ECOSLOPS 2021 ANNUAL RESULTS

New milestone in the Group's development: positive EBITDA 2021 excluding the launch of the Marseille unit, confirming the Group's strengths in the energy and circular economy markets

Paris, April 12, 2022, 7:30 p.m. - Ecoslops, the cleantech company that brings oil into the circular economy, announces the results for the year ended December 31, 2021, as approved by the Board of Directors at its meeting on April 12, 2022.

- **Turnover of €12.45M, up 116%**
- **EBITDA of (€1.5M) with a strong acceleration in the second half of the year and positive EBITDA excluding Ecoslops Provence**
- **A business model based on the recycling of hydrocarbon waste, more than ever adapted to the needs of independence and energy transition**
- **Multiple development opportunities identified for 2022 and beyond**

Operational highlights for the year 2021

After a year 2020 affected by the health crisis and its repercussions on oil prices, the group has taken an important step in its development in 2021, with :

• The start-up of the Marseille unit
The first half of the year saw the completion of the construction work, which enabled the unit to be delivered on July 2, 2021, in the presence of the presidents of the two groups: Ecoslops and TotalEnergies. After the completion of operational and safety tests, as well as the approval of the products by a large panel of new customers, the fourth quarter saw the start of the ramp-up with the production of 1,500 tons of refined products, of which 500 tons were sold during the year, representing €0.2 million of turnover ;

• The sale, in March 2021, of the first Scarabox® unit which, given its degree of completion on December 31, 2021, represents an additional turnover of €3.7 million;

• A return to favorable market conditions for the Sines unit with Brent crude oil prices rising from an average of $43.3/bbl in 2020 to $70.8/bbl in 2021. Ecoslops Portugal's turnover has thus increased from €5.7M in 2020 to €8.5M in 2021, despite a 2-month shutdown at the beginning of the year pending the extended renewal of the operating permit, generating an annual EBITDA of €1.6M, including €1.5M in the alone second half of the year, which represents a historic performance.

As a result, the Group's EBITDA has improved from (€3.0M) in 2020 to (€1.45M) in 2021 and breaks down as follows:

in €'000	HY1	HY2	FY 2021	FY 2020
Ecoslops Portugal	110	1 525	1 635	-828
Holding costs & Scarabox	-1 177	-271	-1 148	-2 060
Perimeter excl. Marseille ramp-up	**-1 067**	**1 254**	**187**	**-2 888**
Ecoslops Provence	-201	-1 438	-1 639	-84
Total	**-1 268**	**-184**	**-1 452**	**-2 972**

Excluding Ecoslops Provence, which recorded a negative EBITDA linked to the ramp-up phase of the Marseille unit, the Group achieved a positive annual EBITDA of €0.2 million, including €1.3 million in the second half of the year.

Strengthening the Ecoslops business model

With the completion of the Scarabox® project and the start-up of the Marseille unit, the group is significantly strengthening its business model in the circular economy in the field of hydrocarbon residues:

- by developing, as far as the Scarabox is concerned, an industrial equipment activity allowing, in addition to slops and sludge, the revalorization of used waste oils. This industrial solution is above all an economic and environmental solution for developing countries.

- doubling its production capacity (from 30,000 to 60,000 metric tons/year) in its own P2R units, with the Marseille unit.

These two activities are complementary (know-how, teams, references, etc.) but largely independent in terms of development. Revenues from operating the P2R units are linked to the price of oil products, while revenues from the equipment manufacturer business (Scarabox®) are based on the number of units sold and in service. In addition, because they are 100% circular, these innovations contribute to reducing the carbon footprint.

