

## H1 2024 results

- Results heavily influenced by the market's wait-and-see attitude and the Group's investment phase focused on larger projects
- Gross cash position of €4.2 million at 30 June 2024 (net position €2.1 million)
- Group reorganisation and changes in governance to adapt to the current environment and accelerate the transformation of projects

Chartres, 29 October 2024 – **OSMOSUN®**, a leading provider of solar-powered seawater and brackish water desalination solutions, today announces its results for the six months ended 30 June 2024.<sup>1</sup> (ISIN: FR001400IUV6 – Symbol: ALWTR)

### H1 2024 results

| €000  | H1 2023        | H1 2024        |
|---|----------------|----------------|
| <b>Revenues</b>                                     | <b>1,288</b>   | <b>1,505</b>   |
| Production for the period <sup>2</sup>              | 1,370          | 1,598          |
| Gross margin <sup>2</sup>                           | 524            | (563)          |
| EBITDA <sup>2</sup>                                 | (791)          | (2,495)        |
| <b>Adjusted EBITDA<sup>2</sup></b>                  | <b>(791)</b>   | <b>(2,495)</b> |
| Operating income/(loss)                             | (1,173)        | (2,728)        |
| <b>Adjusted operating income/(loss)<sup>2</sup></b> | <b>(1,173)</b> | <b>(2,728)</b> |
| Net financial items                                 | (41)           | 24             |
| Net non-recurring items                             | 82             | 71             |
| <b>Net income/(loss)</b>                            | <b>(1,132)</b> | <b>(2,633)</b> |

**Revenues**, which are recognised on a percentage-of-completion basis in accordance with costs incurred up to the balance sheet date, amounted to €1.5 million for the period, up 15% versus first

<sup>1</sup> The consolidated interim financial statements were approved by the Board of Directors on 28 October 2024. The financial report will be published on the Company's website [osmosun.com](https://osmosun.com) as of 29<sup>th</sup> of October 2024.

<sup>2</sup> See glossary



half 2023. Revenues were boosted by a number of major large-capacity contracts signed in 2022 and 2023 in regions including the Caribbean (Saint Kitts and Nevis) and Africa (Cape Verde, Morocco). The small-capacity contracts signed in 2023 and 2024 (mainly in Morocco, Tunisia, Polynesia and France) also made a contribution to revenues, further strengthening the Group's first half performance.

**Gross margin** amounted to negative €0.6 million, compared to positive €0.5 million in the first half of 2023, mainly due to the ongoing contract in Mauritania, as a result of the greater-than-expected use of direct sub-contracting during the installation phase of the two desalination units.

**Adjusted EBITDA** was a €2.5 million loss, compared with a €0.8 million loss in the first half of 2023, due to the impact of the lower gross margin and higher operating expenses related to the Group's structuring phase.

Having raised funds through its IPO in July 2023, Osmosun has embarked on an investment programme, particularly in human resources, to meet growing market demand and prepare for accelerated future growth. However, the economic climate has curtailed the implementation of the large projects currently under advanced negotiations, while the small-capacity projects signed are not sufficient to cover the new cost structure.

Personnel costs increased by 46% to €1.1 million in the first half. The average headcount increased by 32% to 32.3 FTE<sup>3</sup> in H1 2024, compared to 24.5 FTE in H1 2023.

In particular, the sales and projects team was strengthened to develop the Group's local presence in priority regions (notably Africa and Asia-Pacific) and expand its capacity for preparing bids in order to multiply its growth opportunities for projects of all sizes. Meanwhile, the Group also bolstered its technical and operational teams in order to support the expected ramp-up in business and ensure the industrialisation of small-capacity projects.

**Adjusted operating income** was a €2.7 million loss (compared to a €1.2 million loss in H1 2023) after impairment, depreciation and provisions totalling €0.2 million.


The **net loss** for the period was €2.6 million, compared to a €1.1 million loss in H1 2023.

**Operating free cash flow** came to a €2.8 million outflow (compared to a €0.6 million outflow in H1 2023), including operating funding needs (€2.7 million outflow) and limited investments (€0.1 million outflow).

**Shareholders' equity** amounted to €5.2 million at 30 June 2024. The low level of revenues, combined with the cost of structuring the business, weighed on the Group's cash position, which

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<sup>3</sup> Full-time equivalent



stood at €4.2 million, compared to €7.2 million at 31 December 2023, with gross borrowings of €2.1 million, including €0.8 million maturing in less than one year. **Net cash** was €2.1 million.

