

2023 annual results

- Results impacted by growth investments
- Solid financial structure strengthened by IPO fundraising – Net cash position of €4.8 million
- 2025-2027 financial guidance pushed back to 2026-2028 due to longer decision-making cycles regarding the allocation of major projects

Chartres, le 23 April 2024 - **OSMOSUN®**, a leading provider of solar-powered seawater and brackish water desalination solutions, today announces its results for the year ended 31 December 2023.¹ (ISIN: FR001400IU6 – Symbol: ALWTR)

OSMOSUN® Chairman and CEO Quentin Ragetly said:

“2023 proved to be a turning point for OSMOSUN. Besides successfully pursuing the deployment of major projects won in previous years, particularly in Mauritania, Saint Kitts and Nevis and Cape Verde, we also launched a bold new development phase thanks to the funds raised from our successful IPO, with a view to becoming a leading player in low-carbon water treatment.

We have therefore started to strengthen our teams and sign new partnerships with the aim of expanding our local presence in priority regions worldwide and multiplying our commercial opportunities. These investments obviously impact our short-term results but will lead to future growth.

Our pipeline of projects under advanced negotiations has gathered pace thanks to the proliferation of small projects alongside an increasing number of major potential contracts. We are fully committed and perfectly positioned to consolidate a portion of these opportunities. However, due to decision-making cycles being longer than expected, we have been forced to take a cautious approach and push back our medium-term guidance by one year.”

¹ The annual consolidated financial statements were approved by the Board of Directors on 22 April 2024. Audit procedures have been carried out by the Statutory Auditors and the financial report will be published by 30 April 2024 at the latest.

Results impacted by growth investments

Full-year revenues, recognised on a percentage of completion basis in accordance with project costs incurred up to the balance sheet date, came to €3.0 million in 2023, mainly driven by progress across major contracts in the Group's strategic regions, particularly in the Caribbean (Saint Kitts and Nevis), Africa (Cape Verde, Mauritania, Morocco and Djibouti) and Oceania (Vanuatu).

Revenues are down 34.7% versus 2022 due to delays on certain major contracts, which therefore contributed lower revenues than expected in 2023 but will boost revenues for the current financial year.

€000	2022	2023
Revenues	4,602	3,003
Total production ²	4,746	3,356
Gross margin ²	2,355	1,170
EBITDA ²	171	(1,947)
Adjusted EBITDA²	197	(1,925)
Operating income	(623)	(2,705)
Adjusted operating income²	(596)	(2,683)
Financial result	(223)	(580)
Net non-recurring items	362	192
Net income/(loss)	(456)	(3,071)

Adjusted EBITDA came to a €1.9 million loss in 2023, compared to a €0.2 million profit the previous year. Adjusted EBITDA was curbed by (i) the temporary impact of one contract on gross margin, which fell short of the Group's normal gross margin level of 45-50%, and (ii) an increase in operating costs linked to Group's development phase.

Personnel costs rose 54% year on year to €1.9 million, driven by the recruitment plan launched by the Group during the period. The average headcount increased by 47% to 28.2 FTE³ in 2023 compared to 19.2 FTE in 2022. OSMOSUN launched an extensive recruitment drive in 2023, opening nine new positions. The sales team now comprises ten FTE versus six at the end of 2022. The aim is to strengthen the Group's presence in priority regions (notably Africa and Asia-Pacific) and increase the Group's ability to process bids in order to multiply its growth opportunities for

A decorative image of water splashing, with bubbles and ripples, positioned at the top of the page.

projects of all sizes. Meanwhile, the Group expanded its technical and operational teams in order to support activity ramp-up and ensure the industrialisation of small-capacity projects.

Non-recurring expenses arising from the IPO amounted to €0.3 million.

The Company posted a net loss of €3.1 million for the period, compared to a €0.5 million loss in 2022, after taking into account a purely accounting non-recurring expense relating to non-issuance premiums as part of the subscription to the capital increase by conversion of convertible bonds into shares.

Operating free cash flow came to a €2.8 million outflow (compared to a €0.6 million outflow in 2022), including operating funding needs (€2.2 million outflow) and limited investments (€0.6 million outflow).

Strengthened by the net proceeds from the capital increase, shareholders' equity amounted to €7.8 million at 31 December 2023. Cash and cash equivalents stood at €7.2 million (compared to €0.4 million at 31 December 2022) versus gross borrowings of €2.4 million, resulting in net cash of €4.8 million.

