

Voisins Le Bretonneux, 30 September 2020 (18h00)

OREGE GROUP ACTIVITY AND HALF YEAR 2020 RESULTS

Summary financial information for the six months ended 30 June 2020

(consolidated accounts approved by the Board of directors on 26 September 2019). The auditors are completing their limited review procedures.

In K€ - IFRS	H1 2020 <small>(30 June 2020)</small>	H1 2019 <small>(30 June 2019)</small>	Year 2019 ⁽³¹⁾ <small>December 2019</small>
Turnover	491	105	935
Operating expenses (net)			
Payroll expenses	-1 904	-2 233	-3 814
Other operating expenses	-1 689	-2 475	-4 615
Depreciation and amortisation	-307	-340	-835
Total operating expenses (net)	-3 900	-5 048	-9 264
Operating result	-3 409	-4 943	-8 329
Financial result	-648	-1 573	-1 859
Corporation tax	0	0	0
Net loss	-4 059	-6 516	-10 188

Turnover

Turnover for the first half year 2020 was 491 K€ compared to 105 K€ for the first half year 2019.

Operating expenses

The reduction in operating expenses is essentially the result of the ongoing effort to control costs and rationalise the organization including the measures started in spring 2020:

- A salary reduction of 20% for a dozen managers (France, USA, UK) with effect from April and until the end of 2020, with a potential clawback once positive EBITDA reached.
- Implementation of the partial employment scheme for part of the Orège workforce in France (*chômage partiel*) and in the UK (*furlough*).
- Significant reduction in costs: stopping certain service providers (notably at the design office and for the execution of projects in Germany) and consultants (mainly for commercial development), renegotiation of real estate leases, insurances, etc. ...



Financing and cash

At 30 June 2020, Orège had 179 K€ of cash and cash equivalents (237 K€ at 31 December 2019) and the balance of undrawn shareholder current account advances guaranteed by Eren Industries was 1 352 K€.

In July 2020, Orege cashed in 567 K€ for the accelerated mobilization of its 2019 research tax credit (CIR) and in September, Eren Industries granted the company an additional 1 500 K€ of shareholder current account advance which will enable the Group to meet all its financing requirements until 30 June 2021.

Furthermore, a reduction from 5% to 2.5% in the interest rate on the shareholder's current account balance was proposed by Eren Industries from the second quarter of 2020 in the context of the Covid 19 crisis and this rate reduction will be extended until the end of 2020.

Activity

Over the summer, Orège resumed the execution of 10 out of 16 signed projects as and when borders reopened and as a function of air travel becoming possible and customers authorising our teams to resume project execution on their sites.

Of the 6 remaining projects, we expect to be able to recommence execution of 3 by the end of the year and the remaining 3 during the early part of next year.

Outlook

- Cost reduction efforts will be continued until the end of 2020 to improve the Group's operating result.
- Anticipated turnover for 2020 would not exceed 2,5 M€.
- During the summer, we saw a resumption of activities in Great Britain. The majority of Water Companies having now validated their five-year plan 2020-2025 with the regulator OFWAT, they are free to commit new investment budgets. On 23 September 2020, Orège received its second order for an SLGF solution from Scottish Water (detailed press release to come).
The Orège UK team is currently carrying out project qualifications through site visits with several Water Companies.
- A resumption of activity was also noted in the United States, where a second sale has just been confirmed with our client GCUA (detailed press release to come).

Further information on the activity and on the implementation of our partnership with Alfa Laval will be the subject of an analysts' information meeting on November 3, 2020.

Other information:

The half year report will be published in French on the Company's website (www.orege.com) 6 October 2020.

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

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