- Increase of capital		
- At the end of the financial year	5,000	5,000
2. Representation of the capital		
Classes of existing shares		
- Membership shares without par value	5,000	5,000
2.2. Registered or dematerialised shares		
- Registered	3,892,040	3,892,040
- Dematerialised	258,310	258,310
	Number of shares	Number of shares
G. Shareholder structure on 31/12/2021		
1. Finances & Industries SA – Bruxelles		
Company controlled in law by Gerefis SA	3,861,187	3,861,187



STATEMENT FROM THOSE RESPONSIBLE

The undersigned, Marc du BOIS, CEO of the Spadel Group, and Didier DE SORGHIER, Financial Director of the Spadel Group, declare that to the best of their knowledge:

- a) the consolidated financial statements closed on 31 December 2021, established in accordance with the International Financial Reporting Standards (IFRS), provide a true reflection of the assets, the consolidated financial position and the consolidated results of the company Spadel SA and its subsidiaries included in the consolidation;
- b) the management report contains a faithful account of the development of business, the results and the situation of the issuer and the companies included in the consolidation and a description of the main risks and uncertainties facing them.

Brussels, 30 March 2022

Didier De Sorghier
Financial Director

Marc du Bois
CEO



STATUTORY AUDITOR'S REPORT



RAPPORT DU COMMISSAIRE A L'ASSEMBLEE GENERALE DES ACTIONNAIRES DE SPADEL SA SUR LES COMPTES CONSOLIDES POUR L'EXERCICE CLOS LE 31 DECEMBRE 2021

Dans le cadre du contrôle légal des comptes consolidés de SPADEL SA (la « Société ») et de ses filiales (conjointement « le Groupe »), nous vous présentons notre rapport du commissaire. Celui-ci inclut notre rapport sur les comptes consolidés ainsi que les autres obligations légales et réglementaires. Ce tout constitue un ensemble et est inséparable.

Nous avons été nommés en tant que commissaire par l'assemblée générale du 13 juin 2019, conformément à la proposition du conseil d'administration émise sur recommandation du comité d'audit. Notre mandat de commissaire vient à échéance à la date de l'assemblée générale délibérant sur les comptes annuels de l'exercice clos au 31 décembre 2021. Nous avons exercé le contrôle légal des comptes consolidés de la Société durant 3 exercices consécutifs.

Rapport sur les comptes consolidés

Opinion sans réserve

Nous avons procédé au contrôle légal des comptes consolidés du Groupe, comprenant l'état consolidé de la situation financière au 31 décembre 2021, ainsi que l'état consolidé du résultat global, l'état consolidé des variations des capitaux propres et le tableau consolidé des flux de trésorerie pour l'exercice clos à cette date, ainsi que des notes reprenant un résumé des principales méthodes comptables et d'autres informations explicatives. Ces comptes consolidés font état d'un total de l'état consolidé de la situation financière qui s'élève à EUR 398.647 milliers et d'un état consolidé du résultat global qui se solde par un bénéfice de l'année attribuable aux actionnaires de la Société de EUR 26.649 milliers.

À notre avis, ces comptes consolidés donnent une image fidèle du patrimoine et de la situation financière consolidée du Groupe au 31 décembre 2021, ainsi que de ses résultats consolidés et de ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément aux normes internationales d'information financière (IFRS) telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique.

Fondement de l'opinion sans réserve

Nous avons effectué notre audit selon les Normes internationales d'audit (ISA) telles qu'applicables en Belgique. Par ailleurs, nous avons appliqué les normes internationales d'audit approuvées par l'IAASB et applicables à la date de clôture et non encore approuvées au niveau national. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités du commissaire relatives à l'audit des comptes consolidés » du présent rapport. Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à l'audit des comptes consolidés en Belgique, en ce compris celles concernant l'indépendance.

Nous avons obtenu du conseil d'administration et des préposés de la Société, les explications et informations requises pour notre audit.

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Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre opinion.

Points clés de l'audit

Les points clés de l'audit sont les points qui, selon notre jugement professionnel, ont été les plus importants lors de l'audit des comptes consolidés de la période en cours. Ces points ont été traités dans le contexte de notre audit des comptes consolidés pris dans leur ensemble et lors de la formation de notre opinion sur ceux-ci. Nous n'exprimons pas une opinion distincte sur ces points.

Perte de valeur des actifs incorporels

Description du point clé de l'audit

Comme décrit dans les notes 1.7 et 4.4 relatives aux tests de perte de valeur des actifs incorporels (en ce compris les sources, marques et goodwill), la Société revoit la valeur nette comptable de ses unités génératrices de trésorerie (« UGTs ») chaque année ou lorsqu'il existe des indices de perte de valeur. Le test de perte de valeur consiste en une comparaison entre l'estimation de la valeur d'utilité de chaque UGT et sa valeur nette comptable (comprenant les goodwills et marques pour un total de EUR 94,9 million pour les UGT tel que repris en note 7). L'évaluation des valeurs d'utilité est un jugement qui requiert des estimations concernant les projections des flux de trésorerie futurs associés aux UGTs, les besoins en fond de roulement, le taux d'actualisation et le taux de croissance du chiffre d'affaires à moyen et long terme.