Ongoing industrial and commercial partnerships

OSMOSUN® actively pursued its commercial development throughout the year to ensure its future growth. Besides strengthening its teams, the Group also launched new strategic partnerships.

OSMOSUN established a strategic partnership in Morocco with renowned Moroccan industrial group PCS. The partnership will help consolidate the Group's local presence and enhance its ability to efficiently meet the specific demands of the Moroccan market. Morocco is experiencing severe water stress. The combined expertise of OSMOSUN and PCS will enable the subsidiary to take full advantage of the large investment programme for the construction of seawater desalination plants introduced by the government and the Moroccan industrial group OCP.

The Group has also stepped up its partnership strategy in order to consolidate its position in the seawater desalination market and expand in related markets. This includes the partnerships recently signed with OKwind, a specialist in smart renewable energy generation and management systems dedicated to self-consumption, and with the Emergency Architects Foundation.

As announced in its development plan, OSMOSUN® is reviewing potential acquisition targets that could enable it to gain access to new technologies and/or penetrate related markets.

Considerable ramp-up of the portfolio of contracts under advanced negotiation

The project pipeline has expanded considerably, with many small projects and an acceleration in the number of major projects.



The overall commercial pipeline therefore totalled €204 million at 31 December 2023 (compared to €166 million at 30 June 2023). It includes:

- a **€3.0 million** order backlog (contracts signed to date) representing around 15 projects to be delivered over the next 12 months compared to €4.4 million at 30 June 2023;
- over **50 projects under advanced negotiations**⁴, of which nine major projects for potential signature between 2024 and 2025, representing estimated potential revenues of €70 million compared to €38 million at 30 June 2023;

Over 180 projects in which the Company could participate have been identified⁵, representing a total value of €131 million (compared to €124 million at 30 June 2023).

Adjusted outlook

Taking into account contracts already signed, the development of projects under advanced negotiations and the expected recovery from contract delays in 2023, OSMOSUN® forecasts a significant return to growth in 2024.

Growing water stress worldwide continues to bolster the desalination market, highlighting the considerable need for efficient and sustainable water treatment solutions which OSMOSUN is perfectly positioned to meet.

The commercial pipeline has significantly increased however decision-making cycles regarding the allocation of major projects are getting longer and weigh on the speed of their transformation into orders. Consequently, OSMOSUN push back its medium-term guidance by one year and now aim to generate revenues of €20 million with the adjusted EBITDA margin breaking 10% in 2026 (including the realisation of part of the projects currently under advanced negotiations) and €48 million revenue in 2028 with the adjusted EBITDA margin breaking 20%.

Next event: FY 2023 results presentation meeting, 24 April 2024 at 10 a.m.

Next publication: HY 2024 revenue, 23 September 2024 after market close

⁴ See glossary

⁵ See glossary

Glossary

Projects in advanced negotiations: projects for which the Company has already made a firm offer and where the client is expected to sign within a few weeks (each qualified as PDD - preliminary detailed design) or projects already qualified and undergoing negotiation with a maturity of several months (each qualified as PSD - preliminary summary design). As such, there is a risk that they may not be converted into a firm order.

Projects identified: projects for which not all the information is known or defined and qualification is still underway (maturity of over 12 months), as well as identified projects for which initial discussions have already been held with the client. As such, there is a risk that they may not be converted into a firm order.

Total production: sold production + inventoried production + capitalized production

Gross margin: Total production – purchase of raw materials and other supplies – change in inventory – direct sub-contracting

Adjusted EBITDA: Operating income restated for net depreciation and amortisation of intangible assets and property, plant and equipment and net provision charges/reversals + research tax credit

EBITDA: Operating income restated for net depreciation and amortisation of intangible assets and property, plant and equipment and net provision charges/reversals

Adjusted operating income: Operating income+ research tax credit

Operating free cash-flow: cash flow from operations – change in working capital – cash flow from investments

ABOUT OSMOSUN®

Founded in 2014, OSMOSUN®'s ambition is to become a leading player in the low-carbon water market in order to make drinking water accessible to all.

OSMOSUN® has developed a unique, patented, cost-effective, clean and sustainable solution for solar-powered battery-free seawater and brackish water desalination. This innovation makes OSMOSUN® units among the most energy-efficient and cost-effective solutions in the world. The water production capacities of its units range from 1 m³ to 50,000 m³ per day.

