

**ANNUAL RESULTS 2020 AND OUTLOOK**
**Summary financial information for the year ended December 31 2020.**

- **Strong growth in turnover which validates the commercial approach taken by Orege in recent years**
- **15% decrease in net operating expenses, thanks to savings on the Group's fixed costs.**

(Consolidated financial statements approved by the board of directors on 21 April 2021.  
The audit procedures by the statutory auditors are being finalized.)

<b>In k€ - IFRS</b>	<b>2020</b>	<b>2019</b>
<b>Turnover</b>	<b>2 006</b>	<b>935</b>
<b>Net operating expenses:</b>		
Payroll costs	-3 334	-3 814
Operating expenses:		
Manufacturing, sub-contracting	-980	-1 816
Travel and subsistence expenses	-532	-829
Leasing and maintenance	-431	-460
Other operating expenses	-1 334	-1 510
Depreciation	-511	-54
Amortization	-744	-781
<b>Total net operating expenses</b>	<b>- 7 866</b>	<b>- 9 264</b>
<b>Operating loss</b>	<b>-5 860</b>	<b>-8 329</b>
Net financial loss	-1 563	-1 859
Corporation tax	-	-
<b>Net loss</b>	<b>-7 423</b>	<b>-10 188</b>



## Turnover

The turnover for the financial year 2020 amounts to 2 006 k€ compared to 935 k€ in 2019.

At the start of 2020, just when Orege was gaining new momentum in its commercial development and in the implementation of its partnerships, its activity was suddenly brought to a halt in March by the first wave of the Covid-19 pandemic.

This disruption continued throughout the following months with the second wave of the pandemic and Orege's business development suffered from the resulting constraints:

- The closure of the US and Japanese borders to Europeans, without visibility on when they will reopen.
- A number of projects frozen, still awaiting resumption of their execution, and others in "stop and start" mode.
- The trend towards virtual meetings, especially in the United States and the United Kingdom, renders our development of new business more complex.
- Significant uncertainties around committing investment budgets of municipalities (United States, France, Italy and Germany) resulting in many such decisions being postponed to mid-2021, especially in the United States.

Nevertheless, some activity began to pick up in Great Britain from the 4th quarter of 2020. The Water Companies have now all validated their five-year plans 2020-2025 with the regulator OFWAT (the last ones at the beginning of 2021) and they can initiate new investments.

During 2020, Orege received three orders from Scottish Water, each for an SLGF solution, two of which, delivered and invoiced in the second half of 2020, contributing some € 420 k€ of 2020 turnover (the third will be delivered and invoiced in the first half of 2021). The Orege UK team was also able to visit the sites of other Water Companies and qualify several projects.

In the United States, activity also started to resume at the end of 2020, but to a lesser extent. The US teams were able to return to sites in the fourth quarter to carry out and conclude the performance tests of two contracts which had been frozen in the first half. Orege was also able to complete the second sale of an SLG solution with its client GCUA. These three transactions generating turnover for 2020 of more than \$ 1,100K.

## Operating expenses

In this difficult context, Orege worked to rationalize and optimize its organization and costs.

Total operating expenses are down 15% from the previous year. This decrease is essentially the result of the actions taken in 2020 in the context of the health crisis and the continuing efforts to optimize Orege's organization and to reduce costs. These efforts will continue in 2021 when the full effect of the measures taken will be felt, even if some specific savings from the health crisis (furlough) would cease.

## Financing and cash flow

At 31 December 2019, the Group had 403 k€ of cash and cash equivalents (237 k€ at 31 December 2019).

Financial debt totalled 23 423 k€, including 20 909 k€ of shareholder current account advances (2019: 17 849 k€, including 15 767 k€ of shareholder current account advances). Net equity was -18 647 k€ (2019: -12 186 k€).

The balance of undrawn shareholder current account advances guaranteed by Eren Industries of 2 000 k€ at the date of this press release will enable the Group to meet all its financing requirements in 2021.

## Outlook

The context of the health crisis and resulting economic crises had a very significant effect on the Group's growth and the deployment of its main technology, SLG. Numerous sales that were under discussion at the end of 2019 and early 2020 have been postponed or cancelled. However, 2020 was also a year of consolidation and construction for Orege with a number of decisions which were taken and which were implemented or continue to be implemented in the first half of 2021 with:

- An even more significant refocusing of business development activity on the most promising markets (United Kingdom and United States) as well as on strategic partnerships with Alfa Laval and Itochu.
- Reinforced positioning on the applications of Orege solutions for recovering energy and agricultural resource from sludge (anaerobic digestion / bio methane, production of granules, composting, etc.), SLG conditioned sludge can often become "a recovered product" and no longer a waste product.
- Continuing efforts to optimize the organization, to improve the industrial margin and to reduce fixed costs.

Orege now supports its customers and partners with a global approach aimed at facilitating their environmental transition at all stages from the conditioning to the valorisation of sludge through its treatment in order to produce a product with high added value.

Despite the still present pandemic and resulting constraints which will have an impact on the Group's growth and its financial performance, at least in the first half of 2021, Orege should be able to achieve the objectives announced at the information meeting on December 7, 2020, subject to:

- The reopening of borders, particularly in the United States and Japan, allowing Orege teams to return to the site to speed up the qualification and implementation of projects;
- A resumption of near to normal operations expected with our customers and prospects in the second half of 2021.

Orege will give an update to the market on its activity in May 2021.



### **Additional Information**

The 2020 Annual financial report (in French) will be available on the company's website ([www.orege.com](http://www.orege.com)) from 14 May 2021.

Orege has been listed on the regulated market Euronext – Paris since 5 July 2013 ISIN FR0010609206 - OREGE.

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