**At present, based solely on the development of contracts already signed and future inflows, the Company estimates that it has sufficient cash to cover the coming 12 months.** Given the lack of visibility on when projects currently under advanced negotiations will materialise, cost and cash flow optimisation measures are being implemented to limit cash burn. The possibility of arranging additional funding may be reviewed over the coming months if necessary.

### Changes in Group governance

At its meeting on 28 October 2024, the Board of Directors duly noted the departure by mutual agreement of Quentin Ragetly, Chairman, CEO and director of OSMOSUN. Maxime Haudebourg, founder and current Deputy Chief Executive Officer, has been appointed Chief Executive Officer.

Mr Haudebourg will manage current projects and will be responsible for reorganising the Company and strengthening its governance. He will carry out a strategic review to improve efficiency and accelerate project transformation. In particular, he will focus on restructuring the company's commercial approach, while ensuring that resources are adapted with a view to efficiency and cash preservation.


### Ramp-up of the portfolio of contracts under advanced negotiation

At 30 June 2024, **the order backlog (contracts signed to date), representing around ten projects, stood at €1.7 million, compared to €2.6 million at 31 December 2023 and €4.4 million at 30 June 2023.** OSMOSUN signed no new major projects during the first half due to the retardative effect of current economic conditions on client decision-making lead times. However, a number of new small-capacity contracts were signed, notably in the port sector in France, Polynesia and Africa, as well as amendments to existing major contracts (primarily Saint Kitts and Nevis). **Nearly 90% of the backlog is expected to be recognised in revenue by 31 December 2024.**

**Nearly 80 projects were under advanced negotiations,<sup>4</sup> representing estimated potential revenues of €88 million at 30 June 2024, compared to €70 million at 31 December 2023 and €38 million at 30 June 2023.** Around ten of these projects at an advanced stage of study involve projects worth over €2 million. **It is important to stress that, despite the progress made in negotiations on these projects, the Group has very little visibility on the timing of their implementation, particularly in the case of major projects where decisions are regularly deferred.**

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<sup>4</sup> See glossary

A horizontal band of water splashing across the top of the page, with several bubbles visible below the surface.

Other potential projects, referred to as “identified projects”,<sup>5</sup> on which the Group has not yet positioned itself, represent a total value of €115 million at 30 June 2024 (€131 million at 31 December 2023 and €124 million at 30 June 2023).

### Outlook

Given the business levels recorded in the first half and the contracts already registered in the order book, **FY 2024 revenues are expected to be stable compared with the previous year. Second half earnings are expected to show a slight improvement on the first half.**

### OSMOSUN® Chairman and CEO Maxime Haudebourg said:

“The various projects carried out over the last 24 months have enabled the Company to structure itself, develop its skills in major projects and grow its project portfolio. We are facing a more challenging economic environment that has slowed investment decisions, particularly on major projects, and the completion of commercial negotiations over the last 18 months. It is important to stress that we have not lost out, as none of the major projects in our pipeline of contracts under advanced negotiations was awarded during the period.

This climate of uncertainty and the lack of visibility on the transformation timeline, combined with the investments made to build up our teams and develop new partnerships, is inevitably weighing on our earnings and cash flow. We need to adapt quickly to the current climate and take the steps that will enable us to get through this difficult period while our investments pay off on new projects.

Our fundamentals remain strong and attractive. The solar-powered, battery-free seawater and brackish desalination technology developed by OSMOSUN is unique and meets real demand, and we are confident that we can become a major player in the water treatment sector in the coming years.”

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<sup>5</sup> 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