At 31 December 2023, 69 desalination units have been sold in 27 countries.

More information: [OSMOSUN® | Create water where life is](#)

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APPENDICES: BALANCE SHEET

		Du 01/01/2023 Au 31/12/2023			Du 01/01/2022 Au 31/12/2022	
		Brut	Amortis. Provisions	Net	Net	
État exprimé en €						
ACTIF IMMOBILISE	Capital souscrit non appelé (I)	AA				
	Immobilisations Incorporelles					
	Frais d'établissement	AB	144 971,80	AC 129 907,47	15 064,33	44 058,69
	Frais de recherche et de développement	AD	79 429,23	AE 79 429,23		
	Concessions brevets droits similaires	AF	76 352,91	AG 74 726,10	1 626,81	3 644,47
	Fonds commercial (1)	AH		AI		
	Autres immobilisations incorporelles	AJ		AK		
	Avances et acomptes	AL		AM		
	Immobilisations Corporelles					
	Terrains	AN		AO		
	Constructions	AP		AQ		
	Installations techniques, mat et outillage indus.	AR	3 851 484,50	AS 2 900 355,71	951 128,79	1 578 273,47
	Autres immobilisations corporelles	AT	463 668,77	AU 203 150,80	260 517,97	269 894,61
	Immobilisations en cours	AV	660 220,80	AW	660 220,80	306 402,80
	Avances et acomptes	AX		AY		
	Immobilisations Financieres					
	Participations évaluées selon mise en équivalence	CS		CT		
	Autres participations	CU	180 514,81	CV 149 245,00	31 269,81	17 266,81
	Créances rattachées à des participations	BB		BC		
Autres titres immobilisés	BD	200 000,00	BE 29 300,72	170 699,28		
Prêts	BF		BG			
Autres immobilisations financières	BH	98 540,00	BI	98 540,00	94 354,00	
TOTAL (II)	BJ	5 755 182,82	BK 3 566 115,03	2 189 067,79	2 313 894,85	
ACTIF CIRCULANT	Stocks et en-cours					
	Matières premières, approvisionnements	BL	511 568,36	BM	511 568,36	494 441,69
	En-cours de production de biens	BN		BO		8 000,00
	En-cours de production de services	BP		BQ		
	Produits intermédiaires et finis	BR		BS		
	Marchandises	BT		BU		
	Avances et Acomptes versés sur commandes	BV	38 876,13	BW	38 876,13	5 039,90
	Créances					
	Créances clients et comptes rattachés (3)	BX	1 480 310,55	BY 14 373,00	1 465 937,55	1 896 833,16
	Autres créances (3)	BZ	582 320,44	CA	582 320,44	142 634,50
	Capital souscrit appelé, non versé	CB		CC		
	Valeurs mobilières de placement	CD	6 066 379,98	CE	6 066 379,98	
	Disponibilités	CF	1 133 835,25	CG	1 133 835,25	386 172,26
Charges constatées d'avance (3)	CH	224 415,37	CI	224 415,37	10 829,04	
TOTAL (III)	CJ	10 037 706,08	CK 14 373,00	10 023 333,08	2 943 950,55	
COMPTES DE REGULARISATION	Frais d'émission d'emprunt à étaler (IV)	CL				
	Primes et remboursement des obligations (V)	CM				
	Ecart de conversion actif (VI)	CN				
TOTAL ACTIF	CO	15 792 888,90	1A 3 580 488,03	12 212 400,87	5 257 845,40	
Renvois : (1) Dont droit au bail :		(2) Part à moins d'un an des immobilisations financières nettes :	CP	(3) Part à plus d'un an :	CR	
Clause de réserve de propriété :*	Immobilisations :	Stocks :		Créances :		