Consolidated income statement 2021 (in k€) - Analytical presentation

(Based on audited accounts, reports in progress)

in €'000	FY 2021		FY 2020	
	Turnover	Gross margin	Turno-ver	Gross margin
Refined products	6 517		3 768	
Scarabox	3 734		0	
Port services & others	2 196		1 985	
Total Turnover / GM	**12 447**	**6 535**	**5 753**	**3 417**
Other income		397		397
Personnel expenses		-3 652		-3 492
Other expenses		-4 673		-3 226
Taxes		-59		-69
EBITDA		**-1 452**		**-2 973**
Depreciation		-1 790		-1 577
Financial result		**-1 720**		**-657**
Corporate tax		697		66
Net Result		**-4 264**		**-5 141**
Net Result - Part for the Group		**-3 720**		**-5 067**

Refined Products turnover has risen sharply, from €3.8M in 2020 to €6.5M in 2021. This 73% increase comes from 6% of the Marseille unit (which produced and sold 1,500 and 500 tons respectively, representing €0.2 million of turnover) and 67% from the Sines unit. Indeed, after a two-month shutdown at the beginning of the year (waiting for the renewal and extension of the operating permit) which represented a loss of 4,500 tons, the Sines unit produced 21,960 tons over the year, including a historical record of 13,889 tons in the second half. In summary, this 67% can be broken down into a +1% volume effect and a +66% price/mix effect with an average sales price that has risen from 201€/

Tonne in 2020 to 332€/Tonne in 2021. In the Refined Products activity, the sharp drop in oil prices had deteriorated the gross margin rate in 2020. The recovery of oil prices and the implementation of hedging contracts on Brent crude have enabled us to restore a gross margin rate well above 50% in 2021.

The Cameroonian company, Valtech Energy, customer of the first Scarabox® unit, has lifted the condition precedent related to its financing in December 2021. This will lead to a delivery of the unit in May 2022. As of December 31, 2021, the construction of the unit was 93% complete, corresponding to a turnover of €3.7M.

The increase in personnel costs is €0.16 million. This is linked to the freezing of variable remuneration in 2020 and to general cost control.

External expenses increased by €1.45 million, entirely attributable to the start-up of the Marseille unit.

The financial result has deteriorated by €1 million, due to the entry into force in 2022, on the basis of the 2021 accounts, of the «royalty fees» on the loan from the European Investment Bank. A provision of €0.87 million has therefore been made for these royalty fees, which are calculated as a percentage of consolidated turnover.

Corporate income tax represents an income of €0.7 million and breaks down into a tax income of €0.4 million relating to the research tax credit, and the recognition of deferred tax assets in Portugal for an amount of €0.3 million.

Consolidated balance sheet as of December 31, 2021

(Audited accounts and reports in progress)

in €'000	FY 2021	FY 2020	Var. €k	Var. %
Intangible assets	1 441	1 209	232	19%
Tangible assets	34 342	32 811	1 531	5%
Financial assets	180	175	5	3%
Fixed assets	**35 963**	**34 195**	**1 768**	**5%**
Inventory	1 510	1 391	119	9%
Trade receivables	5 090	486	4 604	947%
Other receivables	1 721	1 785	(64)	(4)%
Deferred tax asset	1 348	1 023	325	32%
Cash and cash equivalent	6 340	7 955	(1 615)	(20)%
Prepaid expenses	1 036	1 071	(35)	(3)%
Current assets	**17 045**	**13 711**	**3 334**	**24%**
Total Assets	**53 008**	**47 906**	**5 102**	**11%**

in €'000	FY 2021	FY 2020	Var. €k	Var. %
Capital & Reserves	19 734	18 676	1 058	6%
Investing subsidy	1 556	1 654	(98)	(6)%
Minority shareholders	590	1 134	(544)	(48)%
Net result - Part for the Group	(3 720)	(5 067)	1 347	(27)%
Equity	**18 160**	**16 397**	**1 763**	**11%**
Prov. for Risks & Charges	**180**	**250**	**(70)**	**(28)%**
Financial debt	**28 952**	**26 552**	**2 400**	**9%**
Trade payables	4 113	2 969	1 144	39%
Social and tax liabilities	1 053	1 154	(101)	(9)%
Other payables	550	584	(34)	(6)%
Current liabilities	**5 716**	**4 707**	**1 009**	**21%**
Total Liability & Equity	**53 008**	**47 906**	**5 102**	**11%**