## Next publication:

FY 2024 revenues, 19 March 2025 after market close

## 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 m<sup>3</sup> to 50,000 m<sup>3</sup> 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

| BILAN                              |   | Au 30.06.2024     |                        |                  | Au 31.12.2023     |
|------------------------------------|---|-------------------|------------------------|------------------|-------------------|
|                                    |   | Brut              | Amortis.<br>Provisions | Net              | Net               |
| État exprimé en €                  |   |                   |                        |                  |                   |
| ACTIF IMMOBILISE                   | <b>Immobilisations Incorporelles</b>                |                   |                        |                  |                   |
|                                    | Frais d'établissement                               | 144 972           | 144 400                | 572              | 15 064            |
|                                    | Frais de recherche et de développement              | 79 429            | 79 429                 |                  |                   |
|                                    | Concessions brevets droits similaires               | 76 353            | 75 730                 | 623              | 1 627             |
|                                    | <b>Immobilisations Corporelles</b>                  |                   |                        |                  |                   |
|                                    | Instal. techniques, mat et outillage indus.         | 4 554 984         | 3 081 138              | 1 473 846        | 951 129           |
|                                    | Autres immobilisations corporelles                  | 470 212           | 239 345                | 230 867          | 260 518           |
|                                    | Immobilisations en cours                            |                   |                        |                  | 660 221           |
|                                    | <b>Immobilisations Financieres</b>                  |                   |                        |                  |                   |
|                                    | Autres participations                               | 180 515           | 149 245                | 31 270           | 31 270            |
| Autres titres immobilisés          | 200 000   | 70 317            | 129 683                | 170 699          |                   |
| Autres immobilisations financières | 98 540  |                   | 98 540                 | 98 540           |                   |
|                                    | <b>TOTAL</b>  | <b>5 805 004</b>  | <b>3 839 604</b>       | <b>1 965 401</b> | <b>2 189 068</b>  |
| ACTIF CIRCULANT                    | <b>Stocks et en-cours</b>                           |                   |                        |                  |                   |
|                                    | Matières premières, approvisionnements              | 548 867           |                        | 548 867          | 511 568           |
|                                    | <b>Avances et acomptes versés sur commandes</b>     | 2 131             |                        | 2 131            | 38 876            |
|                                    | <b>Créances</b>                                     |                   |                        |                  |                   |
|                                    | Créances clients et comptes rattachés               | 1 143 500         | 14 373                 | 1 129 127        | 1 465 938         |
|                                    | Autres créances                                     | 206 277           |                        | 206 277          | 582 320           |
|                                    | Valeurs mobilières de placement                     | 3 104 653         |                        | 3 104 653        | 6 066 380         |
|                                    | Disponibilités                                      | 1 090 102         |                        | 1 090 102        | 1 133 835         |
|                                    | Charges constatées d'avance                         | 240 957           |                        | 240 957          | 224 415           |
|                                    |   | <b>TOTAL</b>      | <b>6 336 488</b>       | <b>14 373</b>    | <b>6 322 115</b>  |
| <b>TOTAL ACTIF</b>                 |   | <b>12 141 493</b> | <b>3 853 977</b>       | <b>8 287 516</b> | <b>12 212 401</b> |
| Capitaux Propres                   | Capital social                                      |                   |                        | 898 173          | 898 173           |
|                                    | Primes d'émission, de fusion, d'apport ...          |                   |                        | 10 021 563       | 10 021 563        |
|                                    | <b>RESERVES</b>                                     |                   |                        |                  |                   |
|                                    | Réserve légale                                      |                   |                        | 4 750            | 4 750             |
|                                    | Report à nouveau                                    |                   |                        | -3 724 114       | -653 282          |
|                                    | <b>Résultat de l'exercice</b>                       |                   |                        | -2 633 446       | -3 070 832        |
| Subventions d'investissement       |   |                   | 599 946                | 571 546          |                   |
|                                    | <b>Total des capitaux propres</b>                   |                   | <b>5 166 873</b>       | <b>7 771 919</b> | <b>7 771 919</b>  |
| Autres Fonds Propres               | Avances conditionnées                               |                   |                        | 358 816          | 358 816           |
|                                    | <b>Total des autres fonds propres</b>               |                   |                        | <b>358 816</b>   | <b>358 816</b>    |
| Dettes                             | <b>DETTES FINANCIERES</b>                           |                   |                        |                  |                   |
|                                    | Emprunts dettes auprès des établissements de crédit |                   |                        | 2 098 358        | 2 431 520         |
|                                    | Emprunts et dettes financières divers               |                   |                        | 4                | 4                 |
|                                    | <b>DETTES D'EXPLOITATION</b>                        |                   |                        |                  |                   |
|                                    | Dettes fournisseurs et comptes rattachés            |                   |                        | 313 562          | 816 353           |
|                                    | Dettes fiscales et sociales                         |                   |                        | 328 023          | 371 317           |
| Produits constatés d'avance        |   |                   | 21 881                 | 462 472          |                   |
|                                    | <b>Total des dettes</b>                             |                   | <b>2 761 828</b>       | <b>4 081 667</b> | <b>4 081 667</b>  |
| <b>TOTAL PASSIF</b>                |   |                   |                        | <b>8 287 516</b> | <b>12 212 401</b> |