État exprimé en €

			Du 01/01/2023 Au 31/12/2023	Du 01/01/2022 Au 31/12/2022	
Capitaux Propres	Capital social ou individuel (1)	DA	898 173,12	568 680,00	
	Primes d'émission, de fusion, d'apport ...	DB	10 021 563,20	226 944,00	
	Ecart de réévaluation (2)	DC			
	RESERVES				
	Réserve légale (3)	DD	4 750,00	4 750,00	
	Réserves statutaires ou contractuelles	DE			
	Réserves réglementées (3)	DF			
	Autres réserves	DG			
	Report à nouveau	DH	-653 282,17	-197 007,35	
	Résultat de l'exercice	DI	-3 070 831,50	-456 274,82	
	Subventions d'investissement	DJ	571 545,87	525 317,29	
	Provisions réglementées	DK			
Total des capitaux propres		DL	7 771 918,52	672 409,12	
Autres Fonds Propres	Produits des émissions de titres participatifs	DM			
	Avances conditionnées	DN	358 815,55	497 806,72	
	Total des autres fonds propres		DO	358 815,55	497 806,72
Provisions	Provisions pour risques	DP			
	Provisions pour charges	DQ			
	Total des provisions		DR	0,00	0,00
Dettes	DETTES FINANCIERES				
	Emprunts obligataires convertibles	DS			
	Autres emprunts obligataires	DT			
	Emprunts dettes auprès des établissements de crédit (5)	DU	2 431 520,08	3 051 685,40	
	Emprunts et dettes financières divers	DV	4,00	1 500,00	
	Avances et acomptes reçus sur commandes en cours	DW			
	DETTES D'EXPLOITATION				
	Dettes fournisseurs et comptes rattachés	DX	816 353,24	645 711,08	
	Dettes fiscales et sociales	DY	371 317,46	281 787,08	
	DETTES DIVERSES				
	Dettes sur immobilisations et comptes rattachés	DZ			
	Autres dettes	EA			
Produits constatés d'avance (4)		EB	462 472,02	106 946,00	
Total des dettes		EC	4 081 666,80	4 087 629,56	
Ecart de conversion passif		ED			
TOTAL PASSIF		EE	12 212 400,87	5 257 845,40	
Renvois	(1) Écart de réévaluation incorporé au capital	1B			
	Réserve spéciale de réévaluation (1959)	1C			
	(2) Dont Écart de réévaluation libre	1D			
	Réserve de réévaluation (1976)	1E			
	(3) Dont réserve spéciale des plus-values à long terme *	EF			
	(4) Dettes et produits constatés d'avance à moins d'un an	EG			
(5) Dont concours bancaires courants, et soldes créditeurs de banques et CCP	EH				

PROFIT AND LOSS STATEMENT

État exprimé en €		Du 01/01/2023 Au 31/12/2023				Du 01/01/2022 Au 31/12/2022	
		France		Exportation			
Produits d'exploitation	Ventes de marchandises	FA		FB	FC		
	Production vendue Biens	FD	2 950 272,09	FE	FF	2 950 272,09	4 601 482,59
	Production vendue Services	FG	52 522,44	FH	FI	52 522,44	675,66
	Montant net du chiffre d'affaires	FJ	3 002 794,53	FK	FL	3 002 794,53	4 602 158,25
	Production stockée				FM	-8 000,00	-13 500,00
	Production immobilisée				FN	360 782,00	157 619,80
	Subvention d'exploitation				FO	218 104,31	5 266,64
	Reprises sur provisions et amortissements, transfert de charges (9)				FP	7 100,00	1 200,00
	Autres produits (1) (11)				FQ	10,62	8,72
	Total des produits d'exploitation (2)				FR	3 580 791,46	4 752 753,41
	Charges d'exploitation	Achats de marchandises				FS	
Variation de stock					FT		
Achats de matières et autres approvisionnements					FU	1 510 866,73	2 460 632,99
Variation de stock					FV	-17 126,67	-283 645,76
Autres achats et charges externes (3) (6bis)					FW	2 139 990,65	1 185 247,05
Impôts, taxes et versements assimilés					FX	26 575,07	20 645,60
Salaires et traitements					FY	1 384 558,57	882 839,80
Charges sociales du personnel (10)					FZ	464 140,80	316 124,36
Dotations aux amortissements					GA	743 151,89	793 372,74
Dotations aux provisions :							
- sur immobilisations					GB		
- sur actif circulant					GC	14 373,00	
- pour risques et charges					GD		
Autres charges (12)				GE	19 414,80	179,43	
Total des charges d'exploitation (4)				GF	6 285 944,84	5 375 396,21	
RESULTAT D'EXPLOITATION				GG	-2 705 153,38	-622 642,80	
Opéra. comm.	Bénéfice attribué ou perte transférée				GH		
	Perte supportée ou bénéfice transféré				GI		
Produits financiers	De participations (5)				GJ		
	D'autres valeurs mobilières et créances d'actif immobilisé (5)				GK		
	Autres intérêts et produits assimilés (5)				GL	66 379,98	
	Reprises sur provisions et transfert de charges				GM	14 003,00	
	Différences positives de change				GN	3 004,43	4 001,93
	Produits nets sur cessions de valeurs mobilières de placement				GO		
Total des produits financiers				GP	83 387,41	4 001,93	
Charges financières	Dotations aux amortissements et aux provisions				GQ	29 300,72	163 248,00
	Intérêts et charges assimilées (6)				GR	607 733,07	51 845,37
	Différences négatives de change				GS	25 915,09	11 742,97
	Charges nettes sur cessions de valeurs mobilières de placement				GT		
Total des charges financières				GU	662 948,88	226 836,34	
RESULTAT FINANCIER				GV	-579 561,47	-222 834,41	
RESULTAT COURANT AVANT IMPOTS				GW	-3 284 714,85	-845 477,21	

