

## ECOSLOPS 2022 ANNUAL RESULTS

### **Ecoslops: 2022 EBITDA and operational cash-flow positive for the first time, a key step taken by the Group**

*Paris, April 12th 2023, 8h30 - Ecoslops, the cleantech that brings oil into circular, announces the results for the year ended December 31st, 2022, as approved by the Board of Directors at its meeting of April 11, 2023.*

- **Revenues of €19 million, up 53%**
- **EBITDA\* 1.1 million at group level, a major milestone achieved by the Group**
- **2023: Signature of a strategic partnership with PARLYM for Africa to accelerate the development of the Scarabox®**

#### **Operational highlights for fiscal year 2022**

- Excellent performance of the Sines unit in Portugal, which saw its revenues increase by 70%, from €8.5 million to €14.4 million, resulting in a record EBITDA of €4.9 million (€1.6 million in 2021), or 34% of revenues.
- The ramp-up of the Marseille unit, which generates €4.3M in revenues in 2022 (€0.2M in 2021). EBITDA is still negative by €1M (improving by €0.6M vs. 2021) but would have been close to breakeven in the second half of the year without the impact of the refinery shutdown (social movement on purchasing power).
- The shipment, at the end of the year, of the first Scarabox® unit to Cameroon.

More generally, the Group benefited from very favourable market conditions for P2R units, with Brent rising from an average of 71\$/bbl in 2021 to 99\$/bbl in 2022. As gas prices were responsible for a particularly strong demand for fuel oil and gasoil, the selling prices of finished products increased even more.

The group's EBITDA has thus increased from -€1.4M in 2021 to +€1.1M in 2022.

Excluding Ecoslops Provence, which is in a ramp-up phase, the group's EBITDA would be +€2.1M in 2022 (vs. +€0.2M in 2021).

The group's operating cash flow was +€2.9 million for the year. Excluding Ecoslops Provence, it is +3.7 M€. This confirms the relevance of the business model and the alignment of cash flows with results.

**Consolidated income statement 2022 (in k€) - Analytical presentation**
*(Based on audited accounts, reports in progress)*

In €'000	FY 2022	FY 2021	Variance
Refined products	16 632	6 517	+10 115
Scarabox	266	3 734	-3 468
Port services & others	2 133	2 196	-63
<b>Total Turnover</b>	<b>19 031</b>	<b>12 447</b>	<b>+6 584</b>
<b>Gross Margin</b>	<b>11 414</b>	<b>6 535</b>	<b>+4 879</b>
Gross Margin rate	60%	53%	74%
Other income	175	397	-222
Personnel expenses	-3 771	-3 652	-119
Other expenses	-6 511	-4 673	-1 838
Taxes	-213	-59	-154
<b>EBITDA</b>	<b>1 094</b>	<b>-1 452</b>	<b>+2 546</b>
Depreciation / Provision	-2 586	-1 790	-796
<b>Financial result</b>	<b>-1 325</b>	<b>-1 720</b>	<b>+395</b>
<b>Extraordinary result</b>	<b>-62</b>	<b>-</b>	<b>-62</b>
Corporate tax	419	697	-278
<b>Net Result</b>	<b>-2 460</b>	<b>-4 264</b>	<b>+1 804</b>
<b>Net Result - Part for the Group</b>	<b>-1 793</b>	<b>-3 720</b>	<b>+1 927</b>

The Group's revenues benefited in FY 2022 from the strengthening of its Refined Products business, +155%, with:

- A strong increase in sales volume of +51%, representing 29,500 tons (compared with 19,500 tons in 2021)
- A very significant increase in the average sales price of +69%, linked in particular to very favourable conditions on the energy markets (+57% on Brent converted into €).

The gross margin rate rose from 53% to 60%, benefiting from higher pressure on the sale prices of finished products (notably fuel oil and gasoil) than on the purchase prices of slops.

The increase in personnel costs is €0.16 million, or 3%. However, the 2021 financial year included a reversal of provision (no longer applicable) in the amount of €0.15 million. The personnel expenses have therefore remained stable between the two fiscal years.

External expenses increased by €1.8 million, of which €1 million was attributable to Ecoslops Provence (start of production in the second half of 2021 as opposed to a full year in 2022) and €0.8 million to Ecoslops Portugal, which was impacted for €0.4 million by the increase in the price of electricity and by additional maintenance and transport costs on sales.

