PRESS RELEASE

ECOSLOPS – 1ST HALF-YEAR 2020

Paris, September 24th, 2020

Ecoslops (Euronext, FR0011490648 - ALESA), the cleantech that brings oil into the circular economy, announces its unaudited results for the first half of the current year ending June 30th, 2020, approved by the Board of Directors in its meeting on September 24th, 2020.

Vincent Favier, Chairman and CEO of Ecoslops, reports:

During the first half of the year, and particularly during the second quarter, the Group's activities were hit by the Covid-19 health crisis and its repercussions on economic activities, in addition to the falling price of oil products caused by lower demand in a shrinking global economy.

At operational level, this crisis was reflected over the first half of the year by:

- A 37-day shutdown of the Sinès unit in Portugal (from April 18th to May 25th), due to the standstill or sharp slowdown in customer business. As a result, over the period, the P2R unit in Sinès produced 11,872 tons and sold 9,887 tons (versus 13,360 and 12,000 tons respectively at June 30th, 2019), representing a decline of 11% in production volume and 18% in sales. This temporary halt on activity was put to good use by performing annual maintenance operations.

- The complete shutdown of the worksite at the Marseille unit from March 17th to May 11th, 2020, was followed by a gradual return to activity (affected by delays on certain deliveries and reduced supplier productivity post-lockdown). The new start-up date for the site is estimated during the first half of 2021 rather than end-2020.

- Prolongation of the Mini-P2R studies and construction period. Receipt of the first unit is also expected in the first half of 2021.

- Introduction of part-time working measures for the Paris headquarters and Marseille worksite.

At financial level, the temporary shutdown of the Sinès unit together with the impact of falling oil prices (34% average decline in Brent price over the period) are reflected by a €1.5 million reduction in turnover, i.e. -34%, shared evenly between the volume effect and the price effect. In terms of net result, the first half of 2020 ended with a €2.3 million loss, showing a €1.8 million deterioration on the first half of 2019.

	06/30/2020	06/30/2019	Var. €k
Refined Products	2 101	3 595	(1 494)
Port Services & Others	909	958	(49)
Total Turnover	**3 010**	**4 553**	**(1 543)**
Operating Income	**3 415**	**5 093**	**(1 678)**
Operating Expenses	**(5 677)**	**(5 619)**	**(58)**
Operating Result	**(2 262)**	**(526)**	**(1 736)**
Financial Result	**(232)**	**(113)**	**(119)**
Net Result	**(2 302)**	**(481)**	**(1 821)**
Net Result for the Group	**(2 268)**	**(465)**	**(1 803)**
GROUP EBITDA	**(1 477)**	**125**	**(1 602)**

Group EBITDA is broken down into -€0.3 million for the Sinès unit in Portugal and -€1.2 million for the headquarters and Marseille overhead costs.

A solid financial structure

Despite the health crisis, the Group remains with a solid financial structure, enabling it to pursue its investments in the Marseille unit and the Mini-P2R, without needing to request a PGE (government-backed loan).
At June 30th, 2020, available cash amounts to €7.6 million versus €6.0 million at December 31st, 2019. Gross debt stands at €20.2 million and equity at €19.3 million.

Net indebtedness at June 30th, 2020, thus amounts to €12.6 million compared to a net indebtedness of €7.2 million at December 31st, 2019, reflecting the period of investment in the Marseille site (€4.3 million in the first half-year).

The cash flow statement at June 30th, 2020, is as follows:

	1st half-year 2020
EBITDA	(1 477)
Subsidy recognized in the P&L	(64)
Working capital variance	1 009
Operating cash flow	**(532)**
Capex	(4 357)
WCR variance (fixed asset suppliers)	(279)
Investment cash flow	**(4 636)**
E. Provence Shareholder Cap. Contribs.	550
Loan variance	6 604
Interest	(329)
Financing cash flow	**6 825**
Cash variance	**1 657**

Cash - Opening Balance 12/31/2019	5 979
Cash - Closing balance 06/30/2020	7 636
Variance	**1 657**

Developments in first half-year

Marseille

Our subsidiary, Ecoslops Provence, in which Total holds a 25% stake, continued construction work on the P2R unit (30,000 ton capacity) with, as indicated in the introduction, a complete halt from March 17th to May 11th, 2020, followed by a gradual resumption of activity. Commissioning of the unit has thus been postponed to the first half of 2021.

Besides the impact of the prevailing health crisis, the worksite is proceeding as expected both on the technical and industrial fronts.

In the first half of the year, Ecoslops Provence drew the entire line of funding (€6.5 million) from the BNP Paribas/HSBC/Banque Populaire Méditerranée banking pool.

Antwerp

The environmental impact and hazard studies were launched in preparation for filing the construction permit and operating license requests. These filings should be done at end-2020 and authorizations are expected for end-2021, on which date the construction work could begin, with commissioning in the 1st quarter 2023.
As a reminder, part of the EIB financing is intended to fund the share of own funds needed at the Antwerp unit (€8 million of the €18 million in total financing).

Mini-P2R

After a series of tests on the pilot version in 2019, design of the first industrial unit began in the first half of 2020. The company has observed high expectations in the market for this solution, particularly for its new functionality in treating used lube oil. As a reminder, the company has signed two letters of intent: the first in January 2020 with **Aqua Flore** in Agadir, Morocco, and the second in June 2020 with **Valtech Energy** in Kribi, Cameroon.

The company is currently in two rounds of negotiations, one of which should be completed by end-2020. The company has decided to industrialize these units via a partnership with a French-based enterprise to maximize responsiveness, maintain confidentiality and guarantee manufacturing quality. The choice of industrial partner is currently underway, and a decision will be finalized in early October 2020.

Outlook and subsequent events

The company has submitted a "Seveso Haut" permit request for the Sinès unit in Portugal, allowing it to store a much greater quantity of hydrocarbon residues than with the previous "Seveso Bas" permit. Storage capacity could thus increase from 5,000 to 20,000 cubic meters, with no additional investment in storage tanks, although more substantive reporting is required. This increased storage capacity will allow a much more opportunistic approach to waste purchases in the future. We believe we can obtain this authorization before end-2020 and enjoy the full benefits in 2021. The procedures for importing hydrocarbon residues from the ARA area and administrative handling of this new permit were slowed down substantially by the effects of Covid-19 and, therefore, our forecast for year-end supplies is reduced. The company will make use of any potential plant shutdown by planning ten-yearly maintenance work on its tanks.

The second €5 million draw on EIB funding was made at end-July 2020, for construction work at the Marseille unit and construction of the first Mini-P2R unit.

Lastly, the Group's current cash position (€10.4 million at end-August 2020) and future cash flow (with an €8 million EIB bank draw remaining for the Antwerp project) means that we can finance our investment program and operating expenses, as well as absorb the deteriorated market conditions of our Portuguese business.
The company is fully focused on optimizing the Portuguese unit, on the imminent start-up of the French unit and on preparing work at the Belgian unit, for the units it owns.

The Mini-P2R is an extremely important new growth driver which addresses what is currently an unexploited market: the regeneration of waste lube oil into fuels. The company has the human, technical and financial assets to become a key player in this new market.

ABOUT ECOSLOPS

Ecoslops is listed on Euronext Growth in Paris - Code ISIN : FR0011490648
Ticker : ALESA / PEA-PME & FCPI eligible
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Player of the circular economy, Ecoslops has developed and implemented a unique technology to upgrade oil residues 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 ecological solution to port infrastructure, waste collectors and ship-owners through its processing plants.