

## ECOSLOPS ANNUAL RESULTS 2023

Paris, Avril 18, 2024, 7:30 pm - Ecoslops, the cleantech company that brings oil into the circular economy, announces its results for the year ended December 31, 2023, as approved by the Board of Directors at its meeting on April 18, 2024.

- **Disposal of Ecoslops Provence, enabling refocusing on profitable, forward-looking activities**
- **EBITDA 2023 breakeven on activities retained by the Group**
- **ISCC PLUS certification obtained for Ecoslops Portugal**

### Highlights of the 2023 financial year

- Disposal of Ecoslops Provence in progress at year-end and finalized on February 29, 2024 as previously announced  
As a result, the Group's consolidated net result has been heavily impacted by the now non-recurring Ecoslops Provence-related costs of €5.5M€.
- Satisfactory results in Portugal, with an EBITDA of 2.4M€, despite lower business volumes and oil prices than in 2022.
- Group refocused on Ecoslops Portugal and the development of the Scarabox®, profitable and growth-generating activities
- Savings plan in place for support functions to adjust to the new scope (-20%, i.e. -0.5M€)

### Consolidated income statement 2023 (in M€) - Analytical presentation

(Based on audited financial statements, reports in progress)

Considering the disposal of Ecoslops Provence, the analytical presentation of the consolidated income statement below takes into account the Group's new scope and isolates the non-recurring impact of costs relating to Ecoslops Provence and its disposal, amounting to (5.5)M€, namely:

	2022	2023
Annual loss Ecoslops Provence	(2,2)	(2,9)
Provision for deconsolidation		(1,8)
Restructuring fees		(0,7)
Total	(2,2)	(5,5)

	31/12/2022	31/12/2023	Variation
Refined products (P2R)	12,3	7,9	-4,4
Scarabox	0,3	0,0	-0,3
Port services & others	2,1	2,4	0,3
<b>Total Turnover</b>	<b>14,7</b>	<b>10,3</b>	<b>-4,5</b>
<b>Gross Margin</b>	<b>9,0</b>	<b>7,0</b>	<b>-2,1</b>
Gross Margin rate	61%	68%	
Personnel expenses	-3,3	-3,1	0,2
Other expenses	-3,7	-3,8	-0,1
Taxes	-0,1	-0,2	-0,1
<b>EBITDA</b>	<b>2,0</b>	<b>-0,1</b>	<b>-2,1</b>
Depreciation / Provision	-1,4	-1,5	-0,1
<b>Financial result</b>	<b>-1,1</b>	<b>-1,3</b>	<b>-0,2</b>
Corporate tax	0,4	0,3	-0,1
<b>Result before Restructuring / E. Provence</b>	<b>-0,2</b>	<b>-2,6</b>	<b>-2,4</b>
<b>Result linked to Ecoslops Provence</b>	<b>-2,2</b>	<b>-4,8</b>	<b>-2,6</b>
Restructuring costs	0,0	-0,7	-0,7
<b>Net result</b>	<b>-2,4</b>	<b>-8,0</b>	<b>-5,7</b>
<b>Net result - Part for the Group</b>	<b>-1,7</b>	<b>-7,3</b>	<b>-5,6</b>

Ecoslops Portugal's sales fell by 28%, from 14.4M€ in 2022 to 10.3M€ in 2023. The Port Services business grew by 14%, to 2.4M€, while the Refined Products business recorded a drop in sales,

from 12.3M€ in 2022 to 7.9M€ in 2023. This decline can be broken down into: -20% due to the volume effect, -19% due to the price effect (the average Brent price having fallen from €94/bbl in 2022 to €76/bbl in 2023) and +3% due to the product mix. Over the period, the unit produced 20,071 tonnes of refined products, compared with 24,509 tonnes in 2022, and sold 17,693 tonnes, compared with 22,165 tonnes the previous year. This drop in volume is essentially attributable to a shortage of inputs compared with 2022.

Gross margin rose from 61% to 68%. This increase is due in part to the Refined Products business, whose margin rate rose from 60% to 61%, and in part to the business mix, with the share of port services in sales rising sharply.

As a result, gross margin stands at 7M€, down 2.1M€ on 2022.

Despite the inflationary context, the Group has contained its operating expenses. All indirect costs (personnel, rent, service providers, etc.) have been the subject of a savings plan that will result in a reduction of (0.5)M€ between 2022 and 2024.

Based on the Group's new scope, EBITDA is close to breakeven, at (0.1)M€, down by 2.1M€ compared to 2022, entirely due to the decrease in gross margin.

Net financial expense was a negative 1.3M€. This mainly comprises 1M€ of interest expense on the EIB loan.

Corporate income tax amounted to 0.3M€, mainly comprising the research tax credit.