Nous avons considéré ce point comme un point clé de l'audit en raison de l'importance des soldes au bilan, du niveau du jugement et de l'expertise technique requise pour réaliser les tests de perte de valeur des actifs incorporels.

Nos procédures d'audit relatives au point clé de l'audit

- Nous avons évalué la conception et la mise en œuvre des contrôles internes relatifs au test de perte de valeur du goodwill et autres actifs incorporels (non amortis).
- Nous avons contrôlé la validité du modèle de test de perte de valeur utilisé et évalué si les formules sont correctement appliquées aux données reprises dans le modèle.
- Nous avons testé chacune des hypothèses clés utilisées dans le test de perte de valeur. Ces hypothèses clés concernent principalement le taux d'actualisation et le taux de croissance.
- Nous avons impliqué nos spécialistes internes en matière d'évaluation pour comparer et évaluer la pertinence de ces hypothèses à partir de données externes comparables.
- Nous avons testé le niveau de précision des flux de trésorerie futurs sur base des données historiques disponibles et rapproché les données prévisionnelles utilisées avec les plans d'affaires approuvés par le Conseil d'Administration.
- Nous avons conclu sur le caractère approprié d'absence de perte de valeur sur les actifs considérés.



- Nous avons évalué le caractère approprié et l'exhaustivité des informations présentées dans la note 4.4 et ce conformément à la norme IAS 36.

Dettes relatives aux cautions

Description du point clé de l'audit

Le montant des dettes relatives aux cautions est enregistré parmi les dettes courantes et il représente une estimation du montant à rembourser par le Groupe aux clients qui restitueront les emballages consignés comme les bouteilles (en verre ou PET) et les casiers, principalement sur le marché belge, et sur les marchés néerlandais et français dans une moindre mesure. Les dettes relatives aux cautions s'élèvent à EUR 17.600 milliers au 31 décembre 2021. Comme décrit dans la note 4.2, le Groupe évalue annuellement ces dettes sur base d'une estimation des parcs de bouteilles et casiers consignés en clientèle au 31 décembre de chaque année. Un ajustement est réalisé si le montant s'écarte de plus de 10% de la valeur de référence calculée de manière indépendante par la direction.

L'évaluation des dettes relatives aux cautions revêt inévitablement un caractère approximatif et est influencée par la durée des retours et l'estimation du taux de non-retour des éléments consignés. Compte tenu du montant des dettes relatives aux cautions, de la complexité des calculs et de l'impact important des hypothèses retenues sur l'estimation du montant à reprendre dans les comptes consolidés, nous avons considéré cet élément comme un point clé de l'audit.

Nos procédures d'audit relatives au point clé de l'audit

- Lors de nos procédures intérimaires, nous avons acquis une compréhension de l'environnement de contrôle interne relatif à l'estimation des dettes relatives aux cautions.
- Nous nous sommes assurés que la méthode d'évaluation des dettes relatives aux cautions appliquées pour la clôture comptable au 31 décembre 2021 correspondait à la méthode définie par le Groupe.
- Pour chaque entité importante du Groupe concernée, nous avons vérifié que les données relatives aux ventes utilisées pour l'estimation des dettes correspondaient aux données reprises dans la comptabilité.
- Nous avons contrôlé que les hypothèses clés retenues dans le modèle, à savoir l'estimation du taux de perte et du taux de rétention des bouteilles et casiers sur le marché, étaient appropriées sur base des historiques.
- Nous avons validé la caution unitaire pour un échantillon d'éléments consignés sur base des factures de ventes reprises dans la comptabilité.
- Nous avons validé l'exactitude arithmétique des calculs repris dans le modèle d'évaluation des dettes relatives aux cautions et avons validé la cohérence des méthodes au travers de revues analytiques.
- Nous avons réalisé une analyse de la sensibilité de l'estimation des dettes par rapport à la variation des hypothèses clés.



- Nous avons vérifié le caractère approprié et complet des informations reprises dans la note 4.2 des comptes consolidés par rapport aux exigences prévues par les normes IFRS.

Provisions relatives aux remises et promotions commerciales

Description du point clé de l'audit

Les remises et promotions commerciales octroyées par le Groupe à ses clients sont comptabilisées en déduction du chiffre d'affaires (voir note 1.9 du rapport financier). Il existe un nombre important de contrats de vente intégrant des remises ainsi que des promotions commerciales basées sur les quantités vendues ou d'autres conditions contractuelles. En raison du nombre important de contrats et des conditions contractuelles spécifiques, l'évaluation de certaines provisions enregistrées à la fin de l'exercice requiert une part importante d'estimation de la direction et consiste, en conséquence, un point clé de l'audit.