Net financial result was a loss of €1.3 million. This mainly comprises the interest expense on the EIB loan for €1 million.

The corporate income tax represents an income of €0.4 million and is composed of a tax income of €0.4 million related to the research tax credit, the recognition of deferred tax assets in Portugal for an amount of €0.2 million and a current tax charge in Portugal of €0.2 million.

### Consolidated balance sheet at December 31, 2022

(Based on audited accounts, reports in progress)

In €'000	FY 2022	FY 2021	Var. k€	Var. %
Intangible assets	1 117	1 441	(324)	(22)%
Tangible assets	33 182	34 342	(1 160)	(3)%
Financial assets	783	180	603	+335%
<b>Fixed assets</b>	<b>35082</b>	<b>35963</b>	<b>(881)</b>	<b>(2)%</b>
Inventory	1 314	1 510	(196)	(13)%
Trade receivables	4 049	5 090	(1 041)	(20)%
Other receivables	1 713	1 721	(9)	(0)%
Deferred tax asset	1 527	1 348	179	+13%
Cash and cash equivalent	6 870	6 340	530	+8%
Prepaid expenses	869	1 036	(168)	(16)%
<b>Current assets</b>	<b>16341</b>	<b>17045</b>	<b>(704)</b>	<b>24%</b>
<b>Total Assets</b>	<b>51 423</b>	<b>53008</b>	<b>(1 585)</b>	<b>(3)%</b>

	FY 2022	FY 2021	Var. k€	Var. %
Capital & Reserves	16 014	19 734	(3 720)	(19)%
Investing subsidy	1 460	1 556	(96)	(6)%
Minority shareholders	(77)	590	(667)	(113)%
Net result - Part for the Group	(1 793)	(3 720)	1 927	(52)%
<b>Equity</b>	<b>15604</b>	<b>18160</b>	<b>(2556)</b>	<b>(14)%</b>
<b>Conditional advance</b>	<b>838</b>	<b>0</b>	<b>838</b>	<b>N/A</b>
<b>Prov. for Risks &amp; Charges</b>	<b>96</b>	<b>180</b>	<b>(84)</b>	<b>(47)%</b>
<b>Financial debt</b>	<b>29211</b>	<b>28952</b>	<b>259</b>	<b>1%</b>
Trade payables	3 995	4 113	(118)	(3)%
Social and tax liabilities	1 029	1 053	(24)	(2)%
Other payables	650	550	100	+18%
<b>Current liabilities</b>	<b>5674</b>	<b>5716</b>	<b>(42)</b>	<b>(1)%</b>
<b>Total Liability &amp; Equity</b>	<b>51 423</b>	<b>53008</b>	<b>(1 585)</b>	<b>(3)%</b>

## Financial position and cash flows

As of December 31, 2022, the Group had nearly €6.9 million in cash (+€0.5 million compared to December 31, 2021) and net debt of €23.2 million (vs. €22.6 million as of December 31, 2021). The change in cash and cash equivalents can be analysed as follows:

	FY 2022	FY 2021
<b>EBITDA</b>	<b>1 094</b>	<b>(1 452)</b>
Investment subsidy recognition	(124)	(126)
Operating working capital variance	1 886	(2 421)
<b>Operating cashflow</b>	<b>2 856</b>	<b>(3 999)</b>
Capital expenditure	(961)	(3 410)
Investing working capital variance	(526)	(1 075)
Acquisition of stake - Valtech Energy	(603)	-
<b>Investing cashflow</b>	<b>(2 090)</b>	<b>(4 485)</b>
Ecoslops Provence SHL (TotalEnergies)	683	1 270
Capital increase	-	6 125
Conditional advance	838	
Loans	(255)	318
Interests	(1 502)	(844)
<b>Financing cashflow</b>	<b>(236)</b>	<b>6 869</b>
<b>Cash variance</b>	<b>530</b>	<b>(1 615)</b>
Opening cash balance	6 340	7 955
Closing cash balance	6 870	6 340
<b>Variance</b>	<b>530</b>	<b>(1 615)</b>

The operating cash-flow is + €2.9 million thanks to a positive change in working capital of €1.9 million, linked to the receipt in January 2022 of the first payment for the sale of the Scarabox® in Cameroon.

