

ECOSLOPS: very good prospects following a 2015 financial year marked by the commissioning of the Group's first micro-refining plant in Sines, Portugal

- 2015 results reflect the commissioning of Sines
- A technological innovation proven on an industrial scale
- A recently-strengthened financial structure
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PARIS, April 5, 2016 – ECOSLOPS (ISIN: FR0011490648; Ticker: ALESA / PEA-PME eligible), an innovative technology company that upgrades ship-generated hydrocarbon residue into valuable marine distillates, announces its 2015 annual results and positive prospects.

Vincent Favier, CEO of ECOSLOPS, says: *“2015 was a historic year for ECOSLOPS. The upramping, in Sines, of the world’s first micro-refinery capable of transforming 98% of slops into fuel and light bitumen, in other words into commercial products that comply with market standards, has been a major technical success. Certain subsequent (logistical and commercial) delays have not enabled the plant to become fully utilized yet, something we hope to achieve by the end of the year. Our financial results reflect the exceptional nature of this year that was marked by the costs associated with the commissioning of this first industrial plant. 2015 also saw a substantial fall in oil prices, causing us to adapt our business model. The lessons learnt and experience gained at Sines, in terms of both investments and operating costs, combined with a slump in the residual value of slops, enhance our project’s viability. Moreover, in the face of a market situation marked by the increasing inability of ports and port operators to adapt to the growing disinterest of end users in slops, our technological solution, now established and visible, is proving to be the only long-term alternative to this problem. That is why our portfolio of new opportunities has significantly increased and is already leading us to strengthen our team in 2016. We then decided, at the start of the year, to issue a €5.5 million ORNANE convertible bond issue that was subscribed to by key shareholders and by new industrial and financial investors. ECOSLOPS has definitively moved from an ambitious and visionary project, driven by its founders and first and foremost by its Chairman Michel Pingéot, to a true operational company with numerous growth opportunities, a solid balance sheet and an experienced team. With a loyal and committed shareholder base, we are tackling 2016 in optimal conditions and are reaffirming our objectives to sign 3 new contracts by the end of 2017 and see our Sinès site break even by the end of 2016.”*

2015 annual results reflect the commissioning of Sines

€ m	31/12/2015	31/12/2014	Δ
Revenue	2.,3	2.2	0.1
Other income	0.4	0.2	0.2
Operating income	2.7	2.4	0.3
Operating costs	9.0	4.9	4.1
Operating profit/loss (EBIT)	-6.3	-2.5	-3.8
Financial profit/loss	-0.2	-0.3	0.1
Tax	-0.7		-0.7
Net profit/loss	-5.8	-2.8	-3.0

The Group's first micro-refining plant in Sines, Portugal, came into service during the first quarter of 2015. Following a testing period, improvements and refined product qualification, the first sales were recorded at the end of 2015 and brought in €0.3 million.

ECOSLOPS thus reported operating income of €2.7 million in 2015, including €2.0 million from its traditional activities in Sines, notably services to ships and to the port's industries as well as waste collection. The latter segment was particularly dynamic thanks to the growth of the port itself and the appeal of the services provided by the teams there, who facilitate the unloading process. From this point of view, the agreement signed with MSC, the main ship owner operating in the shipping container terminal, illustrates the interest in our service and added value. Compared with 2014, the slops unloaded by MSC increased by 145%.

However, an initial undersizing of logistics and storage capacities combined with, in particular, the longer-than-expected time taken for the qualification of products by clients resulted in a slower upramping than expected, and thus to larger operating losses than anticipated. Moreover, within €9.0 million operating costs we can distinguish: €2.2 million of non-recurrent expenses related to the upramping of the Sinès plant and a €2.2 million of overhead expenses (Ecoslops France) devoted to development. Thus, over FY 2015, there was an operating loss of -€6.3 million, versus a loss of -€2.5 million in 2014.

Once tax of -€0.7 million is taken into account, the net loss was -€5.8 million in 2015, compared with a loss -€2.8 million in 2014.

Recent strengthening of the financial structure

On this basis, ECOSLOPS' cash position, which stood at €6.8 million at June 30, 2015 following its IPO, was €1.6 million at the end of December 2015.

This is why, in early 2016, the Company issued 610,704 net share settled bonds convertible into new shares and/or exchangeable for existing shares (ORNANE) with a nominal value of €9 each, thus representing a total nominal amount of €5.5 million. As announced on February 15, this issue, in the form of a private placement, was subscribed for €2.4 million by historical shareholders or Board members, including €0.7 million by set-off claims.

This operation will allow ECOSLOPS to:

- finance the upramping of the Sines site,
- accelerate its development by financing the equity part of new projects.

A good start to 2016

In Sines, the undersizing of storage capacities, which had limited the site's ability to regularly manufacture products in 2015, has been halted. The target to reach a monthly production of 2,500 tons should be gradually reached by the end of 2016 thus insuring simultaneously the site to break even.

In order to anticipate and benefit from current purchasing conditions, ECOSLOPS has continued to buy slops and, following the 6,300 tons bought in 2015, the Company purchased and imported 3,700 tons in the first quarter of 2016.

Lastly, as announced, the Group is currently strengthening its development teams in France for both upstream project work and project technical execution.

A promising environment with an acceleration in opportunities

As presented in our press release of early February 2016, 2015 allowed us to prove the efficiency of the Sines industrial tool, learn numerous lessons from its first months in operation and thus validate ECOSLOPS' business model with prospects having become even more favorable in the current context.

Indeed, following the fall in oil prices and, as a result, the slump in slop prices at the end of last year with stocks increasing in ports, the pipeline of new projects substantially increased and accelerated.

The commissioning of the micro-refining plant in Sines also allowed numerous ports to visit and see the possibility of upgrading oil residues into fuel and light bitumen, thus solving the recurring problem of the long-term value of slops.

Projects on the Black Sea (Port of Constanta with private group GSP) and Côte d'Ivoire (Abidjan, land allocated) have already been announced, and ECOSLOPS is actively working on two new site opportunities in Northern Europe, in the ARA region (Antwerp-Rotterdam-Amsterdam), and in the Mediterranean region, and has begun talks in Egypt, the Middle East and South Africa. ECOSLOPS' ambition, announced at the time of its IPO, to sign three more projects by 2017 is looking more achievable than ever.

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About ECOSLOPS: ECOSLOPS has developed and implemented a unique technology to upgrade maritime transport oil residues (slops and sludges) into marine 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 economical and ecological solution to port infrastructure, waste collectors and ship owners through its processing plants. The first industrial unit is based in Sines, Portugal's largest commercial port.

ECOSLOPS is listed on Alternext in Paris (ISIN: FR0011490648; Ticker: ALESA) and is PEA PME eligible.

<http://www.ecoslops.com>

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