Nos procédures d'audit relatives au point clé de l'audit

- Nous avons acquis une compréhension de l'environnement de contrôle interne relatif aux processus liés à la reconnaissance des revenus et l'estimation des provisions pour les remises et provisions commerciales ainsi qu'évalué la conception et l'efficacité opérationnelle des dispositifs importants du contrôle interne.
- Afin d'évaluer la qualité du processus d'estimation des provisions pour les remises et provisions commerciales développé par la direction, nous avons investigué et discuté de la justification des corrections passées sur l'exercice précédent.
- Nous avons rapproché la base des données reprenant notamment les volumes vendus (exprimés en litre et en valeur) par client, servant au calcul des remises et provisions commerciales avec le chiffre d'affaires reconnu en comptabilité au 31 décembre 2021.
- Pour les contrats les plus importants ainsi qu'un échantillon de contrats statistiques, nous avons contrôlé que les dispositions contractuelles relatives aux remises et promotions commerciales étaient correctement appliquées durant l'exercice et reprises en considération pour le calcul des provisions enregistrées.
- Nous avons effectué une revue analytique en comparant le montant des remises et promotions commerciales octroyées durant l'année par rapport à l'évolution du chiffre d'affaires. Nous avons également analysé l'évolution des provisions significatives enregistrées à la fin de l'exercice par rapport à l'année précédente.
- Nous avons testé les écritures manuelles de clôture significatives impactant les comptes liés au chiffre d'affaires et aux provisions pour les remises et promotions commerciales.
- Nous avons vérifié la bonne application de la norme IFRS15 sur lesdits contrats ainsi que le caractère complet des informations reprises dans le rapport financier.



Responsabilités du conseil d'administration relatives à l'établissement des comptes consolidés

Le conseil d'administration est responsable de l'établissement des comptes consolidés donnant une image fidèle conformément aux normes internationales d'information financière (IFRS) telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique, ainsi que du contrôle interne qu'il estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe au conseil d'administration d'évaluer la capacité du Groupe à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si le conseil d'administration a l'intention de mettre le Groupe en liquidation ou de cesser ses activités, ou s'il ne peut envisager une autre solution alternative réaliste.

Responsabilités du commissaire relatives à l'audit des comptes consolidés

Nos objectifs sont d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport du commissaire comprenant notre opinion. Une assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes ISA permette de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes consolidés prennent en se fondant sur ceux-ci.

Lors de l'exécution de notre contrôle, nous respectons le cadre légal, réglementaire et normatif qui s'applique à l'audit des comptes consolidés en Belgique. L'étendue du contrôle légal des comptes ne comprend pas d'assurance quant à la viabilité future du Groupe ni quant à l'efficacité ou l'efficacité avec laquelle le conseil d'administration a mené ou mènera les affaires du Groupe. Nos responsabilités relatives à l'application par le conseil d'administration du principe comptable de continuité d'exploitation sont décrites ci-après.

Dans le cadre d'un audit réalisé conformément aux normes ISA et tout au long de celui-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. En outre :

- nous identifions et évaluons les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe ;



- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par le conseil d'administration, de même que des informations les concernant fournies par ce dernier ;
- nous concluons quant au caractère approprié de l'application par le conseil d'administration du principe comptable de continuité d'exploitation et, selon les éléments probants recueillis, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité du Groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport. Cependant, des situations ou événements futurs pourraient conduire le Groupe à cesser son exploitation ;
- nous apprécions la présentation d'ensemble, la structure et le contenu des comptes consolidés et évaluons si ces derniers reflètent les opérations et événements sous-jacents d'une manière telle qu'ils en donnent une image fidèle ;
- nous recueillons des éléments probants suffisants et appropriés concernant les informations financières des entités ou activités du Groupe pour exprimer une opinion sur les comptes consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit au niveau du Groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

Nous communiquons au comité d'audit notamment l'étendue des travaux d'audit et le calendrier de réalisation prévus, ainsi que les constatations importantes découlant de notre audit, y compris toute faiblesse significative dans le contrôle interne.

Nous fournissons également au comité d'audit une déclaration précisant que nous nous sommes conformés aux règles déontologiques pertinentes concernant l'indépendance, et leur communiquons, le cas échéant, toutes les relations et les autres facteurs qui peuvent raisonnablement être considérés comme susceptibles d'avoir une incidence sur notre indépendance ainsi que les éventuelles mesures de sauvegarde y relatives.

Parmi les points communiqués au comité d'audit, nous déterminons les points qui ont été les plus importants lors de l'audit des comptes consolidés de la période en cours, qui sont de ce fait les points clés de l'audit. Nous décrivons ces points dans notre rapport du commissaire, sauf si la loi ou la réglementation n'en interdit la publication.

Autres obligations légales et réglementaires

Responsabilités du conseil d'administration

Le conseil d'administration est responsable de la préparation et du contenu du rapport de gestion sur les comptes consolidés, du rapport distinct sur l'information non-financière et des autres informations contenues dans le rapport annuel sur les comptes consolidés.



Responsabilités du commissaire

Dans le cadre de notre mission et conformément à la norme belge complémentaire aux normes internationales d'audit (ISA) applicables en Belgique, notre responsabilité est de vérifier, dans leurs aspects significatifs, le rapport de gestion sur les comptes consolidés, le rapport distinct sur l'information non-financière et les autres informations contenues dans le rapport annuel sur les comptes consolidés, ainsi que de faire rapport sur ces éléments.