### **Consolidated balance sheet at December 31, 2023 (in M€)**

*(Based on audited financial statements, reports in progress)*

As the contract for the sale of Ecoslops Provence was signed before year end, and its closing before the accounts' approval by the Board of Directors, the contribution of Ecoslops Provence to the consolidated balance sheet is presented in the 2023 financial statements on a single, separate line «Net assets Ecoslops Provence».

This has a major impact on balance sheet variations:

	31/12/2022	31/12/2023	Var. M€
Intangible assets	1,1	0,9	(0,2)
Tangible assets	33,2	12,0	(21,2)
Financial assets	0,8	2,4	1,6
<b>Fixed assets</b>	<b>35,1</b>	<b>15,3</b>	<b>(19,8)</b>
Inventory	1,3	1,6	0,3
Trade receivables	4,0	1,6	(2,4)
Other receivables	1,7	1,1	(0,6)
Deferred tax asset	1,5	1,5	(0,0)
Cash and cash equivalent	6,9	3,2	(3,7)
Prepaid expenses	0,9	0,7	(0,2)
<b>Current assets</b>	<b>16,3</b>	<b>9,7</b>	<b>(6,6)</b>
<b>Net asset Ecoslops Provence</b>		<b>9,1</b>	<b>9,1</b>
<b>Total ACTIF</b>	<b>51,4</b>	<b>34,1</b>	<b>(17,3)</b>

	31/12/2022	31/12/2023	Var. M€
Capital & Reserves	16,0	14,2	(1,8)
Investing subsidy	1,5	1,4	(0,1)
Minority shareholders	(0,1)	(0,8)	(0,7)
Net result - Part for the Group	(1,8)	(7,3)	(5,5)
<b>Equity</b>	<b>15,6</b>	<b>7,5</b>	<b>(8,1)</b>
<b>Conditional advance</b>	<b>0,8</b>	<b>0,8</b>	<b>0,0</b>
<b>Prov. for Risks &amp; Charges</b>	<b>0,1</b>	<b>1,9</b>	<b>1,8</b>
<b>Financial debt</b>	<b>29,2</b>	<b>20,6</b>	<b>(8,6)</b>
Trade payables	4,0	2,0	(2,0)
Social and tax liabilities	1,0	0,5	(0,5)
Other payables	0,7	0,7	0,0
<b>Current liabilities</b>	<b>5,7</b>	<b>3,2</b>	<b>(2,5)</b>
<b>Total Liability &amp; Equity</b>	<b>51,4</b>	<b>34,1</b>	<b>(17,3)</b>

Fixed assets fell by 19.8M€, comprising 20.4M€ due to the sale of Ecoslops Provence, 1.3M€ for depreciation and amortization, 0.4M€ for capital expenditure, and 1.6M€ for the reclassification of the receivable from Valtech Energy (previously classified under trade receivables and now under non-current financial assets).

Current assets, excluding cash and cash equivalents, fell by 2.9M€, of which 1.3M€ related to the sale of Ecoslops Provence and 1.6M€ to the reclassification of the receivable from Valtech Energy as a financial fixed asset.

As indicated above, a provision for contingencies and charges of 1.8M€ has been booked to cover the impact of Ecoslops Provence's exit from the scope of consolidation, set for January 1, 2024.

Financial debts amounted €20.6M€, down by 8.6M€ compared with 2022. This reduction is due, on the one hand, to accrued interest on European Investment Bank («EIB») debt (+0.9M€) and, on the other hand, to the sale of Ecoslops Provence (9.5M€), all debt being taken over by the buyer as part of this sale.

As the Group's scope and profile have been significantly impacted by the sale of Ecoslops Provence, Ecoslops SA and the EIB have entered into discussions to amend the terms and conditions of the existing financial agreements, taking into account the Group's updated cash flow generation capacities. As a reminder, 8M€ of the 10M€ granted by the EIB were dedicated to finance Ecoslops Provence, a business sold at the beginning of 2024.

Finally, current liabilities decreased by 2.5M€, of which 3.0M€ is attributable to the disposal of Ecoslops Provence and +0.5M€ to the increase in trade payables.

### Financial position and cashflows

At December 31, 2023, the Group had nearly 3.2M€ in cash, of which 2.4M€ was available (taking into account a 0.8M€ conditional advance on investment grants), and net debt of 18.2M€ (vs. 23.2M€ at December 31, 2022). Cashflow can be analyzed as follows:

	Exercice 2023
<b>EBITDA</b>	(0,1)
Restructuring costs	(0,7)
Corporate tax	0,3
Investment subsidy recognition	(0,1)
Operating working capital variance	(0,4)
<b>Operating cashflow</b>	<b>(1,0)</b>
Investments	(0,4)
<b>Investing cashflow</b>	<b>(0,4)</b>
Ecoslops Provence SHL	(1,3)
Loans	(0,1)
Interests paid	(0,4)
<b>Financing cashflow</b>	<b>(1,8)</b>
<b>Cash variance</b>	<b>(3,2)</b>
Opening cash balance	6,9
- Disposal Ecoslops Provence	-0,4
Closing cash balance	3,2
<b>Variance</b>	<b>(3,2)</b>

Operating cashflow came to (1.0)M€, impacted by (0.7)M€ in non-recurring restructuring costs, relating in particular to the disposal of Ecoslops Provence. The negative change in WCR stems on the one hand from Ecoslops Portugal for (1.2)M€ (taking into account an import of slops carried out in December 2023) and on the other hand from Ecoslops SA for 0.8M€ (increase in trade payables linked to restructuring costs incurred).

