

## Ecoslops: H1 activity backs the business plan and the technology – Signing of a major agreement with Total

**Paris, September 22, 2016** – Ecoslops (ISIN: FR0011490648; Ticker: ALESA / PEA-PME eligible), an innovative technology company that upgrades ship-generated hydrocarbon residue, or “slops”, into valuable new fuels and light bitumen, today announces its results for the first half of the year to June 30, 2016, as approved by the Board at its meeting of September 21, 2016.

Vincent Favier, CEO of ECOSLOPS, says: *“This first full half-year of activity on our Sines site has fully backed our business plan, validated our P2R technology, and our ability to be profitable when the plant’s production reaches 30,000 tons a year, even in an environment of depressed oil prices. The recent signing of a memorandum of understanding with Total to establish a plant in Marseille further strengthens these conclusions and, continuing the development of our other projects, we can reiterate our objective of signing three new project deals by the end of 2017.”*

### Income statement

<i>In € thousands</i>	<b>30/06/2016</b>	<b>30/06/2105</b>	<b>Change</b>
<b>Revenue</b>	<b>1,556</b>	<b>926</b>	<b>+630</b>
<b>Operating income</b>	<b>1,724</b>	<b>1,010</b>	<b>+714</b>
Operating costs	4,193	4,532	-339
<b>EBITDA</b>	<b>-1,813</b>	<b>-2,649</b>	<b>+836</b>
<b>Operating profit/loss</b>	<b>-2,469</b>	<b>-3,521</b>	<b>+1,052</b>
Financial profit/loss	-115	-123	-8
<b>Net profit/loss</b>	<b>-2,598</b>	<b>-3,175</b>	<b>+577</b>

### H1 2016 revenue up sharply since the start of the Port of Sinès operation

During the first half of 2016, Ecoslops recorded a substantial 70% increase in operating income compared with the same period last year. This increase reflects the ramping up of the P2R industrial plant associated with the onboarding of new clients. Sales of regenerated products already account for 30% of revenue (versus 0% in H1 2015), and should account for around 50% over 2016 as a whole (versus. 15% in FY 2015).

Over the first half of the year, Ecoslops produced close to 6,000 metric tons, with monthly production gradually increasing from 500 tons to almost 2,000 tons.

- Ecoslops has signed an exclusive deal with the SOPREMA group to supply XFO (diluted light bitumen).

- All regenerated IFO (intermediate fuel oil) has been sold, initially to local industrial clients. Products will also be sold to EDP, Portugal's incumbent electricity producer, with whom Ecoslops has signed a framework agreement.
- The commercialization of gasoil (HGO) is the subject of final discussions with a limited number of key clients, and should result in an agreement before the end of the year.

This last stage will complete the commercial work undertaken over the last year, and will establish the quality of each of our products, purchased as such by major international groups.

Local slops collection remains very dynamic (up 16% vs. H1 2015), which demonstrates maritime companies' trust and confidence in Ecoslops' solution for sustainable slops disposal and regeneration. This collection is supplemented by regular imports of slops in order to benefit from the market's structural overcapacity situation that is impacting the value of slops, and enabling a faster ramping up of the Port of Sinès operation. Since the first import in August 2015, Ecoslops has imported over 17,000 tons of slops. The company has benefitted from increasingly advantageous purchasing conditions, with the price of slops falling by 80% over the period.

#### Operating costs decreased

A year after the start of the Port of Sinès operation, the industrial site's cost structure has been the subject of an in-depth review. Personnel expenses and all purchasing costs have undergone a systematic appraisal. A full-year gain of 25% has been achieved for personnel expenses alone. Over the first half of the year, only a portion of these gains has been achieved.

The impact of the slump in the price of slops has had a substantial effect on the gross margin per ton, which has increased fivefold in a year. These gains will be directly reflected in Ecoslops' accounts for the second half of the year, and even more so in 2017.

#### Signing of a memorandum of understanding with Total for a site in Marseille

On September 21 2016, Ecoslops and Total announced the signing of a memorandum of understanding to establish a slops processing unit within the refinery in La Mède. The aim of this unit will be to process slops unloaded in the nearby port of Marseille and neighboring ports. It will benefit from the numerous services already available on the Mède site (water treatment, steam, electricity, natural gas, loading station, etc.) The investment will therefore focus on P2R (pipe still furnace and fractionating tower) and storage. A joint project team has been put together, and will finalize the in-depth studies and prepare the start of construction, once the definitive joint investment decision is taken in 2017.

This agreement with Total illustrates the confidence a major oil refining company has in Ecoslops' technology. It is also representative of Ecoslops' strategy to establish itself on existing oil refinery sites, so that it can benefit from the various preexisting services that are available (utilities, etc.) and focus on its core business, P2R. This is possible because major ports generally all have one or more refineries.

#### Financial highlights

During the first half of the year, Ecoslops issued convertible bonds (ORNANE) for €5.5 million, or a net figure of €4.8 million given the conversion of existing current accounts. At the end of June 2016, the Company had a cash position of €3.6 million, versus €1.6 million at the end of 2015.

The reduction in operating losses has been accompanied by a decrease in cash requirements amplified by the end of the investment period.

In the period, Ecoslops repaid €0.6 million of bank loans and IAPMEI (Portuguese institute for SME support and investment) subsidies and pursues its discussions with the latter in order to finalize the €5.6m remaining reimbursement details (repayable / non repayable amount and repayment schedule). Finally, as a reminder, there are currently 224,550 share subscription rights at €8.2 with a maturity date of January 2017 amounting, if fully exercised, to €1.8 million.

### Prospects and recent events

In the current pricing environment, Ecoslops has validated the profitability of its business model, even though the price of refined products remain depressed, once the nominal yearly production of 30,000 tons by P2R is reached. The strengthening of the head-office team, focus on new projects and on continuing to improve the Company's industrial performance, is currently underway.

In conjunction with the agreement signed with Total, Ecoslops has continued to develop other projects. Northern Europe, in particular, is establishing itself as a major strategic route for Ecoslops, given the inability of traditional outlets to manage the slops unloaded in these ports, which are the largest in Europe. Based on this, Ecoslops is reiterating its objective of signing deals for three new sites by the end of 2017.

The Board, at its meeting of September 21, 2016, decided to put in place a performance-related free share plan concerning 50,000 shares for the Group's senior executives.

**About Ecoslops:** Ecoslops has developed and implemented a unique technology to upgrade maritime transport oil residues (slops and sludge) 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 economical and ecological solution to port infrastructure, waste collectors and ship-owners through its processing plants. The first industrial unit (30,000 tons/year) is based in Sinès, 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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