Aspects relatifs au rapport de gestion sur les comptes consolidés et aux autres informations contenues dans le rapport annuel sur les comptes consolidés

A l'issue des vérifications spécifiques sur le rapport de gestion sur les comptes consolidés, nous sommes d'avis que celui-ci concorde avec les comptes consolidés pour le même exercice, et a été établi conformément à l'article 3:32 du Code des sociétés et des associations.

Dans le cadre de notre audit des comptes consolidés, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion sur les comptes consolidés et les autres informations contenues dans le rapport annuel sur les comptes consolidés, à savoir : Profil, Message du CEO et du Président, Faits marquants, Chiffres clés, Nos marchés et nos marques, L'innovation chez Spadel, Notre responsabilité sociétale et Nos ressources humaines, comportent une anomalie significative, à savoir une information incorrectement formulée ou autrement trompeuse. Sur la base de ces travaux, nous n'avons pas d'anomalie significative à vous communiquer.

L'information non-financière requise par l'article 3:32, §2 du Code des sociétés et des associations a été reprise dans un rapport distinct du rapport de gestion qui fait partie de la section « La responsabilité sociétale de notre entreprise » du rapport annuel sur les comptes consolidés. Ce rapport sur les informations non-financières contient les informations requises par l'article 3:32, §2 du Code des sociétés et des associations et concorde avec les comptes consolidés pour le même exercice. Pour l'établissement de cette information non-financière, la Société s'est basée sur le référentiel Global Reporting Initiatives (ci-après « GRI »). Conformément à l'article 3:80, §1, 5° du Code des sociétés et des associations, nous ne nous prononçons toutefois pas sur la question de savoir si cette information non-financière est établie conformément au référentiel GRI précité mentionné dans le rapport distinct du rapport de gestion sur les comptes consolidés.

Mentions relatives à l'indépendance

- Notre cabinet de révision et notre réseau n'ont pas effectué de missions incompatibles avec le contrôle légal des comptes consolidés et notre cabinet de révision est resté indépendant vis-à-vis du Groupe au cours de notre mandat.
- Les honoraires relatifs aux missions complémentaires compatibles avec le contrôle légal des comptes consolidés visées à l'article 3:65 du Code des sociétés et des associations ont correctement été valorisés et ventilés dans l'annexe des comptes consolidés.



Format électronique unique européen (ESEF)

Conformément au projet de norme relative au contrôle de la conformité des états financiers avec le format électronique unique européen (ci-après « ESEF »), nous devons contrôler le respect du format ESEF avec les normes techniques de réglementation définies par le Règlement européen délégué n° 2019/815 du 17 décembre 2018 (ci-après « Règlement délégué »).

L'organe d'administration est responsable de l'établissement, conformément aux exigences ESEF, des états financiers consolidés sous forme de fichier électronique au format ESEF (ci-après états financiers consolidés numériques) inclus dans le rapport financier annuel.

Notre responsabilité est d'obtenir des éléments suffisants et appropriés afin de conclure sur le fait que le format et le balisage XBRL des états financiers consolidés numériques respectent, dans tous leurs aspects significatifs, les exigences ESEF en vertu du Règlement délégué.

Les états financiers consolidés numériques nous ont été remis mais n'ont pas encore été définitivement validés à la date du présent rapport.

Si, lors du contrôle des états financiers consolidés numériques, nous concluons à la présence d'une anomalie significative, nous serons tenus de signaler le problème à l'organe d'administration et de demander à ce dernier d'apporter les modifications nécessaires. A défaut, nous serions tenus de modifier le présent rapport relatif au fait que le format et le balisage d'informations dans les états financiers consolidés numériques repris dans le rapport financier annuel de Spadel SA sont, dans tous leurs aspects significatifs, établis en conformité avec les exigences ESEF en vertu du Règlement délégué.

Autres mentions

- Le présent rapport est conforme au contenu de notre rapport complémentaire destiné au comité d'audit visé à l'article 11 du règlement (UE) n° 537/2014.

Diegem, le 21 avril 2022

Le commissaire

PwC Reviseurs d'Entreprises SRL
Représenté par

Griet Helsen
Réviseur d'Entreprises



**RAPPORT DU COMMISSAIRE À L'ASSEMBLÉE GÉNÉRALE DES ACTIONNAIRES
CONFORMÉMENT A L'ARTICLE 4 DE LA DIRECTIVE TRANSPARENCE CONCERNANT LA
CONFORMITÉ DES ETATS FINANCIERS CONSOLIDÉS SOUS FORME DE FICHIER
ÉLECTRONIQUE DE SPADEL SA AU 31 DECEMBRE 2021 AUX EXIGENCES ET À LA
TAXONOMIE ESEF (EUROPEAN SINGLE ELECTRONIC FORMAT) EN VERTU DU RÈGLEMENT
DÉLÉGUÉ (UE) 2019/815**

Mission

Conformément à l'article 4 de la Directive Transparence, la mission du commissaire consiste à faire rapport sur la conformité du format et le balisage XBRL des états financiers consolidés sous forme de fichier électronique (ci-après « états financiers consolidés numériques ») conformément aux exigences et à la taxonomie ESEF, en particulier les dispositions en vigueur telles que définies dans les normes techniques de réglementation de l'ESEF (*ESEF Regulatory Technical Standard*, « *ESEF RTS* ») fixées par le Règlement Délégué n° 2019/815 du 17 décembre 2018 applicables aux états financiers consolidés numériques au 31 décembre 2021.