Etat exprimé en €

			Du 01/01/2023 Au 31/12/2023	Du 01/01/2022 Au 31/12/2022
RESULTAT COURANT AVANT IMPOTS			-3 284 714,85	-845 477,21
Produits exceptionnels	Sur opérations de gestion	HA		225 097,80
	Sur opérations en capital	HB	191 698,35	151 218,59
	Reprises sur provisions et transfert de charges	HC		
	Total des produits exceptionnels (7)	HD	191 698,35	376 316,39
Charges exceptionnelles	Sur opérations de gestion (6bis)	HE		13 874,00
	Sur opérations en capital	HF		
	Dotations aux amortissements et aux provisions (6ter)	HG		
	Total des charges exceptionnelles (7)	HH	0,00	13 874,00
RESULTAT EXCEPTIONNEL		HI	191 698,35	362 442,39
PARTICIPATION DES SALAIRES		HJ		
IMPOTS SUR LES BENEFICES		HK	-22 185,00	-26 760,00
TOTAL DES PRODUITS		HL	3 855 877,22	5 133 071,73
TOTAL DES CHARGES		HM	6 926 708,72	5 589 346,55
RESULTAT DE L'EXERCICE		HN	-3 070 831,50	-456 274,82

CASH FLOW STATEMENT

FLUX DE TRÉSORERIE LIÉS À L'ACTIVITÉ	2 023	2 022
Résultat net	-3 070 832	-254 160
+ Amortissements et provisions	772 823	956 621
- Subvention d'investissement viré au résultat	-191 698	-151 219
- Plus-values de cession, nettes d'impôt		
+ Moins-values de cession, nettes d'impôt		
= Marge brute d'autofinancement	-2 489 707	551 243
- Variation du besoin en fonds de roulement lié à l'activité	-342 197	672 358
Stocks et en-cours	9 127	270 146
Créances clients	-416 523	-556 372
Autres créances	473 522	-365 082
Comptes de régularisation Actif	213 586	81 066
Fournisseurs et comptes rattachés	-170 642	-193 331
Autres dettes	-95 741	1 513 878
Comptes de régularisation Passif	-355 526	-77 946
Flux net de trésorerie généré par l'activité (A)	-2 147 510	-121 116
FLUX DE TRÉSORERIE LIÉS AUX OPÉRATIONS D'INVESTISSEMENT		
Acquisitions d'immobilisations	633 623	513 777
Corporelles et incorporelles	429 437	503 985
Financières	204 186	9 792
Cessions d'immobilisations, nettes d'impôts	0	0
Corporelles et incorporelles		
Financières	0	
Flux net de trésorerie lié aux opérations d'investissement (B)	-633 623	-513 777
FLUX DE TRÉSORERIE LIÉS AUX OPÉRATIONS DE FINANCEMENT		
Dividendes versés aux actionnaires		
Subventions d'investissements et avances conditionnées	98 936	-182 765
Augmentations de capital en numéraire	10 124 112	
Émissions d'emprunts	0	600 000
Remboursements d'emprunts	627 872	199 422
Flux net de trésorerie lié aux opérations de financement (C)	9 595 176	217 812
Variation de trésorerie (A + B + C)	6 814 043	-417 081
Trésorerie à l'ouverture (D)	386 172	803 253
Trésorerie à la clôture (A + B + C + D)	7 200 215	386 172