

ECOSLOPS – 1st SEMESTER 2024

Paris, 26 September 2024 – Ecoslops, the cleantech company bringing oil into the circular economy, announces its unaudited results for the first half of the current financial year, as at 30 June 2024, as approved by the Board of Directors at its meeting on 26 September 2024.

- **Disposal of Ecoslops Provence finalized in February 2024**
On the new Group scope:
- **H1 2024 sales up 30% on a like-for-like basis**
- **Positive EBITDA of €0.3m, an improvement of €0.6m vs. H1 2023**

Disposal of Ecoslops Provence

As previously communicated, the Ecoslops Provence subsidiary was sold to the TotalEnergies group at the beginning of the semester. This subsidiary was consequently deconsolidated on January 1, 2024. In terms of presentation of the financial statements, it is important to note that for the balance sheet at 31 December 2023, the contribution of Ecoslops Provence to the consolidated financial statements is isolated at the foot of the balance sheet under net assets of subsidiaries being sold. In the income statement, financial data to 30 June 2023 included Ecoslops Provence. To facilitate reading and analysis of the income statement, it is presented below on a proforma basis with isoperimeter, i.e. by isolating at the foot of the income statement the contribution of Ecoslops Provence at 30 June 2023 (which was negative by €3.9 million).

Consolidated income statement at 30 June 2024 (in k€) - Analytical presentation on an isoperimeter basis, taking into account the disposal of Ecoslops Provence

(Based on unaudited financial statements)

in €'000	30/06/2023	30/06/2024	Variation
Refined products (P2R)	3 512	4 742	1 230
Port services	1 230	1 410	180
Total Turnover	4 742	6 152	1 410
Gross Margin	3 144	3 685	541
Gross Margin rate	66%	60%	
Personnel expenses	(1 597)	(1 575)	22
Other expenses	(1 743)	(1 693)	50
Taxes	(111)	(107)	4
EBITDA	(307)	310	617
Depreciation / Provision	(821)	(692)	129
Financial result	(930)	(520)	410
Corporate tax	163	107	-56
Result before Restructuring / E. Provence	(1 895)	(795)	1 100
Result linked to Ecoslops Provence	(3 870)	0	3 870
Restructuring costs	0	(224)	-224
Net result - Part for the Group	(5 765)	(1 019)	4 746

On an iso-perimeter basis (excluding the contribution of Ecoslops Provence at 30 June 2023), Group sales for the first half of 2024 amounted to €6.2 million, up 30% on the previous year, of which +35% in Refined Products, the Group's core business, and +15% in Port Services.

In Refined Products, sales growth was driven by a 10% price effect and a 25% volume effect.

Sales volume rose to 10,232 tonnes (vs. 7,989 tonnes in 2023), with an increase in the number of production days (+23%) and an improvement in productivity (+2%).

The gross margin rate, down 6 points, was affected by the impact of swap contracts on supplies (-3 bp) and by the higher cost of sea freight for slop imports from the ARA region (-3 bp).

As regards structure costs, the savings plan implemented at head office reduced costs by €0.3 million (-25%). This reduction was partially offset by a rise in overheads in Portugal, due in particular to a readjustment of the payroll in a highly competitive local job market.

Taking these factors into account, the Group recorded an improvement in EBITDA of €0.6 million, from €(0.3) million at 30 June 30, 2023 to €0.3 million at 30 June 2024, broken down as follows:

in €'000	30/06/2023	30/06/2024	Variation
Ecoslops Portugal	967	1 251	284
R&D and Holding costs	(1 274)	(941)	333
Total	(307)	310	617

Net financial result is a loss of €0.5 million, comprising €0.6 million in interest on borrowings and €0.1 million in financial income on short term deposits.

Corporate income tax amounted to €0.1 million, consisting mainly of tax income of €0.1 million relating to the research tax credit.

Lastly, the Group recorded an exceptional loss of €0.2M, corresponding to restructuring costs incurred in connection with the recalibration of structure costs and debt restructuring.

Consolidated balance sheet at 30 juin 2024 (in k€)

(Based on unaudited financial statements)

	31/12/2023	30/06/2024	Var. k€
Intangible fixed assets	872	752	(120)
Tangible fixed assets	12 047	11 938	(109)
Financial assets	2 393	2 394	1
Fixed assets	15 312	15 084	(228)
Inventories,	1 624	1 834	210
Trade receivables	1 635	1 347	(288)
Other receivables	1 105	1 227	122
Deferred tax asset	1 460	1 442	(18)
Cash and cash equivalent	3 204	7 810	4 606
Prepaid expenses	670	853	183
Current assets	9 698	14 513	4 815
Net assets Ecoslops Provence	9 058	0	(9 058)
Total ASSETS	34 068	29 597	(4 471)

	45 291	45 473	Var. k€
Share Capital & Reserves	14 226	6 873	(7 353)
Investment grant	1 364	1 315	(49)
Minority interests	(777)	0	777
Net result - Group share	(7 353)	(1 019)	6 334
Equity	7 460	7 169	(291)
Contitionned advance	838	838	0
Provisions for risks	1 931	96	(1 835)
Financial debt	20 606	19 139	(1 467)
Trade payables	2 060	1 073	(987)
Social and tax payables	506	626	120
Other payables	667	656	(11)
Current liabilities	3 233	2 355	(878)
Total EQUITY & LIABILITIES	34 068	29 597	(4 471)

Notable items on the balance sheet at 30 June 2024 are :

- A 6.1M€ reduction in the Group's net debt (+4.6M€ in cash and -1.5M€ in gross debt).

- The decrease in trade payables, -1M€, with in particular the payment in February 2024 of suppliers/consultants involved in the Group's restructuring.
- The reversal of the provision for charges (of €1.8M) set aside on 31 December 2023 for the expected accounting impact of Ecoslops Provence's exit from the consolidation scope.

Financial position and cashflows

At 30 June 2024, the Group had nearly €7.8 million in cash, including €6.9 million in available cash (taking into account a €0.8 million conditional advance on investment grants), and net debt of €12.1 million (vs. €18.2 million at 31 December 2023). The change in cash position can be analyzed as follows:

in €'000	30/06/2024
EBITDA	310
Restructuring costs	(224)
Corporate tax	107
Investment subsidy recognition	(63)
Working capital variance	(1 124)
Operating cashflow	(994)
Capex	(404)
Investing cashflow	(404)
Disposal of Ecoslops Provence	8 000
Loans variance	(474)
Interests paid	(1 581)
Interests received	59
Financing cashflow	6 004
Cash variance	4 606
Opening cash balance	3 204
Closing cash balance	7 810
Variance	4 606

Operating cash flow came to -1M€, due to the negative change in working capital resulting from lower supplier debts.

Cash flow from investments amounted to -0.4M€, and is made up of the maintenance capex usual in the Group's business.

Lastly, financing-related operations resulted in a net cash inflow of €6 million, including the sale price of Ecoslops Provence for €8.0 million, net loan repayments of €0.5 million and interest payments of €1.6 million (mainly comprising the EIB 2023 interest payment on which a standstill had been obtained until the closing of the Ecoslops Provence sale).

Strategy and perspectives

Ecoslops, having refocused on profitable, future-oriented activities and aligned its costs accordingly, is now focused on successfully completing the next stages of its strategic plan:

- Structured, long-term renegotiation of EIB debt (nominal €9.0 million at the date of this press release, with initial maturity in 2027).
- Renewal of the concession in the Port of Sines with GALP
- Securing medium-term supplies to the Sines plant
- Deployment of Scarabox ® (Cameroon, Ivory Coast, other prospects)

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.

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