Responsabilités de l'organe d'administration

L'organe d'administration est responsable de l'établissement des états financiers consolidés numériques conformément aux exigences et à la taxonomie ESEF (en particulier les dispositions en vigueur telles que définies dans les normes techniques de réglementation de l'ESEF (*ESEF Regulatory Technical Standard*, « *ESEF RTS* ») applicables aux états financiers consolidés numériques au 31 décembre 2021.

Cette responsabilité comprend la sélection et l'application des méthodes les plus appropriées pour établir les états financiers consolidés numériques. En outre, la responsabilité de l'organe d'administration comprend la conception, la mise en œuvre et le maintien des systèmes et des processus pertinents portant sur la préparation des états financiers consolidés numériques qui ne comportent pas d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs. L'organe d'administration doit vérifier que les états financiers consolidés numériques correspondent aux états financiers consolidés lisibles par l'utilisateur.



Responsabilité du commissaire

Il nous appartient, sur la base de nos travaux, d'exprimer une conclusion sur le fait que format et le balisage des états financiers consolidés numériques de SPADEL SA au 31 décembre 2021 est, dans tous ses aspects significatifs, conforme aux exigences ESEF dans le cadre du Règlement Délégué.

Nous avons réalisé nos travaux conformément à la Norme internationale de missions d'assurance (ISAE) 3000 (révisée), « *Missions d'Assurance Autres que les Audits ou les Examens d'Informations Financières Historiques* ». Cette norme requiert que nous nous conformions aux exigences déontologiques et que nous planifions et exécutions la mission de façon à obtenir une assurance raisonnable sur la question de savoir si nous avons relevé quoi que ce soit qui nous porte à croire que les états financiers consolidés numériques n'ont pas été préparés, dans tous leurs aspects significatifs, conformément aux exigences et à la taxonomie ESEF à appliquer par la Société.

Le choix des travaux effectués dépend de notre jugement et de l'appréciation du risque d'anomalies significatives dans les états financiers consolidés numériques et dans les déclarations de l'organe d'administration. L'ensemble des travaux que nous avons réalisés comprenait les procédures suivantes :

- Vérifier que les états financiers consolidés numériques sont établis au format XHTML conformément à l'article 3 du Règlement Délégué ;
- Acquérir une connaissance des processus suivis par la Société du balisage des états financiers consolidés numériques et des contrôles internes pertinents pour la certification, dans le but de concevoir des procédures d'audit appropriées selon les circonstances, mais non dans le but d'exprimer une opinion sur l'efficacité des contrôles internes, qui visent à fournir une assurance raisonnable que le balisage XBRL des états financiers consolidés numériques est, dans tous ses aspects significatifs, conforme aux normes techniques de réglementation de l'ESEF ;
- Recueillir des éléments probants suffisants et appropriés sur l'efficacité du fonctionnement des contrôles pertinents pour le balisage XBRL des états financiers consolidés numériques de la société SPADEL SA au 31 décembre 2021 ;
- Réconcilier les données balisées avec les états financiers consolidés contrôlés de SPADEL SA au 31 décembre 2021 ;
- Évaluer le caractère complet des balises des états financiers consolidés numériques établies par la Société ;
- Évaluer le caractère approprié de l'utilisation faite par la Société des éléments iXBRL de la taxonomie ESEF et évaluer la création de la taxonomie d'extension.



Notre indépendance et notre contrôle de qualité

Nous nous sommes conformés aux exigences en matière d'indépendance et autres exigences déontologiques de la législation et réglementation en vigueur en Belgique applicable dans le cadre de notre mission. Ces exigences reposent sur les principes fondamentaux d'intégrité, d'objectivité, de compétence professionnelle et de diligence, de confidentialité et de conduite professionnelle.

Notre cabinet de révision applique l'International Standard on Quality Control (ISQC) n°1 et maintient un système élaboré de contrôle de qualité, y inclus des politiques et procédures documentées concernant les règles d'éthique, les normes professionnelles et les dispositions légales et réglementaires applicables.

Conclusion

Sur la base des travaux effectués, nous sommes d'avis que le format et le balisage des états financiers consolidés numériques de SPADEL SA au 31 décembre 2021 est, dans tous ses aspects significatifs, conforme aux exigences ESEF dans le cadre du Règlement Délégué.

Nous n'exprimons pas dans le présent rapport une opinion d'audit, une conclusion d'examen limité ou toute autre conclusion d'assurance concernant les états financiers consolidés eux-mêmes. Notre opinion d'audit concernant les états financiers consolidés du Groupe est présentée dans le rapport du commissaire en date du 21 avril 2022.