Cash-flow from investments amounted to - €2.1 million and includes, in addition to the recurring investments related to the two P2R units (including the payment for the completion of the Marseille unit), €0.6 million for the acquisition of an equity stake in Valtech Energy.

Finally, transactions related to financing resulted in a net cash outflow of €0.2 million, including €1.5 million of interest on loans and €0.3 million in loan repayments, as well as the contribution of €0.7 million in the form of an associate's current account by TotalEnergies for Ecoslops Provence's working capital and €0.8 million in the form of an advance on a subsidy (entered in the balance sheet as a conditional advance).

## Strategy and Developments

Concerning the Scarabox<sup>®</sup>, Ecoslops announced the signature of a partnership with the PARLYM group, a company specialized in the engineering of energy infrastructure projects, with a turnover of more than €150 million, of which 50% on the African continent (where it has been established for over 50 years).

This agreement will take the form of a joint venture (Parlym 80%/Ecoslops 20%) whose purpose is to invest with a majority stake in the local projects co-developed and financed by the two partners. Ecoslops' objective is to build a portfolio of customers worldwide for its units, allowing it to generate revenues throughout the life of the project: sale of the Scarabox<sup>®</sup>, multi-year technical assistance, dividends as a shareholder.

In the very short term, Parlym will take, alongside Ecoslops, a minority stake in Valtech Energy in Cameroon (first customer of the Scarabox<sup>®</sup>). The two partners also aim to make a second investment in 2023 in Ivory Coast, as soon as the regulatory approvals have been granted. Ecoslops' objective is to set up at least one unit per year under this agreement. Parlym brings its historical presence on the African continent, the securing of project financing and its expertise in project management. Ecoslops brings its know-how and technology in waste recovery, as well as its commercial partnerships.

Ecoslops aims to sell at least one more unit per year in the short term in different territories not covered by this agreement and to develop other such partnerships around the world.

As a result, the Ecoslops group has chosen to focus its technical and financial resources on the most profitable activities, those that generate the most cash flow in the short term and promise growth in the medium term. This is why it has been decided to:

- Develop more rapidly and in partnership the sales of Scarabox<sup>®</sup>, generating quick cash flow and margins;
- Focus efforts on cash flow generation for Ecoslops Provence and Portugal P2Rs;
- Move from a manufacturer/funder/operator model to a model of licensing its technology and know-how for new P2Rs.

As the Antwerp and Singapore projects have the characteristic of requiring long development times (several years), high financing requirements and long payback periods, it was decided to focus the group's resources on existing assets and no longer on these projects, in view of the fact that the return on investment is too distant for Ecoslops.

In Egypt, the request of Ecoslops for a fixed contribution from each vessel to secure the revenues of the project (environmental tax) was not endorsed by the authorities, and this project has become too risky in terms of business model (commercial risk on the turnover to be carried by Ecoslops). It is useful to recall that the study costs were covered by the funding in the form of a FASEP grant.

## ESG

As a player in circular economy, Ecoslops places major importance on environmental issues, in addition to societal and governance issues. In this context, the Group published its third sustainability report on May 30, 2022.

The Group's commitment to continuous improvement was illustrated in 2022 by the new rise in its ESG rating resulting from the Gaïa Research 2021 campaign. The company thus confirmed its performance as a gold medallist, ranked 39th/371 in the general panel (compared to 170th/390th in the previous campaign), and 14th/126 in the panel of companies with revenues of less than €150 million.

## Perspectives for 2023

In 2023, for the Sines unit in Portugal, the company expects a production of around 25,000 tons for the year.

For the Marseille unit, after a beginning of 2023 penalised by a maintenance phase, and then by the impossibility of restarting due to the social movement impacting French refineries (pension reform), the initial objective of producing 15,000 tonnes over the year has been revised downwards to 11,000 tonnes for these conjunctural reasons.

Finally, Ecoslops aims to contract the sale of a new Scarabox® in Ivory Coast this year.

*\*: EBITDA = Earnings before interest, taxes, depreciation and amortization.*

## Financial Agenda

Combined General Meeting: June 13, 2023

Publication of first-half 2023 revenues: July 12, 2023

Publication of half-yearly results: September 26, 2023

## ABOUT ECOSLOPS

Ecoslops is listed on Euronext Growth in Paris

Code ISIN : FR0011490648 - Ticker : ALESA / PEA-PME eligible

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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.