

Voisins Le Bretonneux, 11th October 2021 (7h00)

OREGE GROUP ACTIVITY AND HALF YEAR 2021 RESULTS

Summary financial information for the six months ended 30 June 2021

(consolidated accounts approved by the Board of directors on 8 October 2021).

The auditors are completing their limited review procedures.

In K€ - IFRS	H1 2021 (30 June 2021)	H1 2020 (30 June 2020)	Year 2020 (31 December 2020)
Turnover	790	491	2 006
Operating expenses (net)			
Payroll expenses	-1 841	-1 904	-3 334
Other operating expenses	-1 527	-1 689	-3 277
Depreciation and amortisation	-140	-307	-1 255
Total operating expenses (net)	-3 508	-3 900	-7 866
Operating result	-2 718	-3 409	-5 860
Financial result	-49	-648	-1 563
Corporation tax	0	0	0
Net loss	-2 767	-4 059	-7 423

Turnover

Turnover for the first half year 2021 was 790 K€ compared to 491 K€ for the first half year 2020.

Operating expenses

The reduction in operating expenses results from the ongoing efforts to rationalise the organisation and to control costs launched in spring 2020 with the start of the health crisis.

Financial result

The financial result is made up of the interest cost on debt of 593 K€ (372 K€ for H1 2020) and foreign exchange gains on GBP and USD operational debtor balances of 544 K€ (foreign exchange losses on GBP and USD operational debtor balances of 276 K€ for S1 2020).

Financing and cash

At 30 June 2021, Orege had 116 K€ of cash and cash equivalents (403 K€ at 31 December 2020) and the balance of undrawn shareholder current account advances granted by Eren Industries was 2 000 K€.

At 30 June 2021, financial debt totalled 24 511 K€, including 22 740 K€ in respect of drawn shareholder current account advances (31 December 2020: 23 423 K€, including 20 909 K€ in respect of drawn shareholder current account advances). Net equity at 30 June 2021 was -21 788 K€ (31 December 2020: -18 647 K€).



In July 2021, Orege cashed in 396 K€ for the mobilisation of its 2020 research tax credit (CIR) and in October Eren Industries granted the company an additional 2 500 K€ of shareholder current account advance which should enable the Group to meet all its financing requirements until 30 June 2022.

Activity and outlook

- Following successful trials in March 2021 and 4 months of hire at the Harpenden wastewater treatment plant, Thames Water has purchased a first Orege solution for sludge treatment (see press release from 06/10/2021).
The adoption of Orege technology by Thames Water, renowned worldwide, and the purchase of a first solution constitute a key turning point in the development of Orege.
An important benefit of the Orege solution is to enable Thames Water to reduce its CO2 emissions and improve its environmental footprint. The return on investment of this 1st Orege project will be around 2 years for Thames Water.
Orege is looking to explore all the strategic avenues for implementing its solutions in the Thames Water group.
- From summer, several Water Utilities in the United Kingdom, just like Thames Water did initially, have sought to rent Orege solutions short term for a few months.

This will allow them to immediately benefit from improvements in the carbon and environmental footprint, as well as the corresponding financial savings, pending the mobilization of the necessary financial resources, often not yet budgeted for capital purchase of Orege solutions.

To date, 6 Orege solutions are being rented by 3 Water Utilities with an overall monthly remuneration of around € 35,000.

These 6 rented solutions are expected to result in future capital purchases (fixed or mobile units), but this pragmatic approach has the effect of delaying the expected related sales by some months (we estimate 3 to 12 months). The corresponding capital sales could represent 1,700 K € to 2,700 K € of future turnover in total.

The recent sale of a first unit to Thames Water, after such a rental period, demonstrates the relevance of this business model.

- In its 22nd April 2021 press release relating to the 2020 annual results and outlook for 2021, Orege reaffirmed its confidence in being able to achieve the objectives announced at the information meeting of December 7, 2020, but subject to:
 - the reopening of borders, in particular with the United States and with Japan,
 - a resumption of near to normal operations with our customers and prospects.

It is clear that this is not fully the case at present.

In particular, 4 projects (US, Germany, Spain and Japan) for which the corresponding contracts have been signed and the Orege solutions already installed on the sites concerned, were to be implemented and completed in 2021.

As of today, certain constraints for access to the sites concerned and / or the reopening of borders (Japan) remain, the completion of these 4 projects cannot be finalized until 2022. These 4 projects represent around € 1 million in turnover.

- In view of the above, Orege's consolidated turnover for 2021 should be around 2,500 K€ (compared to 2 000 K€ for 2020).



- Many projects are currently under discussion with Water Utilities in the UK or municipalities in the US with a primary objective from to improve carbon and environmental footprints in a global context where increasingly powerful spheres of influence (politicians, NGOs, populations, private actors, etc.) are campaigning in this direction, helped by financial incentives and regulatory changes.
- Commercial activity should also be able to resume in 2022 in Italy, Germany, Spain and Japan after a complete freeze of activities since March 2020.
- The partnership with Alfa Laval is now being discussed again with the management of this Group in light of the collaboration since the summer of 2020 which has been handicapped by the constraints linked to the pandemic. The first commercial benefits materialized during the summer of 2021. The partnership should therefore be strengthened, in particular to take advantage of the recent more sustained resumption of activity in the wastewater and sludge treatment sector.
- The notable acceleration of requests for project qualification and bid negotiations in the US and the UK is a positive sign of the dynamism expected in 2022. Orege has decided to accelerate this resumption of activity by strengthening its sales teams in the United Kingdom and the US.

Other information:

The half year report will be published in French on the Company's website (www.orege.com) 13th October 2021.

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

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