Autre point

Les états financiers consolidés de SPADEL SA ont été approuvés par l'organe d'administration de la Société le 30 mars 2022 et ont été soumis à un contrôle légal. Ce rapport n'est pas une réédition de notre rapport de commissaire aux comptes. Notre rapport du commissaire (signé le 21 avril 2022) comprend une opinion sans réserve sur l'image fidèle du patrimoine et de la situation financière consolidée du Groupe au 31 décembre 2021, ainsi que de ses résultats consolidés et de ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément aux normes internationales d'information financière (*International Financial Reporting Standards*, IFRS), telles qu'adoptées par l'Union européenne, et aux exigences légales et réglementaires applicables en Belgique.

Diegem, le 20 mai 2022

Le commissaire

PwC Reviseurs d'Entreprises SRL
Représenté par

Griet Helsen
Réviseur d'entreprises



GRI table

CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>GENERAL DISCLOSURES</i>						
⌵	102-1	Organisation profile				Cf. p. 2-3
	102-2	Activities, brands, products, and services				Cf. p. 13-25
	102-3	Location of headquarters				Avenue des Communautés 110 - B-1200 Woluwé-Saint-Lambert
	102-4	Location of operations				Cf. p. 12
	102-5	Ownership and legal form				Cf. p. 44; p. 58
	102-6	Markets served				Cf. p. 11-25
	102-7	Scale of the organization				Cf. p. 10
	102-8	Information on employees and other workers				Cf. p. 10; p. 12
	102-9	Supply chain				Cf. p. 32
	102-10	Significant changes to the organisation and its supply chain				No significant changes in 2021
	102-11	Precautionary principle or approach				Cf. p. 42 on risk management; cf. p. 27 financial report



CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>GENERAL DISCLOSURES</i>						
						<p>All commitments are voluntary. Please see 'Our CSR approach' on sourceofchange.spadel.com for the frameworks that inspire and which we apply</p> <p>Global:</p> <ul style="list-style-type: none"> • Spadel has a 3-year partnership with The SeaCleaners, that operates globally to clean oceans and raise awareness on marine litter • Spadel signed up the the Global Commitment of the Ellen MacArthur Foundation. This includes a yearly reporting obligation • Spadel has approved Science Based Targets. this includes a reporting obligation <p>Belgium</p> <ul style="list-style-type: none"> • Spadel is partner in the European project 'Life Ardennes Liégeoises' dealing with enhancing natural sites of the Hautes Ardennes • Spadel is a member of the Belgian Pledge, a commitment of food companies for responsible ad practices • Spadel est founding partner of Goodplanet Belgium • Spadel has a partnership with the cities of Spa and Stoumont to work around the topic 'zéro litter' and the importance of sorting and recycling waste <p>Bulgaria</p> <ul style="list-style-type: none"> • Devin has ongoing media partnerships (unbranded campaigns) with educational content on healthy hydration. Devin also supports a three-stage school program in high schools on healthy hydration, zero littering and recycling in partnership with Ecopack and BCause <p>Pays-Bas</p> <ul style="list-style-type: none"> • Spadel has a 3-year partnership with IVN Natuureducatie. Spadel and IVN 'Nature Education' will focus on the topics of biodiversity and litter. • Spadel signed 'Gezonde voeding op scholen', an initiative of het Voedingscentrum and JOGG. <p>France</p> <ul style="list-style-type: none"> • Carola is an active member of the 'Initiativesdurabels (Idée Alsace)', a network of local companies favouring sustainable development • Carola and Wattwiller are among the first French SMEs obtaining the label 'Entrepreneurs + Engagés'
	102-12	External initiatives				
	102-13	Membership of associations				Cf. p. 26-33
	102-14	Statement from senior decision-maker				Message from Chairman and CEO: p. 4-7
	102-16	Values, principles, standards, and norms of behaviour				The Spadel values are: agility, ownership, excellence et togetherness Cf. www.spadel.com
	102-18	Governance structure				For CSR: see 'Our CSR approach' on www.sourceofchange.spadel.com ; for Spadel: cf. p. 26-33



CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>GENERAL DISCLOSURES</i>						
		≈				
	102-40	List of stakeholder groups				In 2020, extensive stakeholder consultations (almost 100 in total) took place as part of the development of our new CSR strategy 2025, called Source of Change. For a more detailed description, cf. CSR Report 2020. The Source of Change strategy was launched at the beginning of 2021. 2021 focused on the roll-out of the strategy. As part of our regular activities numerous stakeholder contacts took place, for example within the framework of our partnerships with The SeaCleaners, INV Natuureducatie etc. Cf. also www.sourceofchange.spadel.com for our main partners in each market and the frameworks we use
	102-41	Collective bargaining agreements				Belgian employees fall under collective labour agreement
	102-42	Identifying and selecting stakeholders				Cf. indicator 102-40
	102-43	Approach to stakeholder engagement				Cf. indicator 102-40
	102-44	Key topics and concerns raised by stakeholders				Cf. indicator 102-40
	102-45	Entities included in the consolidated financial statements				Cf. p. 77
	102-46	Defining report content and topic boundaries				Cf. p. 26
	102-47	List of material topics				In 2021 Spadel launched its new CSR strategy 2025, Source of Change, cf. p. 26
	102-48	Restatements of information				-
	102-49	Changes in reporting				Following the launch of our CSR strategy 2025, Source of Change, reporting in the 'topic specific disclosures' follows the new strategy's four pillars
	102-50	Reporting period				1 January 2021-31 December 2021
	102-51	Date of most recent report				April 2021 on data 2020. This report, and previous ones, are available on sourceofchange.spadel.com
	102-52	Reporting cycle				Annual update of basic data; ongoing update of actions and progress during the year via sourceofchange.spadel.com
	102-53	Contact point for questions regarding the report				Ann Vandenhende CSR Manager a.vandenhende@spadel.com
	102-54	Claims of reporting in accordance with the GRI Standards				This report has been prepared in accordance with the GRI Standards
	102-55	GRI content index				Cf. p. 26
	102-56	External assurance				-
	103-1 G4 DMA,a	Explanation of the material topic and its boundary				Cf. p. 26. The report explains in short why each pillar of the CSR strategy constitutes a material issue



CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>GENERAL DISCLOSURES</i>						
⌘	103-2	The management approach and its components				This annual CSR report summarises the main information regarding the material topics, targets and progress. More information can be found on sourceofchange.spadel.com , including on the governance of the CSR strategy
	103-3	Evaluation of the management approach				This annual CSR report summarises the main information regarding the material topics, targets and progress. More information can be found on sourceofchange.spadel.com , including on the governance of the CSR strategy

CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>TOPIC SPECIFIC DISCLOSURES LINKED TO CSR STRATEGY</i>						
Climate ⌵	305-1	Direct (Scope 1) GHG emissions	tonnes CO ₂ -eq	10,306.3 (excl. Brecon Carreg)	6	SBTi targets for Scope 1 and 2 have been achieved in 2021 thanks to energy saving in all sites, green gas in Spa Monopole (cogeneration) and green electricity to all sites
	305-2	Energy indirect (Scope 2) GHG emissions	tonnes CO ₂ -eq	3,499.6 (excl. Brecon Carreg)	307	SBTi targets for Scope 1 and 2 have been achieved in 2021 thanks to energy saving in all sites, green gas in Spa Monopole (cogeneration) and green electricity to all sites
	305-3	Other indirect (Scope 3) GHG emissions	tonnes CO ₂ -eq	110,691.8 (excl. Brecon Carreg)	110	All reduction actions (light weighting, rPET, rfilm, less glass one way and RGB actions) are offset by volumes increase
	305-4	GHG emissions intensity	g CO ₂ -eq/litre	144.7 (excl. Brecon Carreg)	132	
	305-5	Carbon footprint reduction	%	-19	-29	vs 2010 baseline 187.1
	302-1	Energy consumption	MWh	78,289 (excl. Brecon Carreg)	83,341	
	302-1	Renewable energy consumption	%	33	67	Spadel uses 67 % of renewable energy (mainly green electricity in all production sites and green gas in Spa as well some wood pellets in Devin). Since 2010, the perimeter of Spadel has been changed several times (factory purchase and sale). So for this KPI we decided to keep the original perimeter and to compare with the current one. In 2010, the total energy consumption was 93,606 MWh for 514 Mios L and in 2021, it was 83,341 MWh for 883 million litres
	302-4	Energy efficiency	%	-16	-11	
	302-4	Energy reduction per bottled litre	% / litre	-49	-48	Since 2010, the perimeter of Spadel has been changed several times (factory purchase and sale). So for this KPI we decided to keep the original perimeter and to compare with the current one. In 2010, the total energy consumption per liter was 0.182 and in 2021, it was 0.094



CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>TOPIC SPECIFIC DISCLOSURES LINKED TO CSR STRATEGY</i>						
Packaging ⌵	301-1	Total material use	tonnes	26,430 (incl. Devin)	26	This figure includes all primary, secondary and tertiary single use packaging materials
	301-2	Total recycled material use	%	11.9	24.8	This KPI can be looked at from a lot of different angles. Here we state the total recycled content in single-use packaging. Progress is made thanks to the inclusion of recycled PET in our bottles and recycled plastic around our packs. Cf. also p. 28
Biodiversity	-	All sites biodiversity positive	#	0	1	With defined a new KPI for CSR strategy 2025: to have all sites (8) biodiversity positive by 2025. Cf. p. 29
Protection ⌵	304-3	Protection of water resources	ha	22,748 (excl. Brecon Carreg)		In 2020, Brecon is no longer part of the Spadel Group. So Spadel protects a nature reserve area covering a total of 2,748 ha in 2021 <ul style="list-style-type: none"> • Spa: 13,177 ha (1,343 ha Natura 2000) • Bru: 4,258 ha • Devin: 4,515 ha • Wattwiller: 798 ha (PLU Natural zone) • Carola: no protected Area but Carola et Wattwiller (France) sont inclus dans le Parc Naturel 'Les Ballons des Vosges' de 292,100 ha
	-	Number of sites 'Gold' rated	#	1	1	Following the merger between EWS and AWS, Spadel now applies the AWS framework. Cf. p. 30
	303-1	Water consumption	million litres	1,322		In 2020, a total of 1,322 million litres were used for the bottling process in the Group Spadel. 100 % of the water came from ground water.
	303-2	Water exploitation Index	%	<10 (all sites)	<10 (all sites)	Cf. p. 30
	303-3	Water reuse	million litres	92		The hygiene legislation in the food sector limits the possibilities of recycling water on the production sites. However in 2020 Spadel managed to reuse 12% at Spa Monopole only of the water consumption to cool the pumps and wash the production lines. This represents 92,000 m ³ . Goal for CSR strategy is reached and even exceeded (1.6l/l)
	306-1	Water discharge	million litres	376		The total volume of waste water for 2020 was 376 million litres, of which 86% passes through a biological and physical treatment plant or a public water purification system with the same treatment. Only in Bulgaria, the public treatment is not completed
	307-1	Penalties or objections to formal procedures - environment	#	none	none	Spadel complies with all national, European and global legislations. No monetary or non-monetary sanctions were imposed at an ecological, economic or social level
	303-3	Water use ratio	litre/litre	1.54		Target from CSR strategy 2020 (1.60 litre/litre) achieved and exceeded
	Ingredients ⌵	416-1	Average calorie content of flavoured waters and lemonades	kcal/100 ml	9.1	8.9
416-1		Products according to Spadel naturality framework	%	100	100	Spadel and its stakeholders jointly developed a framework for natural products. All recipes were aligned with the Naturality concept
Local Selling	-	Min distribution in local and regional markets	%	98	97.9	We deliberately choose not to export our products further than 500 km from the factories. Only Wattwiller falls out of the 500 km range as it is sold in most of France and its factory is located in the Alsace region



CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>TOPIC SPECIFIC DISCLOSURES LINKED TO CSR STRATEGY</i>						
Local Buying	204-1	Purchases within radius of 500 km	%	94	97	
	308-1 414-1	Percentage of new strategic suppliers screened by EcoVadis	%	100	100	
	308-2	Evaluation of strategic suppliers (EcoVadis)	%	88	92	68 strategic suppliers are screened and followed by EcoVadis or Sedex on a total of 74 suppliers
	308-2	Evaluation of strategic suppliers (SSPP)	%	83	81	SSPP principles are also indirectly incorporated in EcoVadis. Only 2 suppliers are not on EcoVadis or didn't sign SSPP
	407-1 408-1 409-1 412-1	Identified risks in the supply chain	#	0	0	During the screening by EcoVadis, not one single strategic supplier was rated in the last 'high risk' category
Local Employing	-	Local employment (<500 km)	%	98	98	
Engagement	404-2	Number of trainings on sustainability for the employees of the Spadel Group	#	8	7	The new CSR strategy was launched at all sites and in different teams. There were individual and group introductions on CSR for new colleagues. Due to Covid most was done online
	413-1	Number of participants from the Spadel Group to the Citizen Days	#	98	47	Severe impact due to Covid measures, a limited version of the OCD was organised in the Brussels and Made offices. We achieved our target of collecting 12,000 items (measured by Litterati app)
	-	Trust Index score for the Spadel Group, according to the Great Place to Work™ survey	%	-	72	All Spadel sites were Great Place to Work certified for the 1 st time in 2021. Cf. p. 32-33
	401-1	Personnel turnover	%	1.25	13.9	Staff turnover at Spadel in 2021 was 13.90%
	403-2 (2016)	Absenteeism	%	5.44	4.59	Absenteeism across the whole Spadel Group reached 4.59% in 2021
	404-1	Employee trainings	hours	18		
	405-1	Distribution men/women	%	men: 71.80 women: 28.20	men: 72.05 women: 27.95	
	406-1	Complaints concerning discrimination	#	none	none	No complaints concerning discrimination in 2021
Safety						
Partnering						



CSR Platform	GRI Disclosure	Subject	Unit	Data 2020	Data 2021	More information
<i>TOPIC SPECIFIC DISCLOSURES NOT LINKED TO CSR STRATEGY</i>						
	201-1	Turnover (before tax)	million euro			Cf. p. 10
	206-1	Legal anti-competition actions	#	0	0	In 2021 no legal actions were undertaken against Spadel regarding anti-competitive behaviour
	415-1	Political contributions	#	0	0	Spadel does not provide any political support
	416-2	Number of recalls	#	0	0	No takebacks were necessary in 2021
	417-1	Information on the label				Spadel follows directive (EU) 1169/2011 of the European Parliament and European Council of 25 October 2011 relating to labelling, presentation and advertising of food matters. For all waters and soft drinks (non-alcoholic beverages) the ingredients are stated on the label. Information concerning disposal of the container is optional and given in 35% of the range. Our one way packaging has to be recycled, so the Green Dot (Fostplus) appears on all the one way packaging for Belgium and the waste bin for the Netherlands. With regard to France, we refer to the TRIMAN logo on our packaging or our websites as permitted by the current regulations
	417-2	Violations of label information	#	0	0	There have been no violations in 2021
	417-3	Violations of voluntary marketing codes	#	0	0	There have been no violations in 2021
	418-1	Violations of confidentiality of information	#	0	0	There have been no violations in 2021
	419-1	Fines and non-monetary sanctions	#	0	0	There have been no fines in 2021



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