Financing activities resulted in a net cash outflow of 1.8M€, mainly comprising a 1.3M€ current account contribution to Ecoslops Provence (a non-recurring outflow considering the sale of Ecoslops Provence in February 2024) and 0.4M€ in interest on borrowings.

The closing of the sale of Ecoslops Provence took place on February 29, 2024, when Ecoslops SA received payment of 8M€. Part of this payment gave rise, on the same day, to a repayment of sums due to the EIB in respect of 2023, amounting to 1.9M€ (0.5M€ in amortized capital and 1.4M€ in interest and royalty fees). On completion of this transaction, Ecoslops SA's net debt was 10.3M€, halved compared with December 31, 2022, and its free cash position was 7.2M€.

## **Strategy and developments**

Ecoslops, now refocused on its historic Sines business and the development of the Scarabox®, now has the financial and human resources to match its roadmap.

### **Sines**

The Portuguese unit's business is correlated to oil prices and supplies, and generates an average EBITDA of 2.2M€/year. The subsidiary is financially autonomous and raises its own financing. As the concession in the Port of Sines is due to expire at the end of 2027, discussions have already begun to anticipate its renewal, with a possible extension to 2037.

The recently obtained ISCC PLUS certification is also a very positive factor insofar as many customers are looking for products with this sustainability label.

### **Scarabox®**

This business, born of repeated requests from numerous prospects over the years, got off to a slower start than expected. After the construction and delivery of the first unit for Valtech Energy in Cameroon, assembly and start-up work was hampered by a lack of local human and financial resources. Ecoslops, for its part, was faced at the same time with the difficulties of Ecoslops Provence, and was unable to make up for these delays. The refocusing of Ecoslops means that the necessary technical and financial resources can now be dedicated to this activity.

As regards Ivory Coast, a letter of intent was signed at the beginning of the year between Ecoslops, Parlym and SIR (Ivory Coast's national refinery with a capacity of 4 million tonnes), under which SIR is to take a 5% stake in the local company and be given a directorship.

To sum up, Ecoslops, having refocused on profitable, forward-looking activities and aligned its costs accordingly, is now focused on successfully completing the next stages of its plan, namely:

- Structured, long-term renegotiation of the EIB facility (nominal 9.5M€, initial maturity 2027)-  
Renewal of the concession in the Port of Sines with GALP
- Securing medium-term supplies for the Sines plant
- Development of the Scarabox® (Cameroon, Ivory Coast, other prospects...)

## Gouvernance

The Board of Directors is made up of members with seniority and experience of the Group's activities and issues, and of its sector. It has made a significant contribution to the strategic decisions taken in 2023, and has supported management in the execution of its decisions. It is therefore important for the Group to be able to count on the continuity of this Board. Accordingly, at the forthcoming Annual General Meeting on June 11, shareholders will be asked to renew, without further nomination, the mandates which expire on that date, with the exception of that of Mr. Bindschedler, who is not standing for renewal.

## ESG

On June 2, 2023, the Group published its fourth sustainability report, covering the 2022 financial year.

The Group's commitment to continuous improvement is illustrated by the further rise in its ESG 2023 rating for 2022 from the Ethifinance ESG Campaign (formerly Gaïa Research). The company confirms its performance, now ranked 24th/310 (vs. 39th/371 in the previous campaign) in the general panel, 10th/416 in the panel of companies with sales of less than 150M€ (vs. 14th/126 in the previous campaign) and 4th/272 in the industry panel (vs. 7th/76 for 2021).

In addition, the Solar Impulse Foundation's «Efficient Solution» label, focused on promoting efficient, cost-effective solutions to protect the environment, was successfully renewed in January 2024.

Finally, in December 2023, Ecoslops Portugal obtained ISCC PLUS certification for all its refined production. This certification attests the product compliance with sustainability and traceability requirements, and is recognized by all stakeholders for recycled products.

## Outlook for 2024

In 2024, Ecoslops Portugal forecasts production of 24,500 tonnes, representing sales of around 13M€ (including port services) based on current Brent prices.

In 2024, Ecoslops also aims to contract the sale of a new Scarabox in Ivory Coast.

**Financial Agenda**

Annual General Meeting: June 11, 2024

Publication of 1st half 2024 sales: July 15, 2024

Publication of half-year results: September 26, 2024

**ABOUT ECOSLOPS**

Ecoslops is listed on Euronext Growth in Paris

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

Investor Relations : [ir@ecoslops.com](mailto: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.