Financial position and cash flows

As of December 31, 2021, the Group had nearly €6.3 million in cash (€1.6 million compared to December 31, 2020) and net debt of €22.6 million (vs. €18.6 million as of December 31, 2020). The change in cash flow is analyzed as follows:

in €'000	FY 2021	FY 2020
EBITDA	**(1 452)**	**(2 972)**
Investment subsidy recognition	(126)	(126)
Operating working capital variance	(2 421)	1 728
Operating cashflow	**(3 999)**	**(1 370)**
Capital expenditure	(3 410)	(8 756)
Investing working capital variance	(1 075)	(608)
Investing cashflow	**(4 485)**	**(9 364)**
Ecoslops Provence SHL	1 270	550
Capital increase	6 125	-
Loans	318	12 610
Interests	(844)	(449)
Financing cashflow	**6 869**	**12 711**
Cash variance	**(1 615)**	**1 976**

Opening cash balance	7 955	5 979
Closing cash balance	6 340	7 955
Variance	**(1 615)**	**1 976**

It should be noted that the closing cash position is impacted by the change in operating working capital. Indeed, the first payment related to the sale of the Scarabox® (2.4M€) as well as the reimbursement of the 2020 research tax credit (0.4M€) were received at the beginning of 2022, and not at the end of 2021 as expected.

Finally, it is recalled that the parent company, Ecoslops SA, has completed at the end of October 2021 a capital increase in cash with cancellation of the preferential subscription right of 6.1 M€ (net of fees and commissions).

Perspectives

Regarding P2R, Ecoslops is engaged in discussions about possible locations in the ports of Antwerp, Singapore and the Suez Canal (for the latter, the prerequisite is the installation of a collection station for marine residues). Even if the commercial process has been slowed down by the health crisis, the group's ambition is to sign one of these three projects in 2022. In this respect, in October 2021 the group signed a partnership agreement with Mercuria Energy Group, the purpose of which is to study together the feasibility of port infrastructure projects for the collection and recycling of hydrocarbon residues in the Middle East and South East Asia.

For the Sines unit in Portugal, the company plans to produce around 25,000 tonnes in 2022.

For the Marseille unit, after a start of operation in 2021 which produced 1,500 tons, the objective for 2022 is to continue to make the installation reliable and to gradually increase its capacity in order to produce 10,000 tons, then to reach full capacity in the following years.

Regarding the Scarabox®, Ecoslops continues to develop a portfolio of prospects, the most advanced of which are located on the African continent. To accelerate the commercial development and to gain a foothold on this virgin market, the group has signed a technical and commercial partnership with Greenflow, a company offering feedstock treatment equipment upstream of the Scarabox® vacuum distillation column. The objective for 2022 is to contract two new sales. It is reminded that the Group's strategy is to be a minority shareholder in Scarabox® projects in order to guarantee a long term technical and industrial support to the customer companies. In this perspective, the group has taken in February 2022 a 17% stake in the capital of Valtech Energy for an amount of 600k€.

ESG

The results of the Gaïa Research 2021 evaluation campaign (covering the year 2020) were published in February 2022 and confirmed the group's continued progress in terms of ESG performance. With an overall score of 68/100, an increase of 5 points compared to the previous year, the group ranks 12th /140 on the scope of companies with less than €150 million in turnover (compared to 12th / 78 in the previous campaign). With a score of 85/100 for environmental criteria, the company is above the industry sector benchmark (61/100 on average), as well as in the social field with 70/100 (compared to 59/100 for the benchmark), and is progressing in terms of governance with 64/100 (within the benchmark average).

The Ecoslops Group is committed to continuous improvement of its ESG performance.

Financial calendar
Combined Shareholders' Meeting : 9 June 2022
Publication of half-yearly results: 21 September 2022

ABOUT ECOSLOPS

Ecoslops is listed on Euronext Growth in Paris
Code ISIN : FR0011490648 - Ticker : ALESA / PEA-PME eligible
Investor Relations : ir@ecoslops.com - +33 (0)1 83 64 47 43

Ecoslops is the cleantech that brings oil into the circular economy thanks to an innovative technology allowing the company to upgrade oil residues and used lub oil into new fuels and light bitumen. The solution proposed by Ecoslops is based on a unique micro-refining industrial process that transforms these residues into commercial products that meet international standards. Ecoslops offers an economic and more ecological solution to port infrastructure, waste collectors and ship-owners through its processing plants.