**COMPTE DE RESULTATS**

État exprimé en €

|  |   |               | Du 01.01.2024<br>au 30.06.2024 | Du 01.01.2023<br>au 30.06.2023 |                  |
|--|---|---------------|--------------------------------|--------------------------------|------------------|
|  |   | France        | Exportation                    |                                |                  |
| <b>Produits d'exploitation</b>           | Ventes de marchandises  |               |                                |                                |                  |
|  | Production vendue   |               |                                |                                |                  |
|  | Biens   | 40 679        | 1 459 195                      | 1 499 874                      | 1 264 706        |
|  | Services  | 4 250         | 840                            | 5 090                          | 23 166           |
|  | <b>Montant net du chiffre d'affaires</b>                        | <b>44 929</b> | <b>1 460 035</b>               | <b>1 504 964</b>               | <b>1 287 872</b> |
|  |   |               |                                |                                | -8 000           |
| <b>Produits d'exploitation</b>           | Production stockée  |               |                                | 35 402                         | 67 939           |
|  | Production immobilisée  |               |                                | 45 416                         | 22 104           |
|  | Subvention d'exploitation                                       |               |                                | 12 000                         |                  |
|  | Reprises sur provisions et amortissements, transfert de charges |               |                                | 6                              | 7                |
|  | Autres produits   |               |                                |                                |                  |
|  |   |               |                                |                                |                  |
| <b>Total des produits d'exploitation</b> |   |               | <b>1 597 788</b>               | <b>1 369 922</b>               |                  |
| <b>Charges d'exploitation</b>            | Achats de matières et autres approvisionnements                 |               |                                | 846 696                        | 767 165          |
|  | Variation de stock  |               |                                | -37 299                        | -163 901         |
|  | Autres achats et charges externes                               |               |                                | 2 090 990                      | 735 643          |
|  | Impôts, taxes et versements assimilés                           |               |                                | 10 510                         | 14 341           |
|  | Salaires et traitements   |               |                                | 862 913                        | 598 753          |
|  | Charges sociales du personnel                                   |               |                                | 319 013                        | 209 222          |
|  | Dotations aux amortissements                                    |               |                                | 232 473                        | 381 989          |
|  | Autres charges  |               |                                | 1                              | 2                |
|  |   |               |                                |                                |                  |
| <b>Total des charges d'exploitation</b>  |   |               | <b>4 325 297</b>               | <b>2 543 213</b>               |                  |
| <b>RESULTAT D'EXPLOITATION</b>           |   |               | <b>-2 727 509</b>              | <b>-1 173 291</b>              |                  |
| <b>Produits financiers</b>               | Autres intérêts et produits assimilés                           |               |                                | 71 162                         |                  |
|  | Différences positives de change                                 |               |                                | 22 409                         | 1 364            |
|  |   |               |                                |                                |                  |
| <b>Total des produits financiers</b>     |   |               | <b>93 571</b>                  | <b>1 364</b>                   |                  |
| <b>Charges financières</b>               | Dotations aux amortissements et aux provisions                  |               |                                | 41 016                         |                  |
|  | Intérêts et charges assimilées                                  |               |                                | 19 716                         | 34 140           |
|  | Différences négatives de change                                 |               |                                | 9 307                          | 8 043            |
|  |   |               |                                |                                |                  |
| <b>Total des charges financières</b>     |   |               | <b>70 039</b>                  | <b>42 182</b>                  |                  |
| <b>RESULTAT FINANCIER</b>                |   |               | <b>23 531</b>                  | <b>-40 819</b>                 |                  |
| <b>RESULTAT COURANT AVANT IMPOTS</b>     |   |               | <b>-2 703 978</b>              | <b>-1 214 110</b>              |                  |
| <b>Produits exceptionnels</b>            | Sur opérations en capital                                       |               |                                | 70 532                         | 81 950           |
|  |   |               |                                |                                |                  |
|  |   |               |                                |                                |                  |
| <b>Total des produits exceptionnels</b>  |   |               | <b>70 532</b>                  | <b>81 950</b>                  |                  |
| <b>Total des charges exceptionnelles</b> |   |               | <b>0</b>                       | <b>0</b>                       |                  |
| <b>RESULTAT EXCEPTIONNEL</b>             |   |               | <b>70 532</b>                  | <b>81 950</b>                  |                  |
| IMPOTS SUR LES BENEFICES                 |   |               | 0                              | 0                              |                  |
| <b>TOTAL DES PRODUITS</b>                |   |               | <b>1 761 890</b>               | <b>1 453 235</b>               |                  |
| <b>TOTAL DES CHARGES</b>                 |   |               | <b>4 395 336</b>               | <b>2 585 396</b>               |                  |
| <b>RESULTAT DE L'EXERCICE</b>            |   |               | <b>-2 633 446</b>              | <b>-1 132 160</b>              |                  |



## CASH FLOW STATEMENT (IN EUROS)

| FLUX DE TRÉSORERIE LIÉS À L'ACTIVITÉ                                  | Du 01.01.2024<br>au 30.06.2024 | Du 01.01.2023<br>au 30.06.2023 |
|---|--------------------------------|--------------------------------|
| <b>Résultat net</b>   | - 2 633 446                    | - 1 132 160                    |
| + Amortissements et provisions  | 273 489                        | 381 989                        |
| - Subvention d'investissement viré au résultat                        | - 70 532                       | - 81 950                       |
| - Plus-values de cession, nettes d'impôt                              |                                |                                |
| + Moins-values de cession, nettes d'impôt                             |                                |                                |
| <b>= Marge brute d'autofinancement</b>                                | <b>- 2 430 489</b>             | <b>- 832 121</b>               |
| <b>- Variation du besoin en fonds de roulement lié à l'activité</b>   | <b>290 919</b>                 | <b>- 660 517</b>               |
| Stocks et en-cours  | 37 299                         | 155 901                        |
| Créances clients  | - 336 810                      | - 735 956                      |
| Autres créances   | - 412 788                      | 315 710                        |
| Comptes de régularisation Actif                                       | 16 542                         | 42 229                         |
| Fournisseurs et comptes rattachés                                     | 502 791                        | - 127 842                      |
| Autres dettes   | 43 294                         | - 74 139                       |
| Comptes de régularisation Passif                                      | 440 591                        | - 236 420                      |
| <b>Flux net de trésorerie généré par l'activité (A)</b>               | <b>- 2 721 408</b>             | <b>-171 604</b>                |
| <b>FLUX DE TRÉSORERIE LIÉS AUX OPÉRATIONS D'INVESTISSEMENT</b>        |                                |                                |
| <b>Acquisitions d'immobilisations</b>                                 | <b>49 821</b>                  | <b>116 744</b>                 |
| Corporelles et incorporelles  | 49 821                         | 112 982                        |
| Financières   |                                | 3 762                          |
| <b>Cessions d'immobilisations, nettes d'impôts</b>                    | <b>0</b>                       | <b>0</b>                       |
| Corporelles et incorporelles  |                                |                                |
| Financières   |                                |                                |
| <b>Flux net de trésorerie lié aux opérations d'investissement (B)</b> | <b>- 49 821</b>                | <b>- 116 744</b>               |
| <b>FLUX DE TRÉSORERIE LIÉS AUX OPÉRATIONS DE FINANCEMENT</b>          |                                |                                |
| Dividendes versés aux actionnaires                                    |                                |                                |
| Subventions d'investissements et avances conditionnées                | 98 932                         | 98 932                         |
| Augmentations de capital en numéraire                                 |                                | 392 200                        |
| Émissions d'emprunts  |                                | 2 150 000                      |
| Remboursements d'emprunts   | 333 162                        | 400 504                        |
| <b>Flux net de trésorerie lié aux opérations de financement (C)</b>   | <b>- 234 230</b>               | <b>2 240 628</b>               |
| <b>Variation de trésorerie (A + B + C)</b>                            | <b>- 3 005 459</b>             | <b>1 952 280</b>               |
| <b>Trésorerie à l'ouverture (D)</b>                                   | <b>7 200 215</b>               | <b>386 172</b>                 |
| <b>Trésorerie à la clôture (A + B + C + D) <sup>(2)</sup></b>         | <b>4 194 755</b>               | <b>2 338 452</b>               |